

Pulled into Lakewood: 12/30/08 18:03:23

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DU Underwriting Findings

Primary Borrower:

Co-Borrower:

Lender Case Number:

MORNETPlus Case File ID:

Submission Date: 12/30/2008 06:03PM

Recommendation: **Approve/Eligible**

Submitted By:

- 1 This loan has been underwritten by DU for government loans using the FHA TOTAL Scorecard.
- 2 ZFHA should be entered as the CHUMS ID on HUD 92900-LT for this loan. An FHA Direct Endorsement Underwriter signature is not required on HUD 92900-LT, unless the loan is manually downgraded to Refer in accordance with FHA guidelines. An FHA approved DE Lender must submit the loan for FHA insurance.
- 3 The FHA Agency Case Number is required by the final submission for this loan.
- 4 The minimum statutory investment requirement for this loan is 6750.00.

VERIFICATION MESSAGES/APPROVAL CONDITIONS

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- 5 The FHA Loan Underwriting and Transmittal Summary (Form HUD-92900-LT) must be completed.
- 6 This loan is also subject to all other lender specified conditions.
- 7 Approval of this case is subject to underwriter's acceptable review of the LDP/GSA list.
- 8 If this is an identity of interest transaction, the LTV may not exceed 85%, unless the transaction meets an exception as outlined in the 4155.1 Rev - 5.
- 9 If builder does not meet FHA requirements, the LTV cannot exceed 90%.
- 10 Approval for this casefile is subject to obtaining a valid CAIVR number.
- 11 If the borrower acts as the general contractor and builds the house on land previously owned or separately acquired, the lender must assure that cash is not received at closing.
- 12 A sales contract and any amendments or other agreements and certifications must be provided.
- 13 If the subject property is located in a community property state, a social security number and credit report for the non-purchasing spouse must be obtained.

- 14 Documentation evidencing the borrower's identity is required.
- 15 Based on the credit report obtained through Desktop Underwriter, this loan must close on or before 04/22/2009. All verification documents must be dated within 120 days of the closing date. For new construction, documents must be dated within 180 days of the closing date.
- 16 The FHA Upfront Mortgage Insurance Premium (UFMIP) Factor is 1.75 percent.
- 17 The FHA Annual Premium Factor is 0.55 percent.
- 18 No verification of rental history is required.
- 19 Include new debt payments resulting from material inquiries listed on the credit report in the debt ratios. You must also determine that any recent debts were not incurred to obtain any part of the required cash investment on the property or funds necessary for closing.
- 20 If the credit report indicates a mortgage debt that has been assumed by other unrelated parties, with or without a release of liability, or the title has been transferred because of divorce, you do not need to include the debt in the qualifying ratios. You must obtain a copy of the divorce decree ordering the other spouse to make payments or the assumption agreement and the deed showing transfer of title out of the borrower's name. There is no 12-month payment history requirement.
- 21 When a debt or obligation is revealed during the loan process that was not listed on the loan application and/or credit report that was not considered by Desktop Originator/Desktop Underwriter, verify the actual monthly payment amount, and re-submit the loan with the liability if it is greater than \$100 per month. Direct verification of debt is not required, unless it is a mortgage. Determine that the borrowed funds will not be used for the homebuyer's cash investment in the loan.
- 22 Evidence of payoff of any outstanding judgments shown on the credit report is required, if applicable. No further explanation for any adverse or other derogatory information is required.
- 23 If a mortgage debt does not appear on the credit report, the credit report does not have a 12 month history, or if no rating is available, obtain the most recent 12 month history and include the payment in the qualifying ratios.
- 24 Other income from the application was used to underwrite this case. income must be verified according to current FHA documentation guidelines.
- 25 Employment income from the application was used to underwrite this case. income must be supported by: 1)The most recent year-to-date pay stub documenting one full month's earnings and any one of the following to verify current employment: a)Written

Verification of Employment (VOE); b) Verbal verification of employment (Lender or service provider must document individual verifying the employment.); or c) Electronic verification acceptable to FHA.

26 Subject cash flow was not entered as a type of income. Rent received from the additional units in a multiple-unit property in which the borrower occupies one of the units may be used for qualifying purposes. The rent (after subtracting the local FHA office's estimate for vacancies and maintenance) may be added to the borrower's gross income in calculating the qualifying ratios. Refer to HUD Handbook 4155.1 for verification requirements.

27 The following sources of income were used in the underwriting analysis:

Borrower	Income Type	Verification	Amount
	Base Employment Income	1003 Values	3583.00
	Other Type of Income	1003 Values	750.00

28 An explanation of employment gaps greater than six months that have occurred in the last two years is required.

29 Verify employment history for the previous two years. Direct verification not required if: 1) Current employer confirms 2 year employment history; and 2) Only base pay is used to qualify; and 3) The borrower signs forms IRS 4506 or 8821 for previous two tax years. If all conditions cannot be met, obtain one of the following for the most recent two years to verify current and previous employment: W-2(s); VOE(s); Income verification directly from IRS; or electronic verification acceptable to FHA.

30 The following assets were counted towards available funds.

Type	Account	Verification	Amount
Stock		1003-Values	293.00
Checking		1003-Values	1000.00

31 Stocks or bonds are listed as an asset. Obtain brokerage statement(s) for each account for the most recent two months. Evidence of liquidation is not required.

32 Information about assets furnished on the loan application was used to underwrite this case. The depository assets totaling \$1293.00 must be verified by one of the following: a) VOD; b) most recent statement showing the previous month's balance; or c) most recent two months statements to verify sufficiency of funds required to close.

33 If the amount of the earnest money deposit or other large deposits exceed 2 percent of the sales price or appears excessive based on the borrower's history of accumulating savings, the lender must

verify the deposit amount and the source of funds according to current FHA guidelines. The lender must also determine that any recent debts were not incurred for any part of the cash investment on the property being purchased.

- 34 If an asset other than real estate or exchange-traded securities is sold for funds to close the mortgage, you must obtain a bill of sale and evidence of proceeds, or document the existence, value, and buyer's intention to purchase. Evidence of liquidation is not required.
- 35 The Uniform Residential Appraisal Report (URAR) and the form HUD-92800.5B, Conditional Commitment/DE Statement of Appraised Value or the VA-issued Certificate of Reasonable Value (VA-CRV) are required.
- 36 Form HUD-92561, Hotel and Transient Use Certification must be obtained and signed by the borrower for all 2 - 4 unit properties and single family properties that are part of a group of five or more properties owned by the borrower.
- 37 Desktop Underwriter could not verify the submitted property address for this transaction. Verify that the subject property address was entered correctly and, if necessary, update the data entry and resubmit the loan.

OBSERVATIONS

- 38 The following lender and/or sponsor ID from the application were used to underwrite the case:

Lender ID	Sponsor ID

- 39 This case was submitted to Desktop Underwriter using the FHA TOTAL Scorecard Version 2.1 by . The following information is associated with this loan: Casefile ID is , and FHA Submission number is 1.

- 40 The following Credit Report information associated with this loan is:

Borrower Name	Co-Borrower Name	Credit Agency	Credit Report ID	Credit Report Type
		NCO (292)		Individual

- 41 County Loan Limit: \$524850.00
- 42 Maximum Loan Amount: \$218587.00
- 43 Section of Act: 203(b)
- 44 County Name: Cook

45 Agency Case Number:

46 The following credit scores were obtained by the credit agency selected by the user and are included in the credit report:

Borrower	Credit Scores
	736 752 695

Underwriting Analysis

Primary Borrower:  
Co-Borrower:  
Lender Case Number:  
MORNETPlus Case File ID:  
Submission Date: 12/30/2008 06:03PM  
Recommendation: **Approve/Eligible**  
Submitted By:

Property Information  
Property Address: Tbd  
Chicago, IL 60619  
Property Type: Detached  
Number of Units: 2  
Occupancy Status: Primary Residence

Mortgage Information  
Loan Type: Federal Housing Administration  
Amortization Type: Fixed Rate  
Balloon: No  
Community Lending: No  
Payment Frequency: Monthly  
Lien Type: First Mortgage  
Amt. Subordinate Fin.: \$0.00  
Loan Purpose: Purchase  
Refi. Purpose:  
Owner Existing Mtg.:  
Buydown: No  
LTV: 97.00%  
Combined LTV: 97.00%  
Original Loan Amount: **\$218250.00**  
Financed MI Amount: \$3819.00  
Calculated Loan Amount: \$222069.00  
Sales Price: \$225000.00  
Appraised Value: \$225000.00  
P&I: \$1331.42  
Note Rate: 6.000%  
Qualifying Rate: 6.000%  
Bought Down Rate: 0.00%  
Term(Months): 360

Income  
Base: \$3583.00  
Commission: \$0.00  
Bonus: \$0.00

Overtime:	\$0.00
Other:	\$750.00
Positive Net Rental:	\$0.00
Subj. Pos. Cash Flow:	\$0.00
Total Income:	\$4333.00

Qualifying Ratios

<b>Housing Expense:</b>	<b>42.82%</b>
<b>Total Expense:</b>	<b>42.82%</b>

Expense Ratios

Including <= 10 Mos.:	0.00%
With Undisclosed Debt:	0.00%

Proposed Monthly Payment

First P&I (Qualifying):	\$1331.42
Second P&I:	\$0.00
Hazard Insurance:	\$125.00
Taxes:	\$300.00
Mortgage Insurance:	\$98.81
HOA Fees:	\$0.00
Other:	\$0.00
Total Housing Payment:	\$1855.23

Negative Net Rental:	\$0.00
Subj. Neg. Cash Flow:	\$0.00
All Other Payments:	\$0.00
Total Expense Payment:	\$1855.23

Present Housing Payment:	\$0.00
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Funds

Required:	\$882.00
Available:	\$1293.00
Cash Back:	\$0.00
Net Cash Back:	\$0.00
Reserves:	\$411.00
Months Reserves:	0

The recommendation for this case is: Approve/Eligible

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