

VIEW A [SAMPLE LE](#)

CREDIT

- FHA Case Number (can be ordered in [eXPRESS](#)).
- Initial 1003 – (signed and dated by Borrower and Loan Officer).
- Credit Report associated with AUS (recent within 90 days).
 - Minimum FICO 620.
 - Borrowers with non-qualifying spouse – copy spouse’s credit report and borrower’s authorization signed by spouse (applicable when located in community property states).
 - **Paying off debt to qualify is not allowed.**
 - Collections with aggregate total over \$2,500 must be paid or resolved regardless of age of collection account.
 - Medical Collections excluded from aggregate total.
 - Collections under \$2,500 fall under standard FHA requirements.
 - Charge off typically does not have to be paid off, unless it has turned into a collection (full credit review must be completed).
 - No outstanding judgments, including repayment plan. All outstanding judgments must be paid in full.
 - Chapter 13 Bankruptcies must be fully discharged before eligible for financing.
 - **IRS payment plans are not allowed but may be considered on an exception basis approved by Underwriting or Risk Manager.**
 - All listed open mortgages must show date of last activity as the previous month or current month (if applicable).
- 12 months housing history is required, borrower living rent free acceptable.
 - 12 months cancelled checks or a 3rd party VOR.
 - If the Borrower does not have current housing history than 3 months bank statements demonstrating the borrower has a consistent history of saving an amount greater than or equal to the new housing payment.
- Credit Documentation: Divorce Decree, etc.
- LOE regarding inquiries in last 120 days.
- Fully Executed Purchase Contract and/or Escrow Instructions.

INCOME

- Income Documentation (140% AMI, [qualifying income](#). In regard to multi-unit: 100% of the rental is used for qualifying income & 75% used for DTI):
 - 30 days, recent and consecutive of Pay Stubs and/or Award letters.
 - W2s / 1099s and Tax Returns – recent 2 years.
- Signed and completed 4506T (DocuSign is acceptable).
- Full Tax Transcripts from IRS required.
- Compensating factors if applicable ([Manual Underwrite](#) only).
 - DTI 37/47 – 1 Compensating Factor.
 - DTI 40/50 – 2 Compensating Factors.

ASSETS

- Asset Documentation: (2 most recent consecutive months bank statements; gift documentation).
 - Borrower with NSF's and/or overdraft charges will not be eligible (isolated NSF / overdraft charges may be reviewed for exception).
- Earnest Money Deposit.

PRIOR TO CD

- Hazard Insurance.
- Appraisal.
- Preliminary Title Report – **24-month chain of title and dated within 30 days of submission.**

REQUIRED INITIAL DISCLOSURES: [SIGNED & DATED BY BORROWER(S)]

- If you would like LHFS to disclose on your behalf, please submit the following documents:
 - Credit and/or Borrower Authorization.
 - Verbal Credit Authorization signed by LO if credit was pulled prior to Disclosure.
 - Upload 3.2 file in eXPRESS.
 - DAP is a soft second and should be ran through AUS as a second mortgage without a required payment. The dollar amount of the assistance will remain the as a grant.
- If you would like to provide disclosures to LHFS:
 - All broker disclosures provided to the borrower(s) must be uploaded in eXPRESS.
- [Issuance of Loan Estimate \(LE\) / Intention to Proceed Certification \(NOI\)](#).
- [Affiliated Business Arrangement Disclosure](#).
- Appraisal Valuation Acknowledgment.
- ARM Disclosure & Handbook on ARM (if applicable).
- E-Sign Act Consumer Disclosure.
- Fair Lending Notice (CA only).
- Home Ownership Counseling Disclosure.
- Initial Fee Worksheet.
- Privacy Policy Disclosure.
- Servicing Disclosure Statement.
- Settlement Service Provider List.
- [Social Security Verification Form](#) – **Must be wet signature and on LHFS form.**
- Admin Fee \$1145.
 - Borrower Paid Compensation up to 2%.
 - No third-party processing fees allowed.

ADDITIONAL FHA SPECIFIC DISCLOSURES

- HUD / VA Addendum to URLA (1003) (HUD Form 92900-A).
- Important Notice to Homebuyer (HUD Form 92900-B).
- FHA Informed Consumer Choice Disclosure Notice (completed, signed and dated).
- FHA Assumption Notice – Release of Liability.
- FHA / VA Amendatory Clause / Real Estate Certification (Purchase Only).
- For Your Protection: Get a Home Inspection (HUD Form 92564-CN Purchase Only).

Note: Log into eXPRESS and order the FHA Case Number.

LOSS PAYEE MORTGAGE CLAUSE ON PROPERTY INSURANCE (HAZARD & FLOOD)

Land Home Financial Services, Inc., ISAOA
C/O Dovenmuehle
P.O. Box 961292
Fort Worth, TX 76161-0292