

MORTGAGE GUIDELINES AS OF 6/26/2017

Watson Mortgage is the vehicle to get you the loan that is best for your buyers. If I don't have the product, I will let you know which lender is the best for your needs. **I just want to help my Watson Agents sell more houses**☺

VA 100% financing up to \$424,100 and to \$1,000,000 with a down payment
Credit Score: Minimum credit score is 560
Closing Costs: CANNOT roll into the loan but the seller can pay
Appraisal: Good for six (6) months and stays with property for six (6) months
Septic: Only required if noted on appraisal. If the local municipality requires hook up, it must be connected regardless of the cost.
Well: A water test is required. We can accept a letter from the county Health Department stating the water meets the requirements for that local health authority. If the local health department has no requirements, we must default to EPA Guidelines and we will always need bacteriological and 5 metal testing. (Lead, Nitrate, Nitrite, Ecoli and Coliform)
Survey Good for 10 years if no changes were made to the property.
Roof: Remaining life expectance must be 5 years.
Termite: Clear WDO or structural letter (good for 60 days)

USDA Manual Underwrite
100% financing only in certain neighborhoods of St Johns / Clay
Credit Score: 640 credit score requirement but is a manual underwrite by a human
All collections must be paid before going to USDA for underwriter
Property: Check property address at below site:
<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
Has upfront fee of 1% and monthly fee of .35% for the life of loan
Closing Costs: Can roll in closing costs up to 102% if appraisal supports value
Income limits of \$76,350 per household with debt ratios of 29/41%
Appraisal: Good for four (4) months, unless new construction, then 1 year (expiration date and conditions will be on "Statement of Appraised Value").
Septic: Only if appraiser notes it needs to be inspected, a Septic inspection is required. If public water or sewage is available, it must be connected (if feasible) at a cost of 3% or less of value.
Well: A water test is required. If the local health department has no requirements, we must default to EPA Guidelines and we will always need bacteriological and 5 metal testing. (Lead, Nitrate, Nitrite, Ecoli and Coliform)
Survey: Good for 10 years if no changes were made to the property.
Must show the following ~
Septic to be 50 feet away from well.
Drain-field to be 100 feet away from well.
Well to be 10 feet away from the property line.
Roof: Life expectancy must be 2 years.
Termite: Not required unless noted on appraisal – Good for 90 days.

Down Pay Assistance Placed as a 2nd mortgage recorded minimum credit score is 640
\$7,500 Bond Program is available for St Johns with income limits
FHA / VA (1-2) \$69,176 (3+) 75,960
CONV (1-2) \$74,635 (3+) \$77,880
\$15,000 Bond Program is available for Duval, Clay, Polk, Osceola County
FHA / VA (1-2) \$69,176 (3+) \$79,552
CONV 680 3% down / 640 for 5% down and income limit is \$90,860

H2H **\$15,000** Program is available; has income limits to qualify
FHA Credit score is 640
Income limits (1) \$35,400 (2) \$40,450 (3) 45,500 (4) 50,550 (5) 54,600

FHA 3.5% down with a credit score down to 580 Monthly MIP = .85 %
Credit Score: 10% down with a credit score down to 500 Monthly MIP = .85 %
Loans up to \$330,050 in Duval / Clay / St Johns
Appraisal: Good for four (4) months and stays with property for four (4) months
Septic: Only if appraiser notes it needs to be inspected, a Septic inspection is required. If public water or sewage is available, it must be connected (if feasible) at a cost of 3% or less of value.
Well: Only if appraiser notes it needs to be tested, a water test is required. If the local health department has no requirements, we must default to EPA Guidelines and we will always need bacteriological and 5 metal testing.
Survey: Good for 10 years if no changes were made to the property.
Must show the following ~
Septic to be 50 feet away from well.
Drain-field to be 100 feet away from well.
Well to be 10 feet away from the property line.
Roof: Life expectancy must be 2 years.
Termite: Not required unless noted on appraisal – Good for 90 days.

\$100 down Available if property is on the HUD website as eligible

3% Down 3% down **CONV** with a minimum
Credit score: 660 with mortgage insurance
First time homebuyers; has income limits to qualify

CONV 5% down with MI (mortgage insurance)
Credit Score: Minimum credit score is 620
NO MI options available on CONV loans
Appraisal: Good for four (4) months
Septic: Only if appraiser notes it on the appraisal
Well: Only if appraiser notes it on the appraisal
Survey: Good for 10 years if no changes were made to the property.
Roof: Life expectancy must be 3-5 years.
Termite: Not required unless noted on appraisal – Good for 90 days.

JUMBO Loans from \$424,000 to \$1,000,000 with 10% down and 720 score
10% down with NO MI available
80% first / 10% second available
Requires 43% max debt ratio and 6 months reserves

Secondary 10% down with MI (mortgage insurance)

Investors Up to 10 financed properties with 25% down

Land Loans 710 credit score, 10+ acres, 50% down with 15 year term

Acreage 25+ acres with 50% down

Condos Requires approval on a below list for the type of financing of new loan
FHA: <https://entp.hud.gov/idapp/html/condlook.cfm>
Fannie <https://www.efanniemae.com/sf/refmaterials/approvedprojects/index.jsp?fromhp>
VA: <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>

Non Warrantable Condos 20% down, 680 score up to \$1,250,000 loan amount

Credit A short sale, full foreclosure, and BK are 2 years for a new VA loan
A short sale is 3 years for a new FHA or USDA loan
A short sale or a deed in lieu is 4 years for a new CONV

Full foreclosure is 3 years for a new FHA / USDA & 7 years for a CONV

See portfolio lending or rebounding loan for a new loan with 20% down
Can check borrower's information at <http://netronline.com/>

Bankruptcy Chap 13 is 2 year from discharge date or 4 years from the dismissal date with a 12 month satisfactory payment history letter and with permission from the trustee to purchase a new home.

Chap 7 is 2 years for a new FHA / VA & 4 years for USDA/ CONV

****If have a Bankruptcy and a Foreclosure / the time starts at the latest event****

Portfolio Lending A short sale of BK is 2 years with 20% down with LOE on circumstance
A foreclosure is 3 years with 20% down with LOE on circumstance
Self employed less than 2 years (1 year self employed with a non audited P&L plus 1 year industry)
Newly retired or new IRA with no distributions yet
The more assets the better on all portfolio loans

Rebounding Loan A short sale, BK, or foreclosure is ok immediately with 20% down
5 year arm at 6% interest rate

Property Flipping Primary residences only and we can close after 90 days with the below:
(1) 2 appraisals are required if the property is held for less than 6 months
(2) I need to know who would be responsible for the cost of the 2nd appraisal (the buyer or seller) If a FHA loan; then the seller must pay.
(3) Seller will need to provide a written and signed a summary of repairs, upgrades and estimated costs.
(4) A Home Inspection is required to be performed for these types of loans.

Refinancing VA 100% maximum cash out allowed with a 640 credit score
FHA 85% maximum cash out allowed
CONV 80% maximum cash out allowed
CONV 75% maximum cash out allowed on investment
CONV 70% maximum cash out allowed on 2-4 units on investment