

**CBC MORTGAGE AGENCY UNDERWRITING, CREDIT, CLOSING & COMPLIANCE GUIDE**

**SUMMARY OF ALL PROGRAM OVERLAYS – Updated as of 7/15/19**

***UNLESS OTHERWISE SPECIFIED HERE AS AN OVERLAY, CBC MORTGAGE AGENCY ADHERES TO ALL POSTED GUIDELINES FOR CONV & FHA ELIGIBILITY AS FOUND IN THE FANNIE MAE SELLER'S GUIDE, & FHA HOUSING HANDBOOK, 4000.1.***

Debt-to-Income Ratio	<ul style="list-style-type: none"> <li>· 2-unit properties with TOTAL Scorecard Approve/Accept Eligible transactions regardless of geographic location: Maximum 50% DTI ratio if ANY borrower is a first-time homebuyer.</li> <li>· Chenoa Rate Advantage: Maximum 50% DTI regardless of AUS acceptance for higher ratios.</li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>· An appraisal recertification is required if the expiration date of the appraisal is within 30 days prior to purchase.</li> </ul>
Ineligible Features	<ul style="list-style-type: none"> <li>· Building on own land</li> <li>· Construction to Perm</li> <li>· Easements and Deed Restrictions that affect value, marketability, or property accessibility as determined by the appraiser and for which no protective title endorsement is available</li> <li>· Loans with resale deed restrictions</li> <li>· Proposed or Under Construction (<b>New construction OK provided that the property is complete at the time of purchase</b>)</li> </ul>
Ineligible Property	<ul style="list-style-type: none"> <li>· 3-4 Units</li> <li>· Co-Ops</li> <li>· Illegally zoned properties</li> </ul>
<b>Ineligible Borrowers</b>	<ul style="list-style-type: none"> <li>· Any borrower that does not meet Fannie or FHA definition of a lawful, legal resident of the United States. For borrower residency or VISA classification acceptance, follow FHA guidelines or email the Chenoa Fund Scenario Desk for assistance.</li> </ul>
<b>IRS Tax Transcripts</b>	<ul style="list-style-type: none"> <li>· <a href="#">Required for SELF-EMPLOYED Borrowers only - for all tax years used to income qualify based on AUS. W2-borrowers: no longer required (unless loan is NAL/IOI or QC concerns exist). Please email <a href="mailto:scenariodesk@chenoafund.org">scenariodesk@chenoafund.org</a> for questions or exceptions.</a></li> </ul>
<b>Initial &amp; Final 1003</b>	<ul style="list-style-type: none"> <li>· Either an Initial or a Final 1003 containing the signature of the originating MLO is required. Not a requirement of just the final. Either the Initial 1003 or Final 1003 should be signed, but not both.</li> <li>· The 1003 must be completed with the present housing expense section filled out. No exceptions –(New)</li> </ul>
Seller's Closing Disclosure	<ul style="list-style-type: none"> <li>· A copy of the Seller's CD with the Seller's signature is required on all transactions</li> </ul>
Escrow Holdbacks	<ul style="list-style-type: none"> <li>· Escrow holdbacks must be weather related and are considered on a case-by-case basis requiring pre-approval. –See Escrow Holdbacks</li> </ul>
Soft Pull Credit Report	<ul style="list-style-type: none"> <li>· Required on all loans and dated within 10 days of the Note date</li> </ul>
Intent to Proceed	<ul style="list-style-type: none"> <li>· Documented Intent to Proceed from all borrowers is required on all transactions</li> </ul>
<b>Mortgage Credit Certificates "MCC"</b>	<ul style="list-style-type: none"> <li>· <b>Allowed: NO LONGER REQUIRED TO BE PRE-APPROVED PRIOR TO SUBMISSION (follow FHA guidelines for approval) – New as of 5/15/19!</b></li> </ul>
<b>Mortgage Insurance Certificates "MICs"</b>	<ul style="list-style-type: none"> <li>· Required to be delivered to CBC Mortgage Agency within 30 days of the NOTE DATE. Late deliver fees will apply, if applicable.</li> </ul>
Gaps in Employment	<ul style="list-style-type: none"> <li>· Employment gaps &gt;30 days require Borrower LOE</li> </ul>
<b>Additional Properties Owned (Retaining Currently Owned Home)</b>	<ul style="list-style-type: none"> <li>· <b>Not allowed on Standard Conv 97 – Allowed on Chenoa Edge Product; A letter of explanation is required with an acceptable reason documented for the move and the intent with retaining the current property – occupancy reasonability must be documented and a QC review may be applied to the transaction.</b></li> </ul>

Borrower Homeownership Counseling	<ul style="list-style-type: none"><li>· <a href="#">All borrowers on all transactions: Credit scores between the 620-639 range ~ homeowner counseling is required</a></li><li>· <a href="https://www.borrowersuccess.org/prepurchase">To access the required course, please log into the following page: https://www.borrowersuccess.org/prepurchase</a></li><li>· <a href="#">Please note: only the borrowers with scores less than 640 are required to take the course. Any borrower on your transaction with scores = or &gt; 640 are not required to take the course.</a></li></ul>
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