

	Conventional	FHA	RD	VA
Credit				
Credit Score Requirements	At least one credit score required for all borrowers <ul style="list-style-type: none"> Minimum 620; must receive AUS approve findings 	At least one credit score required for all borrowers <ul style="list-style-type: none"> Minimum 580 for FHA Streamline Transactions All other FHA transactions do not require a minimum score but must adhere to FHA guidelines <p>**No minimum score required for streamlines currently serviced by Towne Mortgage.</p>	<ul style="list-style-type: none"> GUS Accept- No Minimum Refer/Manual Underwrites- 620 Minimum No Score Loans are Acceptable 	At least one credit score required for all borrowers <ul style="list-style-type: none"> Minimum 600
Ineligible Programs	MCC Loans	Section 184	None	None
Manual Underwriting	Not allowed	Allowed – please refer to FHA manual underwriting guidelines	Allowed – please refer to RD manual underwriting guidelines	Allowed – Please refer to VA manual underwriting guidelines

Income	
Income Calculation Worksheet	Required on all loans that require income qualification.
Tax Transcripts	<ul style="list-style-type: none"> W-2 transcripts are not required when all income information used to decision a loan is made up exclusively of wage earner income reported on a W-2 and/or fixed income reported on a 1099 (e.g., social security or VA benefits). EXCEPTION: 4506-T and 1040 IRS tax return transcripts are required for all borrowers and adult household members not on the loan for RD transactions. Either one or two years of the most recent 1040 IRS tax return transcript are required for the following (depending on the AUS requirements for Conv, FHA, and VA): <ul style="list-style-type: none"> Borrowers with non-W-2 income used to qualify Self- employed borrowers (including business returns, if required) Commission income representing 25% or more of income used to qualify Borrowers with rental properties Borrowers employed by family members

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Property				
Condition of Property	<ul style="list-style-type: none"> We do not purchase loans where condition of property is rated as C6 C5 Only acceptable if appraisal is done subject to repairs and escrow funds are held for the repairs(must refer to ACH Repair Escrow Policy) SSR Over Valuation Flag and Risk Score of > 3.5- documentation must be provided to support acceptance of value 			
Ineligible Property Types	<ul style="list-style-type: none"> Co-operatives Earth Homes, Geothermal, geodesic domes or homes built into or underground either fully or partially Leaseholds Commercial Properties Properties in which the highest and best use is not considered residential Singlewide Manufactured Homes (Unless originated utilizing RD financing) 			
Life Estate Interest	Not Allowed			
LLC's as Sellers	Following documentation is required when seller is a LLC: <ul style="list-style-type: none"> Evidence of authorized signers Must meet all agency/product guidelines 			
Loans Currently in Redemption on Purchases	Towne will accept loans where property is currently in redemption as long as the title insurer will add the full language below into its commitment to evidence a specific exception for the unexpired right of redemption. <i>Title insurer will affirmatively insure the mortgage against all loss arising out of the exercise of any outstanding right of redemption; without qualification.</i>			
Manufactured Housing	Doublewide Only	Doublewide Only	Double and Single Wide Allowed	Doublewide Only



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Other				
Buydowns	Not Allowed			
Closing In a Trust	Trust Cert or Attorney Opinion Letter required.			
DACA Borrowers	Allowed – Please see Non-Permanent Resident Alien Guidelines	Not Allowed	Not Allowed	Not Allowed
Fraud Detection Tool	Fraud Detection Tool (such as Fraudguard, DataVerify, etc.) is required and at a minimum must include the following: <ul style="list-style-type: none"> ▪ Liens and Judgement search ▪ Bankruptcy Search ▪ Ownership and Occupancy ▪ Associated Business Search (needed for Freddie Mac loans) 			
Higher-Priced Mortgage Loans (HPML)	Loans must meet Residual Income requirements. Please reference the standalone guide for Residual Income Calculation.			
Maximum Loan Amount	Per Agency Guidelines	Per Agency Guidelines	Per Agency Guidelines	The VA guaranty plus cash/equity must be greater than or equal to 25% of the purchase price or Notification of Value (NOV), whichever is less, on all purchase and non-IRRRL refinance transactions.
Maximum LTV/CLTV	Per Agency Guidelines	Per Agency Guidelines	Per Agency Guidelines	<ul style="list-style-type: none"> ▪ Maximum 90% for C/O Refinance transactions in which the cash to borrower exceeds \$500.00 ▪ Maximum 100% for all other VA transactions
Maximum Number of Loans to 1 Borrower	Maximum of 4 loans with a max cumulative dollar amount of \$1,500,000			
Minimum Loan Size	\$50,000	\$50,000	\$30,000	\$50,000



	Conventional	FHA	RD	VA
Other - Continued				
Other Required Documentation	The loan file must document the following: <ul style="list-style-type: none"> Evidence of credit monitoring through the note date All federal, state, local and agency compliance/high cost tests Validation that loan participants are not included on industry exclusionary lists (including LDP/GSA) 			
Private Mortgage Insurance	Allowable Forms of PMI <ul style="list-style-type: none"> Borrower Paid Monthly Single Premium Borrower Paid Single Premium Lender Paid **Lender Paid Monthly policies are not acceptable.** Approved MI Companies <ul style="list-style-type: none"> ARCH Essent Guarantee Genworth MGIC National MI Radian 	N/A	N/A	N/A
Repair Escrows	Must follow agency specific guidelines pertaining to repair escrows. Please reference Towne Mortgage Company's agency specific Escrow Holdback Policy if Towne is to administer the escrow holdback account.			



	Conventional	FHA	RD	VA
Other - Continued				
Streamline Refinances	N/A	Minimum 580	None	IRRRL – With Appraisal <ul style="list-style-type: none"> Min 600 Score: 100% max LTV IRRRL – Without Appraisal <ul style="list-style-type: none"> Min 600 Score: No LTV requirement
Texas 50(a)6	<ul style="list-style-type: none"> Non occupying Co-Borrower or Co-Signers not allowed on loan or title Trust not allowed Power of Attorney not allowed 			

