



# Advantage Matrix

FHA Parameters for Credit 540 - 639

solid, established, reliable - since 1959



As of 3/18/2010

			70.01-75% LTV	75.01-80% LTV	80.01-90% LTV	90.01-95% LTV	95.01-96.50% LTV
Purchase	620-639	Max DTI <sup>1</sup>	>50% requires DU Approve FTHB max 45%	>50% requires DU Approve FTHB max 45%	>50% requires DU Approve FTHB max 45%	>50% requires DU Approve FTHB max 45%	>50% requires DU Approve FTHB max 45%
		Rent Checks Required	none required	none required	none required	underwriters discretion	underwriters discretion
		Borrowers Own Funds	0%	0%	0%	0%	0%
	Mortgage/Rent Lates	1x30-12 mos	1x30-12 mos	1x30-12 mos	1x30-24 mos	1x30-24 mos	
	Reserves	none required	none required	none required	2 mos when gift funds used	2 mos when gift funds used	
	Seller Concession	6%	6%	6%	6%	6% no gift; 3% with gift	
	Bankruptcy	2 yrs	2 yrs	2 yrs	3 yrs	3 yrs	
	Foreclosure	5 yrs	none permitted	none permitted	none permitted	none permitted	
	580-619*	Max DTI <sup>1</sup>	>45% requires DU Approve FTHB max 45%	>45% requires DU Approve FTHB max 45%	>45% requires DU Approve FTHB max 45%	>45% requires DU Approve FTHB max 45%	>45% requires DU Approve FTHB max 45%
Rent Checks Required		none required	none required	underwriters discretion	underwriters discretion	underwriters discretion	
Borrowers Own Funds		0%	5%	5%	3%	3%	
Mortgage/Rent Lates	1x30-12 mos	1x30-12 mos	1x30-12 mos	1x30-24 mos	1x30-24 mos		
Reserves	none required	none required	2 mos when gift funds used	2 mos when gift funds used	3 mos when gift funds used		
Seller Concession	6%	6%	6%	6% no gift; 3% with gift	3%		
Bankruptcy	2 yrs	2 yrs	3 yrs	3 Yrs	3 Yrs		
Foreclosure	5 yrs	none permitted	none permitted	none permitted	none permitted		
540-579	Max DTI <sup>1</sup>	>45% requires DU Approve FTHB max 45%	>45% requires DU Approve FTHB max 45%	>45% requires DU Approve FTHB max 45%			
	Rent Checks Required	12 months	24 months	24 months			
	Borrowers Own Funds	10%	10%	all - no gift funds allowed			
Mortgage/Rent Lates	1x30-12 mos	1x30-24 mos	1x30-24 mos				
Reserves	2 months	2 months	2 months				
Seller Concession	6%	3%	not Permitted				
Bankruptcy	2 yrs	3 yrs	5 yrs				
Foreclosure	5 yrs	none permitted	none permitted				

\* Maximum LTV in NY and NJ for credit scores of 580-619 is 95%

			70.01-75% LTV	75.01-80% LTV	80.01-90% LTV	90.01-95% LTV	95.01-97.75% LTV
Rate and Term Refinance	600-639	Max DTI <sup>1</sup>	>50% requires DU Approve	>50% requires DU Approve	>50% requires DU Approve	50%	50%
		Seasoning	6 months	6 months	6 months	6 months	6 months
		Mortgage Lates	2x30 - 24 mos none last 6 mos	1x30 - 12 mos none last 6 mos	1x30 - 24 mos none last 6 mos	1x30 - 24 mos none last 12 mos	1x30 - 36 mos none last 18 mos
	Bankruptcy	2 yrs	2 yrs	2 yrs	2 Yrs	2 Yrs	
	Foreclosure	5 yrs	5 Yrs	5 Yrs	none permitted	none permitted	
	540-599	Max DTI <sup>1</sup>	50%	50%	50%	45%	
Seasoning		12 Month	18 months	18 months	18 months		
Mortgage Lates		1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 mos	1x30 - 36 mos none last 12 mos	1x30 - 36 mos none last 12 mos		
Bankruptcy	2 yrs	3 yrs	5 yrs	5 yrs			
Foreclosure	5 yrs	none permitted	none permitted	none permitted			

			70.01-75% LTV	75.01-80% LTV	80.01-90% LTV	90.01-95% LTV	95.01-97.75% LTV
Cash Out Refinance	600-639	Max DTI <sup>1</sup>	>45% requires DU Approve	>45% requires DU Approve			
		PITI to PITI Increase	0x30 - 24 mos	0x30 - 36 mos			
		Seasoning	12 months	12 months			
	Mortgage Lates	1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 mos	ineligible	ineligible	ineligible	
	Bankruptcy	5 yrs	5 yrs				
	Foreclosure	none permitted	none permitted				
580-599	Max DTI <sup>1</sup>	45%					
	PITI to PITI Increase	0x30 - 36 mos					
	Seasoning	12 months					
Mortgage Lates	1x30 - 36 mos none last 12 mos		ineligible	ineligible	ineligible	ineligible	
Bankruptcy	5 yrs						
Foreclosure	none permitted						

\* Qualifying ratios in excess of 31/43 must demonstrate strong compensating factors and the borrowers ability to repay mortgage must always be present. 31/43 qualifying ratios are the maximum regardless of AUS decision should no compensating factors exist on the loan application. Compensating factors may require supporting documentation.

For additional information:

[mimsupport.com](http://mimsupport.com), [fha.gov](http://fha.gov) or [hud.gov](http://hud.gov)

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