

# Advantage Matrix

FHA Parameters for Credit 580 - 639

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As of 9/1/10

			Maximum LTV / CLTV				
			70.01-75%	75.01-80%	80.01-90%	90.01-95%	95.01-96.50%
Purchase	600-639*	Max DTI <sup>1</sup>	45% FTHB 50% All Else	45% FTHB 50% All Else	45% FTHB 50% All Else	45% FTHB 50% All Else	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	
	580-599	Max DTI <sup>1</sup>	45%	45%	45%	ineligible	ineligible
		Rent Checks Required	none required	none required	underwriters discretion		
		Borrowers Own Funds	0%	5%	5%		
		Mortgage/Rent Lates	1x30-12 mos	1x30-12 mos	1x30-12 mos		
		Reserves	2 mos	2 mos	3 mos		
		Seller Concession	6%	6%	6%		
Bankruptcy		2 yrs	2 yrs	3 yrs			
Foreclosure	5 yrs	none permitted	none permitted				

\* Maximum LTV / CLTV in NY and NJ for credit scores of 600-619 is 95%

			Maximum LTV / CLTV				
			70.01-75%	75.01-80%	80.01-90%	90.01-95%	95.01-97.75%
Rate and Term Refinance	600-639	Max DTI <sup>1</sup>	50%	50%	50%	45%	45%
		Seasoning	6 months	6 months	6 months	6 months	6 months
		Mortgage Lates	1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 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
	580-599	Max DTI <sup>1</sup>	45%	45%	45%	ineligible	ineligible
		Seasoning	12 Month	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		
		Bankruptcy	2 yrs	3 yrs	5 yrs		
		Foreclosure	5 yrs	none permitted	none permitted		

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

\* 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:  
fha.gov or hud.gov

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