

Manual Underwriting Matrix

FHA Parameters for Manual Underwrites

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As of 1/3/19

		No Compensating Factors	One Compensating Factor	Two Compensating Factors	No Other Debt	
Purchase	Minimum FICO 580	Maximum LTV / CLTV	96.50%	96.50%	96.50%	96.50%
		Max Qualifying Ratios	31 / 43	37 / 47	40 / 50	40 / 40
		Rent Checks Required	underwriters discretion	underwriters discretion	underwriters discretion	underwriters discretion
		Mortgage/Rent Lates*	0x30-12 mos 2x30-24 mos	0x30-12 mos 2x30-24 mos	0x30-12 mos 2x30-24 mos	0x30-12 mos 2x30-24 mos
		Seller Concession	6%	6%	6%	6%
		Bankruptcy	2 yrs	2 yrs	2 yrs	2 yrs
		Foreclosure	3 yrs	3 yrs	3 yrs	3 yrs
		Compensating Factors	none required	Acceptable compensating factors are limited to one following: <ul style="list-style-type: none"> • Verified and documented cash reserves equal to at least three total monthly mortgage payments (1-2 units) or six total monthly mortgage payments (3-4 units). • New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less, and there is a documented twelve month housing payment history with no more than one 30 day late payment. 	Acceptable compensating factors are limited to two following: <ul style="list-style-type: none"> • Residual income • Verified and documented significant additional income that is not considered effective income 	Borrower has established credit lines in his/her own name open for at least six months but carries no discretionary debt (i.e., monthly total housing payment is only open installment account and borrower can document that revolving credit has been paid off in full monthly for at least the previous six months).
			No Compensating Factors	One Compensating Factor	Two Compensating Factors	No Other Debt
Rate and Term Refinance	Minimum FICO 580	Maximum LTV / CLTV	97.75%	97.75%	97.75%	97.75%
		Max Qualifying Ratios	31 / 43	37 / 47	40 / 50	40 / 40
		Seasoning	6 months	6 months	6 months	6 months
		Mortgage/Rent Lates*	0x30-12 mos 2x30-24 mos	0x30-12 mos 2x30-24 mos	0x30-12 mos 2x30-24 mos	0x30-12 mos 2x30-24 mos
		Bankruptcy	2 yrs	2 yrs	2 yrs	2 Yrs
		Foreclosure or 120+	3 yrs	3 Yrs	3 Yrs	3 Yrs
		Compensating Factors	none required	Acceptable compensating factors are limited to one following: <ul style="list-style-type: none"> • Verified and documented cash reserves equal to at least three total monthly mortgage payments (1-2 units) or six total monthly mortgage payments (3-4 units). • New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less, and there is a documented twelve month housing payment history with no more than one 30 day late payment. 	Acceptable compensating factors are limited to two following: <ul style="list-style-type: none"> • Residual income • Verified and documented significant additional income that is not considered effective income 	Borrower has established credit lines in his/her own name open for at least six months but carries no discretionary debt (i.e., monthly total housing payment is only open installment account and borrower can document that revolving credit has been paid off in full monthly for at least the previous six months).
			No Compensating Factors	One Compensating Factor	Two Compensating Factors	No Other Debt
Cash Out Refinance	Minimum FICO 580	Maximum LTV / CLTV	85.00%	85.00%	85.00%	85.00%
		Max Qualifying Ratios	31 / 43	37 / 47	40 / 50	40 / 40
		Seasoning	12 months	12 months	12 months	12 months
		Mortgage Lates	none last 12 mos	none last 12 mos	none last 12 mos	none last 12 mos
		Bankruptcy	2 yrs	2 yrs	2 yrs	2 yrs
		Foreclosure or 120+	3 yrs	3 yrs	3 yrs	3 yrs
		Compensating Factors	none required	Acceptable compensating factors are limited to one following: <ul style="list-style-type: none"> • Verified and documented cash reserves equal to at least three total monthly mortgage payments (1-2 units) or six total monthly mortgage payments (3-4 units). • New total monthly mortgage payment is not more than \$100 or 5% higher than previous total monthly housing payment, whichever is less. All payments on the mortgage being refinanced must have been made within the month due for the previous twelve months. 	Acceptable compensating factors are limited to two following: <ul style="list-style-type: none"> • Residual income • Verified and documented significant additional income that is not considered effective income 	Borrower has established credit lines in his/her own name open for at least six months but carries no discretionary debt (i.e., monthly total housing payment is only open installment account and borrower can document that revolving credit has been paid off in full monthly for at least the previous six months).

For additional information:
fha.gov or hud.gov

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