

UNDERWRITING GUIDELINE UPDATE

Non-occupying borrower and income	<p>Non-occupant co-borrowers are allowed. Only one applicant must intend to occupy the property as his or her primary (or secondary) residence. All applicants will be credit qualified and must be on the title.</p>
Mortgage loans on departing residence	<p>Loan on the departing residence may be omitted from the debt analysis with a fully executed purchase agreement/contract for the sale of the property, provided the transfer of possession date is not more than 60 days after the loan closing.</p>
Student loans where no payments are listed	<p>If payments are deferred, or no payments are listed, use 1% of the outstanding balance or obtain the estimated payment from the student loan lender.</p>
Restricted stock income	<p>Restricted stock units can be used as income provided the earnings are:</p> <ul style="list-style-type: none"> • Reflected on the applicant’s paystub • Verified as recurring • Accompanied by an employer-generated vesting schedule showing past and future vesting of shares
Forgivable employer loans	<p>Forgivable employer loans may be omitted from the DTI calculation provided there are no payments due on the loan.</p>
Non-real estate accounts paid by other persons	<p>Non-real estate accounts paid by another individual who is contractually obligated on the debt may be omitted from the debt analysis if the following criteria are met:</p> <ul style="list-style-type: none"> • There is proof of 12 months of payments by the individual • There is no delinquency in last 12 months
Non-real estate accounts paid by a business	<p>All vehicle accounts paid by a business may be omitted from the debt analysis if the following criteria are met:</p> <ul style="list-style-type: none"> • There is proof of 12 months of payments by the business • There is no delinquency in last 12 months
Self-employed workers - additional provision	<p>In some cases, the YTD self-employed wages earned are not indicative of the applicant’s normal annual earnings. An example would be borrowers that pay themselves a lump sum at the end of the year and/or borrowers that receive inconsistent income throughout the year. If this is determined to be the case, a tax return, W-2, or year-end paystub from the two most recent calendar years may be used to verify self-employed wages.</p>