

Program Notes	This program is designated for borrower's that filed Income Tax returns with an ITIN or have an expired VISA. Not limited to Texas properties.			
<p>Interest Rate</p> <p>*Ability to repay is determined using FHA standards regarding income/expense verification &amp; debt ratios.</p> <p>**85% LTV loans – credit must contain a minimum of 3 tradelines with 12 month history during the past 36 months</p> <p>Compensating factor(s) required for ratios above 31/43.</p> <p>Credit scores less than 620 must maintain 31/43 max DTI.</p> <p>All rates and terms subject to change.</p>	Credit Score	Max LTV**	Interest Rate	Max Qualifying Ratios*
	760+	80%	7.500%	40/50
	760+	85%	8.000%	40/50
	700-759	80%	7.750%	40/50
	700-759	85%	8.500%	40/50
	680-699	80%	8.250%	40/50
	640-679	80%	8.500%	40/50
	620-639	75%	8.750%	31/43
	No Score / No Derog	80%	8.500%	40/50
Lock Requests	<p>Lock request must be submitted <b><u>after initial approval</u></b>.</p> <p>To request lock you must exit the file and email <a href="mailto:secondary@townsquarefinancial.com">secondary@townsquarefinancial.com</a> with the following information:</p> <ul style="list-style-type: none"> <li>• Subject line: ITIN Lock Request</li> <li>• Loan number and borrower name</li> <li>• Interest Rate to be locked (see grid above)</li> </ul>			
Mortgage Payments	<p>Loan payments require Auto Draft.</p> <p>Copy of Borrower's Voided Check to be used for auto payment is required for UW submission.</p>			
Loan Size Limit	<p>Minimum \$80,000</p> <p>Maximum \$280,000</p>			
Occupancy	<p>Primary Residence / Owner Occupied Only</p> <p>Non-occupying guarantors may be used for qualifying ratios</p>			
Property Type	<p>SFR – Detached.</p> <p>No condo's or townhomes</p>			
Loan Purpose	<p>Purchase and Refinance Transactions – <u>cash out not allowed</u></p> <p>*Rate &amp; Term Refinance +0.250% adjustment to rate.</p>			

Credit Standards	<ul style="list-style-type: none"> <li>▪ Credit scores must be reflective of credit history</li> <li>▪ Lowest middle score of all borrowers contributing income</li> <li>▪ If only 2 credit scores use the lowest of all borrowers</li> <li>▪ If only one score see payment shock requirement <ul style="list-style-type: none"> <li>◦ PITI must be less than 150% in rental-to-mortgage payment shock</li> </ul> </li> <li>▪ No BK last 3 years <ul style="list-style-type: none"> <li>* Exception due to extenuating circumstances may be granted</li> </ul> </li> <li>▪ No foreclosure last 3 years <ul style="list-style-type: none"> <li>* Exception due to extenuating circumstances may be granted</li> </ul> </li> <li>▪ Rate &amp; LTV may be adjusted if Exception due to extenuating circumstances is granted on BK and/or foreclosure</li> </ul>
No Score	<ul style="list-style-type: none"> <li>▪ No Credit and No Derogatory</li> <li>▪ 0x30 rental history past 12 months</li> <li>▪ PITI must be less than 150% in rental-to-mortgage payment shock</li> <li>▪ VOR is required</li> <li>▪ Min of 2 additional non-traditional trade line verifications.</li> </ul>
VOR	Required for No Score loans.
Identification	Valid Driver's License, Passport and/or Matricula ID in addition to the proof of ITIN
Mortgage Insurance	NA
Escrows	All loans require escrow of taxes, insurance and assessments
Appraisal	Conventional appraisal following FHA health and safety guidelines.
Flood Cert	Must contain HMDA Information
DPA	Not Allowed
Assets	<p>Most recent two months bank statements.</p> <p>Cash on hand allowed: purchase only. Funds must be deposited into a bank account for verification. Written statement from borrower that discloses the source of funds and states that the funds are not borrowed.</p> <p><b>NOTE:</b> cash on hand – verifications should indicate limited or no use of credit and a limited or no relationship with a bank.</p>
Reserves	2 months PITI for loans with DTI above 31/43
Income	2 Year Tax Returns and 1040 Transcripts
Residual Income	Residual Income Worksheet must be completed for final approval
Gift Funds	Allowed with proper documentation.
Past Due and Collection Accounts on Credit Report	<ul style="list-style-type: none"> <li>• Past Due accounts: must be brought current.</li> <li>• Collections: Medical is OK. No housing related within past 24 months.</li> <li>• If all collections total \$2000 or more: Must be paid off <b>OR</b> use 5% of balance in DTI as payment or show payment plan</li> </ul>
Letters of explanation required	Inquiries, gaps of employment, large deposits, cash on hand explanation.
SSN or ITIN validation	Borrower to execute SSA89 or ITIN Letter (Form W7)
Seller Contribution	6%
Flipping Waiver	>20% above sellers acquisition not allowed – Must be ARMS's length transaction