

# Correspondent

(Non-Delegated)



First Guaranty Mortgage Corporation®  
 Correspondent Division  
 1900 Gallows Road, Suite 800  
 Tysons Corner, Virginia 22182  
 www.fgmccorrespondent.com  
 Revised: 06/29/2017

203k-Standard & 234c-Standard  
 No Score Purchase  
 Streamline Refinance  
 H.O.M.E. (1x Close)

<b>Credit:</b>	Minimum 530 FICO (limits to LTV/CLTV may apply); Full tri-merged credit report w/ scores.	✓	✓			✓
	No Score Borrower(s); Full tri-merged credit report required reflecting no score. FGMC will verify all qualifying borrower's non-traditional references. Non-traditional credit cannot be used to enhance poor or derogatory credit. Follow FHA 4000.1 Handbook.				✓	
	No minimum FICO. Credit Report not required – See mortgage history requirement.					✓
<b>AUS Requirement:</b>	Approve/Accept and Manual Underwriting permitted	✓	✓			✓
	Manual Underwriting only			✓	✓	
<b>Loan Terms:</b>	<b>Fixed Rate Mortgage:</b> 10 – 30 year terms	✓	✓	✓	✓	✓
	<b>ARM:</b> 5/1	✓		✓	✓	✓
<b>Max LTV:</b>	<b>Purchase</b> 580+ FICO (or No Score): 96.5% LTV 530-579 FICO: Maximum 90% LTV	✓	✓	✓		✓
	<b>Refinance</b> 580+ FICO: 97.75% LTV 530-579 FICO: Maximum 90% LTV Cash Out: Maximum 85% LTV regardless of FICO (Not Applicable to 203k)	✓	✓			
	No Maximum LTV; LTV based on previous appraised value per Refinance Authorization					✓
	HUD \$100.00 down permitted on eligible HUD properties for purchases.	✓	✓	✓		
	Repair escrow permitted on HUD \$100.00 down eligible HUD properties for purchases. Max LTV is the adjusted value less \$100 plus 110% of the estimated repair cost.	✓		✓		
	LTV based on lesser of purchase price, plus costs of renovation or 110% of after-improved value (100% on condos)		✓			
<b>Max CLTV:</b>	Community Seconds and Non-Profit grants permitted	✓	✓	✓		✓
	Follow FHA 4000.1 Handbook; Additional liens must subordinate to new first mortgage	✓	✓	✓	✓	✓
<b>Occupancy:</b>	Owner Occupied	✓	✓	✓	✓	✓
	HUD-Approved secondary residences and non-owner occupied properties					✓
<b>Property Eligibility:</b>	SFD, HRAP Condo, Manufactured ( <i>Double-wide or Larger</i> ). Manufactured Homes: Engineer must certify foundation meets FHA Guides. Must be titled as real property. Note: Loan may include simultaneous purchase of the land/lot or loan can be guaranteed for the construction of home on land/lot already owned by borrower.	✓	✓	✓	✓	✓
	Modular (Off-Frame Modular Only. On-Frame Modular homes are NOT permitted)	✓	✓	✓	✓	✓
	2 – 4 Units	✓	✓		✓	
	Property Assessed Clean Energy (PACE) Not Eligible	✓	✓	✓	✓	✓
<b>Qualifying Ratios:</b>	<b>AUS Approve / Accept loans:</b> AUS maximum <b>Manually Underwritten loans:</b> Follow FHA 4000.1 Handbook	✓	✓	✓	✓	✓
<b>Non-Purchasing Spouse:</b>	Credit Report Required in Community Property States. Monthly obligations must be included in DTI. Credit history not considered.	✓	✓	✓		✓
<b>Not Eligible:</b>	HUD Short Refinance Program	✓	✓	✓	✓	✓
	Individual Taxpayer Identification Numbers (ITINs) in lieu of Social Security Numbers	✓	✓	✓	✓	✓

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<b>Assets/Reserves:</b>	Document per AUS (or FHA 4000.1 Handbook for manually underwritten loans).	✓	✓	✓	✓	✓
	Reserves required per agency guidelines; cannot be gifted for manually approved loans. Donor ability required for all gifts (donor asset statement required).	✓	✓	✓		✓
	Two months complete bank statements (source of large deposits must be verified) required if funds to close exceed the total mortgage payment of the new mortgage.					✓
<b>Cash to Borrower:</b>	<b>Cash-out Refinance:</b> Cash in hand 5% of the loan amount maximum on manually approved loans.	✓				
	<b>Rate/Term Refinances:</b> Maximum \$500 for incidentals	✓				✓
	Texas Cash Out Refinances <b>NOT eligible</b>	✓	✓	✓	✓	✓
<b>Appraisal/Value:</b>	Follow FHA 4000.1 Handbook.	✓	✓	✓		✓
	Appraisal must include documentation regarding proposed repairs & value estimated. Appraiser must specify both "as is" & "as repaired" values.		✓			
<b>Rent/Mortgage History:</b>	Follow AUS Approve or FHA 4000.1 Handbook for manual underwriting	✓	✓	✓	✓	✓
	Private Verifications of Rent (VOR) will not be accepted	✓	✓	✓		✓
<b>Credit History:</b>	Letter of Explanation required addressing all credit related events and lack of traditional credit within the past 2 years on manually approved loans, and must have 3 non-traditional credit references, as specified in the FHA 4000.1 Handbook.				✓	
	Borrower's with traditional credit histories and credit scores will be underwritten on their own merits.	✓	✓			✓
	Disputed accounts must be resolved per FHA 4000.1 Handbook to retain AUS approval or downgraded to manual underwriting.	✓	✓			✓
	Active Chapter 13 bankruptcies require trustee approval, Chapter 7 bankruptcies may require copy of discharge to evidence completion.	✓	✓	✓	✓	✓
<b>Credit Qualifying Streamline:</b>	Credit history not evaluated.					✓
<b>Credit Qualifying Streamline:</b>	If streamline is required to credit qualify per FHA 4000.1 Handbook, other requirements may apply including but not limited to a credit and capacity analysis of the borrower.					✓
<b>New Tangible Benefit:</b>	Reduce combined rate of >0.5% OR reduced term, And / OR change from ARM to fixed rate mortgage					✓
<b>Repair Escrow:</b>	Weather related repairs or MPR repairs are permitted (escrow 1.5x) as per FHA 4000.1 Handbook.	✓			✓	
	<b>Purchase Only:</b> HUD Repair Escrow permitted up to maximum per FHA 4000.1 Handbook - Files must include bids for required work.	✓			✓	
<b>Mortgage Credit Certificate (MCC):</b>	Follow FHA 4000.1 Handbook	✓	✓	✓	✓	✓
<b>New York CEMA:</b>	Eligible	✓	✓	✓	✓	✓

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<b>Allowable Renovations:</b>	Follow FHA 4000.1 Handbook with regards to eligible renovations		✓			
<b>Contractors &amp; DIY:</b>	“Do-it-Yourself” work is not permitted Contractors must be registered, reputable and licensed (where applicable) FHA Consultant is required for Standard 203K loans		✓			✓
<b>Renovations Costs:</b>	<b>Limited:</b> Total renovation costs cannot exceed \$35,000, to include contingency & fees <b>Standard:</b> Renovations exceeding \$35,000 or considered “structural”		✓			
<b>Contractor Estimates:</b>	All contractor estimates must be signed & dated by the borrower(s) and contractor(s).		✓			✓
<b>Contingency &amp; PITI:</b>	Minimum 10% contingency reserve. Up to six months PITI allowed on Standard 203K loans per consultant recommendation. Contingency reserve may be increased, based on scope of work and the requirements set by the FHA 4000.1 Handbook.		✓			✓
<b>Renovations Documents:</b>	All renovation documents must be provided and approved through FGMC Construction / Renovation Department		✓			
<b>Construction Draw Funds:</b>	Construction funds will be administrated by FGMC or FGMC chosen admin vendor. Construction approval required for CTC and prior to closing. FGMC Builder Liaison will initiate FGMC and Builder contact.					✓
<b>Interest Rate:</b>	The permanent mortgage loan interest rate is established at closing. Two long term lock programs are available, either a “Cap and Float-down” or a Straight Extended Lock.					✓
<b>What Fees the Builder Must Pay:</b>	On FHA construction to permanent loans, the builder is TYPICALLY (though not required) responsible for: <ul style="list-style-type: none"> <li>• Interest payments during the construction period.</li> <li>• Fees normally paid by a builder who obtains an interim construction loan including, but not limited to:                             <ul style="list-style-type: none"> <li>○ Inspection fees and re-inspection fees</li> <li>○ Title update fees</li> <li>○ Construction loan fees</li> </ul> </li> </ul>					✓
<b>What Fees the Borrower Can Pay:</b>	The borrower cannot be responsible for the Construction Interest or Construction Loan Fees (Soft Costs). All Construction Interest and Construction Loan Fees will be the sole responsibility of the Builder. The Builder, at their discretion, may increase their contract price to accommodate these fees.					✓

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