

# MANUAL UNDERWRITING CHECKLIST

## Manual Underwriting

(Please note that at least one "Yes" box must be checked to indicate the reason for the manual underwrite.)

Manual UW	Was the loan referred by an Automatic Underwriting System (AUS)?	<input type="checkbox"/> Yes
Automatic Downgrades to Manual UW	Mortgage file contains information or documentation that cannot be entered into or evaluated by TOTAL Mortgage Scorecard?	<input type="checkbox"/> Yes
	Additional information, not considered in the AUS recommendation affects the overall insurability of the Mortgage?	<input type="checkbox"/> Yes
	Delinquent Federal Debt?	<input type="checkbox"/> Yes
	Any late mortgage payments on a cash-out refinance within 12 months of the case assignment?	<input type="checkbox"/> Yes
	Mortgages reported on the credit report with more than 2x30 late pays within 12 months of the case assignment?	<input type="checkbox"/> Yes
	Mortgages not reported on the credit report with any delinquency within 12 months of the case assignment, or more than 2x30 late pays within 24 months of the case assignment?	<input type="checkbox"/> Yes
	Previous Mortgage Foreclosure, Short Sale, or Deed-in-Lieu (DIL) of Foreclosure within last 3 years from Case Assignment?	<input type="checkbox"/> Yes
	Chapter 7 or 13 Bankruptcy discharged less than 2 years from date of loan application from Case Assignment?	<input type="checkbox"/> Yes
	Existing Disputed Accounts/Collections/Public Records (Excludes medical; includes chargeoffs, collections, late payments in last 24 months; aggregate balance >=\$1000)	<input type="checkbox"/> Yes
Business income shows a greater than 20% decline over the analysis period?	<input type="checkbox"/> Yes	
Potential Downgrades to Manual UW	Authorized user account is only current tradeline	<input type="checkbox"/> Yes
	Multiple NSF's on bank statements	<input type="checkbox"/> Yes
	Mortgage lates not reporting (includes private notes)	<input type="checkbox"/> Yes
	Judgments appearing on prelim/title commitment/ judgment search but not on credit report	<input type="checkbox"/> Yes
	Mortgages extinguished through foreclosure that have fallen off credit report or showing "unrated" instead of 8 or 9.	<input type="checkbox"/> Yes
	Tax liens not showing on credit report	<input type="checkbox"/> Yes

## Compensating Factors (FHA Only)

Manually Underwritten loans require compensating factors to improve probability for loan approval. Conditions will apply to substantiate the factors below.

	FICO >= 580				FICO < 580 (and Non-Traditional/Insufficient)
Housing/Total Debt Ratios	31/43	37/47	40/40	40/50	31/43 Max Debt Ratio
# Comp Factors	None	1	No Discretionary Debt	2	None

<p><b>CASH RESERVES</b></p> <p>Cash Reserves: \$ _____ ÷ Mo. PITI: \$ _____ = _____ Reserve Months</p> <ul style="list-style-type: none"> <li>• 1+ Months required for 1-2 Unit Property (3+ Months as Comp Factor)</li> <li>• 3+ Months required for 3-4 Unit Property (6+ Months as Comp Factor)</li> <li>• Exclude from Cash Reserves: Gift Funds; Equity from another property; Borrower Funds; Cash Proceeds from Refi Transaction</li> <li>• Retirement Accounts may be used – only 60% of the vested amount</li> </ul>	<p><b>MORTGAGE PAYMENT &amp; PAYMENT HISTORY</b></p> <p>Current Total Housing Payment: \$ _____</p> <p>New Payment (PITI): \$ _____</p> <p>Difference: \$ _____ ( _____ % increase/decrease)</p> <p># Mortgage/Rental Lates in last 12 months: _____</p> <p><input type="checkbox"/> No Discretionary Debt*</p> <p>*Housing Payment is the ONLY open account with balance not paid off monthly</p> <p>Additional established credit lines as authorized user required to be open for at least 6 months and paid in full for the past 6 months</p>																																			
<p><b>SIGNIFICANT ADDITIONAL INCOME NOT INCLUDED IN GROSS EFFECTIVE INCOME</b></p> <p>Bonus Income: \$ _____ <input type="checkbox"/> Monthly <input type="checkbox"/> Annual <input type="checkbox"/> Quarterly</p> <p>Overtime Income: \$ _____ <input type="checkbox"/> Monthly <input type="checkbox"/> Annual <input type="checkbox"/> Quarterly</p> <p>Part-Time Income: \$ _____ <input type="checkbox"/> Monthly <input type="checkbox"/> Annual <input type="checkbox"/> Quarterly</p> <p>Seasonal Income: \$ _____ <input type="checkbox"/> Monthly <input type="checkbox"/> Annual <input type="checkbox"/> Quarterly</p> <p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>• Proof that borrower has received this income for at least 1 year and income will likely continue.</li> <li>• The income, if included in Gross, would reduce the qualifying ratios under 37% housing and 47% total ratio.</li> <li>• Income from non-borrowing spouses/non-obligated parties is not permitted</li> </ul>	<p><b>MONTHLY RESIDUAL INCOME</b> Family Size: _____</p> <p>Total Monthly Income: \$ _____</p> <p>Less Gross Up Portion of Non-Taxable Income: \$ _____</p> <p>Less Child care expenses \$ _____</p> <p>Less PITI + HOA: \$ _____</p> <p>Less monthly debts: \$ _____</p> <p>Less Monthly prop maint: \$ _____ (.14 cents per square foot)</p> <p>Less Fed/State/Other tax: \$ _____</p> <p><b>TOTAL RESIDUAL INCOME: \$ _____ (exceeds amount from chart below)</b></p> <table border="1" style="font-size: small;"> <tr> <td colspan="5">Use <b>BOLD</b> values for loan amounts of \$80,000 or higher; <i>italics</i> values for loan amounts less than \$80,000</td> </tr> <tr> <td>Family Size</td> <td>Northeast</td> <td>Midwest</td> <td>South</td> <td>West</td> </tr> <tr> <td>1</td> <td><b>\$450</b> (<i>\$390</i>)</td> <td><b>\$441</b> (<i>\$382</i>)</td> <td><b>\$441</b> (<i>\$382</i>)</td> <td><b>\$491</b> (<i>\$425</i>)</td> </tr> <tr> <td>2</td> <td><b>\$755</b> (<i>\$654</i>)</td> <td><b>\$738</b> (<i>\$641</i>)</td> <td><b>\$738</b> (<i>\$641</i>)</td> <td><b>\$823</b> (<i>\$713</i>)</td> </tr> <tr> <td>3</td> <td><b>\$909</b> (<i>\$788</i>)</td> <td><b>\$889</b> (<i>\$772</i>)</td> <td><b>\$889</b> (<i>\$772</i>)</td> <td><b>\$990</b> (<i>\$859</i>)</td> </tr> <tr> <td>4</td> <td><b>\$1025</b> (<i>\$888</i>)</td> <td><b>\$1003</b> (<i>\$868</i>)</td> <td><b>\$1003</b> (<i>\$868</i>)</td> <td><b>\$1117</b> (<i>\$967</i>)</td> </tr> <tr> <td>5</td> <td><b>\$1062</b> (<i>\$921</i>)</td> <td><b>\$1039</b> (<i>\$902</i>)</td> <td><b>\$1039</b> (<i>\$902</i>)</td> <td><b>\$1158</b> (<i>\$1004</i>)</td> </tr> </table> <p>Over 5, add <b>\$80</b> (<i>\$75</i>) for each additional member up to 7 Total</p> <p>Northeast: CT, MA, ME, NH, NJ, NY, PA, RI, VT Midwest: IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI          South: AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, OK, PR, SC, TN, TX, VA, VI, WV          West: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY</p>	Use <b>BOLD</b> values for loan amounts of \$80,000 or higher; <i>italics</i> values for loan amounts less than \$80,000					Family Size	Northeast	Midwest	South	West	1	<b>\$450</b> ( <i>\$390</i> )	<b>\$441</b> ( <i>\$382</i> )	<b>\$441</b> ( <i>\$382</i> )	<b>\$491</b> ( <i>\$425</i> )	2	<b>\$755</b> ( <i>\$654</i> )	<b>\$738</b> ( <i>\$641</i> )	<b>\$738</b> ( <i>\$641</i> )	<b>\$823</b> ( <i>\$713</i> )	3	<b>\$909</b> ( <i>\$788</i> )	<b>\$889</b> ( <i>\$772</i> )	<b>\$889</b> ( <i>\$772</i> )	<b>\$990</b> ( <i>\$859</i> )	4	<b>\$1025</b> ( <i>\$888</i> )	<b>\$1003</b> ( <i>\$868</i> )	<b>\$1003</b> ( <i>\$868</i> )	<b>\$1117</b> ( <i>\$967</i> )	5	<b>\$1062</b> ( <i>\$921</i> )	<b>\$1039</b> ( <i>\$902</i> )	<b>\$1039</b> ( <i>\$902</i> )	<b>\$1158</b> ( <i>\$1004</i> )
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