Ohio Housing &
U.S. Bank Home Mortgage-
MRBP Division

Product and Underwriting Guidelines
This presentation is for basic informational purposes only. It does not modify or replace the information provided by FHA, VA, RD, Fannie Mae.

It is the lenders’ responsibility to follow all specific, current product guidelines, mortgagee letters, announcements, or bulletins. This presentation is for general product requirements, and OHFA variances.

Lenders should also follow U.S. Bank - MRBP product descriptions and any bulletins issued by U. S. Bank – MRBP.

U.S. Bank Home Mortgage- MRBP Division and Ohio Housing are not liable for loans not meeting product guideline criteria.
Underwriting Guidelines

- Credit underwriting is the responsibility of the originating lender
  - U.S. Bank Home Mortgage (Master Servicer) will not re-underwrite your loans

- Correspondent Lenders (Lenders for which U.S. Bank underwrites)
  - Must follow U.S Bank guidelines and overlays
  - Must use U.S. Bank appraisal services

- All loans are subject to both internal and agency audits
Underwriting Guidelines

- Underwriters should make...
  - Sound credit decisions
  - Assure data integrity
  - Include all necessary documents
  - Provide supporting documentation for the underwriting decision
The following automated systems are approved for use with loans in the bond programs:
- Fannie Mae (DU) “HFA Preferred”
- Freddie Mac (LP) as HP
- FHA & VA loans (DU or LP)
- RD Loans (GUS)

If manual underwriting is necessary, full documentation is required.
Secondary Financing

**Down Payment Assistance Programs (DPA)**

- The funding source for the DPA program must be stated in the *source of funds* section of the 1003, and on the HUD-1

  **Example:** Ohio Housing Finance Agency
  Second Mortgage Loan Program

- Make sure the DPA program meets FHA or Fannie Mae requirements

- All loans with DPA must include the following documentation.
  - Down Payment Assistance Funding Verification Form USB002
  - Attach a copy of the OHFA’s Commitment to fund the Down Payment Assistance Letter that was provided at loan closing from the OHFA.
**FHA Products**

- **Eligible Products** = **30 Year Fixed Rate ONLY**
  - 203B FHA
  - 234C Condo, Puds, Townhomes
  - 203K Streamline only
  - FHA Loan for Veterans
  - FHA Homeownership Incentive (HUD REO)
  - Existing or New Homes
  - Manufactured Housing

- **Underwriting References**
  - FHA Guide – 4155.1 rev 5
  - Allregs: [www.allregs.com](http://www.allregs.com)
Streamlined 203(k)

- Contact USBank Help Desk for guidelines !!!
  
  *** USBank will hold and disburse rehab escrow ***

- Lenders must review the 203ks manual on our website.

- The Streamlined 203k program is intended for uncomplicated rehab improvements to a home for which plans, consultants, engineers, or architects are not required.

- Ceiling is $35,000 maximum repair/rehabilitation amount.

- The Lender is responsible for follow-up of all FHA required Documentation to HUD and US Bank.
Streamlined 203(k) Overview

Lenders must review the 203(ks) manual on U.S. Bank website:
www.mrbp.usbank.com/U.S. Bank Lending Manuals/203(ks) manual

General Requirements

Please also review our 203(ks) presentation at:
http://www.brainshark.com/brainshark/brainshark.net/portal/title.aspx?pid=zFDz5M13hz47vMz0
Streamlined 203(k) Reference

U. S. Bank Streamline 203K Manual and Forms

www.mrbp.usbank.com

MRBP 203K Streamline Administration
1-800-562-5165
mrbp.203k@usbank.com

FHA
http://www.hud.gov/offices/hsg/sfh/203k/203kmenu.cfm
FHA Homeownership Incentive

- **HUD Owned Homes**
  - Purchase a home with little downpayment
  - Obtain incentives: sales allowance, closing cost, repairs, pay down principal, paying broker bonus
  - Can use other approved FHA DPA
  - No cash back to borrower
  - List of homes available online

- **Note:** Each HUD incentive may vary according to state or individual property sale.
Manufactured Housing

- Government Loans
  - Manufactured Homes are *ONLY* permitted in the program using FHA, VA, and Rural Housing Program Guidelines
  - Manufactured homes must meet specific size and structural requirements, remain permanently affixed to a foundation, and be taxed as real estate
  - USBank guidelines on website (must follow)
  - Cannot be combined with 203ks loans

- Conventional Loans
  - Manufactured homes are *not* currently eligible for Fannie Mae or Freddie Mac financing
Resources
Underwriting Guidelines

- Guide – 4155.1 rev 5
- FHA website www.hud.gov
- Allregs www.allregs.com
- Search answers.hud.gov
- Email hud@custhelp.com
- Phone (800) CALLFHA = (800) 225-5342
  - info@fhaoutreach.com
- Others -
  - VA www.homeloans.va.gov
  - USDA-RD www.rurdev.usda.gov
Conventional Loans

Fannie Mae > HFA Preferred in DU
MUST have “Approved Eligible”
www.efanniemae.com

Freddie Mac > Must be run as HP = Home Possible
MUST have risk class “ACCEPT”
http://www.freddiemac.com/singlefamily
**HFA Preferred Conventional Loan**

| Description | • Fannie Mae HFA Preferred  
• 30 Year Fixed Rate Amortization / Purchase Only |
|-------------|------------------------------------------------------------------------------------------------|
| Delivery Fees | • -0- Loan Level Price Adjustment on HFA Preferred Loans  
• .25% adverse market fee will apply |
| Maximum LTV/CLTV | • 97%/100% 1 unit (subject to MI)  
• 95%/100% 2 unit (subject to MI) |
| Fannie Mae Loans | • Approved Eligible  
• Manual UW permitted with further criteria  
**MUST follow the FNMA “Eligibility Matrix” for manual uw** |
| MI = MCM and Home Possible Loans | • 80.01-85% LTV: 6%  
• 85.01-90% LTV: 12%  
• 90.01-95% LTV: 16%  
• 95.01-97% LTV: 18% |
| Eligibility | Borrower, property, sales price, income  
* Refer to OHFA’s guidelines  
Loan may not be acceptable if ran as standard Fannie Mae, or will be subject to substantial Fannie Mae charges |

Review USB product description
Freddie Mac Loans

Freddie Mac

Must be run as HP = Home Possible

Risk Class of “Accept”
(700 Credit Score > 80% LTV/CLTV)

No manual underwriting

TLTV = 95% / Max DTI = 45%
Help Desk

- Toll free 1-800-562-5165
- Email: mrbp.helpdesk@usbank.com

- Underwriters email:
  - bedford-bondunderwriting@usbank.com
THANK YOU

For your participation in the

OHIO HOUSING FINANCE AGENCY

programs!