

# FHA ONE-TIME CLOSE PROGRAM

## PROGRAM SPECIFICATIONS

Description	<p>Lender offers Construction to Permanent loans for <u>new</u> manufactured, modular homes, and one unit stick built homes. Our One Time Close program provides construction financing, lot purchase and Permanent loan, all wrapped up in one loan. Why worry about re-qualifying, re-appraisals or incurring additional costs?</p> <p>Lender provides interim financing and administration for true one-time close staged funded construction-to-permanent loans. Designed for manufactured housing, modular housing, and stick built housing, this program allows the lender the ability to offer our Wholesale clients this unique loan product.</p> <p>The lender underwrites and approves the permanent portion of the loan before the construction begins. The construction portion of the loan is also underwritten and approved. When all conditions for closing are cleared with Lender other than the final construction related conditions, the closing will be coordinated. Once closed, construction can begin.</p> <p>Because the permanent loan is closed before construction begins, there is no "re-qualifying" the borrower. This is a true one-time close; therefore, the borrowers will not need to return to the settlement agent for a second closing once construction is complete.</p>
Channels	<ul style="list-style-type: none"> <li>• Broker</li> <li>• Correspondent Table Funded *</li> <li>• Correspondent Non-Delegated *</li> </ul> <p>o lender must draw/prepare all Correspondent Non-Delegated closing packages</p> <p>Important: Correspondent Delegated UW transactions are not permitted</p> <p>Note: Correspondent Table Funded and Correspondent Non-Delegated partners must complete the Lender One-Time Close Programs webinar and pass a test prior to submitting an OTC transaction.</p>
FICO	<ul style="list-style-type: none"> <li>• Minimum 620 FICO for all qualifying borrowers               <ul style="list-style-type: none"> <li>o 620-659: A minimum of 2 credit scores are required for all qualifying borrowers. Use the middle score if 3 credit scores or the lower of the two if 2 credit scores. Lowest representative score from all borrowers will be used for qualification purposes.</li> <li>o 660+: A minimum of 1 credit score is required for all required borrowers.</li> </ul> </li> </ul>
UW Method	<ul style="list-style-type: none"> <li>• Desktop Underwriter (DU)</li> <li>• Loan Prospector (LP)</li> </ul>
AUS Recommendation	<ul style="list-style-type: none"> <li>• Approve/Eligible (DU)</li> <li>• Accept/Accept (LP) – see Special Feature Options</li> </ul> <p>Important: Lender does not permit Refer or Caution AUS recommendations</p>
Eligible Terms	<ul style="list-style-type: none"> <li>• 15 Year Fixed</li> <li>• 30 Year Fixed</li> </ul>
Eligible Transactions	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Construction to Permanent               <ul style="list-style-type: none"> <li>o See Special Feature Options</li> </ul> </li> </ul>
Eligible Property Types	<ul style="list-style-type: none"> <li>• Multi-Width Manufactured Housing</li> <li>• Modular Homes</li> <li>• 1 Unit Stick Built Housing</li> </ul> <p>Reminder: Single Width Manufactured Housing is not permitted</p>
Maximum LTV/CLTV/HCLTV	96.5% LTV
Maximum DTI	Follow AUS findings
Appraisal	Note: The appraised value determined by the Appraiser must be the "as completed" appraised value of the property after completion of construction
Special Feature Options	<ul style="list-style-type: none"> <li>• No interim construction payments; or</li> <li>• Construction to Permanent loan with interest only payments (construction interest) made by the Borrower(s) during construction, disclosed as a single close transaction.               <ul style="list-style-type: none"> <li>o No Construction LE or CD</li> <li>o Follow <a href="#">Appendix D to Part 1026</a>; Multiple Advance construction Loans; Part II, Construction to Permanent Financing Disclosed as one Transaction (A)(1)</li> <li>o Permanent loan and construction interest rate must be the same Fixed Rate</li> <li>o LPA Accept only</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>Correspondent Table Funded and Correspondent Non-Delegated transactions must be purchased prior to construction. Construction administration and conversion to permanent financing must be managed by lender</li> </ul>
Geographic Restrictions	<ul style="list-style-type: none"> <li>Alaska</li> <li>Hawaii</li> <li>lender does not operate in the states of Alaska or Hawaii and does not permit OTC loans with a subject property in Alaska or Hawaii.</li> </ul>
UW Guidelines (4000.1)	<a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1%20II.A.8.j">http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1 II.A.8.j</a>
Forms	See FORMS Section in the Resource Center

## OVERLAYS

Follow all overlays outlined in the FHA 203(b) Program Matrix and:

- Correspondent Delegated UW transactions are not permitted
- Correspondent Table Funded and Correspondent Non-Delegated partners must complete the lender One-Time Close Programs webinar and pass a test prior to submitting an OTC transaction
- All Correspondent Non-Delegated closing packages will be drawn/prepared by lender
- 620 minimum qualifying credit score.
- 15 Yr. and 30 Yr. Fixed only; ARMs are not permitted
- The Borrower cannot perform any of the work ("Self-Help" is not permitted)
- Singlewide Manufactured housing is not permitted
- AUS Refer Recommendations are not permitted
- lender requires a Final Inspection performed on the HUD Form 92051 accompanied by interior and exterior pictures of the subject property