

General Credit Buying Matrix

CATEGORY	CONFORMING	FHA
Minimum Down Payment	5% (min beacon @640); 10% down (min @620 with compensating factors).	3% *If down payment is gifted, must use FHA program.
Spouse (if applicable)	Don't have to include spouse.	Have to count spouses debts, even though he/she may not want to be on the loan.
Co-signers	Okay with 5% down minimum, must be primary borrower's funds.	Okay with 3% down minimum.
Preliminary Conditions *Examples: pay stubs, bank statements, verification of deposit	Collected by Land/Home Financial to free up salesperson to sell more homes!	Collected by Land/Home Financial to free up salesperson to sell more homes!
Debt Ratios *Compensating factors may be good job time and/or great equity, etc.	Standard: 28 / 38%. Higher possible with compensating factors.	Standard: 29 / 41%. Higher possible with compensating factors.
Taxes and Insurance	With 80% LTV or higher, have to be included with loan payment. With under 80% LTV, borrower's option to include (pricing adjustment).	Always include in the loan payment.
Collections (over \$250 or in aggregate of \$1000)	Must be paid off with proof of source of funds, or if room in deal (supported by appraisal), may be able to include in the deal.	Must be paid off with proof of source of funds, or if room in deal (supported by appraisal), may be able to include in the deal.
Liens/Judgments	Must be paid off with proof of source of funds.	Must be paid off with proof of source of funds.
Chapter 7 Bankruptcy	3 years	2 years
Chapter 13 Bankruptcy	3 years	Proof of satisfactory payments into the BK for minimum of 1 year and have BK Court approval.
Permanent Foundation	Home must be set per Manufacturer's specifications, plans approved by an engineer, and meet all local, County and State guidelines.	Home to be set per Manufacturer's specifications, plans approved by an engineer, and meet all HUD, local, County and State guidelines.
Seller Credit	Retailer can contribute 3% with less than 10% down. Retailer can contribute 6% with 10% down or greater.	Retailer can contribute 6%.
Appraisers, Title Companies, Surveyors	Land/Home Financial will place the order with your preferred service provider. The Appraiser must be licensed and approved by Land/Home Financial.	Land/Home Financial will order the Appraisal through a FHA Licensed Appraiser. Land/Home Financial will place the order for title, surveyor, and FHA inspector with your preferred service provider.

NOTE: This matrix provides generic guidelines for conforming and FHA loans. Land/Home Financial has many "Niche" products to meet specific borrower requirements that may include much greater flexibility to these generic guidelines.