

United Guaranty appreciates the opportunity to provide these expanded underwriting requirements—which address subordinate financing, gifts, and grants—for lenders.

HFA loans are defined as a first lien mortgage originated through a state, county, or municipal housing finance program. Housing Finance Agency (HFA) loans **not** using the expanded requirements below should refer to our Performance Premium Underwriting Requirements Guide.

HFA loans using the minimum borrower contribution and/or subordinate financing expansions below, must meet the additional requirements in this document. *For loans using the expanded parameters below, further exceptions are not allowed, including the Performance Premium credit score and DTI ratio variances.*

EXPANDED REQUIREMENTS FOR MINIMUM BORROWER CONTRIBUTION AND SUBORDINATE FINANCING

Minimum Borrower Contribution	<ul style="list-style-type: none"> • Gifts/Grants may be considered the borrower’s own funds for purposes of meeting United Guaranty’s minimum borrower contribution requirement unless subordinate financing (see below) is present within the transaction.
Subordinate Financing	<ul style="list-style-type: none"> • Funds that may require repayment under any circumstance are considered loans and must be included in the CLTV, including those that are forgivable or for which monthly payments are deferred. • Second liens must meet Fannie Mae’s Community Seconds® or Freddie Mac’s Affordable Seconds® requirements. • Minimum borrower contribution required—lesser of \$1,000 or 1% from the borrower’s own funds. • 2 months PITIA required. • Financed MI is ineligible with subordinate financing.

ADDITIONAL HFA UNDERWRITING REQUIREMENTS (APPLY ONLY WHEN EXPANDED REQUIREMENTS LISTED ABOVE ARE USED.)

OCCUPANCY	TRANSACTION TYPE	PROPERTY TYPE	MAXIMUM LTV	MAXIMUM CLTV	MAXIMUM LOAN AMOUNT	MINIMUM CREDIT SCORE	MAXIMUM DTI
PRIMARY RESIDENCE (ONLY)	Purchase (only)	1-Unit, Detached, Attached, Condos, and Co-ops	97%	100%	\$417,000	680	41%
			95%	100%	\$417,000	660	

The following requirements apply in addition to those listed above:

- The loan must be identified as an HFA loan. Identify the loan as a Housing Finance Agency loan where applicable in UG system or on the 1003.
- All borrowers must occupy the property.
- Broker TPO loans require a full-file submission to United Guaranty.
- All other Performance Premium underwriting requirements apply.

Ineligible:

- ARMs with an initial fixed-rate period of less than five years.
- Temporary interest-rate buydowns.
- Balloon mortgages.
- Construction-to-permanent loans.
- Renovation mortgages.

Need Assistance?

If you have questions or need assistance, please call United Guaranty’s Customer Service Department at 877.MICHOICE (877.642.4642), Option 3.