

# THE HOME LOAN

## CHEAT SHEET FOR AGENTS

### BUYING "FLIP" HOMES

- Flips allowed for Conventional Conforming Loans.
- If a property is re-sold in 90 days or fewer following the date of acquisition by the seller, the property is **NOT** eligible for a mortgage insured by FHA. Exceptions include the sale of property by HUD (REO), resale of homes by local and state governments, non-profits, and state and federally chartered financial institutions.
- The guidelines regarding flips varies among jumbo loan programs.

### RULES ABOUT CO-BORROWERS/CO-SIGNERS

**CONVENTIONAL CONFORMING LOANS:**  
Loan-to-value is limited to 95%

Allowed

**FHA LOANS:** Allowed  
LTV is limited to 75%. Unless the co-signer is a family member, then maximum LTV is 96.5% (some exclusions apply).

**VA LOANS:** Allowed  
Must be submitted to VA for prior approval.

### BUYING A HOME AFTER: SHORT-SALE, FORECLOSURE, BANKRUPTCY

	FORECLOSURE	SHORT SALE [DEED-IN-LIEU]	CHAPTER 7 BANKRUPTCY	CHAPTER 13 BANKRUPTCY
FANNIE MAE	<b>7 years</b> from when title is transferred from the borrower's name	<b>4 years</b> (includes Deed-in-Lieu)	<b>4 years</b> from discharge or dismissal date*	<b>2 years</b> from discharge date* <b>4 years</b> from dismissal date*
FREDDIE MAC	<b>No waiting period</b> requirement for loans receiving Loan Advisor Accept/Eligible recommendation	<b>No waiting period</b> requirement for loans receiving Loan Advisor Accept/Eligible recommendation	<b>No waiting period</b> requirement for loans receiving Loan Advisor Accept/Eligible recommendation	<b>No waiting period</b> requirement for loans receiving Loan Advisor Accept/Eligible recommendation
FHA	<b>3 years</b> from the latter of the date title transferred from the borrower's name or the date a claim was paid by FHA; includes Deed-in-Lieu and FHA Short Sale	<b>3 years</b> but can be shortened under certain conditions	<b>2 years</b> from discharge or dismissal date	<b>1 year</b> of the payout must elapse and payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage
VA	<b>2 years</b> from when title is transferred from the borrower's name (includes Deed-in-Lieu)	If the loan was not current at the time of the short sale, the foreclosure waiting period is required	<b>2 years</b> from discharge or dismissal date	<b>1 year</b> of the payout must elapse and payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage
USDA RURAL	<b>3 years</b> for a manual underwrite (includes Deed-In-Lieu); no waiting period for a GUS accept	<b>3 years</b> from completion date for a manual underwrite; no waiting period for a GUS accept	<b>3 years</b> for a manual underwrite; no waiting period for a GUS accept	<b>1 year</b> of the payout must elapse and payment performance must be satisfactory; buyer must receive permission from the court to enter into a mortgage for a manual underwrite

Wait time may be reduced with documented extenuating circumstances. Jumbo loans will be based on specific investor guidelines. See your Loan Officer for details. \*Multiple bankruptcies within the most recent seven years require a five-year waiting period. Fannie Mae and Freddie Mac require an AUS approval. Cornerstone is not affiliated with the U.S. Government. Effective July 2021.

## DOWN PAYMENT, LOAN AMOUNTS & CREDIT

	PRIMARY HOME	SECOND HOME	RENTAL HOME
<b>CONVENTIONAL CONFORMING</b>			
Down Payment (min)/ max LTV	3% (97% LTV)	10% (90% LTV)	15% (85% LTV)
Max Loan Amount**	\$548,280	\$548,280	\$548,280
<b>JUMBO</b>			
Down Payment (min)/ max LTV	10.01% (89.99% LTV)	20% (80% LTV)	30% (70% LTV)
Credit Score (min)	760	720	740
<b>FHA</b>			
Down Payment (min)/ max LTV	3.5% (96.5% LTV) \$368,000	⊗ Not Available	⊗ Not Available
Base Loan Amount (max)**	580 w/ automated underwriting Approval/accept eligible	⊗ Not Available	⊗ Not Available
Credit Score (min)	580-619 subject to a maximum DTI of 50%	⊗ Not Available	⊗ Not Available
<b>VA</b>			
Down Payment (min)/ max LTV	0% (100% LTV) to \$2 million***	⊗ Not Available	⊗ Not Available
Loan Amount (max)	580 for AUS approved loans	⊗ Not Available	⊗ Not Available
Credit Score (min)		⊗ Not Available	⊗ Not Available

## MAXIMUM SELLER CONCESSIONS ALLOWED

	PRIMARY HOME	SECOND HOME	RENTAL HOME
<b>CONVENTIONAL</b>	3% if LTV > 90%, 6% if LTV > 75% and ≤ 90%, 9% if LTV ≤ 75%	3% if LTV > 90%, 6% if LTV > 75% and ≤ 90%, 9% if LTV ≤ 75%	2%
<b>JUMBO</b>	Varies by Program	Varies by Program	2%
<b>FHA</b>	6%	⊗	⊗
<b>VA</b>	4%*	⊗	⊗

\*Only certain costs are calculated into the 4%

## GIFT FUNDS FOR DOWN PAYMENTS

	PRIMARY HOME	SECOND HOME	RENTAL HOME
<b>CONVENTIONAL</b>	Yes, 5% must come from borrower's personal funds for a 2-4 unit property	Yes, 5% must come from borrower's personal funds for a 2-4 unit property	Gifts not allowed
<b>JUMBO</b>	Yes, 5% must come from borrower's personal funds.	Yes, 5% must come from borrower's personal funds.	Gifts not allowed
<b>FHA</b>	Yes	⊗	⊗



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