

Manufactured Housing- Government	
REQUIREMENTS	<ul style="list-style-type: none"> • <u>Non QM- Not Allowed</u> • <u>High Priced Mortgage (HPML) Rebuttable Presumption & Rebuttable Presumption QM:</u> • HPML Rebuttable Residual Income
Appraisal	<ul style="list-style-type: none"> • Re use of an Appraisal- Not Allowed • On loans containing an Appraisal, the Seller may provide an AVM, a fraud detection tool with AVM built-in it, Desk or Field review from any vendor to support the appraised value • If two valid reports are obtained, must use the lower of the two values • If the AVM is over 10% variance, or the AUS indicated any of these two findings, a Desk review is required to support the value • AVM's are not required for new construction or if the CU score is between 1-4 • Collateral Underwriter: ALL appraisals must have the Summary Submission Report • CU scores of 4.01- 4.09 must have documentation of the steps taken to ensure the validity of the appraised value, can include field/desk reviews, comments from the underwriter • CU scores of 5 or greater with the message "there is a highlighted risk of overvaluation"- Not Eligible • Appraiser to acknowledge the Structural Engineer Report in the Appraisal
Business Assets	<ul style="list-style-type: none"> • Borrower must be 100% owner of the business. The effect on borrower's business must be established by the underwriter
Documentation	<ul style="list-style-type: none"> • VOD as standalone documentation- not allowed- must be accompanied by computer printout or other statements directly from the banking institution. • DU- Fannie Mae Day 1 certainty documentation relief is permitted
Loans- Secured and Unsecured	<ul style="list-style-type: none"> • Unsecured loan sources: • Related person- Not Allowed • Community Savings program-Not Allowed
Unacceptable Sources	<ul style="list-style-type: none"> • Cash on Hand • Sweat Equity • Custodial Accounts for Minors
AUS	<ul style="list-style-type: none"> • DU Only • Refer/Ineligible findings are not allowed • Letter of explanation required when submissions considered excessive by AUS

	<ul style="list-style-type: none"> • AUS used to underwrite and close the loan only, no switching after the loan has closed
Borrowers	<ul style="list-style-type: none"> • US Citizens • Permanent Resident Alien • Non-Occupant Co-Borrower – Not allowed
Maximum # of Borrowers	<ul style="list-style-type: none"> • No more than 4 borrowers per loan
Collections, Judgements, Tax Liens, etc.	<ul style="list-style-type: none"> • All judgments must be paid at or prior to closing. Any judgment or tax lien that is paid off by the borrower will require proof of the payment and evidence of release. • FHA- exceptions will be permitted on unrated collection accounts, if the loan is downgraded and the DE underwriter completes a manual underwrite in accordance with FHA policies • VA- Court ordered judgements must be paid off if on title
Credit Report	<ul style="list-style-type: none"> • Refreshed credit report must be completed within 10 calendar days from the date of the note (or a detailed letter of explanation addressing recent credit inquiries from the borrower) showing no undisclosed debt
Derogatory Credit	<ul style="list-style-type: none"> • Non-Traditional Credit- Not Allowed
FICO	<ul style="list-style-type: none"> • Min FICO 680 • No credit score- Not Allowed
DTI	<ul style="list-style-type: none"> • Max DTI 50%
Real Estate Taxes and Insurance	<ul style="list-style-type: none"> • Use of Tax exemptions and/or abatements for qualifying purposes not approved and in place prior to closing are NOT allowed (i.e. disabled or over 65)
Fraud/Core Logic	<ul style="list-style-type: none"> • Fraud Report Required and must include the following: <ul style="list-style-type: none"> ▪ Borrower Validation ▪ Social Security Validation ▪ Property Information ▪ MERS
Photos of Credit Documentation vs. copies	<ul style="list-style-type: none"> • Must be a clear copy of document

VOE	<ul style="list-style-type: none"> • VOE as standalone documentation Not Allowed - requires a year to date paystub and most recent year W-2 regardless of AUS <ul style="list-style-type: none"> ▪ Fannie Mae Day 1 Certainty documentation relief is permitted. • Verbal Verification of Employment <ul style="list-style-type: none"> ▪ Salaried – Dated within 10 Business days prior to signing date • Self-Employed - Dated within 10 calendar days prior to signing date
Assets as Qualifying Income	<ul style="list-style-type: none"> • Annuity/Retirement/Distribution Income: <ul style="list-style-type: none"> ▪ Distribution being used to qualify must be established prior to the application date ▪ Copy of the distribution schedule must be provided ▪ Copy of at least one month's distribution check required ▪ Assets being depleted due to distribution cannot be used for reserves
Business not federally recognized (I.E. Medical Marijuana Distribution Center)	<ul style="list-style-type: none"> • Not Allowed
Future Salary Increase	<ul style="list-style-type: none"> • Not Allowed
Government/Public assistance	<ul style="list-style-type: none"> • Not Allowed
Ineligible sources	<ul style="list-style-type: none"> • Foreign Shell Banks • Business engaged in any type of internet gambling • Boarder Income
Trust	<ul style="list-style-type: none"> • Guaranteed constant payments will continue for 3 years • Copy of Trust Agreement confirming amount, frequency and duration of distribution • Proof of receipt for most recent 3 months
ARM loans	<ul style="list-style-type: none"> • Not Allowed
EEM (Energy Efficient Mortgage)	<ul style="list-style-type: none"> • Not Allowed
High Balance	<ul style="list-style-type: none"> • FHA- terms less than 20 years- not allowed • VA Loan Amounts <453,801 excluding funding fee are considered high balance • VA Maximum total loan amount \$1,200,000

HUD 184	<ul style="list-style-type: none">• Not Allowed
MCC	<ul style="list-style-type: none">• May be used as a direct income tax credit when filing a Federal Income tax Return or monthly income amount to be used for qualifying purposes
One Time Close	<ul style="list-style-type: none">• Not Allowed
Subordinate Financing	<ul style="list-style-type: none">• Negative amortization or balloon payments are ineligible
Buy Downs	<ul style="list-style-type: none">• Not Allowed
Escrow Holdback	<ul style="list-style-type: none">▪ Not Allowed
Geographic Restrictions	<ul style="list-style-type: none">• Not Allowed in Homes in the state of Louisiana, Alaska, Hawaii

<p>Ineligible Properties</p>	<ul style="list-style-type: none"> • Manufactured Homes more than 20 years old is not eligible • HUD Tags have been removed • Agricultural-type properties (such as farms, orchards or ranches) where income is being produced from the property • Bed & Breakfast Properties • Condotels • Co-ops • Commercial properties including, but not limited to, bed and breakfasts, assisted living, boarding houses, working farms and ranches • Historic Properties • Hobby Farms (Permitted on Owner Occupied only) • Land Trusts, Including Illinois Land Trust • Leaseholds, including those secured by a condo or on tribal land • Mixed use properties • Properties encumbered with private transfer fee covenants • Properties where manufactured housing on site being used as storage • Second home where the borrower generates any significant rental income from renting subject out – insignificant income ok • Timeshares • Properties not suitable for year-round occupancy (except as permitted in CMG Conventional Guidelines) • Loans with a chattel lien on the home plus a real property lien on the land • Properties where home was permanently attached in the 12 months preceding the loan application date • Private Transfer Fees • Property currently in litigation • Unimproved Land • 2-4 unit properties
<p>Leased Energy Systems (Including PACE)</p>	<ul style="list-style-type: none"> • Properties with leased solar panels- Not Allowed
<p>Property Flipping</p>	<ul style="list-style-type: none"> • Not Allowed on Non-Arm's Length Transactions

	<ul style="list-style-type: none"> ○ Property flips where the property was purchased within 180 days of closing except where the seller is a government agency, bank, GSE or mortgage insurer
Cash Out	<ul style="list-style-type: none"> • Not Allowed
Escrow Waiver	<ul style="list-style-type: none"> • Flood Insurance: the premiums related to the flood insurance must be escrowed - escrows for these premiums may not be waived, regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required. • Escrow for Earthquake Insurance – Not Allowed
Non Arms length/ identity of Interest	<ul style="list-style-type: none"> • Not Allowed
Purchase Agreements	<ul style="list-style-type: none"> ▪ Renegotiating the contract to increase sales price after the appraisal is completed to provide seller credit is not permitted. ▪ Assigned Purchase Contracts – Not Allowed
Sales Incentives	<ul style="list-style-type: none"> • Maximum allowable sales incentive (commission, finder's fee, etc.) is limited to 8% of the sale price
Exclusionary/Ineligible List	<ul style="list-style-type: none"> • All parties to the transaction must be run through exclusionary lists • CHL reserves the right to exclude a closing agent at any time during the transaction.