



DOWNPAYMENT ASSISTANCE PROGRAM UNDERWRITING CHECKLIST

By completing this form, the first mortgage lender is verifying that the client meets the following THF underwriting criteria for downpayment and closing cost assistance loans.

Applicant Name

Co-applicant Name

- Discount and Origination points cannot exceed 2% when combined.
- Closing costs should not exceed 4% (including the 2% combined Discount and Origination points) of sales price of the home, excluding PMI, prepaids and title insurance.
- First mortgage interest rate must be within 1% of the current FHA rate
- ~~Yield spread premium cannot exceed 1%.~~ Effective 4/12/2011, a yield spread premium is no longer allowed.
- Loan-to-value of first mortgage does not exceed 100%.
- Davidson County:** First mortgage is an FHA, THDA (*Great Rate*), VA or conforming conventional fixed rate loan offered by an FHA TN-approved lender and broker.
- Cheatham, Dickson, Robertson, Rutherford, Sumner or Wilson Counties:** First mortgage **must be** a conforming conventional fixed rate loan offered by an FHA TN-approved lender and broker.
- Clarksville, TN:** First mortgage is an FHA, THDA (*Great Rate*), VA or conforming conventional fixed rate loan in zip codes: **37040, 37042 or 37043** offered by an FHA TN-approved lender and broker.
- Bowling Green, KY:** First mortgage **must be** a conforming conventional fixed rate loan in zip codes: **42101, 42103 or 42104** offered by an FHA KY-approved lender and broker.
- There may be no 60 or 90 day delinquencies, judgments, collections or charge-offs within the past 12 months; and, no more than two 30-day delinquencies in the past 12 months.
- All non-medical collections, charge offs, and judgments must be paid in full.
- Medical collections must have a repayment history established for 6 months or must be paid in full.
- A Chapter 7 bankruptcy cannot have been filed in the past 3 years.
- If Chapter 13 has been filed in the past five years, the bankruptcy plan has been paid as agreed for at least two years or ½ the repayment period, whichever is shorter.
- Applicant has been on present job 120 days or more. Periods of unemployment exceeding 30 days are explained in writing.
- Front end ratio does not exceed 35%.
- Back end ratio does not exceed 45%.
- THF considers residual income in our underwriting process. There must be positive income when all borrowers' debts plus a standard amount of living expenses is subtracted from the gross income.

Lender Representative Name (please print)

Financial Institution

Signature

Date