



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 2%. *(Beginning August 1, 2009 the yield spread premium will change from "not exceeding 2%" to "not exceeding 1 %").*
- Loan-to-value of first mortgage does not exceed 100%.
- Davidson County:** First mortgage is a FHA, THDA, VA or conforming conventional loan offered by a FHA TN-approved lender and broker.
Nashville MSA (not Davidson County): First Mortgage is a conforming conventional loan offered by a FHA TN-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 bankruptcy cannot have been filed in the past 24 months.
- 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%.

Lender Representative Name (please print)

Financial Institution

Signature

Date