



MORTGAGE BANKERS
ASSOCIATION

Greater Rochester

Welcome to Finance Friday

FHA and VA Financing

9/14/2018

Program

- FHA

- MIP- upfront & monthly
 - Owner-Occupied only
 - 3.5% down payment
 - Loan Limits apply/per County
 - Higher DTI allowed

- VA

- Funding Fee-upfront only
 - Owner-Occupied only
 - 0 % down payment
 - Loan Limits apply/entitlement
 - DTI w/residual income test

Credit

- Student loans
- DTI/residual
- Child Care expense (VA)
- Paying off debt to qualify
- Credit Score
- Bankruptcy/Foreclosure
- Soft pull report/Inquiries
- Current housing vs. projected housing

Income

- Employment history/stability
- Residual Income
- Rental Income (subject)
- Rental Income (other)
- Other income (Alimony, Child Support)

Assets

- Gifts – donor ability
- Borrowers funds
- Earnest Money Deposits
- Seller concessions –
 - FHA vs. VA

Property

- Repairs vs. credits
- Appraisal transfers
- Inspections
- Property flipping (90 days)
- Personal property
- Additional forms
 - All Parties Agreement
 - VA Option Clause