

Michigan Mutual, Inc.

FHA

Products	Fixed Rate. 30-year, 25-year, 20-year, and 15-year terms ARM: 3/1 ARM 5/1 ARM
States	Arizona Kansas Ohio Tennessee Colorado Maryland New Hampshire Virginia Florida Maine Nevada Vermont Georgia Michigan New Mexico Indiana Minnesota North Carolina Kentucky Missouri South Carolina
Maximum Loan Amount	FHA Basic Maximum Loan Limits The maximum insurable mortgage is the lesser of: (1) The statutory loan limit for the area or (2) The applicable LTV limit. Minimum base loan amount: \$40,000 Maximum base loan amount: \$417,000 *loan amounts greater than 417,000 are subject to High Balance loan criteria
LTV / CLTV	<u>Purchase:</u> 96.5% LTV 100% maximum CLTV with acceptable subordinate financing 110% maximum CLTV with subordinate financing from government agencies. <u>Rate/Term Refinance</u> 97.75% maximum LTV Rate / Term Refinance 100% maximum CLTV with acceptable subordinate financing <u>Cash-Out Refinance:</u> 85% maximum LTV/CLTV for all cash out transactions.
Qualifying Ratios	DU Approve/Eligible • Ratios are evaluated by DU DU Refer / Manually Underwritten • Qualifying ratios are 31/43 – may be exceeded if strong, documented compensating factors exist
Credit Requirements	MMI underwrites both DU Approve/Eligible and DU Refer/Eligible loan files. FHA credit standards apply to the entire credit history, subject to clear CAIVRS, LDP, and GSA search results. Minimum FICO is 640. Must have sufficient trade lines to validate credit score. Credit is evaluated by DU using TOTAL Scorecard (see MMI guidelines for minimum trade line requirements). Note: In the event that derogatory or delinquent items are revealed during underwriting that cannot be identified by DU (not reflected on the credit report), the loan must be downgraded to “Refer” and manually underwritten. Non-Traditional Credit. • Can be used to supplement limited trade lines; however, we do not accept non-traditional credit only . Major Adverse items should be handled as follows: • Judgments on credit report: Must be paid or evidence of a payment plan and 12 month satisfactory payments. • Bankruptcy: o Chapter 7 requires a minimum two-year period since discharge date. o Chapter 13 is permitted if a one-year payout period has elapsed and performance has been satisfactory, and the borrower receives court approval to enter into the mortgage transaction. • Foreclosure / Deed-in-Lieu: Require a minimum three-year period since date of deed transfer.
Appraisals	Must meet FHA Appraiser Independence requirements (see MMI announcement #10-06 issued on 2/12/10). • Appraisals are good for 120 days.

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Property Types	<p>Eligible:</p> <ul style="list-style-type: none"> • 1-4 Family Owner Occupied Properties • PUDs • FHA Approved Condominiums • Site Condos • Townhome/Rowhome • Modular Homes • Log Homes, Dome Homes, Berm Homes, Pier Foundations; Homes with extreme functional obsolescence (ie: one bedroom) must be common and typical to the area and have like Comps to be eligible • New Construction homes (less than 12 months from the date of the Certificate of Occupancy) <p>Ineligible:</p> <ul style="list-style-type: none"> • Non FHA approved Condominiums; Condotels; Condo conversions, New Construction Condos • New Construction properties in a Flood Zone • Mobile/Manufactured Homes • Agricultural, Commercial, Industrial Use • Income producing property / mixed-use properties • Leasehold properties • Properties currently listed for sale (refinances) • Non-owner occupied; 2nd homes; Time-share units • Construction financing • Properties vested in Life Estates/Trust • Multiple dwellings on single parcel of land
Mortgage Insurance	<p>Up Front Mortgage Insurance (UFMIP) is required on all loans. The UFMIP must be either entirely financed into the mortgage or paid entirely in cash. The statutory loan amount and LTV limits do not include UFMIP.</p>
Escrow Waiver	<p>Not permitted.</p>
Settlement Fees / Closing Costs	<p>MMI Underwriting Fee: \$775 IRS Tax Transcripts: The actual fee will be determined upon receipt of tax transcripts (for up-front TILA/APR disclosure purposes, MMI utilizes \$50 per borrower, if actual fees are not itemized). A schedule of actual fees are provided on MMI's website.</p>