

Community Mortgage Residential Mortgage Program & Underwriting Guidelines



Community Mortgage

Effective Date:
08/16/2021

Primary Residence & Second Home			
	LTV	FICO	Reserves
Purchase Rate & Term Refinance	80%	740	3 months
		700	9 months
		680	12 months
		640	18 months
Primary Residence & Second Home			
	LTV	FICO	Reserves
Cash Out Refinance	75%	740	3 months
		700	9 months
		680	12 months
		640	18 months
Maximum Loan Amounts			
All LTVs based on grid above	\$3,000,000		
Additional Financed Properties			
Each additional financed property owned requires 2 months additional reserves of each property's PITIA			

Products		
5/6m, 7/6m, 10/6m ARM	30 Yr Fixed	40 Yr Fixed
5/6m, 7/6m, 10/6m ARM IO	30 Yr Fixed IO	40 Yr Fixed IO
Interest Only (IO) Period	Amortization Term	Maturity
10 Years	20 Years	30 Years
10 Years	30 Years	40 Years
ARM Margins & Caps		
5/6 Month ARM	Margin: 4.50	Caps 2/2/5
7/6 Month ARM	Margin: 4.50	Caps 5/2/5
10/6 Month ARM	Margin: 4.50	Caps 5/2/5
Index = 30 Day Avg SOFR Floor = Start Rate		
Credit Requirements		
Mortgage History	0 x 30 x 12	
Foreclosure Seasoning	12 months	
Short Sale/DIL Seasoning	12 months	
BK Seasoning	Settled/Discharged	

Additional Program Requirements	
Appraisal	Loan amounts over \$1,500,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a condition rating of C5 or C6 or a quality rating of Q6 are not acceptable.
Assets	Sourced and seasoned for 30 days
Cash Out	Texas 50(a)(6) loans not permitted
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit)
Compliance	See guidelines for Escrow requirements • Fully documented ability-to-repay • Compliance with all applicable federal and state regulations No section 32 or state high cost • "Total borrower paid points and fees up to 5%"
Max Financed Properties	Maximum 20 financed properties including subject property.
Mortgage History	0 x 30 x 12. For current or recent Forbearance: If the borrower has resolved missed payments through a loss mitigation solution, they are eligible for a new mortgage loan if they have subsequently made at least three (3) timely payments. Follow FNMA requirements regarding forbearance reinstatement.
Occupancy	Primary Residence and Second Homes
Prepayment Penalty	Not allowed.
Property Types	SFR, PUD, Townhome, Condominium, Non-Warrantable Condominiums (max 65% LTV) , 2-4 Unit, Modular, Rural & Log Homes. Manufactured Homes are not eligible.
Qualifying Rate	Fixed = Note Rate; ARM: 5/6m = Greater of Note Rate or Fully Indexed Rate; 7/6m & 10/6m = Note Rate
Reserves	Follow grid above. ***LTVs ≤ 60% only require 3 months PITIA reserves regardless of loan amount. Cash out can be used towards the reserves requirement.
Subordinate Financing	Max 85% CLTV. Secondary financing must be institutional. Seller carrybacks are not permitted.
Seller Concessions	Up to 6%

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