

FHA Underwriting Checklist

This document is to be retained in the permanent loan file.

1.	File Name:	
2.	Loan Number:	
3.	FHA Case Number:	

GENERAL INFORMATION

4.	Eligible Borrowers	<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Permanent Resident Alien - required documentation obtained. <input type="checkbox"/> Non-Permanent Resident Alien - must meet special documentation requirements.
5.	Systems Data	<input type="checkbox"/> FHA Case Number Assignment (must be entered into AUS Findings and LOS) <input type="checkbox"/> FHA Refinance Authorization for refinance loans <input type="checkbox"/> CAIVRS Number, LDP and GSA lists <input type="checkbox"/> AUS Findings (as applicable) reflecting FHA Total Scorecard
6.	MCAW (Purchase or Refinance form as applicable)	<input type="checkbox"/> All sections are completed and the MCAW is signed by the D. E. Underwriter at the time the loan approval is issued. <input type="checkbox"/> Verified ADP/suffix code is correct for the loan program. <input type="checkbox"/> CHUMS Number noted, whether approved by an Automated Underwriting System (AUS) or manually by a D. E. Underwriter. <input type="checkbox"/> Credit Alert Number (CAIVRS) for all borrowers is legible in box #18. <input type="checkbox"/> LDP/GSA evidence search was done (OK, clear, not found, date) in box #18.
7.	Uniform Residential Loan Application (URLA)	<input type="checkbox"/> Initial URLA and Addendums signed/dated by all borrowers and the interviewer. <input type="checkbox"/> Government Monitoring Information fully completed. <input type="checkbox"/> Final URLA reflects the correct loan amount and rate. <input type="checkbox"/> Final Addendum to URLA 92900-A is signed by the lender on pages 1, 3 & 4 (page 4 cannot be signed prior to closing). <input type="checkbox"/> Page 3 of the 92900-A is signed by the Approving Authority (D. E. Underwriter), who must indicate if an AUS was used. <input type="checkbox"/> Page 4 of the 92900-A is not signed by the borrower(s) until closing and signed by the lender at time of submission of the closed loan for insuring.
8.	Social Security Number	<input type="checkbox"/> Initial and Final URLA reflects SSN for all borrowers and file documents SSN's with a copy of the social security card, pay stub or W-2 form.

THE LOAN

9.	Occupancy	<input type="checkbox"/> Owner Occupied <input type="checkbox"/> HUD Disposition (REO) <input type="checkbox"/> Investment Properties (REO/Streamline only)
10.	Loan Type	<input type="checkbox"/> Purchase <input type="checkbox"/> Refinance - Streamline <input type="checkbox"/> Refinance - No Cash Out (regular) <input type="checkbox"/> Refinance - Cash Out
11.	Loan Term	<input type="checkbox"/> 10 to 30 year term in five (5) year increments (Purchase and Refinance)
12.	Loan Amount	No minimum loan amount - maximum varies by loan type/term and county loan limits. See FHA Loan Limits for details. <input type="checkbox"/> Using FHA Loan Limit Database, loan amount is within limits. <input type="checkbox"/> Purchase loans - use the "lesser of" sales price or appraised value multiplied by the LTV percentage. <input type="checkbox"/> Refinance loans - the Maximum Mortgage Worksheet is included.
13.	Secondary Liens	<input type="checkbox"/> Secondary financing payments have been included in ratio calculations. <input type="checkbox"/> Secondary financing is/has been subordinated to the FHA insured mortgage.
14.	Closing Costs	<input type="checkbox"/> The borrower has been charged only reasonable and customary fees. <input type="checkbox"/> The borrower may not be charged a Tax Service fee. <input type="checkbox"/> Maximum 1% Origination fee calculated on the Base Loan Amount. <input type="checkbox"/> Discount fee calculated on the Total Loan Amount. <input type="checkbox"/> Third party fees do not exceed actual cost. <input type="checkbox"/> If the borrower is paying a Courier fee (refinances only), the borrower has agreed, in writing and before loan closing, to pay the fee. <input type="checkbox"/> Borrower costs: GFE and Estimated HUD 1 have been marked to reflect fees used toward the required calculations: <div style="margin-left: 40px;"> Purchase loans - minimum 3% contribution Refinance loans - maximum loan calculation </div> <input type="checkbox"/> Interested Party Contributions: GFE and Estimated HUD 1 have been marked to reflect fees paid by interested parties and calculation of maximum 6%.
15.	Buydown Escrow Agreement/Buyer Terms (Schedule)	<input type="checkbox"/> Agreement signed by buyer or seller (whomever has provided the funds) and appropriate lender representative. <input type="checkbox"/> Buydown Terms Schedule signed by borrower. <input type="checkbox"/> Buydown funds are reflected on HUD 1, unless funds are provided by lender. If latter, check the "Itemization of Amount Financed" disclosure for dollar amount to be held. If lender provided the funds, file must still have both Agreement and Buydown Terms Schedule in file.
16.	Estimated HUD 1	<input type="checkbox"/> Estimated HUD 1 reviewed prior to closing to ensure all fees charged, minimum 3% contribution and interested party contributions meet FHA guidelines.

Loan Number:

CREDIT

17.	Credit Reports	<p>One of the following credit report types, including all supplements is in file for all borrowers.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Three Repository Merged Credit Report (TRMCR), or <input type="checkbox"/> Residential Mortgage Credit Report (RMCR), or <input type="checkbox"/> Non-Traditional Mortgage Credit Report (NTMCR)
18.	Housing	<input type="checkbox"/> Verification of current 12 months housing with no late payments.
19.	Individual vs. Joint Credit Reports	<ul style="list-style-type: none"> <input type="checkbox"/> Unmarried borrower(s): A separate credit report is in file for each borrower. <input type="checkbox"/> Married couple: A joint credit report is in file. <input type="checkbox"/> Non-purchasing spouse: Where applicable for community property state, an individual report for each (borrower and spouse). Required debts included in ratios.
20.	Derogatory Credit	<input type="checkbox"/> All required letters of credit explanation and bankruptcy/foreclosure documentation as applicable have been obtained and satisfy guideline requirements.
21.	Payoff	<input type="checkbox"/> Current payoff statement(s) for refinance loans.

EMPLOYMENT AND INCOME

22.	Base Income - Wage Earner	<p>The following documentation is in file:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Full Documentation: VOE's covering a minimum of two years and most recent pay stub reflecting borrower's name, SSN and year-to-date gross earnings. <input type="checkbox"/> Alternative Documentation: Certified copies of the original of two years W-2 forms and most recent pay stub covering one full month along with a Verbal VOE for each employer - detail job title and length of employment.
23.	Other Sources of Non-Wage Income	<p>A two (2) year average of the following income was used to qualify:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Overtime, bonuses or commissions <input type="checkbox"/> Part-time, second jobs or seasonal work <input type="checkbox"/> Employed by family owned business (verified no borrower ownership of business) <input type="checkbox"/> Interest/Dividend, trust accounts, etc. <input type="checkbox"/> This income will continue for a minimum of three (3) years and has been documented in the file.
24.	Alimony, Child Support or Separate Maintenance	<p>A copy of one (1) of the following is in file to document receipt and continuance for a minimum of three (3) years:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Signed, recorded divorce decree <input type="checkbox"/> Legal Separation Agreement or Voluntary Payment Agreement and evidence that payments have been received during the last twelve (12) months. <p>Evidence of Regularity of Payments:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Canceled checks, deposit slips, tax returns, bank statements or court records <input type="checkbox"/> Payer's ability and willingness to make timely payments is documented in the file if period of receipt is less than twelve (12) months.
25.	Self-Employed Borrower(s)	<p>The borrower's earnings from self-employment has been averaged over a minimum of twenty-four (24) months, utilizing the following documentation:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Most recent two (2) years signed and dated federal tax returns <input type="checkbox"/> Current P&L Statement - income consistent with previous years earnings <input type="checkbox"/> Self-employment less than two (2) years - Previous successful employment (same/similar field) for two (2) years verified or combination of employment and education has been documented.
26.	Rental Income	<p>The following documentation has been obtained to substantiate use of this income:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Federal tax returns [prior two (2) years] or <input type="checkbox"/> Current Lease Agreement if property was acquired since last tax filing.
27.	Federal Tax Returns	<ul style="list-style-type: none"> <input type="checkbox"/> If federal tax returns are used, they are to be signed and dated by the borrower(s). <input type="checkbox"/> Form 4506-T signed and in the file.

RATIOS

28.	Ratios	<ul style="list-style-type: none"> <input type="checkbox"/> File meets standard ratios of 31/43. <input type="checkbox"/> Ratios higher than 31/43 require DU Approved with FHA Total Scorecard or documented compensating factors.
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FUNDS TO CLOSE

29.	Cash Reserves	<p>Required on 3-4 unit purchase transactions only.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Borrower has reserves equal to or greater than three (3) month's mortgage payments (PITI) after closing.
30.	Minimum Cash Investment	<p>Purchase loans - the borrower's cash investment in the property is equal to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The difference between the total cost of acquisition and the amount of the loan. <input type="checkbox"/> A minimum 3% contribution (down payment or combination of down payment and appropriate borrower paid closing costs).
31.	Source of Funds and/or Gift Funds	<ul style="list-style-type: none"> <input type="checkbox"/> All funds (including gifts) for the borrower's funds to close/investment into the transaction have been verified (bank statements, stock statements, credit card statements, etc.). <input type="checkbox"/> Gift from Charitable Organization - obtain Tax Identification Number of the charitable organization. Funds from this source (or DAP programs) may not be used to payoff borrower's debts. <p>Gift Funds Documentation:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Funds given in the form of cash are not acceptable. <input type="checkbox"/> Fully completed Gift Letter(s) with signatures of donor and borrower, addresses and telephone numbers. <input type="checkbox"/> Evidence of gift donor's ability to provide the gift (bank statements). <input type="checkbox"/> Evidence of transfer of gift funds and receipt by the borrower or closing agent.

Loan Number:

32.	DAP	Down Payment Assistance Programs: <input type="checkbox"/> Must be approved by the lender and not showing as ineligible on the FHA webpage http://www.hud.gov/offices/hsg/sfh/np/irstatus.cfm . <input type="checkbox"/> Verification of acceptance/approval of the borrower by the Non-Profit Agency. <input type="checkbox"/> Verification of the transfer of funds from the Non-Profit Agency - D. E. Underwriter to condition "Evidence of the wire transfer information and name of the down payment assistance provider to be shown on the HUD 1 as verification of the transfer of funds."
33.	Premium Financing	<input type="checkbox"/> Not used to pay any portion of the down payment or mortgage principal. <input type="checkbox"/> Disclosed and individually itemized on GFE and Settlement Statement. <input type="checkbox"/> Amount paid on borrower's behalf for each item does not exceed the allowable fee recognized by the HOC office having jurisdiction where the property is located.

PROPERTY

34.	Property Type	<input type="checkbox"/> Single Family Dwelling (1-4 Units) <input type="checkbox"/> PUD <input type="checkbox"/> Condominium (FHA Approved)
35.	Conditional Commitment	<input type="checkbox"/> 92800.5B Conditional Commitment issued date matches the appraisal completion date and expiration date is correct (6 months existing - 1 year new construction). <input type="checkbox"/> Value amount is completed and matches the MCAW. <input type="checkbox"/> Property address matches the Case Number Assignment, URAR and 92800.5B. <input type="checkbox"/> Underwriter CHUMS number included and signature present. <input type="checkbox"/> All property conditions have been listed. Note: The Conditional Commitment is required if individual appraisal was obtained. Not required if MAR (Master Appraisal Report) or MCRV (Master Certificate of Reasonable Value) is present.
36.	Comprehensive Valuation Package (CVP) Original URAR	<input type="checkbox"/> Property address is the same as the Case Number Assignment. <input type="checkbox"/> For 3-4 units, the appraiser has provided Gross Rent Multiplier (GRM). <input type="checkbox"/> Appraiser assigned in FHA Connection has completed and signed appraisal. <input type="checkbox"/> Appraised value reflected at bottom of page 2. <input type="checkbox"/> Appraisal has photographs of property and comparables, comparable sales data, location map and limited conditions statement. <input type="checkbox"/> All conditions of the appraisal are reflected on the Conditional Commitment. <input type="checkbox"/> D. E Underwriter has not waived any Minimum Property Standard (MPS) or Minimum Property Repair (MPR) conditions.
37.	Condominium	<input type="checkbox"/> Project has been approved per FHA Connection. <input type="checkbox"/> Condo Certification of 51% owner occupancy is in the file. <input type="checkbox"/> If Spot Condo, check for "Spot Condo Certification" form signed by D.E.
38.	2-4 Units	<input type="checkbox"/> For 2-4 units, a 92561-Borrower's Contract with Respect to Hotel and Transient Use of Property is conditioned to be signed by the borrower(s). <input type="checkbox"/> For 2-4 units, the property meets all FHA requirements and gross rental income from all units equals or exceeds proposed PITI + vacancy/expense factor.
39.	Local Health Approvals	<input type="checkbox"/> Original or certified copy of water or sewer certificates (when required) have been received, reviewed and deemed acceptable.
40.	Sales Contract and/or Escrow Instructions	<input type="checkbox"/> Signed and dated by all borrowers, sellers and realtors (if applicable). <input type="checkbox"/> The Terms of Sale Certification is signed and dated by all buyers, sellers and the selling agent (buyer's agent). <input type="checkbox"/> The FHA Amendatory Clause (included in the contract or as a separate form) is signed and dated. Not required on 203(k) or HUD REO sales.

DISCLOSURES

41.	Disclosures	<input type="checkbox"/> For Your Protection: Get a Home Inspection on purchase transactions, but is not required to be signed and dated. Not required on refinances. <input type="checkbox"/> Important Notice to Homebuyer <input type="checkbox"/> Informed Consumer Choice Disclosure <input type="checkbox"/> FHA Assumption Notice <input type="checkbox"/> Good Faith Estimate <input type="checkbox"/> Truth in Lending <input type="checkbox"/> ARM Disclosure as applicable for the program <input type="checkbox"/> State Required Disclosures
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CASE BINDER

39.	Case Binder	<input type="checkbox"/> The Binder is complete and legible with the case number on both sides and is stacked per the FHA Case Binder Left and Right Side Checklists. <input type="checkbox"/> Refinance loans - Contains the payoff statement and the calculations used for the MCAW. The refinance cost breakdown form or a similar form that identifies payoff and closing costs used to calculate the loan amount is included. <input type="checkbox"/> All required documentation needed for Post Closing to submit the case binder for endorsement has been provided. <input type="checkbox"/> Final HUD 1 has been checked and all fees concur.
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By signing below, the D. E. Underwriter is certifying that all applicable items have been received/conditioned, reviewed and approved in accordance with FHA guidelines.

Underwriter Signature	Date
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