



MGIC

THE FUNDAMENTALS OF THE
MORTGAGE PROCESS

Session 2 – Taking the Loan Application and Processing the Loan



Designs for Learning

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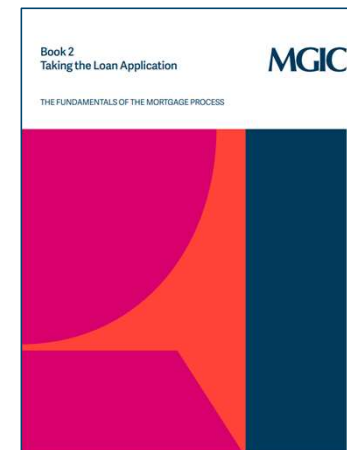


The Fundamentals 3-Part Series

- **Session 1: Understanding The Mortgage Cycle and How Mortgage Insurance (MI) Works**
 - The Mortgage Cycle & Key Players
 - Regulatory Compliance
 - What is MI?
 - Premium Plan Options
- **Session 2: Taking the Loan Application and Processing the Loan**
 - Loan Types & Programs
 - Completing the Loan Application
 - Processing the Loan
 - Automated Underwriting
 - Uniform Underwriting & Transmittal Summary (1008)
- **Session 3: Evaluating Credit, Capacity, Capital & Collateral**
 - Underwriting – 4 Cs
 - Credit, Capacity, Capital, Collateral

Today's Topics

- **Taking the Loan Application**
 - Loan Types & Programs
 - Completing the Loan Application
- **Processing the Loan**
 - What's involved?
 - Automated Underwriting
 - Uniform Underwriting & Transmittal Summary



The MGIC logo is displayed in a bold, white, sans-serif font against a dark blue background.

THE FUNDAMENTALS OF THE
MORTGAGE PROCESS

Taking the Loan Application



6

Determine the Best Loan Program

- **How important is payment certainty?**
- **How important is rapid equity buildup?**
- **Anticipate increasing income?**



Loan Types

- **Conventional – loans NOT insured or guaranteed by the Federal Government**
 - Conforming
 - Nonconforming
- **Government – loans insured or guaranteed by the Federal Government, i.e., FHA or VA**



Mortgage Loan Programs

- **Fixed-Rate Mortgage (FRM)**
- **Adjustable-Rate Mortgage (ARM)**
- **Balloon**
- **Temporary Buydown**
- **Interest-Only**



Fixed-Rate Mortgage (FRM)

Characteristics:

- Fixed interest rate – does not change
- Different loan terms available
 - 15- & 30-year most popular
 - Shorter term = faster equity/payoff
- Fully amortized
- Offers borrowers comfort in knowing P&I will not change
- Most popular

Adjustable-Rate Mortgage (ARM)



Characteristics:

- Interest rate/payment may adjust
- ARMs offer initial interest rates lower than fixed-rate mortgages
- Borrower Profile – Short-term ownership, higher potential for increase in income
- ARM considerations:
 - Adjustment period
 - Caps
 - Index
 - Margin

Example: 3/1 ARM with 2/6 caps

Adjustment Period (3/1):

- Years 1 – 3, interest rate is fixed (it will not change)
- Year 4, interest rate may adjust and adjust every year for the life of the loan

Adjustment Caps (2/6):

- Annual adjustment maxed at 2% higher than prior year's interest rate
- Life of loan adjustment maxed at 6%

Index:

- The 1-Year Treasury Bill Index used to determine interest rate adjustment
- Reflects current cost of money

Margin:

- The lender's cost of doing business; typically 2 or 3%
- Added to the Index to compute interest rate

Example: 3/1 ARM with 2/6 caps

ARM Parameters:

Adjustment Period = Fixed for 3 years; may adjust annually thereafter

- Start Rate = 6.50%
- Interest Rate Cap = 2.00%
- Lifetime Cap = 6.00%

First adjustment (year 4) based on:

- Index: 1-Year Treasury Bill: 4.22%
- + Margin: 2.25%
- Fully Indexed Accrual Rate (FIAR): 6.47%



Qualify with Quality in Mind

4 Cs of Lending:

Credit

- Borrowers' willingness to repay a loan

Capacity

- Borrowers' ability to repay based on the amount & stability of income

Capital

- Borrowers' investment in the property from savings & other sources

Collateral

- Property's value & marketability to provide adequate security for the loan based on an appraisal

Uniform Residential Loan Application (URLA)

URLA - 6 Components

The image displays six components of the Uniform Residential Loan Application (URLA) forms, arranged in a collage. Each form includes a header with the text "To be completed by the Lender:" and a field for "Lender Loan No./Universal Loan Identifier" with the number "12345".

- Uniform Residential Loan Application**: Includes "Section 1: Borrower Information" and "1a. Personal Information" with the name "Peter Simon". A pink callout box labeled "REQUIRED for EVERY LOAN" points to this form.
- Supplemental Consumer Information Form**: Includes "Homeownership Education and Housing Counseling". A pink callout box labeled "REQUIRED for EVERY LOAN" points to this form.
- Uniform Residential Loan Application — Lender Loan Information**: Includes "Refinance Program" options: "Full Document", "Interest Rate", "Streamlined", and "Other". A pink callout box labeled "REQUIRED for EVERY LOAN" points to this form.
- Uniform Residential Loan Application — Additional Borrower**: Includes "Section 1: Borrower Information" and "1a. Personal Information". A blue callout box labeled "REQUIRED as APPLICABLE" points to this form.
- Uniform Residential Loan Application — Unmarried Addendum**: Includes "Marital Status". A blue callout box labeled "REQUIRED as APPLICABLE" points to this form.
- Uniform Residential Loan Application — Continuation Sheet**: Includes "Continuation Sheet" and "Borrower Name". A blue callout box labeled "REQUIRED as APPLICABLE" points to this form.

Uniform Residential Loan Application (URLA)

1 Personal Info; Employment and Income	2 Assets & Liabilities	3 REO
4 Loan & Property	5 Declarations	6 Acknowledgments & Agreements
7 Military Service	8 Demographics	9 Loan Originator

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier 12345

Uniform Residential Loan Application

Verify and complete the information on this application as directed by your Lender.

Section 1: Borrower Information.

employment and other sources, such as retirement

1a. Personal Information

Name (First, Middle, Last, Suffix)
Peter Simon

Alternate Names - List any names by which you are known

Section 1: Borrower Information

To be completed by the Lender:
 Lender Loan No./Universal Loan Identifier: 12345 Agency Case No. _____

Uniform Residential Loan Application
 Verify and complete the information on this application. If you are applying for this loan with others, each additional Borrower must provide information as directed by your Lender.

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix)
 Peter Simon

Alternate Names - List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix)

Social Security Number 999 - 99 - 2030
 (or Individual Taxpayer Identification Number)

Date of Birth (mm/dd/yyyy) 03 / 06 / 1970

Citizenship
 U.S. Citizen
 Permanent Resident Alien
 Non-Permanent Resident Alien

Type of Credit
 I am applying for individual credit.
 I am applying for joint credit.

List Name(s) of Other Borrower(s)

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix)
 Peter Simon

Social Security Number 999 - 99 - 2030
 (or Individual Taxpayer Identification Number)

How Long at Former Address? ___ Years ___ Months Housing No primary housing expense Own Rent (\$ ___ /month)

Mailing Address - if different from Current Address Does not apply

Street _____ Unit # _____
 City _____ State _____ ZIP _____ Country _____

1b. Current Employment/Self-Employment and Income Does not apply

Employer or Business Name Franklin Elementary School Phone (713) 487 - 9999
 Street 17 Barker Rd Unit # _____
 City _____ State AL ZIP 99999 Country USA

Position or Title Music Teacher

Start Date 09 / 01 / 2010 (mm/dd/yyyy)

How long in this line of work? 20 Years ___ Months

Check if this statement applies:
 I am employed by a family member, property seller, real estate agent, or other party to the transaction.

Check if you are the Business Owner or Self-Employed I have an ownership share of less than 25%. I have an ownership share of 25% or more. Monthly Income (or Loss) \$

Gross Monthly Income
 Base \$ 3,708.00 /month
 Overtime \$ ___ /month
 Bonus \$ ___ /month
 Commission \$ ___ /month
 Military Entitlements \$ ___ /month
 Other \$ ___ /month
TOTAL \$ 3,708.00 /month

Uniform Residential Loan Application
 Freddie Mac Form 66 - Fannie Mae Form 1003
 (Rev. 9/2020)

1a. Personal Information

Uniform Residential Loan Application

Verify and complete the information on this application. If you are applying for this loan with others, each additional Borrower must provide information as directed by your Lender.

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix)

Peter Simon

Alternate Names – List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix)

Social Security Number 999 – 99 – 2030|
(or Individual Taxpayer Identification Number)

Date of Birth
(mm/dd/yyyy)

03 / 06 / 1970

Citizenship

- U.S. Citizen
 Permanent Resident Alien
 Non-Permanent Resident Alien

Type of Credit

- I am applying for **individual credit**.
 I am applying for **joint credit**. Total Number of Borrowers: _____
 Each Borrower intends to apply for joint credit. **Your initials:** ps

List Name(s) of Other Borrower(s) Applying for this Loan

(First, Middle, Last, Suffix) – Use a separator between names
 Elizabeth Simon

1a. Personal Information continued...

Marital Status <input type="radio"/> Married <input type="radio"/> Separated <input checked="" type="radio"/> Unmarried <i>(Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)</i>	Dependents <i>(not listed by another Borrower)</i> Number <u>1</u> Ages <u>12</u>	Contact Information Home Phone (<u>713</u>) <u>438</u> - <u>9999</u> Cell Phone (<u>713</u>) <u>321</u> - <u>9999</u> Work Phone (<u>713</u>) <u>497</u> - <u>9999</u> Ext. _____ Email <u>p-simon@email.com</u>
Current Address Street <u>12 Oakwood Lane</u> Unit # _____ City <u>Pleasant Valley</u> State <u>AA</u> ZIP <u>99999</u> Country <u>USA</u> How Long at Current Address? <u>4</u> Years <u>0</u> Months Housing <input type="radio"/> No primary housing expense <input checked="" type="radio"/> Own <input type="radio"/> Rent (\$ _____ /month)		
If at Current Address for LESS than 2 years, list Former Address <input checked="" type="checkbox"/> Does not apply Street _____ Unit # _____ City _____ State _____ ZIP _____ Country _____ How Long at Former Address? _____ Years _____ Months Housing <input type="radio"/> No primary housing expense <input type="radio"/> Own <input type="radio"/> Rent (\$ _____ /month)		
Mailing Address – if different from Current Address <input checked="" type="checkbox"/> Does not apply Street _____ Unit # _____ City _____ State _____ ZIP _____ Country _____		

1b. Current Employment/ Self-Employment and Income

1b. Current Employment/Self-Employment and Income		<input type="checkbox"/> Does not apply
Employer or Business Name Franklin Elementary School Phone (713) 497 - 9999 Street 17 Barker Rd Unit # City Pleasant Valley State AK ZIP 99999 Country USA		Gross Monthly Income Base \$ 3,708.00 /month Overtime \$ /month Bonus \$ /month Commission \$ /month Military Entitlements \$ /month Other \$ /month TOTAL \$ 3,708.00/month
Position or Title Music Teacher Start Date 09 / 01 / 2010 (mm/dd/yyyy) How long in this line of work? 20 Years ___ Months		
<input type="checkbox"/> Check if this statement applies: <input type="checkbox"/> I am employed by a family member, property seller, real estate agent, or other party to the transaction.		
<input type="checkbox"/> Check if you are the Business Owner or Self-Employed <input type="radio"/> I have an ownership share of less than 25%. Monthly Income (or Loss) \$ <input type="radio"/> I have an ownership share of 25% or more. \$		
1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income		<input type="checkbox"/> Does not apply
Employer or Business Name Learning Center of America Phone (713) 483 - 9999 Street 273 River Road Unit # City Pleasant Valley State AK ZIP 99999 Country USA		Gross Monthly Income Base \$ 451.00 /month Overtime \$ /month Bonus \$ /month Commission \$ /month Military Entitlements \$ /month Other \$ /month TOTAL \$ 451.00/month
Position or Title Teacher Start Date 03 / 21 / 2013 (mm/dd/yyyy) How long in this line of work? 20 Years ___ Months		
<input type="checkbox"/> Check if this statement applies: <input type="checkbox"/> I am employed by a family member, property seller, real estate agent, or other party to the transaction.		
<input type="checkbox"/> Check if you are the Business Owner or Self-Employed <input type="radio"/> I have an ownership share of less than 25%. Monthly Income (or Loss) \$ <input type="radio"/> I have an ownership share of 25% or more. \$		
1d. IF APPLICABLE, Complete Information for Previous Employment/Self-Employment and Income		<input checked="" type="checkbox"/> Does not apply
Provide at least 2 years of current and previous employment and income.		
Employer or Business Name _____ Street _____ Unit # _____		Previous Gross Monthly Income \$ _____ /month

Ask Specific Questions Beyond: “How much money do you make?”

- **What did your W-2 report last year?**
- **How are you paid?**
 - Hourly, salary, commission...
- **How often are you paid?**
 - Weekly, bi-weekly, semi-monthly...
- **Do you own 25% or more of a business?**
 - If yes – self-employed

1e. Income from Other Sources

1e. Income from Other Sources

Does not apply

Include income from other sources below. Under Income Source, choose from the sources listed here:

- Alimony
- Automobile Allowance
- Boarder Income
- Capital Gains
- Child Support
- Disability
- Foster Care
- Housing or Parsonage
- Interest and Dividends
- Mortgage Credit Certificate
- Mortgage Differential
- Payments
- Notes Receivable
- Public Assistance
- Retirement
- (e.g., Pension, IRA)
- Royalty Payments
- Separate Maintenance
- Social Security
- Trust
- Unemployment Benefits
- VA Compensation
- Other

NOTE: Reveal alimony, child support, separate maintenance, or other income ONLY IF you want it considered in determining your qualification for this loan.

Income Source – use list above	Monthly Income
Alimony	\$
Automobile Allowance	\$
Boarder Income	\$
Capital Gains	\$
Child Support	\$
Disability	\$
Foster Care	\$
Housing or Parsonage	\$
Interest and Dividends	\$

Section 2: Financial Information

Section 2: Financial Information — Assets and Liabilities. This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

2a. Assets – Bank Accounts, Retirement, and Other Accounts You Have

Include all accounts below. Under Account Type, choose from the types listed here:

- Checking
- Savings
- Money Market
- Certificate of Deposit
- Mutual Fund
- Stocks
- Stock Options
- Bonds
- Retirement (e.g., 401k, IRA)
- Bridge Loan Proceeds
- Individual Development Account
- Trust Account
- Cash Value of Life Insurance (used for the transaction)

Account Type – use list above	Financial Institution	Account Number	Cash or Market Value
Savings	Teachers Credit Union	06083-00	\$ 5,562.00
Checking	Teachers Credit Union	06083-71	\$ 1,367.00
Retirement	Vanguard	99999XYZ	\$

Section 2: Financial Information — Assets and Liabilities. This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

Account Type – use list above	Cash or Market Value
	\$
	\$ 3,000.00
	\$
	\$
	\$
Provide TOTAL Amount Here	\$ 3,000.00

2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe Does not apply

List all liabilities below (except real estate) and include deferred payments. Under Account Type, choose from the types listed here:

- Revolving (e.g., credit cards)
- Installment (e.g., car, student, personal loans)
- Open 30-Day (balance paid monthly)
- Lease (not real estate)
- Other

Account Type – use list above	Company Name	Account Number	Unpaid Balance	To be paid off at or before closing	Monthly Payment
Installment	Auto World	124578	\$ 10,000.00	<input type="checkbox"/>	\$ 500.00
Installment	Auto World	986532	\$ 4,789.00	<input type="checkbox"/>	\$ 368.00
Installment	Higher Education	1348AP9527	\$ 15,751.00	<input type="checkbox"/>	\$ 160.00
Revolving	Acme Credit	60190024554	\$ 121.00	<input type="checkbox"/>	\$ 32.00
Revolving	Discover Card	97531246890	\$ 1,000.00	<input type="checkbox"/>	\$ 50.00

2d. Other Liabilities and Expenses Does not apply

Include all other liabilities and expenses below. Choose from the types listed here:

- Alimony
- Child Support
- Separate Maintenance
- Job Related Expenses
- Other

Monthly Payment
\$
\$
\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 9/2020

2a. Assets

2b. Other Assets and Credits

Section 2: Financial Information — Assets and Liabilities. This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

2a. Assets – Bank Accounts, Retirement, and Other Accounts You Have

Include all accounts below. Under Account Type, choose from the types listed here:

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- Certificate of Deposit
- Mutual Fund
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- Stock Options
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- Retirement (e.g., 401k, IRA)
- Bridge Loan Proceeds
- Individual Development Account
- Trust Account
- Cash Value of Life Insurance (used for the transaction)

Account Type – use list above	Financial Institution	Account Number	Cash or Market Value
Savings	Teachers Credit Union	06083-00	\$ 5,562.00
Bonds	Teachers Credit Union	06083-71	\$ 1,367.00
Bridge Loan Proceeds	Vanguard	99999XYZ	\$ 50,000.00
Cash Value of Life Insurance			\$
Certificate of Deposit			\$
Checking			\$
Individual Development Account			\$
Money Market			\$
Mutual Fund			\$
Retirement			\$
Savings			\$
Provide TOTAL Amount Here			\$ 56,929.00

Does not apply

Include all other assets and credits below. Under Asset or Credit Type, choose from the types listed here:

- Assets**
- Proceeds from Real Estate Property to be sold on or before closing
- Proceeds from Sale of Non-Real Estate Asset
- Secured Borrowed Funds
- Unsecured Borrowed Funds
- Other
- Credits**
- Earnest Money
- Employer Assistance
- Lot Equity
- Relocation Funds
- Rent Credit
- Sweat Equity
- Trade Equity

Asset or Credit Type – use list above	Cash or Market Value
Earnest Money	\$ 20,000.00
Employer Assistance	\$ 3,000.00
Lot Equity	\$
Proceeds from Real Estate Property to be sold on or before closing	\$
Proceeds from Sale of Non-Real Estate Asset	\$
Relocation Funds	\$
Rent Credit	\$
Secured Borrowed Funds	\$ 23,000.00
Sweat Equity	\$

2c. Liabilities

2d. Other Liabilities and Expenses

2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe Does not apply

List all liabilities below (except real estate) and include deferred payments. Under Account Type, choose from the types listed here:
 • Revolving (e.g., credit cards) • Installment (e.g., car, student, personal loans) • Open 30-Day (balance paid monthly) • Lease (not real estate) • Other

Account Type – use list above	Company Name	Account Number	Unpaid Balance	To be paid off at or before closing	Monthly Payment
Installment	Auto World	124578	\$ 10,000.00	<input type="checkbox"/>	\$ 500.00
Installment	Auto World	986532	\$ 4,789.00	<input type="checkbox"/>	\$ 368.00
Lease	Higher Education	1348AP9527	\$ 15,751.00	<input type="checkbox"/>	\$ 160.00
Open 30-Day	Acme Credit	60190024554	\$ 121.00	<input type="checkbox"/>	\$ 32.00
Revolving	Discover Card	97531246890	\$ 1,000.00	<input type="checkbox"/>	\$ 50.00

2d. Other Liabilities and Expenses Does not apply

Include all other liabilities and expenses below. Choose from the types listed here:
 • Alimony • Child Support • Separate Maintenance • Job Related Expenses • Other

	Monthly Payment
	\$
	\$
	\$

Section 3: Financial Information – Real Estate

Section 3: Financial Information – Real Estate. This section asks you to list all properties you currently own and what you owe on them. I do not own any real estate.

3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.

Address Street 12 Oakwood Lane City Pleasant Valley State AK ZIP 99999 Unit #

Property Value \$ 150,000.00

Status: Sold, Pending Sale, or Retained

Intended Occupancy: Investment, Primary Residence, Second Home, Other

Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment

For 2-4 Unit Primary or Investment Property Monthly Rental Income For LENDER to calculate: Net Monthly Rental Income

Section 3: Financial Information – Real Estate. This section asks you to list all properties you currently own and what you owe on them. I do not own any real estate.

3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.

Address Street 12 Oakwood Lane City Pleasant Valley State AK ZIP 99999 Unit #

Property Value \$ 150,000.00

Status: Sold, Pending Sale, or Retained

Intended Occupancy: Investment, Primary Residence, Second Home, Other

Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment

For 2-4 Unit Primary or Investment Property Monthly Rental Income For LENDER to calculate: Net Monthly Rental Income

Mortgage Loans on this Property Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$
		\$	\$	<input type="checkbox"/>		\$

3c. IF APPLICABLE, Complete Information for Additional Property Does not apply

Address Street _____ City _____ State _____ ZIP _____ Unit # _____

Property Value \$ _____

Status: Sold, Pending Sale, or Retained

Intended Occupancy: Investment, Primary Residence, Second Home, Other

Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment

For 2-4 Unit Primary or Investment Property Monthly Rental Income For LENDER to calculate: Net Monthly Rental Income

Mortgage Loans on this Property Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$
		\$	\$	<input type="checkbox"/>		\$

Borrower Name: Peter Simon
Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 9/2020

3a. Property You Own

3b. IF APPLICABLE, Complete Information for Additional Property Does not apply

Address Street _____ Unit # _____
 City _____ State _____ ZIP _____ Country _____

3a. P
Addre

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$			\$	\$	\$

Mortgage Loans on this Property Does not apply

Prope
 \$ 150,0
Mortg

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$
		\$	\$	<input type="checkbox"/>		\$

3c. IF APPLICABLE, Complete Information for Additional Property Does not apply

Credit
 Americ

Address Street _____ Unit # _____
 City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$			\$	\$	\$

Mortgage Loans on this Property Does not apply

Section 4: Loan and Property Information

Section 4: Loan and Property Information. This section asks about the loan's purpose and the property you want to purchase or refinance.

Section 4: Loan and Property Information. This section asks about the loan's purpose and the property you want to purchase or refinance.

4a. Loan and Property Information

Loan Amount \$ 180,000.00 Loan Purpose Purchase Refinance Other (specify) _____

Property Address Street 126 Lake View Lane Unit # _____
 City Pleasant Valley State AK ZIP 99999 Country USA

Number of Units 1 Property Value \$201,000.00

Occupancy Primary Residence Second Home Investment Property FHA Secondary Residence

1. **Mixed-Use Property.** If you will occupy the property, will you set aside space within the property to operate your own business? (e.g., daycare facility, medical office, beauty/barber shop)

2. **Manufactured Home.** Is the property a manufactured home? (e.g., a factory built dwelling home)

4b. Other New Mortgages

For Purchase Only Does not apply

Expected Monthly Rental Income	Amount
For LENDER to calculate: Expected Net Monthly Rental Income	\$

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan Does not apply

Include all gifts and grants below. Under Source, choose from the sources listed here:

- Community Nonprofit
- Federal Agency
- Relative
- State Agency
- Lender
- Employer
- Local Agency
- Religious Nonprofit
- Unmarried Partner
- Other

Asset Type: Cash Gift, Gift of Equity, Grant	Deposited/Not Deposited	Source – use list above	Cash or Market Value
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 9/2020

4a. Loan and Property Information

4a. Loan and Property Information

Loan Amount \$ 180,000.00 **Loan Purpose** Purchase Refinance Other (*specify*) _____

Property Address Street 126 Lake View Lane Unit # _____
 City Pleasant Valley State AK ZIP 99999 Country USA

Number of Units 1 **Property Value** \$201,000.00

Occupancy Primary Residence Second Home Investment Property **FHA Secondary Residence**

1. Mixed-Use Property. If you will occupy the property, will you set aside space within the property to operate your own business? (e.g., daycare facility, medical office, beauty/barber shop) NO YES

2. Manufactured Home. Is the property a manufactured home? (e.g., a factory built dwelling built on a permanent chassis) NO YES

4b. Other New Mortgage Loans

4c. Rental Income

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing Does not apply

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

4c. Rental Income on the Property You Want to Purchase For Purchase Only Does not apply

Complete if the property is a 2-4 Unit Primary Residence or an Investment Property	Amount
Expected Monthly Rental Income	\$
For LENDER to calculate: Expected Net Monthly Rental Income	\$

4d. Gifts/Grants

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan

Does not apply

Include all gifts and grants below. Under Source, choose from the sources listed here:

- Community Nonprofit
- Federal Agency
- Relative
- State Agency
- Lender
- Employer
- Local Agency
- Religious Nonprofit
- Unmarried Partner
- Other

Asset Type: Cash Gift, Gift of Equity, Grant	Deposited/Not Deposited	Source – use list above	Cash or Market Value
	<input checked="" type="radio"/> Deposited <input type="radio"/> Not Deposited		\$
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$

L4. Qualifying the Borrower - Minimum Required Funds or Cash Back

L4. Qualifying the Borrower - Minimum Required Funds or Cash Back	
DUE FROM BORROWER(S)	
A. Sales Contract Price	\$ 200,000.00
B. Improvements, Renovations, and Repairs	\$
C. Land (if acquired separately)	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 2a - Property You Own)	\$
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities - Credit Cards, Other Debts, and Leases that You Owe)	\$
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ 3,739.78
G. Discount Points	\$

2c. Liabilities - Credit Cards, Other Debts, and Leases that You Owe Does not apply

List all liabilities below (except real estate) and include deferred payments. Under Account Type, choose from the types listed here:
 • Revolving (e.g., credit cards) • Installment (e.g., car, student, personal loans) • Open 30-Day (balance paid monthly) • Lease (not real estate) • Other

Account Type - use list above	Company Name	Account Number	Unpaid Balance	To be paid off at or before closing	Monthly Payment
Installment	Auto World	124578	\$ 10,000.00	<input type="checkbox"/>	\$ 500.00
Installment	Auto World	986532	\$ 4,789.00	<input type="checkbox"/>	\$ 368.00
Installment	Higher Education	1348AP9527	\$ 15,751.00	<input type="checkbox"/>	\$ 160.00
Revolving	Acme Credit	60190024554	\$ 121.00	<input type="checkbox"/>	\$ 32.00
Revolving	Discover Card	97531246890	\$ 1,000.00	<input type="checkbox"/>	\$ 50.00

LESS TOTAL MORTGAGE LOANS (Line K) AND TOTAL CREDITS (Line N)	- \$ 183,360.00
Cash From/To the Borrower (Line H minus Line K and Line N) NOTE: This amount does not include reserves or other funds that may be required by the Lender to be verified.	\$ 20,389.78

Section 5: Declarations

Section 5: Declarations. This section asks you specific questions about the property, your funding, and your past financial history.

5a. About this Property and Your Money for this Loan

A. Will you occupy the property as your primary residence? If YES, have you had an ownership interest in another property in the last three years? If YES, complete (1) and (2) below: (1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)? (2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	<input type="radio"/> NO <input checked="" type="radio"/> YES <input type="radio"/> NO <input checked="" type="radio"/> YES PR <input type="text" value=""/> SP <input type="text" value=""/>
B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?	<input checked="" type="radio"/> NO <input type="radio"/> YES
C. Are you borrowing any money for this real estate transaction (e.g., money for your closing costs or down payment) or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application? If YES, what is the amount of this money?	<input checked="" type="radio"/> NO <input type="radio"/> YES \$ <input type="text" value=""/>
D. 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application? 2. Have you or will you be applying for any new credit (e.g., installment loan, credit card, etc.) on or before closing this loan that is not disclosed on this application?	<input checked="" type="radio"/> NO <input type="radio"/> YES <input checked="" type="radio"/> NO <input type="radio"/> YES
E. Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes (e.g., the Property Assessed Clean Energy Program)?	<input checked="" type="radio"/> NO <input type="radio"/> YES

5b. About Your Finances

F. Are you a co-signer or guarantor on any debt or loan that is not disclosed on this application?	<input checked="" type="radio"/> NO <input type="radio"/> YES
G. Are there any outstanding judgments against you?	<input checked="" type="radio"/> NO <input type="radio"/> YES
H. Are you currently delinquent or in default on a Federal debt?	<input checked="" type="radio"/> NO <input type="radio"/> YES
I. Are you a party to a lawsuit in which you potentially have any personal financial liability?	<input checked="" type="radio"/> NO <input type="radio"/> YES
J. Have you conveyed title to any property in lieu of foreclosure in the past 7 years?	<input checked="" type="radio"/> NO <input type="radio"/> YES
K. Within the past 7 years, have you completed a pre-foreclosure sale or short sale, whereby the property was sold to a third party and the Lender agreed to accept less than the outstanding mortgage balance due?	<input checked="" type="radio"/> NO <input type="radio"/> YES
L. Have you had property foreclosed upon in the last 7 years?	<input checked="" type="radio"/> NO <input type="radio"/> YES
M. Have you declared bankruptcy within the past 7 years? If YES, identify the type(s) of bankruptcy: <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13	<input checked="" type="radio"/> NO <input type="radio"/> YES

Section 6: Acknowledgements and Agreements

Section 6: Acknowledgments and Agreements. This section tells you about your legal obligations when you sign this application.

Acknowledgments and Agreements

Definitions:

- "Lender" includes the Lender's agents, service providers, and any of their successors and assigns.
- "Other Loan Participants" includes (i) any actual or potential owners of a loan resulting from this application (the "Loan"), (ii) acquirers of any beneficial or other interest in the Loan, (iii) any mortgage insurer, (iv) any guarantor, (v) any servicer of the Loan, and (vi) any of these parties' service providers, successors or assigns.

I agree to, acknowledge, and represent the following:

(1) The Complete Information for this Application

- The information I have provided in this application is true, accurate, and complete as of the date I signed this application.
- If the information I submitted changes or I have new information before closing of the Loan, I must change and supplement this application, including providing any updated/supplemented real estate sales contract.
- For purchase transactions: The terms and conditions of any real estate sales contract signed by me in connection with this application are true, accurate, and complete to the best of my knowledge and belief. I have not entered into any other agreement, written or oral, in connection with this real estate transaction.
- The Lender and Other Loan Participants may rely on the information contained in the application before and after closing of the Loan.
- Any intentional or negligent misrepresentation of information may result in the imposition of:
 - (a) civil liability on me, including monetary damages, if a person suffers any loss because the person relied on any misrepresentation that I have made on this application, and/or
 - (b) criminal penalties on me including, but not limited to, fine or imprisonment or both under the provisions of Federal law (18 U.S.C. §§ 1001 et seq.).

(2) The Property's Security

The Loan I have applied for in this application will be secured by a mortgage or deed of trust which provides the Lender a security interest in the property described in this application.

(3) The Property's Appraisal, Value, and Condition

- Any appraisal or value of the property obtained by the Lender is for use by the Lender and Other Loan Participants.
- The Lender and Other Loan Participants have not made any representation or warranty, express or implied, to me about the property, its condition, or its value.

(4) Electronic Records and Signatures

- The Lender and Other Loan Participants may keep any paper record and/or electronic record of this application, whether or not the Loan is approved.

- If this application is created as (or converted into) an "electronic application", I consent to the use of "electronic records" and "electronic signatures" as the terms are defined in and governed by applicable Federal and/or state electronic transactions laws.

- I intend to sign and have signed this application either using my:
 - (a) electronic signature; or
 - (b) a written signature and agree that if a paper version of this application is converted into an electronic application, the application will be an electronic record, and the representation of my written signature on this application will be my binding electronic signature.
- I agree that the application, if delivered or transmitted to the Lender or Other Loan Participants as an electronic record with my electronic signature, will be as effective and enforceable as a paper application signed by me in writing.

(5) Delinquency

- The Lender and Other Loan Participants may report information about my account to credit bureaus. Late payments, missed payments, or other defaults on my account may be reflected in my credit report and will likely affect my credit score.
- If I have trouble making my payments I understand that I may contact a HUD-approved housing counseling organization for advice about actions I can take to meet my mortgage obligations.

(6) Authorization for Use and Sharing of Information

- By signing below, in addition to the representations and agreements made above, I expressly authorize the Lender and Other Loan Participants to obtain, use, and share with each other (i) the loan application and related loan information and documentation, (ii) a consumer credit report on me, and (iii) my tax return information, as necessary to perform the actions listed below, for so long as they have an interest in my loan or its servicing:
- (a) process and underwrite my loan;
 - (b) verify any data contained in my consumer credit report, my loan application and other information supporting my loan application;
 - (c) inform credit and investment decisions by the Lender and Other Loan Participants;
 - (d) perform audit, quality control, and legal compliance analysis and reviews;
 - (e) perform analysis and modeling for risk assessments;
 - (f) monitor the account for this loan for potential delinquencies and determine any assistance that may be available to me; and
 - (g) other actions permissible under applicable law.

Borrower Signature _____ Date (mm/dd/yyyy) ____/____/____

Additional Borrower Signature _____ Date (mm/dd/yyyy) ____/____/____

Section 7: Military Service

Section 7: Military Service. This section asks questions about your (or your deceased spouse's) military service.

Military Service of Borrower

Military Service – Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces? NO YES

If YES, check all that apply:

- Currently serving on active duty with projected expiration date of service/tour ___ / ___ / ___ (mm/dd/yyyy)
- Currently retired, discharged, or separated from service
- Only period of service was as a non-activated member of the Reserve or National Guard
- Surviving spouse

Section 8: Demographics

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: Check one or more

Hispanic or Latino

Mexican Puerto Rican Cuban

Other Hispanic or Latino – *Print origin:* _____

For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.

Not Hispanic or Latino

I do not wish to provide this information

Sex

Female

Male

I do not wish to provide this information

Race: Check one or more

American Indian or Alaska Native – *Print name of enrolled or principal tribe:* _____

Asian

Asian Indian Chinese Filipino

Japanese Korean Vietnamese

Other Asian – *Print race:* _____

For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.

Black or African American

Native Hawaiian or Other Pacific Islander

Native Hawaiian Guamanian or Chamorro Samoan

Other Pacific Islander – *Print race:* _____

For example: Fijian, Tongan, and so on.

White

I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

Was the ethnicity of the Borrower collected on the basis of visual observation or surname? NO YES

Was the sex of the Borrower collected on the basis of visual observation or surname? NO YES

Was the race of the Borrower collected on the basis of visual observation or surname? NO YES

The Demographic Information was provided through:

Face-to-Face Interview (includes Electronic Media w/ Video Component) Telephone Interview Fax or Mail Email or Internet

Section 9: Loan Originator Information

Loan Originator Information

Loan Originator Organization Name ABC Mortgage Company

Address 1000 Any Street, Suite 200, Pleasant Valley, XY 99999

Loan Originator Organization NMLSR ID# 1234567 State License ID# _____

Loan Originator Name John Smith

Loan Originator NMLSR ID# 7654321 State License ID# _____

Email jsmith@abcmgtco.com Phone (713) 300 - _____

Signature _____ Date (mm/dd/yyyy) ____ / ____ / ____

URLA – 6 Components

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier 12345

Uniform Residential Loan Application

Verify and complete the information on this application as directed by your Lender.

Section 1: Borrower Information. This section includes information on your employment and other sources, such as retirement, that you use to repay your loan.

1a. Personal Information

Name (First, Middle, Last, Suffix)
Peter Simon

Alternate Names – List any names by which you are known or any names you have used in the past 12 months.

REQUIRED for EVERY LOAN

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier 12345

Uniform Residential Loan Application — Lender Loan Information

This section is completed by your Lender.

L1. Property and Loan Information

Agency Case No. _____

Refinance Program
 Full Documentation
 Interest Rate Reduction
 Streamlined
 Other

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier _____

Supplemental Consumer Information Form

The purpose of the Supplemental Consumer Information Form (SCIF) is to collect information on homeownership education and housing counseling and/or language preference to help lenders better understand the needs of borrowers during the home buying process.

Borrower Name (First, Middle, Last, Suffix) _____

Homeownership Education and Housing Counseling
Homeownership education and housing counseling programs are offered by independent third parties to help the Borrower understand the rights and responsibilities of homeownership.

REQUIRED as APPLICABLE

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier 12345

Uniform Residential Loan Application — Additional Borrower Information

Verify and complete the information on this application as directed by your Lender.

Section 1: Borrower Information. This section includes information on your employment and other sources, such as retirement, that you use to repay your loan.

1a. Personal Information

Name (First, Middle, Last, Suffix) _____

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier _____

Uniform Residential Loan Application — Unmarried Addendum

Unmarried Addendum Status

Unmarried Addendum _____

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier _____

Uniform Residential Loan Application — Continuation Sheet

Continuation Sheet Use this continuation sheet if you need more space to complete the application.

Borrower Name (First, Middle, Last, Suffix) _____

URLA - Lender Loan Information

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier 12345 Agency Case No. _____

Uniform Residential Loan Application — Lender Loan Information

This section is completed by your Lender.

L1. Property and Loan Information
Community Property State

Refinance Type _____ Refinance Program _____

L1. Property & Loan	L2. Title
L3. Mortgage Loan	L4. Minimum Required Funds or Cash Back

L1. Property and Loan Information

L1. Property and Loan Information

<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Community Property State</div> <input type="checkbox"/> At least one borrower lives in a community property state. <input checked="" type="checkbox"/> The property is in a community property state.	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Refinance Type</div> <input type="radio"/> No Cash Out <input type="radio"/> Limited Cash Out <input type="radio"/> Cash Out
<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Transaction Detail</div> <input type="checkbox"/> Conversion of Contract for Deed or Land Contract <input type="checkbox"/> Renovation <input type="checkbox"/> Construction-Conversion/Construction-to-Permanent <input type="radio"/> Single-Closing <input type="radio"/> Two-Closing Construction/Improvement Costs \$ _____ Lot Acquired Date ____/____/____ (mm/dd/yyyy) Original Cost of Lot \$ _____	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Refinance Program</div> <input type="radio"/> Full Documentation <input type="radio"/> Interest Rate Reduction <input type="radio"/> Streamlined without Appraisal <input type="radio"/> Other _____
<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Energy Improvement</div> <input type="checkbox"/> Mortgage loan will finance energy-related improvements. <input type="checkbox"/> Property is currently subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid for through property taxes (e.g., the Property Assessed Clean Energy program).	
<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Project Type</div> <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Planned Unit Development (PUD) <input checked="" type="checkbox"/> Property is not located in a project	

L2. Title Information

L2. Title Information

Title to the Property **Will** be Held in What Name(s):

Peter Simon

Estate Will be Held in

- Fee Simple
- Leasehold Expiration Date ___ / ___ / ___ (mm/dd/yyyy)

Manner in Which Title Will be Held

- Sole Ownership
- Joint Tenancy with Right of Survivorship
- Life Estate
- Tenancy by the Entirety
- Tenancy in Common
- Other

For Refinance: Title to the Property is **Currently** Held in What Name(s):

Trust Information

- Title Will be Held by an *Inter Vivos (Living)* Trust
- Title Will be Held by a Land Trust

Indian Country Land Tenure

- Fee Simple On a Reservation
- Individual Trust Land (*Allotted/Restricted*)
- Tribal Trust Land On a Reservation
- Tribal Trust Land Off Reservation
- Alaska Native Corporation Land

L3. Mortgage Loan Information

L3. Mortgage Loan Information																				
Mortgage Type Applied For <input checked="" type="radio"/> Conventional <input type="radio"/> USDA-RD <input type="radio"/> FHA <input type="radio"/> VA <input type="radio"/> Other: _____	Terms of Loan Note Rate <u>5.5000</u> % Loan Term <u>360</u> (months)	Mortgage Lien Type <input checked="" type="radio"/> First Lien <input type="radio"/> Subordinate Lien																		
Amortization Type <input checked="" type="radio"/> Fixed Rate <input type="radio"/> Other (explain): _____ <input type="radio"/> Adjustable Rate If Adjustable Rate: Initial Period Prior to First Adjustment _____ (months) Subsequent Adjustment Period _____ (months)	Proposed Monthly Payment for Property																			
Loan Features <input type="checkbox"/> Balloon/ Balloon Term _____ (months) <input type="checkbox"/> Interest Only / Interest Only Term _____ (months) <input type="checkbox"/> Negative Amortization <input type="checkbox"/> Prepayment Penalty / Prepayment Penalty Term _____ (months) <input type="checkbox"/> Temporary Interest Rate Buydown/Initial Buydown Rate _____ % <input type="checkbox"/> Other (explain): _____	<table border="0"> <tr> <td>First Mortgage (P & I)</td> <td>\$ <u>1,022.02</u></td> </tr> <tr> <td>Subordinate Lien(s) (P & I)</td> <td>\$ _____</td> </tr> <tr> <td>Homeowner's Insurance</td> <td>\$ <u>95.00</u></td> </tr> <tr> <td>Supplemental Property Insurance</td> <td>\$ _____</td> </tr> <tr> <td>Property Taxes</td> <td>\$ <u>208.33</u></td> </tr> <tr> <td>Mortgage Insurance</td> <td>\$ <u>52.50</u></td> </tr> <tr> <td>Association/Project Dues (Condo, Co-Op, PUD)</td> <td>\$ _____</td> </tr> <tr> <td>Other</td> <td>\$ _____</td> </tr> <tr> <td>TOTAL</td> <td>\$ <u>1,377.85</u></td> </tr> </table>	First Mortgage (P & I)	\$ <u>1,022.02</u>	Subordinate Lien(s) (P & I)	\$ _____	Homeowner's Insurance	\$ <u>95.00</u>	Supplemental Property Insurance	\$ _____	Property Taxes	\$ <u>208.33</u>	Mortgage Insurance	\$ <u>52.50</u>	Association/Project Dues (Condo, Co-Op, PUD)	\$ _____	Other	\$ _____	TOTAL	\$ <u>1,377.85</u>	
First Mortgage (P & I)	\$ <u>1,022.02</u>																			
Subordinate Lien(s) (P & I)	\$ _____																			
Homeowner's Insurance	\$ <u>95.00</u>																			
Supplemental Property Insurance	\$ _____																			
Property Taxes	\$ <u>208.33</u>																			
Mortgage Insurance	\$ <u>52.50</u>																			
Association/Project Dues (Condo, Co-Op, PUD)	\$ _____																			
Other	\$ _____																			
TOTAL	\$ <u>1,377.85</u>																			

L4. Qualifying the Borrower - Minimum Required Funds or Cash Back

L4. Qualifying the Borrower - Minimum Required Funds or Cash Back	
DUE FROM BORROWER(S)	
A. Sales Contract Price	\$ 200,000.00
B. Improvements, Renovations, and Repairs	\$
C. Land (if acquired separately)	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction <i>(See Table 2a - Property You Own)</i>	\$
E. Credit Cards and Other Debts Paid Off <i>(See Table 2c. Liabilities - Credit Cards, Other Debts, and Leases that You Owe)</i>	\$
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ 3,739.78

2c. Liabilities - Credit Cards, Other Debts, and Leases that You Owe

Does not apply

List all liabilities below (except real estate) and include deferred payments. Under Account Type, choose from the types listed here:

• Revolving (e.g., credit cards) • Installment (e.g., car, student, personal loans) • Open 30-Day (balance paid monthly) • Lease (not real estate) • Other

Account Type – use list above	Company Name	Account Number	Unpaid Balance	To be paid off at or before closing	Monthly Payment
Installment	Auto World	124578	\$ 10,000.00	<input type="checkbox"/>	\$ 500.00
Installment	Auto World	986532	\$ 4,789.00	<input type="checkbox"/>	\$ 368.00
Installment	Higher Education	1348AP9527	\$ 15,751.00	<input type="checkbox"/>	\$ 160.00
Revolving	Acme Credit	60190024554	\$ 121.00	<input type="checkbox"/>	\$ 32.00
Revolving	Discover Card	97531246890	\$ 1,000.00	<input type="checkbox"/>	\$ 50.00

CALCULATION

TOTAL DUE FROM BORROWER(s) (Line H)	\$ 203,739.78
LESS TOTAL MORTGAGE LOANS (Line K) AND TOTAL CREDITS (Line N)	- \$ 183,360.00
Cash From/To the Borrower (Line H minus Line K and Line N) NOTE: This amount does not include reserves or other funds that may be required by the Lender to be verified.	\$ 20,389.78

Supplemental Consumer Information Form Fannie Mae/Freddie Mac Form 1103

To be completed by the Lender:
Lender Loan No./Universal Loan Identifier _____ Agency Case No. _____

Supplemental Consumer Information Form

The purpose of the Supplemental Consumer Information Form (SCIF) is to collect information on homeownership education and housing counseling and/or language preference to help lenders better understand the needs of borrowers during the home buying process.

Borrower Name (First, Middle, Last, Suffix) _____

Homeownership Education and Housing Counseling

Homeownership education and housing counseling programs are offered by independent third parties to help the Borrower understand the rights and responsibilities of homeownership.

Has the Borrower(s) completed homeownership education (group or web-based classes) within the last 12 months? NO YES

If YES: (1) **What format was it in:** (Check the most recent) Attended Workshop in Person Completed Web-Based Workshop
 (2) **Who provided it:**
 If a HUD-approved agency, provide Housing Counseling Agency ID # _____
 For a list of HUD-approved agencies go to: https://www.hud.gov/program_offices/housing/sfh/hcc
 If not a HUD-approved agency, or unsure of HUD approval, provide the name of the Housing Education Program: _____

(3) **Date of Completion** ___/___/___ mm/dd/yyyy

Has the Borrower(s) completed housing counseling (customized counselor-to-client services) within the last 12 months? NO YES

If YES: (1) **What format was it in:** (Check the most recent) Face-to-Face Telephone Internet Hybrid
 (2) **Who provided it:**
 If a HUD-approved agency, provide Housing Counseling Agency ID # _____
 For a list of HUD-approved agencies go to: https://www.hud.gov/program_offices/housing/sfh/hcc
 If not a HUD-approved agency, or unsure of HUD approval, provide name of Housing Counseling Agency: _____

(3) **Date of Completion** ___/___/___ mm/dd/yyyy

Language Preference

Language Preference – Your loan transaction is likely to be conducted in English. This question requests information to see if communications are available to assist you in your preferred language. Please be aware that communications may NOT be available in your preferred language.

Optional - Mark the language you would prefer, if available:
 English Chinese Korean Spanish Tagalog Vietnamese Other: _____ I do not wish to respond
 (中文) (한국어) (Español) (Tagalog) (Tiếng Việt)

Your answer will NOT negatively affect your mortgage application. Your answer does not mean the Lender or Other Loan Participants agree to communicate or provide documents in your preferred language. However, it may let them assist you or direct you to persons who can assist you.

Language assistance and resources may be available through housing counseling agencies approved by the U.S. Department of Housing and Urban Development. To find a housing counseling agency, contact one of the following Federal government agencies:

- U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or https://www.hud.gov/program_offices/housing/sfh/hcc
- Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or www.consumerfinance.gov/find-a-housing-counselor

Supplemental Consumer Information Form
Fannie Mae/Freddie Mac Form 1103
5/2022

URLA - 6 Components

REQUIRED for EVERY LOAN

REQUIRED as APPLICABLE

REQUIRED for EVERY LOAN

REQUIRED as APPLICABLE

REQUIRED for EVERY LOAN

REQUIRED for EVERY LOAN

REQUIRED for EVERY LOAN

Summary

- **Loan Types & Programs**
- **Relationship of 4 Cs**
- **Asking Appropriate Financial Questions**
- **Importance of an Accurate Loan Application**

MGIC

The slide features a dark blue background with a large, abstract graphic on the left side. This graphic consists of a light blue vertical bar, a magenta shape that curves inward from the left, and a dark blue semi-circle. The MGIC logo is positioned in the top right corner. The title 'Processing the Loan' is centered in the lower half of the slide.

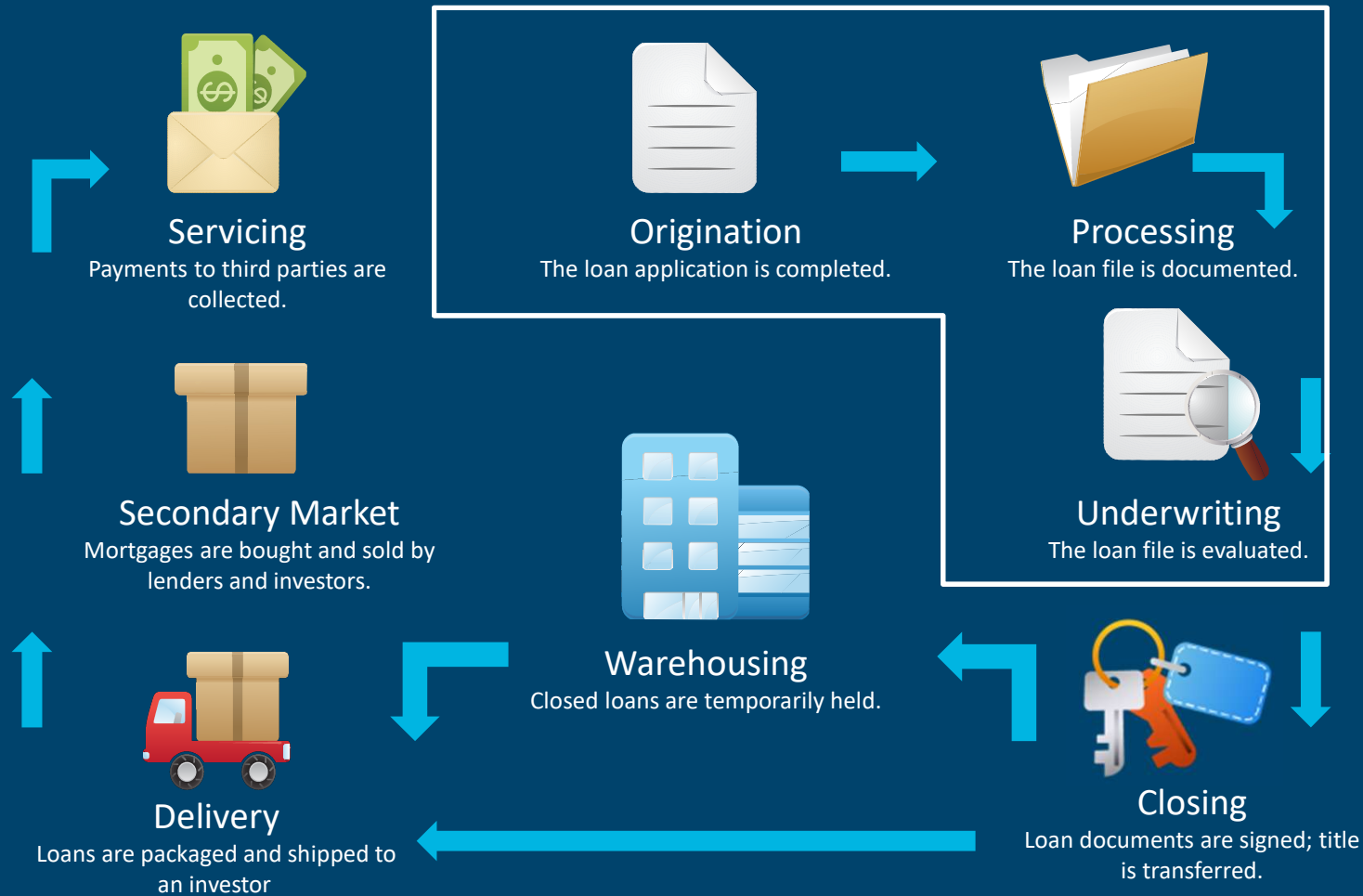
MGIC

THE FUNDAMENTALS OF THE
MORTGAGE PROCESS

Processing the Loan

48

8 Stages of the Mortgage Cycle



Processing the Loan

- Data integrity
- Communication among all parties
- Gather & verify documentation
- Prepare & submit to underwriting
- Satisfy underwriting conditions



Documenting the Loan File



- **Standard documentation**
 - Verification of Employment (VOE)
 - Verification of Deposit (VOD)
- **Electronic documentation**
 - Paystubs and W-2's
 - Bank Statements
- **Third-party verification**
 - The Work Number, etc.

The Loan File Checklist

- ☒ Assists with packaging loan for underwriting
- ☒ Check investor requirements

52

MGIC

Loan File Checklist

This checklist will help you assemble loan packages for submission to underwriters and investors. By making sure each loan package contains the following information, you can expedite the mortgage process. Note the term "borrowers" refers to both multiple borrowers or a single borrower.

Many investors have their own checklists or submission sheets. Check individual investors' submission and documentation requirements.

Uniform Residential Loan Application (URLA) – Fannie Mae Form 1003, Freddie Mac Form 65 or other approved equivalent

- Completed in full, including a 2-year residency and employment history
- Occupancy status is indicated
- Information matches verification documents

Credit Report

- All supplements, including a public records examination
- All open credit accounts are listed on the Loan App
- Reflects 2 to 3 credit scores per borrower

Additional Credit Documentation

- Direct verification for any accounts not listed on the credit report
- Letter of explanation for any adverse items

Self-Employed Documentation

- 2 years' signed personal tax returns with schedules AND
- If ownership is > 25%, 2 years' signed business tax returns
- Income analysis forms

Verification of Assets

- Verified funds are sufficient for closing and/or reserves
- The most recent 2 months' depository account statements with all pages
- Source of funds: Document any significant changes in account balances or any recently opened accounts
- A signed gift letter from an acceptable donor and evidence the borrowers received the gift funds

Fannie Mae/Freddie Mac Uniform Residential Appraisal Report or Other Approved Equivalent

- Photos of subject property, street scene and comparables
- Building sketch and location map
- All addenda and explanations

Sales Contract and/or Escrow Instructions

- Completed in full, including all addenda and signed by all parties
- Verified earnest money deposit (cancelled checks, depository account statements)

AUS Feedback/Findings Report

Additional Documents Your Company or Investor's May

Automated Underwriting (AU)



- **Provides U/W recommendation based on loan data**
- **Streamlines processing & underwriting**
- **Most common AU systems:**
 - Desktop Underwriter (DU)
 - Loan Product Advisor (LPA)

DU Findings

- Risk/Eligibility
- Potential Red Flags
- Findings
- Verification Messages/Approval Conditions
- Observations
- Underwriting Analysis Report

Summary of Findings

Casefile ID 1401905924	Recommendation Approve/Eligible
Borrower 1 Lisa Ielyzaveta Shkoda	Submission Number 8
Lender Loan Number 3100050313	Submission Date 08/12/2020 01:47PM
DU Version 10.3	First Submission Date 07/22/2020 03:07PM
	Submitted By c3rhbmna
Mortgage Information	
LTV/CLTV/HCLTV 95.00% / 95.00% / 95.00%	Note Rate 4.250%
Housing Expense Ratio 36.62%	Loan Type Conventional
Debt-to-Income Ratio 42.25%	Loan Term 360
Total Loan Amount \$361,000.00	Amortization Type Fixed Rate
Sales Price \$380,000.00	Loan Purpose Purchase
Actual/Estimated Appraised Value \$390,000.00	Refi Purpose
Months Reserves 2	
Property Information	
Property Address 1381 Willow Lake Drive, Charlottesville, VA, 22902	Number of Units 1

LPA Feedback

- Eligibility/Risk Class
- Mortgage Information
- Asset Information
- Feedback Summary
- Message categories

Freddie Mac Loan Product Advisor® Feedback Certificate

Assessment Summary

BORROWER NAME John Freddie	NUMBER OF SUBMISSIONS 1	LP KEY NUMBER A1540786
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Assessment Summary	RISK CLASS	Representation & Warranty Relief	
PURCHASE ELIGIBILITY ✓ ELIGIBLE	ACCEPT	COLLATERAL R&W RELIEF ✓ NOT ELIGIBLE	INCOME R&W RELIEF N/A
		ASSET R&W RELIEF ✓ NOT ELIGIBLE	

Loan Details

BORROWER NAME John Freddie 990-10-0001	ADDITIONAL BORROWER Mary Freddie 990-20-0002	APPRAISAL IDENTIFIER 1100AA1111	LENDER LOAN NUMBER 1122334455	MORTGAGE TYPE Conventional
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PROPERTY ADDRESS: 1234 S MAIN ST, WINSTON SALEM, NC 27101
DOCUMENTATION LEVEL: Streamlined Accept

Loan-to-Value Ratios

LTV: 91.11%	TLTV: 91.11%	HTLTV: 91.55%
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Qualifying Ratios

PROPOSED HOUSING (PITI): \$1,405.00	PRESENT HOUSING EXPENSE: \$1,220.00	TOTAL MONTHLY INCOME: \$6,100.00	TOTAL MONTHLY DEBT: \$2,356.00	MAX MORTGAGE LIMIT: N/A
HOUSING RATIO: 23%	DEBT RATIO: 39%	OCCUPANT HOUSING RATIO: 23%	OCCUPANT DEBT RATIO: 39%	

Credit Report Information

SELECTED BORROWER MARY FREDDIE	SELECTED REPOSITORY Experian	INDICATOR SCORE 771	CREDIT REORDERED	CREDIT REACCESSSED
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BORROWER	REPOSITORY AND CREDIT SCORE	CREDIT REFERENCE
John Freddie	Experian 785	TransUnion 779
	Equifax 760	300473075890000
Mary Freddie	Experian 771	TransUnion 768
	Equifax 783	300473075890000

Mortgage Details

PRODUCT TYPE 30 Year Fixed Rate	AMORTIZATION TYPE Fixed	AMORTIZATION MONTHS 360	LOAN AMOUNT \$205,000.00	INTEREST RATE 4.5000%
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Additional Automated Underwriting Resources



freddiemac.com



fanniemae.com

Uniform Underwriting & Transmittal Summary

Borrower & Property

Mortgage

Underwriting

Seller and Contact Info

Uniform Underwriting and Transmittal Summary			
I. Borrower and Property Information			
Borrower Name: Peter Simon		Occupancy Status: <input checked="" type="checkbox"/> Primary Residence	Sales Price: 200,000
Total # of Borrowers: 2		<input type="checkbox"/> Second Home	Appraised Value: \$ 201,000
Property Address: 126 Lake View Lane, Pleasant Valley, XY 99999		<input type="checkbox"/> Investment Property	
Property Type <input checked="" type="checkbox"/> 1 unit <input type="checkbox"/> 2 units <input type="checkbox"/> 3 units <input type="checkbox"/> 4 units <input type="checkbox"/> Condominium <input type="checkbox"/> PUD <input type="checkbox"/> Co-op <input type="checkbox"/> Manufactured Housing <input type="checkbox"/> Single Wide <input type="checkbox"/> Multwide	Project Classification Freddie Mac <input type="checkbox"/> Streamlined Review <input type="checkbox"/> Established Project <input type="checkbox"/> New Project <input type="checkbox"/> Detached Project <input type="checkbox"/> 2-to-4-unit Project <input type="checkbox"/> Exempt from Review <input type="checkbox"/> Reciprocal Review	Fannie Mae <input type="checkbox"/> E Established PUD Project <input type="checkbox"/> F New PUD Project <input type="checkbox"/> F Limited Review - New Condo Project <input type="checkbox"/> Q Limited Review - Established Condo Project <input type="checkbox"/> R Full Review - New Condo Project <input type="checkbox"/> S Full Review - Established Condo Project <input type="checkbox"/> T Fannie Mae Review through PERG - Condo Project <input type="checkbox"/> U FHA-approved Condo Project <input type="checkbox"/> V Condo Project Review Waived <input type="checkbox"/> 1 Full Review - Co-op Project <input type="checkbox"/> 2 Fannie Mae Review through PERG - Co-op Project	Property Rights <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold
Project Name: Fannie Mae Condo Project Manager™ Project ID# (if any)			
II. Mortgage Information			
Loan Type <input checked="" type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> USDA/RD	Amortization Type <input checked="" type="checkbox"/> Fixed-Rate—Monthly Payments <input type="checkbox"/> Fixed-Rate—Biweekly Payments <input type="checkbox"/> Balloon <input type="checkbox"/> ARM (type) <input type="checkbox"/> Other (specify)	Loan Purpose <input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Cash-Out Refinance <input type="checkbox"/> Limited Cash-Out Refinance (Fannie) <input type="checkbox"/> No Cash-Out Refinance (Freddie) <input type="checkbox"/> Home Improvement <input type="checkbox"/> Construction Conversion/Construction to Permanent	Lien Position <input checked="" type="checkbox"/> First Mortgage Amount of Subordinate Financing: \$ _____ (If HELOC, include balance and credit limit) <input type="checkbox"/> Second Mortgage
Note Information Loan Amount: \$ 180,000 Note Rate: 5.500% Loan Term (in months): 360	Mortgage Originator <input type="checkbox"/> Seller <input type="checkbox"/> Broker <input type="checkbox"/> Correspondent Broker/Correspondent Name and Company Name: ABC Mortgage Company	Temporary Buydown <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Terms: _____	
III. Underwriting Information			
Underwriter's Name: _____		Appraiser's Name/License #: John Appraiser / 123-000000	Appraisal Company Name: Accurate Appraisal
Stable Monthly Income Borrower 1: \$ 4,161.00 Borrower 2: \$ 5,000.00 Borrower 3: \$ _____ Borrower 4: \$ _____ Other Borrowers (5+): \$ _____ Rental Income - subject property: \$ _____ Net Rental Income - other properties: \$ _____ Total Borrower Income: \$ 9,161.00 <input type="checkbox"/> At least one borrower is self-employed	Loan-to-Value Ratios LTV: 90.00% CLTV/TLTV: % HCLTV/HTLTV: %	Proposed Monthly Payment for the Property First Mortgage P&I: \$ 1,022.02 Subordinate Lien (s) P&I: \$ _____ Homeowner's Insurance: \$ 95.00 Supplemental Property Insurance: \$ 208.33 Property Taxes: \$ 62.60 Mortgage Insurance: \$ _____ Association/Project Dues (Condo, Co-Op, PUD): \$ _____ Other: \$ _____ Total: \$ 1,377.86	
Qualifying Ratios Primary Housing Expense/Income: 15.04% Total Obligations/Income(DTI): 27.10%	Level of Property Review <input checked="" type="checkbox"/> Exterior/Interior <input type="checkbox"/> Exterior Only <input type="checkbox"/> No Appraisal Form Number: _____	All Other Monthly Payments Used in Qualifying : \$ 1,110.00	
Qualifying Rate <input checked="" type="checkbox"/> Rate Used for Qualifying: 5.5000% <input type="checkbox"/> Initial Bought-Down Rate: % <input type="checkbox"/> Other: %	Escrow (T&I) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Borrower Funds to Close Required: \$ 20,389.78 Verified Assets: \$ 78,079.00 No. of Months Reserves: 41 Interested Party Contributions: % Homeownership Education Certificate in File: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Risk Assessment <input type="checkbox"/> Manual Underwriting <input type="checkbox"/> AUS <input type="checkbox"/> DU <input type="checkbox"/> LPA <input type="checkbox"/> Other AUS Recommendation: Approve/Eligible DU Case ID/LP AUS Key#: 1234567890 LPA Doc Class (Freddie): _____ Representative Credit/Indicator Score: 720 Underwriter Comments: _____	Affordable Housing Initiative <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
IV. Seller and Contact Information			
Seller Name: _____		Contact Name: _____	Contact Phone Number: _____
Seller Address: _____		Contact Title: _____	

III. Underwriting Information



III. Underwriting Information			
Underwriter's Name	Appraiser's Name/License # John Appraiser / 123-0000000	Appraisal Company Name Accurate Appraisal	
Stable Monthly Income		Proposed Monthly Payment for the Property	
Borrower 1	\$ 4,161.00	First Mortgage P&I	\$1,022.02
Borrower 2	\$ 5,000.00	Subordinate Lien (s) P&I	\$
Borrower 3	\$	Homeowner's Insurance	\$ 95.00
Borrower 4	\$	Supplemental Property Insurance	\$
Other Borrowers (5+)	\$	Property Taxes	\$ 208.33
Rental Income - subject property	\$	Mortgage Insurance	\$ 52.50
Net Rental Income - other properties	\$	Association/Project Dues (Condo, Co-Op, PUD)	\$
Total Borrower Income	\$ 9,161.00	Other	\$
<input type="checkbox"/> At least one borrower is self-employed		Total	\$ 1,377.85
Qualifying Ratios		Level of Property Review	
Primary Housing Expense/Income	15.04%	<input checked="" type="checkbox"/> Exterior/Interior	
Total Obligations/Income(DTI)	27.16%	<input type="checkbox"/> Exterior Only	
		<input type="checkbox"/> No Appraisal	
Qualifying Rate		Form Number	
<input checked="" type="checkbox"/> Rate Used for Qualifying	5.5000%	Escrow (T&I)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Initial Bought-Down Rate	%		
<input type="checkbox"/> Other	%		
Risk Assessment		Borrower Funds to Close	
<input type="checkbox"/> Manual Underwriting		Required	\$ 20,389.78
<input type="checkbox"/> AUS		Verified Assets	\$ 78,079.00
<input type="checkbox"/> DU <input type="checkbox"/> LPA <input type="checkbox"/> Other		No. of Months Reserves	41
AUS Recommendation	Approve/Eligible	Interested Party Contributions	%
DU Case ID/LP AUS Key#	1234567899	Homeownership Education Certificate in File	
LPA Doc Class (Freddie)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Representative Credit/Indicator Score	720		
Underwriter Comments			

Qualifying Ratios

Evaluate borrowers' ability to repay the loan

$$\frac{\text{Total Primary Housing Expense}}{\text{Total Income}} = \text{Housing Ratio}$$

$$\frac{\text{Total All Monthly Payments}}{\text{Total Income}} = \text{Total Debt Ratio}$$

Qualifying Ratios

$$\$1,377.85/\$9,161.00 = \mathbf{15.04\% \text{ Housing Ratio}}$$

$$\$2,487.85/\$9,161.00 = \mathbf{27.16\% \text{ Total Debt Ratio}}$$

III. Underwriting Information



III. Underwriting Information		Appraiser's Name/License #		Appraisal Company Name	
Underwriter's Name		John Appraiser / 123-0000000		Accurate Appraisal	
Stable Monthly Income			Proposed Monthly Payment for the Property		
Borrower 1	\$ 4,161.00	Loan-to-Value Ratios LTV <u>90.00</u> % CLTV/TLTV _____ % HCLTV/HTLTV _____ %		First Mortgage P&I	\$1,022.02
Borrower 2	\$ 5,000.00			Subordinate Lien (s) P&I	\$ _____
Borrower 3	\$ _____			Homeowner's Insurance	\$ 95.00
Borrower 4	\$ _____			Supplemental Property Insurance	\$ _____
Other Borrowers (5+)	\$ _____			Property Taxes	\$ 208.33
Rental Income - subject property	\$ _____	Mortgage Insurance	\$ 52.50		
Net Rental Income - other properties	\$ _____	Association/Project Dues (Condo, Co-Op, PUD)	\$ _____		
Total Borrower Income	\$ 9,161.00	Other	\$ _____		
<input type="checkbox"/> At least one borrower is self-employed			Total		
			\$ 1,377.85		
Qualifying Ratios			Level of Property Review		
Primary Housing Expense/Income	<u>15.04</u> %	<input checked="" type="checkbox"/> Exterior/Interior		All Other Monthly Payments Used in Qualifying	
Total Obligations/Income(DTI)	<u>27.16</u> %	<input type="checkbox"/> Exterior Only		\$1,110.00	
		<input type="checkbox"/> No Appraisal			
		Form Number _____			
Qualifying Rate			Borrower Funds to Close		
<input checked="" type="checkbox"/> Rate Used for Qualifying	<u>5.5000</u> %	Escrow (T&I) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Required	\$ 20,389.78
<input type="checkbox"/> Initial Bought-Down Rate	_____ %			Verified Assets	\$ 78,079.00
<input type="checkbox"/> Other	_____ %				
Risk Assessment			Affordable Housing Initiative		
<input type="checkbox"/> Manual Underwriting			<input type="checkbox"/> Yes <input type="checkbox"/> No		
<input type="checkbox"/> AUS					
<input type="checkbox"/> DU <input type="checkbox"/> LPA <input type="checkbox"/> Other					
AUS Recommendation	<u>Approve/Eligible</u>				
DU Case ID/LP AUS Key#	<u>1234567899</u>				
LPA Doc Class (Freddie)	_____				
Representative Credit/Indicator Score	<u>720</u>				
Underwriter Comments					

Loan-to-Value (LTV) Ratio

Sales Price:	\$200,000
Appraised Value:	\$201,000
Mortgage Amount:	\$180,000

$$\frac{\$180,000}{\$200,000} = 90\% \text{ LTV}$$

Use the lesser of the sales price or appraised value to calculate the LTV

Combined Loan-to-Value (CLTV) Ratio

Sales Price:	\$200,000
Appraised Value:	\$201,000
1st Mortgage Balance:	\$180,000
HELOC Credit Line:	\$14,000
2nd HELOC Balance:	\$ 10,000

$$\frac{\$180,000 + \$10,000}{\$200,000} = 95\% \text{ CLTV}$$

HELOC Combined Loan-to-Value (HCLTV) Ratio

Sales Price:	\$200,000
Appraised Value:	\$201,000
1st Mortgage Balance:	\$180,000
HELOC Credit Line:	\$14,000
HELOC Balance:	\$10,000

$$\frac{\$180,000 + \$14,000}{\$200,000} = 97\% \text{ HCLTV}$$

Summary

- **Importance of processing in origination cycle**
- **Documentation types**
- **Importance of AU systems in mortgage lending**
- **Uniform Underwriting & Transmittal Summary**

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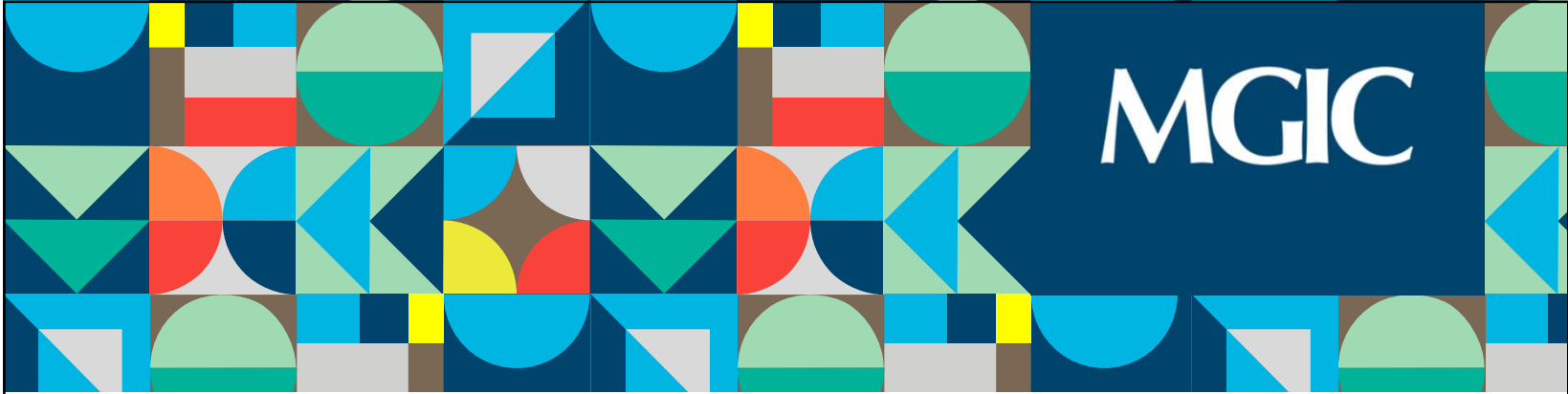
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