FHA ONE-TIME CLOSE PROGRAM

PROGRAM SPECIFICATIONS	
Description	American Financial Resources, Inc. (AFR) offers Construction to Permanent loans for <u>new</u> manufactured, modular homes, and one unit stick built homes. Our One Time Close program provides construction financing, lot purchase and Permanent loan, all wrapped up in one loan. Why worry about re-qualifying, re-appraisals or incurring additional costs? AFR provides interim financing and administration for true one-time close staged funded construction-to-permanent loans. Designed for manufactured housing, modular housing, and stick built housing, this programs allows American Financial Resources, Inc. the ability to offer our Wholesale clients this unique loan product American Financial Resources, Inc. (AFR) underwrites and approves the permanent portion of the loan before the construction begins. The construction portion of the loan is also underwritten and approved. When all conditions for closing are cleared with AFR, other than the final construction related conditions, the closing will be coordinated. Once closed, construction can begin. Because the permanent loan is closed before construction begins, there is no "re-qualifying" the borrower. This is a true one-time close; therefore, the borrowers will not need to return to the settlement agent for a second closing once construction is complete.
Channels	• Broker • Correspondent Table Funded* • Correspondent Non-Delegated* **Important:** Correspondent Delegated UW transactions are **not** permitted **Note:** Correspondent Table Funded and Correspondent Non-Delegated partners must complete the AFR One-Time Close Programs webinar and pass a test prior to submitting an OTC transaction.

FICO	• Minimum 620 FICO for all qualifying borrowers
	   o 620-659: A minimum of 2 credit scores are required for all qualifying borrowers. Use the middle score if 3 credit scores or the lower of the two if 2 credit scores. Lowest representative score from all borrowers will be used for qualification purposes.
	   o 660+: A minimum of 1 credit score is required for all required borrowers.

UW Method	• Desktop Underwriter (DU) • Loan Prospector (LP)
AUS Recommendation	• Approve/Eligible (DU) • Accept/Accept (LP) **Important:** AFR does not permit Refer or Caution AUS recommendations
Eligible Terms	• 15 Year Fixed • 30 Year Fixed
Eligible Transactions	• Purchase
Eligible Property Types	• Double and Triplewide Manufactured Housing • Modular Homes • 1 Unit Stick Built Housing **Reminder:** Single Wide Manufactured Housing is not permitted
Maximum LTV/CLTV/HCLTV	96.5% LTV
Maximum DTI	Follow AUS findings
Appraisal Management Company	Land Gorilla 1241 Johnson Avenue Suite 154 San Luis Obispo, CA 93401 **Note:** The appraisal report must provide an "as completed" appraised value that estimates the value of the property after completion of the construction.
UW Guidelines (4000.1)	http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1 4000.1 II.A.8.j
Forms	See FORMS Section in the Resource Center

OVERLAYS
Follow all overlays outlined in the FHA 203(b) Program Matrix <u>and</u>: • Correspondent Delegated UW transactions are not permitted • Correspondent Table Funded and Correspondent Non-Delegated partners must complete the AFR One-Time Close Programs webinar and pass a

Revised 02/23/18

- test prior to submitting an OTC transaction.
- The Borrower cannot perform any of the work ("Self-Help" is not permitted)
- 620 minimum qualifying credit score
- Singlewide Manufactured housing is not permitted
- AUS Refer Recommendations are not permitted
- AFR requires a Final Inspection performed on the HUD Form 92051 accompanied by interior and exterior pictures of the subject property
- AFR does not permit the use of a DPA to be used in conjunction with One Time Close Programs