

## Introduction

This reference contains information to help you process Federal Housing Administration (FHA) mortgages using Freddie Mac Loan Product Advisor<sup>SM</sup>, including information on data entry requirements, obtaining the required merged credit report, completing an assessment and the FHA TOTAL Mortgage Scorecard Feedback Certificate.

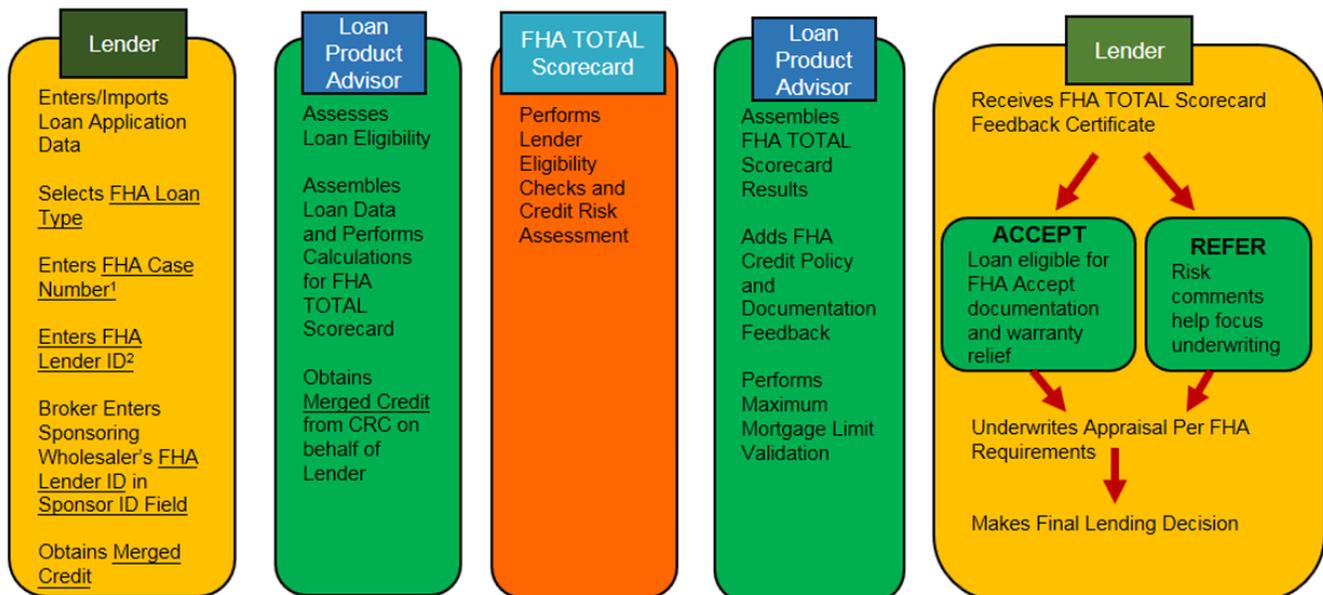
The FHA TOTAL Mortgage Scorecard (FHA TOTAL) is a credit assessment engine developed, housed and maintained by the U.S. Department of Housing and Urban Development (HUD) to assess the credit worthiness of FHA borrowers and to predict the default probability of FHA loan applicants.

The credit data used in the assessment and FHA TOTAL results are FHA proprietary information and are passed through Loan Product Advisor. Loan Product Advisor provides access to FHA TOTAL and then presents the FHA TOTAL results. This section provides general guidance for processing FHA loan applications using FHA TOTAL through Loan Product Advisor. "TOTAL" stands for "Technology Open to Approved Lenders." FHA TOTAL requires additional data elements, and merged credit data obtained through Loan Product Advisor from a credit reporting company (CRC), or participating technical affiliate.

Loan applications receiving an Accept risk class from FHA TOTAL through Loan Product Advisor will benefit from reduced documentation and relief from certain representations and warranties as compared to manually underwritten FHA loans.

For the latest updates and changes from FHA regarding their policies and regulations, refer to their HUDCLIPS website at <http://www.hud.gov/offices/adm/hudclips/index.cfm>.

## How the FHA TOTAL Mortgage Scorecard Works in Loan Product Advisor



<sup>1</sup>Not necessary on First submission, but required on final submission.

<sup>2</sup>Brokers must enter their assigned FHA Lender Identification Number (10-digit FHA Lender ID) or 6999609996.

After loan data is entered or imported into Loan Product Advisor and the appropriate services are requested, the following occurs:

1. Loan Product Advisor assesses eligibility for FHA TOTAL and prepares the data by performing calculations.
2. Loan Product Advisor, on behalf of Lender, obtains a merged credit report from a credit reporting company or affiliate (merged credit reference numbers may be used).
3. Loan Product Advisor sends required loan data and merged credit data received from the credit reporting company or affiliate to FHA TOTAL.
4. FHA TOTAL performs eligibility checks and the credit risk assessment.
5. FHA TOTAL sends the results back to Loan Product Advisor.
6. Loan Product Advisor assembles the results and prepares the applicable credit policy and documentation feedback messages. Loan Product Advisor also performs the maximum mortgage limit validation.
7. Loan Product Advisor presents all the results in the FHA TOTAL Feedback Certificate.

Once results are received, the following can be completed by Lender:

- Process the loan application as an Accept or Refer, as applicable
- Underwrite the appraisal
- Make the final lending decision

### Lender Requirements

Before using Loan Product Advisor with FHA TOTAL to assess FHA loans, you must be an FHA-approved broker or lender. Only FHA-approved Direct Endorsement lenders can deliver mortgages to FHA for endorsement.

In addition to having certain agreements and approvals in place with FHA, as defined by HUD, the following requirements need to be completed prior to accessing FHA TOTAL through Loan Product Advisor:

Requirement	How to Complete
1. FHA Lender ID and FHA Sponsor ID	<p>Brokers need an FHA Lender ID and corresponding FHA Sponsor ID to process FHA loan applications. Lenders need an FHA Lender ID, and FHA Sponsor ID (if applicable).</p> <p>Contact the Federal Housing Administration Office of Lender Approval and Certification to request or verify your FHA Lender ID. Brokers and lenders assigning FHA loans should contact the wholesaler(s) directly for their FHA Lender ID to enter in the FHA Sponsor ID field.</p>
2. Authorization to use FHA TOTAL	<p>Your FHA Lender ID and FHA Sponsor ID number (if applicable) must first be certified in FHA Connection system prior to initial submission to access FHA TOTAL through Loan Product Advisor. The loan originator, and sponsor if applicable, must each certify their FHA Lender ID.</p> <p>To certify your FHA Lender ID:</p> <ul style="list-style-type: none"> <li>▪ Have your designated Application Coordinator use their personal ID and password provided by FHA to log on to the FHA Connection at <a href="https://entp.hud.gov/clas/index.cfm">https://entp.hud.gov/clas/index.cfm</a></li> <li>▪ Select the “ID Maintenance” link</li> <li>▪ Select the “FHA Administration” link</li> <li>▪ Select “TOTAL Mortgage Scorecard Acknowledgement” link</li> <li>▪ Accept the “Acknowledgement of Terms and Conditions for TOTAL Mortgage Scorecard</li> </ul>
3. CRC, and if applicable, technical affiliate,	<ul style="list-style-type: none"> <li>▪ FHA TOTAL requires the use of a tri-merged credit report. It is recommended that relationships be established with two or more</li> </ul>

Requirement	How to Complete
relationships to obtain merged credit within Loan Product Advisor	CRCs, and if applicable their technical affiliates, for access to merged credit reports obtained through Loan Product Advisor.
4. Latest version of loan origination system (LOS) software if importing	<ul style="list-style-type: none"> <li>▪ Check with your LOS vendor to see if you have the latest version of their software. It must include the FHA Lender ID and FHA Sponsor ID data fields.</li> </ul>

### Mortgage Eligibility Requirements

FHA Purchase and Regular Refinance transactions can be assessed by FHA TOTAL through Loan Product Advisor and includes:

- FHA 203(b) 15-, 20-, and 30-year fixed-rate (including detached, attached, PUD and condominium)
- FHA 251 – 1-year Adjustable-Rate Mortgage (ARM)
- FHA Hybrid ARMs (3-, 5-, 7- and 10-year ARM)
- FHA 203(k) – Rehabilitation loans

In addition, new construction loans can be assessed by FHA TOTAL Mortgage Scorecard through Loan Product Advisor.

### Merged Credit Requirements

You must request a tri-merged credit report from the three major credit repositories through Loan Product Advisor for FHA TOTAL. Infiles are not requested from the repositories and are not used in the assessment performed by FHA TOTAL. For FHA loan applications, the credit data from the merged credit report is an essential part of the required data used in the FHA TOTAL assessment. An additional fee for the merged credit report will be charged by the CRC, or technical affiliate. Merged credit reference numbers may be used for a small fee if your process includes obtaining a merged credit report outside of Loan Product Advisor. Refer to the Loan Product Advisor online help or Merged Credit Report Options quick reference ([http://www.FreddieMac.com/learn/pdfs/uw/using\\_mc.pdf](http://www.FreddieMac.com/learn/pdfs/uw/using_mc.pdf)) for detailed information on using merged credit report options.

### FHA Loan Submission Process

Accessing FHA TOTAL through Loan Product Advisor allows you to process more FHA loan applications in less time with less work than manual underwriting. However, the following FHA procedures remain the same when accessing FHA TOTAL through Loan Product Advisor and for a manual underwriting review:

- Obtaining FHA case number
- Obtaining Credit Alert Interactive Voice Response System (CAIVRS) authorization
- Ordering and underwriting appraisals
- Determining whether a condominium or planned unit development (PUD) has FHA approval
- Completing a HUD-92900-LT and 92900-A
- Verifying the correct FHA Up-Front Mortgage Insurance Premiums (UFMIP) and Annual Mortgage Insurance Premiums (MIP)
- Obtaining FHA MIP refund information
- Obtaining FHA refinance authorization

Refer to the Online HUD Handbook 4000.1 at <http://www.hud.gov/offices/adm/hudclips/index.cfm> for detailed information or call 1-800-CALLFHA.

## Required Data for FHA Loans

In addition to the data required for all loan types processed through Loan Product Advisor, the following additional data is required for FHA loan applications (some fields may be required for other loan types):

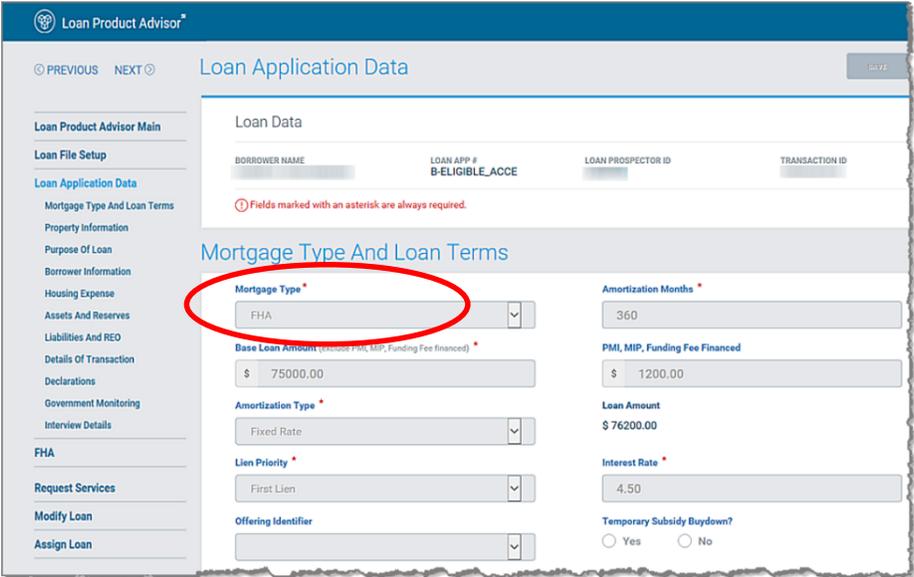
Field Name	Description
<b>Alimony Obligation</b> (if applicable)	Monthly amount of alimony lender chooses to treat as a reduction in borrower's monthly gross income, rather than as debt obligation, according to the Liabilities section of HUD Handbook 4000.1.
<b>Borrower's Closing Costs Paid by Seller</b> (if applicable)	Dollar amount for closing costs, prepaids, discount points (amount borrower will not pay), buydown costs and UFMIP paid in cash or financed into the base mortgage that will be paid by any interested contributors such as property seller, lender or realtor.
<b>Buyer Closing Costs</b>	Net dollar amount of closing costs paid by the borrower on the subject property. Net amount should not include discount points, prepaid items, buydown costs, UFMIP paid in cash by borrower and/or interested contributions. Identifies buyer-paid closing costs that will be counted in addition to the (Statutory) Minimum Required Investment.
<b>Discount (if borrower will pay)</b>	The total amount of discount points that are to be paid by the borrower. Value should be a positive number. Note: If discount points are paid by the seller and/or interested party, then include that dollar amount in the Borrower's Closing Costs Paid by Seller field.
<b>Down Payment Gift Source</b> (if applicable)	Identifies the source of the gift funds. Required on all FHA loans if gift funds are entered for the loan transaction.  FHA requires all gift sources and amounts to be identified as a source of down payment regardless if gift funds have been deposited into borrower's account. Each individual gift source and amount must be listed on the FHA page.
<b>Estimated Closing Costs</b>	Total closing costs charged for the loan. The dollar amount should include the estimated loan fees, title fees, appraisal fees and other closing costs associated with the subject transaction excluding discount points and prepaids, (i.e., dollar amount before any interested party contribution is credited to the borrower's total cash required investment.) Value should be a positive number.
<b>Gift Amount</b> (if applicable)	The amount of gift(s) in whole dollars. Required on all FHA loans if gift funds are entered for the loan transaction. Down Payment Gift Source(s) and Gift Amount(s) must be entered individually in the Asset section of the Loan Application Data and must match the associated gift values listed in the source of down payment/gift and amounts on the FHA page. Gift funds <b>must not</b> be included in the borrower's depository account balances.
<b>Federal Delinquency/Lien</b>	Value indicating if borrower is currently delinquent or in default on a federal loan. Select 'yes' to the question, <i>presently delinquent or in default on any federal debt</i> on the Declaration page if: <ul style="list-style-type: none"> <li>▪ Borrower is currently delinquent or in default on a federal loan, or</li> <li>▪ CAIVRS authorization code verified a paid claim or default on a federal insured debt.</li> </ul>
<b>Financed Discount Points</b> (if no cash-out refinance)	Dollar amount of discount points to be financed on FHA no cash-out refinance.
<b>Financed MIP</b>	Dollar amount of FHA Up-front Mortgage Insurance Premium charge added to the FHA base mortgage amount as financed UFMIP or paid by borrower in cash at closing.

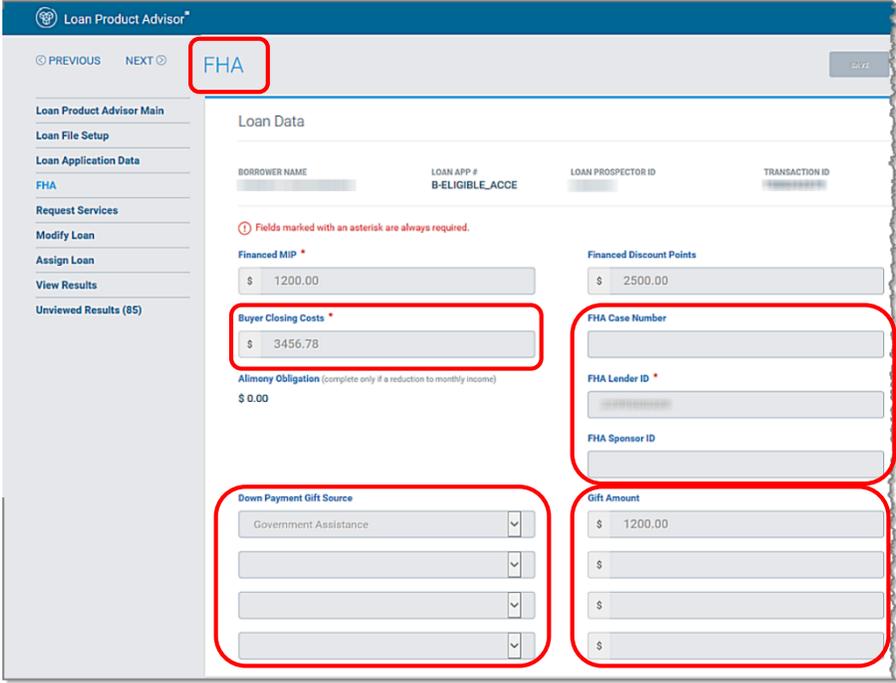
Field Name	Description
<b>FHA Case Number</b>	FHA-assigned number identifying an FHA loan application. To be included on the Feedback Certificate and accepted by FHA, you must enter the FHA Case Number <b>on or before</b> the last submission.
<b>FHA Lender ID</b>	FHA-assigned number identifying the broker or lender <i>originating</i> the mortgage. This 10-digit ID is required on all FHA loan applications. Brokers must enter their assigned FHA Lender Identification Number, or 6999609996.
<b>FHA Sponsor ID</b>	FHA-assigned number for the sponsoring wholesaler <i>underwriting</i> and <i>approving</i> the mortgage. When the loan is originated by a third-party originator, the FHA Sponsor ID number is required and should correspond to the wholesaler selected on the <b>Assign Loan</b> page.
<b>Property County Name</b>	County name of property being financed.
<b>Property State</b>	State location of property being financed.
<b>Property Zip Code</b>	Zip code of property being financed, without dashes.
<b>Sales Concessions</b> (if applicable)	<p>Contributions granted by an interested third party for which the buyer pays nothing additional.</p>  <p>Any inducements to purchase must be deducted dollar for dollar cost prior to calculating the maximum loan-to-value (LTV) ratio. The calculation should be performed manually outside of Loan Product Advisor.</p> <p>For comparables with sales or financing concession in the appraisal report, the appraiser must determine any appropriate adjustments for non-realty items, upgraded features in newly constructed houses, and special financing incentives. Financing concession adjustments are not deducted on a dollar-for-dollar cost basis. Any adjustments are determined by the appraiser and reflected in the appraised value.</p> <p>For more information on sales concessions, inducements to purchase and required analysis and reporting, refer to <i>HUD Handbook 4000.1</i></p>

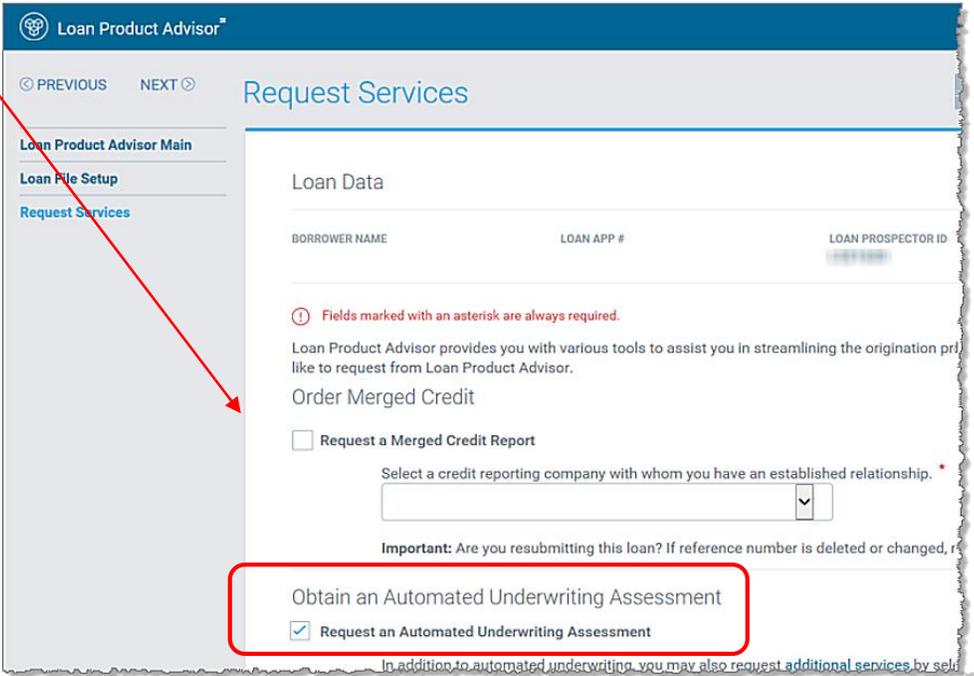
### How to Access FHA TOTAL Mortgage Scorecard and Enter FHA Loan Data

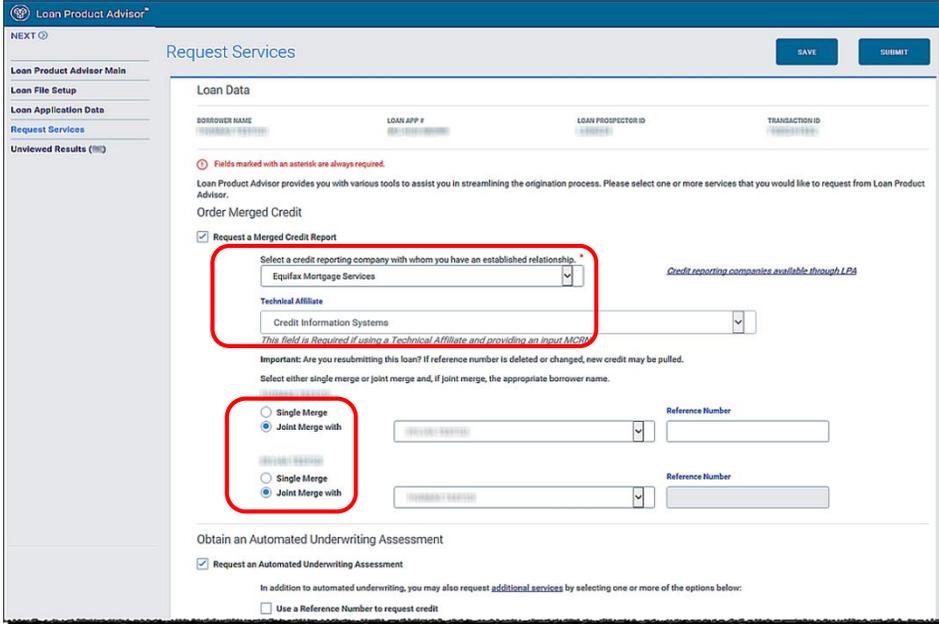
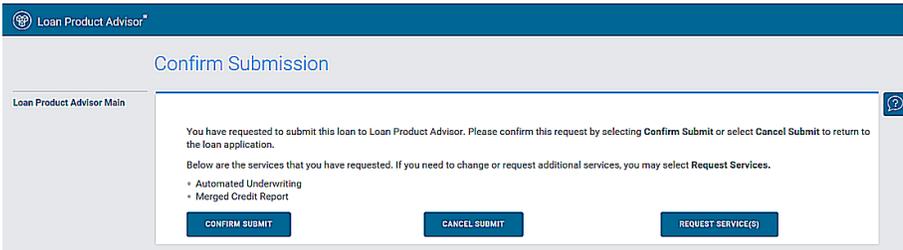
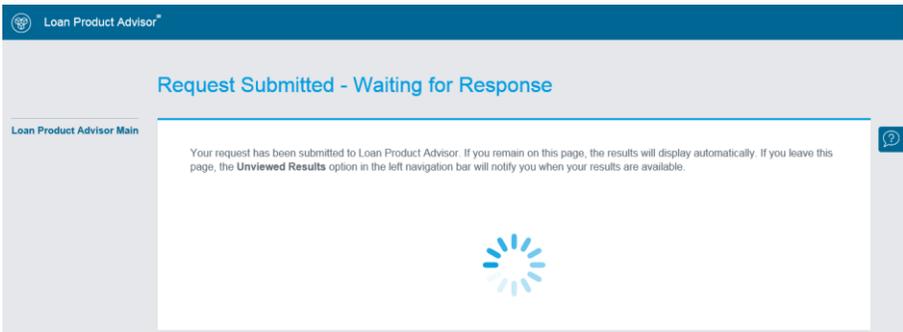
To access FHA TOTAL, log in to Loan Advisor Suite portal with your User Name and Password and click Open to access Loan Product Advisor. You will also need your certified FHA Lender ID, and FHA Sponsor ID as applicable. If you have not certified your FHA Lender ID number and/or FHA Sponsor ID number in FHA Connection, your Application Coordinator must do so before you are able to submit a loan to FHA TOTAL Scorecard.

The following information provides the navigational steps for entering FHA loan data in Loan Product Advisor:

Step	Results
<p>Login and enter loan data on the <b>Loan File Setup</b> and <b>Loan Application Data</b> pages.</p> <p>Select <b>'FHA'</b> for the <b>Mortgage Type</b> field. Enter all the remaining required loan data and click <b>Next</b> to access the <b>FHA</b> page.</p>	 <p> If you have questions regarding the field, click the field label to access online help.</p> <p> If new construction, also select the following:</p> <ul style="list-style-type: none"> <li>▪ In the Building Status field,             <ul style="list-style-type: none"> <li>- <i>Proposed</i> or <i>Under Construction</i> for Newly Built and Construction Conversion, or</li> <li>- <i>Substantially Rehabilitated</i> or <i>Alteration, Improvement, Repair</i> for Renovation</li> </ul> </li> <li>▪ In the New Construction field,             <ul style="list-style-type: none"> <li>- <i>Newly Built</i>, or</li> <li>- <i>Construction Conversion</i></li> </ul> </li> </ul> <p>If Renovation, select <i>Construction Conversion</i>.</p>

Step	Results
<p>Enter the FHA-specific data on the <b>FHA</b> page.</p> <p>Enter the net closing costs the borrower is paying in the <b>Buyer's Closing Costs</b> field:</p> <ul style="list-style-type: none"> <li>For purchase transaction, enter the dollar amount of <u>net</u> closing costs borrower is paying <i>after</i> deducting any seller's credit towards borrower's closing costs from the total estimated closing costs charged for the loan.</li> <li>For refinance transaction, enter the dollar amount of <u>net</u> closing costs borrower is paying <i>after</i> deducting any lender's credit towards borrower's closing costs from the total estimated closing costs charged for the loan.</li> </ul> <p>Brokers must enter their assigned FHA Lender Identification Number, or 6999609996 in the <b>FHA Lender ID</b> field. Brokers must also enter their sponsoring wholesaler's FHA Lender ID in the <b>FHA Sponsor ID</b> field.</p> <p>Click <b>Next</b>.</p>	<p>The <b>FHA</b> data page displays:</p>  <p> Buyer Closing Costs should be the <i>net</i> dollar amount after deducting seller's paid buyer's closing costs and lender's paid closing costs from the estimated closing costs; excludes any discount points, prepaid items, Up-Front Mortgage Insurance Premium (UPFMIP) not financed into base mortgage loan amount and interested party contributions (lender and/or seller's concessions) towards closing costs and prepaid charges.</p> <p> Down Payment Gift Source and Gift Amounts: If there are gifts entered on the <b>FHA</b> page, then matching gifts should be entered on the <b>Asset Breakdown</b> page. Gift funds should not be included in the borrower's depository account balances.</p> <p> The FHA Case Number must be entered on or before the last submission or FHA will not endorse the loan.</p> <p> FHA Lender ID and Sponsor ID should not be same ID numbers.</p> <p> You have the option to enter the Lender ID (and Sponsor ID if applicable), on the <b>User Profile</b> page. If you enter this data on the <b>User Profile</b> page, the data will automatically populate on the <b>FHA</b> page. In the event the FHA Lender ID or FHA Sponsor ID changes, you may manually overwrite this data on the <b>FHA</b> page when necessary. Importing a loan with a different <b>FHA Lender ID</b> or <b>FHA Sponsor ID</b> will also overwrite these fields</p> <p> For originating brokers or lenders working with wholesalers, make sure the <b>FHA Sponsor ID</b> entered on the <b>FHA</b> page matches the wholesaler selected on the <b>Assign Loan</b> page. If there is a change in the assigned wholesaler, be sure to update the <b>FHA Sponsor ID</b> accordingly. For detailed information on the Assign Loan feature, refer to the <b>Loan Product Advisor Functionality Guide</b> located at <a href="http://www.FreddieMac.com/learn/pdfs/uw/fun_guide.pdf">http://www.FreddieMac.com/learn/pdfs/uw/fun_guide.pdf</a>.</p>

Step	Results
	 <p>To align with the FHA loan requirement change, <i>Counsel Type</i> data field will be added in a future Loan Product Advisor update. This change does not impact your submissions because Loan Product Advisor specifications do not include a Counsel Type data field for you to provide a response. Until the field is added, we're defaulting the response to be "Not Counseled." (As a reminder, you have the ability to change this selection in FHA Connection, as applicable.)</p>
<p>Select <b>Request a Merged Credit Report</b> on the Request Services page.</p>	<p>The <b>Request Services</b> page displays with Request an Automated Underwriting Assessment selected:</p>  <p> A tri-merged credit report is required by FHA TOTAL. Credit report in-files are not permitted and request a reference to order credit should not be selected under Additional Services on FHA submissions.</p>

Step	Results
<p>Select a CRC, and if applicable, select the technical affiliate from the drop-down list, or leave the field blank if you are not using a specific technical affiliate. Then indicate “single” or “joint” merged credit report preference.</p> <p>Enter a Reference Number, if applicable, to have the credit report reissued.</p> <p>Click <b>Submit</b>.</p>	<p>The <b>Request Services</b> page displays with expanded Merged Credit data fields.</p>  <p>For loan applications assessed through FHA TOTAL, a tri-merged credit report is required. An “Invalid” message will be returned if merged credit is not requested. Merged credit report fees will be assessed by the CRC, or technical affiliate.</p>
<p>Click <b>Confirm Submit</b> to submit the mortgage for an FHA TOTAL assessment. If data errors are detected, the <b>Correct Errors</b> page displays.</p> <p>When prompted, follow the on-line instructions to correct errors.</p>	<p>When no data entry errors are detected, the <b>Confirm Submission</b> page displays.</p> 
<p>After confirming the submission, you have two options:</p> <ul style="list-style-type: none"> <li>Wait for the results to display (approximately 2 minutes)</li> <li>View the results later using the <b>Unviewed Results</b> option</li> </ul>	<p>A message displays confirming loan submission.</p> 

### Accessing FHA TOTAL Mortgage Scorecard Results

After submitting the loan application for assessment, if you decide to wait for the results, they will display automatically, otherwise you may access results later using the **Unviewed Results** option on the left navigation bar for a period of 14 days. If you have not viewed the results within 14 days, use the **Find Loans** feature on the **Loan Product Advisor Main** page to access the loan and view results.

Once the loan is selected, a list of available results documents will display in the left navigation bar under the View Results section. Based on the assessment performed by FHA TOTAL, Loan Product Advisor returns the following results:

- FHA TOTAL Scorecard Feedback Certificate
- FHA TOTAL Scorecard Documentation Checklist
- Freddie Mac Property Valuation Disclosure Form
- Merged Credit Report(s) from the CRC or technical affiliate

Step	Results
<p>Purchase Eligibility is always 'N/A'.</p>	<p>Upon a successful submission, the <b>FHA TOTAL Scorecard Feedback Certificate</b> displays as follows:</p> <p>The screenshot shows the 'FHA TOTAL Scorecard Feedback Certificate' interface. The left navigation bar includes 'View Results' with sub-items: 'Full Feedback Certificate', 'Evaluation Summary', 'Loan Data', 'Results', 'Mortgage Information', 'Calculated Values', 'Borrower Information', 'Transaction Information', and 'Feedback Summary (38)'. The 'Evaluation Summary' section contains three items: 'PURCHASE ELIGIBILITY' (N/A), 'RISK CLASS' (ACCEPT), and 'COLLATERAL REP &amp; WARRANTY RELIEF' (UNAVAILABLE). The 'Loan Data' section includes fields for Borrower Name, Appraisal Identifier, LP AUS Key, Loan Application Number, Property Address, Mortgage Type (FHA), and Documentation Level (Accept). The 'Results' section includes AUS Status (Complete), Appraisal Type/MAF (N/A), Loan Processing Stage (Application/Processing), Assessment Type (Credit Only), LPA Version (WW4.3.00), and LPA Assessment Exp. Date (11/01/2016). The 'Mortgage Information' section includes Product Type (30 Year Fixed Rate), Amortization Type (Fixed), Amortization Months (360), Interest Rate (4.5000%), Purpose of Loan (Purchase), Purchase Price (\$100,000.00), Loan Amount (\$76,200.00), Estimated Value of Property (N/A), Appraised Value of Property (\$102,000.00), Property Type (Single Family Detached), Intended Use of Property (Primary Residence), Number of Units (1), Affordable Product Type (N/A), Cash Out Amount (N/A), Temporary Subsidy Buydown (N/A), Offering Identifier (N/A), Subordinate Amount (\$0.00), Sales Concessions (\$750.00), New Construction (N/A), Purpose of Refinance (N/A), ARM Qualifying Rate (N/A), and ARM Qualifying PITI (N/A).</p>

### Accessing Merged Credit Reports

Merged credit results received from the CRC or participating technical affiliate can be selected from the left navigation bar. It is recommended that you print the merged credit results and place it in the loan file for future reference. Once merged credit data has been accessed it is no longer accessible from the navigation bar after 7 days unless the loan data is resubmitted.

If you need to view your merged credit reports after 7 days, you must resubmit the loan data to refresh the existing merged credit report. Upon resubmission, merged credit will be re-accessed unless any of the following conditions have occurred:

- Change in loan type
- Change in specified CRC or technical affiliate
- Change in joint merged credit borrowers
- Change in merged credit transaction request type
- Change in borrower data, including a change in borrower order on a joint merged credit request
- Non-matching reference number
- Credit freshness expiration
- Secondary Use submission error

If critical data changes are required, use the Reorder Credit Service to request new credit. New merged credit fees will apply.

### Reviewing Results

Each time you successfully submit a loan application to FHA TOTAL through Loan Product Advisor, you will receive results providing important data, processing and documentation information for the transaction. The results, including merged credit, are valid for 120 days prior to the Note Date, or 180 days if new construction. If the results are not dated within 120 days of the Note date or 180 days if new construction, then the loan application must be resubmitted.

The following apply to FHA loan applications:

- The Feedback Certificate is titled "FHA TOTAL Scorecard Feedback Certificate".
- Selected credit scores are displayed within messages in the **Credit & Liabilities** section.
- Refer risk classes may have messages displayed in the **General Messages** section indicating reasons why FHA assessed the mortgage as a Refer.
- The Doc. Checklist is titled "FHA TOTAL Document Checklist".
- The Property Valuation Disclosure Form.

### FHA TOTAL Scorecard Feedback Certificate Example

Description	Example
<p>FHA TOTAL title.</p> <p>Purchase Eligibility is always 'N/A'.</p> <p>Key fields (LP AUS Key, Mortgage Type, Loan Application Number and Documentation Level) are now located in the Loan Data section.</p> <p>FHA TOTAL returns a Risk Class and Documentation Level of either Accept or Refer based on the loan data submitted and merged credit from CRC (or if applicable, technical affiliate) through Loan Product Advisor.</p> <p>For information on how Loan Product Advisor determines the LTV, TLTV and HLTV, refer to <a href="#">Calculated Values on the FHA TOTAL Scorecard Feedback Certificate</a>.</p>	<p>Example of Accept results:</p> <p>The screenshot displays the following information:</p> <ul style="list-style-type: none"> <li><b>Evaluation Summary:</b> PURCHASE ELIGIBILITY: N/A; RISK CLASS: ACCEPT; COLLATERAL REP &amp; WARRANTY RELIEF: UNAVAILABLE.</li> <li><b>Loan Data:</b> LP AUS KEY, MORTGAGE TYPE: FHA, DOCUMENTATION LEVEL: Accept.</li> <li><b>Results:</b> AUS STATUS: Complete; APPRAISAL TYPE/MAF: N/A; LOAN PROCESSING STAGE: Application/Processing; ASSESSMENT TYPE: Credit Only; LPA VERSION: WW4.3.00; LPA ASSESSMENT EXP. DATE: 11/01/2016.</li> <li><b>Mortgage Information:</b> PRODUCT TYPE: 30 Year Fixed Rate; AMORTIZATION TYPE: Fixed; AMORTIZATION MONTHS: 360; INTEREST RATE: 4.5000%; PURPOSE OF LOAN: Purchase; PURCHASE PRICE: \$100,000.00; LOAN AMOUNT: \$76,200.00; ESTIMATED VALUE OF PROPERTY: N/A; APPRAISED VALUE OF PROPERTY: \$102,000.00; PROPERTY TYPE: Single Family Detached; INTENDED USE OF PROPERTY: Primary Residence; NUMBER OF UNITS: 1; AFFORDABLE PRODUCT TYPE: N/A; CASH OUT AMOUNT: N/A; TEMPORARY SUBSIDY BUYDOWN: N/A; OFFERING IDENTIFIER: N/A; SUBORDINATE AMOUNT: \$0.00; SALES CONCESSIONS: \$750.00; NEW CONSTRUCTION: N/A; PURPOSE OF REFINANCE: N/A; ARM Related Details: ARM QUALIFYING RATE: N/A; ARM QUALIFYING PITI: N/A.</li> <li><b>Calculated Values:</b> LTV: 75.00%; TLTV: 75.00%; HLTV: 76.77%.</li> </ul>

Description	Example																																									
	<div style="border: 1px dashed gray; padding: 10px;"> <h3 style="color: #4f81bd;">Borrower Information</h3> <p>Present Address: [REDACTED]</p> <table border="0" style="width: 100%;"> <tr> <td>PROPOSED HOUSING (PITI) \$500.00</td> <td>PRESENT HOUSING EXPENSE \$750.00</td> <td>HOUSING RATIO <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 2px 5px;">12%</span></td> </tr> <tr> <td>DEBT RATIO <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 2px 5px;">25%</span></td> <td>OCCUPANT HOUSING RATIO <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 2px 5px;">12%</span></td> <td>OCCUPANT DEBT RATIO <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 2px 5px;">25%</span></td> </tr> <tr> <td>MAX MORTGAGE LIMIT \$345,000.00</td> <td>TOTAL MONTHLY INCOME \$4,100.44</td> <td>TOTAL MONTHLY DEBT \$1,031.00</td> </tr> </table> <h3 style="color: #4f81bd;">Transaction Information</h3> <table border="0" style="width: 100%;"> <tr> <td>ORIGINATING COMPANY [REDACTED]</td> <td>SUBMITTING COMPANY [REDACTED]</td> <td>NUMBER OF SUBMISSIONS [REDACTED]</td> </tr> <tr> <td>DATE/TIME REQUESTED 07/12/2016 09:38:26</td> <td>DATE/TIME ASSESSED 07/12/2016 09:38:27</td> <td>SELLER NUMBER [REDACTED]</td> </tr> <tr> <td>AUS TRANSACTION NUMBER [REDACTED]</td> <td>LOAN PROSPECTOR ID [REDACTED]</td> <td>TRANSACTION ID [REDACTED]</td> </tr> <tr> <td>TPO NUMBER N/A</td> <td>NOTP NUMBER N/A</td> <td></td> </tr> </table> <h3 style="color: #4f81bd;">Feedback Summary <span style="font-size: small;">23</span></h3> <table border="0" style="width: 100%; text-align: center;"> <tr> <td>EMPLOYMENT AND INCOME <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 5px;">6</span> <a href="#">RESULTS</a></td> <td>ASSETS AND RESERVES <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 5px;">10</span> <a href="#">RESULTS</a></td> <td>CREDIT AND LIABILITIES <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 5px;">10</span> <a href="#">RESULTS</a></td> <td>PROPERTY AND APPRAISAL <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 5px;">4</span> <a href="#">RESULTS</a></td> <td>GENERAL MESSAGES <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 5px;">8</span> <a href="#">RESULTS</a></td> <td>MORTGAGE INSURANCE &amp; FEES <span style="border: 1px solid #4f81bd; border-radius: 50%; padding: 5px;">0</span> <a href="#">RESULTS</a></td> </tr> </table> <h3 style="color: #4f81bd;">Employment &amp; Income</h3> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e1eef6;"> <th style="text-align: left;">CODE</th> <th style="text-align: left;">MESSAGES</th> </tr> </thead> <tbody> <tr> <td>AQ</td> <td>If applicable, provide an explanation for employment gaps greater than 180 days.</td> </tr> <tr> <td>DT</td> <td>Employed: For all borrowers(s), obtain most recent YTD paystub covering/documenting subsequent 1 full month showing year-to-date earnings and a verbal VOE or written VOE or electronic verification to confirm current employment covering most recent 2 years for [REDACTED]. 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MW	If borrower receives commission income greater than 25% of his/her annual income, obtain most recent 2 years signed individual federal income tax returns and consider business expenses in underwriting, or the mortgagee may obtain a signed IRS Form 4506, Request for Copy of Tax Return, IRS Form 4506-T, Request for Transcript of Tax Return, or IRS Form 8821, Tax Information Authorization, and tax transcripts directly from the IRS.	BH	If Alimony/Child Support is being used to qualify, obtain fully executed copy of the final divorce decree or court order or legal separation or voluntary agreement with documented receipt to verify 3 years continuation. Voluntary payment agreement must be documented with 12 months of cancelled checks, deposit slips or tax returns. Also, obtain most recent 3 months bank statements, cancelled checks, or court payment record to confirm receipt of payment.
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Description	Example
<p>Feedback message to validate the net dollar amount of closing costs being paid by the Borrower was accurately entered.</p>	<p><b>Assets &amp; Reserves</b></p> <p>CODE MESSAGES</p> <p>1P Verify all reserves submitted in the amount of \$27,274.94.</p> <p><b>BT This loan was submitted with \$3456.78 in closing costs paid by the borrower.</b></p> <p>G0 This loan was submitted with \$45000.00 in depository accounts (checking, savings and/or money market).</p> <p>B6 Depository Accounts: Obtain most recent statement(s) showing previous month's balance or 2 months statement(s) for each account to verify sufficient funds required to close.</p> <p>G3 This loan was submitted with \$25000.00 in stocks and/or bonds.</p> <p>A0 Stocks and/or Bond Accounts: Obtain most recent 2 months statement(s) for each account to verify sufficient funds required to close. No proof of liquidation required.</p> <p>A9 Sale of Assets: Obtain bill of sale and proof of proceeds or document existence, value and buyer's intent, if an asset (other than real estate and exchange-traded securities) will be sold for funds required to close.</p> <p>G2 This loan was submitted with \$8000.00 in gift funds.</p> <p>1M Gift Funds Deposited: If gift funds have been deposited into the borrower's account at time of initial submission to Loan Product Advisor, list donor's name, address, phone #, relationship to borrower, subject property address and dollar amount of gift, \$8000.00, in a gift letter signed by donor for each gift received.</p> <p>1N Gift Funds Not Deposited: If gift funds have not been deposited into borrower's account at time of initial submission, document transfer of gift funds per FHA requirements.</p> <p><b>Credit &amp; Liabilities</b></p> <p>CODE MESSAGES</p> <p>HA If CAIVRS indicates delin/lien, enter Yes on app &amp; resubmit</p> <p>KC If CAIVRS indicates federal delinquency/lien, this loan must be documented and underwritten to FHA's REFER requirements.</p> <p>KN Enter ZFHA as CHUMS ID on HUD 92900. FHA Direct Endorsement Underwriter signature is not required on HUD 92900, unless loan is downgraded to REFER or CAIVRS shows a Federal Delinquency/Lien. Mortgagee's representative must attest data integrity on HUD 92900A. FHA-approved DE Lender must submit this loan for FHA insurance.</p> <p>KL Include all debts from credit report, alimony, child support, separate maintenance, negative rent, mortgage debt, installment debt paid through payroll deduction and significant debt (payment greater than \$100) in ratios.</p> <p>U9 If the credit report utilized by TOTAL indicates that the borrower has \$1,000 or more collectively in Disputed Derogatory Credit Accounts, the mortgage must be downgraded to a Refer and manually underwritten. Exclusions include disputed medical accounts or disputed derogatory credit resulting from identity theft, credit card theft or unauthorized use. Please consult the FHA Handbook 4000.1, Section II for full details.</p> <p>J1 706 is the FHA TOTAL Scorecard selected credit score from TRW (Experian) for [REDACTED]</p> <p>3L Merged Credit Reference Number for [REDACTED] is [REDACTED].</p> <p>1L If credit report shows a contingent mortgage debt, obtain transfer of title and assumption or divorce agreement and do not count debt in borrower's ratios.</p> <p>F0 Credit Warranty: Not required to determine that the borrower shows the willingness to pay.</p> <p>FY Ratio Warranty: Not required to determine if the borrower's monthly housing and monthly debt ratios meet program requirements.</p> <p><b>Property &amp; Appraisal</b></p> <p>CODE MESSAGES</p> <p>5X Address entered matched to: [REDACTED]. Please confirm accuracy.</p> <p>46 Loan type ineligible - MAF not available for FHA or VA. Follow requirements of HUD Handbook 4000.1 or VA Lenders Guide for appraisal requirements.</p> <p><b>General Messages</b></p> <p>CODE MESSAGES</p> <p>TV Loan Product Advisor Assessment Expiration Date for [REDACTED] is 11/01/2016.</p> <p>KK The FHA TOTAL Scorecard evaluated this loan through the Loan Product Advisor platform for processing and feedback.</p> <p><b>KH FHA Case Number is required to be submitted to Loan Product Advisor at or before the last submission of this loan.</b></p> <p>BN The Maximum Mortgage Limit for [REDACTED], FL is \$345000.00.</p> <p>BR The FHA Statutory Investment Requirement for this loan is \$3500.00.</p> <p>BS The FHA Minimum Down Payment submitted for this loan is \$25000.00.</p> <p>KF This loan qualifies for ACCEPT FHA TOTAL Scorecard documentation.</p> <p>KA Lender is responsible for documenting any situation not addressed on this feedback certificate according to the FHA TOTAL Mortgage Scorecard User's Guide and/or HUD Handbook 4000.1, Section II, FHA Single Family Housing Policy Handbook.</p> <p><b>Mortgage Insurance &amp; Fees</b></p> <p>CODE MESSAGES</p> <p>Please Note: N/A indicates that the particular value does not apply for this loan.</p>
<p>Feedback messages for Gift Funds.</p>	
<p>For Accept loans, a feedback message indicates to enter ZFHA as the CHUMS ID on HUD 92900-LT. For Refer loans, a message indicating an FHA Direct Endorsement Underwriter signature is required would appear.</p>	
<p>Feedback Message for the selected credit score.</p>	
<p>Confirmation that FHA TOTAL assessed the mortgage.</p>	
<p>The FHA Case Number is required on the Feedback Certificate for FHA endorsement.</p>	
<p>Borrower's (Statutory) Minimum Required Investment into the Transaction: If the borrower is receiving cash back, the amount should be a negative number.</p>	

### General Messages

The General Messages section of the Feedback Certificate provides various types of processing and underwriting messages including:

- Minimum documentation requirements
- Validation messages to assist you in ensuring our AUS received the correct data
- Review messages to bring your attention to specific areas of the loan application requiring closer review.

If messages in this section indicate inaccurate data, correct the errors and resubmit the loan application.



If the loan is for new construction, the following new message will be returned: “K0 - Review for Accuracy: FHA Underwriting Guidelines vary for New Construction and may affect Maximum Mortgage calculations/LTV. Please consult the HUD Handbook 4000.1, Section II, and review corresponding Assessment expiration date on feedback certificate”.

Additional messages in this section indicate the following FHA information:

- Maximum Mortgage Limit - Loan Product Advisor electronically transfers information from the FHA Maximum Mortgage Limit tables found on the HUD website at <http://www.HUD.GOV/>. Using this automatic service, you can determine if your loan application meets FHA's eligibility requirements for the geographic area limits.
  - If the Base mortgage amount submitted is higher than the maximum mortgage limit, you will receive a purchase restriction message on the Feedback Certificate so that you may determine if the loan application is eligible for FHA insurance.
  - FHA assessments compare the Property County and Property State submitted to the FHA Maximum Mortgage Limit Tables. If the Maximum Mortgage Limit cannot be found for the geographical area submitted, a message appears advising you to manually validate that the amount is eligible for the specified geographic area.



Check the spelling of the county name against the spelling in the FHA Maximum Mortgage Limit Tables if you receive the message stating the amount could not be found.

- (Statutory) Minimum Required Investment - Loan Product Advisor calculates the (Statutory) Minimum Required Investment per line 10d of HUD-92900-LT (3.5 percent of the lesser of sales price or value that borrower must invest into the transaction from acceptable sources per FHA guidelines). If the down payment is less than the minimum required investment, you will receive a purchase restriction message on the FHA TOTAL Feedback Certificate so that you may determine if the loan application is eligible for FHA insurance.
- FHA Minimum Down Payment.
- FHA Upfront Mortgage Insurance Premium Factor - This is an estimate of your upfront mortgage insurance premium for the loan submitted.
- FHA Annual Premium Factor - This is an estimate of your annual mortgage insurance premium for the loan submitted.



For new settlements on or June 11, 2016, Up-Front and Annual Mortgage Insurance Premium factors will no longer be returned on the Feedback Certificate. The following general messages will be returned with information to consult Appendix 1.0 in FHA Handbook 4000.1 for a full list of the applicable MIP's and additional information.

Message Code	Feedback Message
VJ	The FHA Upfront Mortgage Insurance Premium (UFMIP) Factor is 1.75% (except for Simple Refinances). If this is a simple Refinance Loan, the UFMIP is 1 (BPS) (.01%). Please consult Appendix 1.0 in FHA Handbook 4000.1, for a full list of the applicable MIP's and additional information.
VK	The FHA Annual Premium Factor (except for the Simple Refinance) depends on the base Loan Amount, LTV, and Loan Duration. If this is a Simple Refinance Loan, the FHA Annual Premium Factor is 55 (BPS) (0.55)%. Please consult Appendix 1.0 in FHA Handbook 4000.1 for a full list of the applicable MIP's and additional information.

### **Purchase Restrictions**

Purchase Restriction message(s) returned on the FHA TOTAL Scorecard Feedback Certificate provides the reason(s) a mortgage may not be acceptable for FHA insurance.

For example, you will receive specific messages if any of the following occur:

- A loan application does not meet FHA's (Statutory) Minimum Required Investment of 3.5 percent.
- A loan application exceeds FHA's Maximum Mortgage Limit.
- The Maximum Mortgage Limit cannot be found for a particular geographic region.



If the Purchase Restriction message "FB Review FHA Statutory Investment Requirement for eligibility" is received and you determine sufficient funds exist per the HUD Handbook 4000.1, you may disregard the message.

### **New Feedback Messages**

Effective August 2016, with the implementation of MISMO 2.4 XML Release, new feedback messages will be returned from FHA TOTAL Scorecard when incomplete information is submitted to Loan Product Advisor.

You will receive an Incomplete Feedback Certificate with error messages such as the following:

**AZ: Incomplete seller info; First & Last Name required.**

**79: Full address: street, city, state & zip req'd all borrowers.**



FHA TOTAL will return a documentation level indicating the minimum level of documentation the Seller must obtain for the FHA TOTAL mortgage. Descriptions for the FHA TOTAL documentation levels are also provided in the following table.

<b>Risk Class</b>	
<b>Accept</b>	If FHA TOTAL returns a risk class of Accept, the borrower's credit reputation and capacity are acceptable to FHA, and FHA agrees to endorse the mortgage, provided the data is true, complete, and accurate and the entire mortgage package meets FHA requirements. The Accept risk class substitutes for an FHA Direct Endorsement underwriter's personal review of the borrower's credit and capacity.
<b>Refer</b>	If FHA TOTAL returns a Refer risk class, it has identified weaknesses in the borrower's credit reputation and/or capacity that require further assessment. For FHA mortgages, an FHA Direct Endorsement underwriter must analyze the entire application to determine if the mortgage qualifies for FHA endorsement in accordance with the HUD Handbook 4000.1.
<b>Documentation Level</b>	
<b>Accept</b>	If FHA TOTAL returns a documentation level of Accept, it allows you to take advantage of substantially fewer documentation requirements than traditionally underwritten FHA loan applications.
<b>Refer</b>	If FHA TOTAL returns a documentation level of Refer, standard documentation requirements are available for loan applications assessed by FHA TOTAL.

### **Representations and Warranties**

FHA loan applications receiving an Accept risk class through FHA TOTAL Mortgage Scorecard benefit from relief of certain lender representations and warranties as described in the following paragraphs.

#### **Credit**

For FHA loan applications receiving an **Accept** risk class, the lender is **not** responsible for representations or warranties related to determining borrower credit reputation. The **Accept** credit warranty message states:

**F0 Credit Warranty:** *Not required to determine that the borrower shows the willingness to pay.*

For FHA loan applications receiving a **Refer** risk class, the lender **is** responsible for representations or warranties related to determining borrower credit reputation. The **Refer** credit warranty message states:

**VY Credit Warranty:** *Required to determine that the borrower shows the willingness and financial ability to pay.*

#### **Ratios**

For FHA loan applications receiving an Accept risk class, the lender is not responsible for determining whether the borrower's monthly housing payment-to-income ratio and monthly debt-to-income ratio are acceptable to FHA. The Accept ratio warranty message:

**FY Ratio Warranty:** *Not required to determine if the borrower's monthly housing and monthly debt ratios meet program requirements.*

For FHA loan applications receiving a **Refer** risk class, the lender **is** responsible for determining whether the borrower's monthly housing payment-to-income ratio and monthly debt-to-income ratio are acceptable to FHA. The **Refer** ratio warranty message in our AUS states:

**VZ Ratio Warranty:** *Required to use the debt ratio as a guide to determine whether or not the loan will be granted.*

## CAIVRS

FHA loan applications are subject to Credit Alert Interactive Voice Response System (CAIVRS) authorization showing no delinquent obligation or claim payment for all borrowers. CAIVRS is a system used to check applicants for defaults in government-backed loans (i.e., student loans and FHA or VA loans).

The following messages may be returned on the FHA TOTAL Feedback Certificate:

**HA:** If CAIVRS indicates delin/lien, enter Yes on app & resubmit.

**KC:** If CAIVRS indicates federal delinquency/lien, this loan must be documented and underwritten to FHA's REFER requirements.

You or the FHA Direct Endorsement underwriter, as applicable, must determine all borrowers have a clear CAIVRS number. If an applicant has a credit alert status problem, the applicant must contact the agency reporting the issue and resolve it in order to be eligible for FHA endorsement. You may also be required to reclassify the loan application to a Refer risk class.



If you receive a CAIVRS authorization for any borrower showing a delinquent obligation or claim payment, ensure that the data field for Federal Delinquency/Lien is marked "Yes" and resubmit the loan. Regardless of the risk class, you will need to resubmit the loan application. You also may be required to reclassify the loan to a Refer risk class.

## Calculated Values on the FHA TOTAL Scorecard Feedback Certificate

Values for the loan-to-value (LTV), total loan-to-value (TLTV) and home equity total loan-to-value (HTLTV) ratios are returned in the Calculated Values section of the Feedback Certificate. The following calculations are used for these values:

Ratio	Calculation
LTV	Base Loan Amount* / (lesser of Purchase Price or Appraised Value)
TLTV	Base Loan Amount* + Subordinate Amount (excluding undrawn home equity lines of credit amounts) / (lesser of Purchase Price or Appraised Value)
HTLTV	Loan Amount** + Subordinate Amount + HELOC High Credit Amount / (lesser of Purchase Price or Appraised Value)

\*Excludes value in PMI, MIP, Funding Fee Financed field

\*\*Includes value in PMI, MIP, Funding Fee Financed field



The Mortgage Insurance Premium is currently included in the calculated HTLTV value reflected on the Feedback Certificate. This value is not consistent with HUD's requirements; however, it is not used in the FHA TOTAL evaluation. As a reminder, you have the ability to change the value in FHA Connection, as applicable. Any change to exclude the Mortgage Insurance Premium from the HTLTV value would be communicated with a future Loan Product Advisor release.

## The Lending Decision

Once you've validated the necessary data and results from FHA TOTAL, you will proceed with review of the appraisal, assess the borrower(s) credit reputation if required, make the lending decision, close the loan and submit for FHA endorsement.

The lender retains all authority to make the lending decision. Any issues or questions regarding granting or denying credit, including the use of adverse actions notices, should be directed to the lender.

## How to Document Credit Information

The table below provides some of the typical recurring issues and required actions associated with documenting credit information for FHA loan applications assessed by FHA TOTAL.

If...	Then...
<p>The merged credit data obtained through Loan Product Advisor contains incorrect borrower identifying information for any of the following:</p> <ul style="list-style-type: none"> <li>▪ Name</li> <li>▪ Social Security Number</li> </ul>	<p>Enter the correct information into Loan Product Advisor and request a new credit report and underwriting assessment again.</p>
<p>The loan application receives an FHA Accept risk class, but the merged credit data contains incorrect identifying or significantly inaccurate information.</p>	<ul style="list-style-type: none"> <li>▪ If the inaccurate information has been corrected at the repositories, you may use Loan Product Advisor's optional Reorder Credit Service to request fresh merged credit for individual borrowers or joint borrower pairs. Refer to the Loan Product Advisor online help or Merged Credit Report Options quick reference at <a href="http://www.FreddieMac.com/learn/pdfs/uw/using_mc.pdf">http://www.FreddieMac.com/learn/pdfs/uw/using_mc.pdf</a> for information on using this service.</li> <li>▪ If incorrect identifying or significantly inaccurate information still exists, manually reclassify the loan application to Refer,</li> <li>▪ Document all borrowers' credit reputations according to the HUD Handbook 4000.1 for FHA loan applications, and</li> <li>▪ Order a tri-merged credit report or RMCR or independent third-party information to clarify the inaccuracy.</li> </ul>
<p>The merged credit data does not contain a reference for each significant open debt listed on the loan application.</p>	<p>Obtain a separate written verification for each significant debt reported on the loan application but not verified on the merged credit data.</p>
<p>The merged credit data has accounts listed as "will rate by mail only" or "need written authorization".</p>	<p>Obtain a separate written verification for each applicable account.</p>
<p>The loan application receives a Refer risk class.</p>	<ul style="list-style-type: none"> <li>▪ The FHA Direct Endorsement underwriter must base the assessment of the borrower's credit reputation on the borrower's entire credit history for all borrowers as outlined in the HUD Handbook 4000.1.</li> <li>▪ Include any debts resulting from credit inquiries in the past 90 days in the total monthly debt reported to Loan Product Advisor.</li> </ul>
<p>The FHA Direct Endorsement underwriter concludes that the borrower's credit reputation is acceptable despite significant adverse or derogatory information.</p>	<p>Document the loan application according to the reduced documentation requirements for a Refer risk class.</p>

If...	Then...
The merged credit data shows that a mortgage or significant debt is greater than 90 days past due and the credit report is up-to-date.	<p><b>Accept Risk Class:</b></p> <ul style="list-style-type: none"> <li>▪ Reclassify the risk class to Refer.</li> <li>▪ Any credit or ratio waivers listed on the FHA TOTAL Feedback Certificate are invalid.</li> <li>▪ Document according to Refer documentation guidelines.</li> </ul> <p><b>Refer Risk Class:</b></p> <p>Underwrite and document the loan application to the Refer risk class and documentation requirements.</p>
The merged credit data contains derogatory information.	<p><b>All Loan applications:</b></p> <ul style="list-style-type: none"> <li>▪ No explanation of derogatory credit is required for loan applications receiving an Accept risk class.</li> <li>▪ All other loan applications require a written explanation from the borrower.</li> </ul> <p>Note: judgments must be paid off per HUD Handbook 4000.1.</p>

### Modifying and Resubmitting FHA Loans

You may resubmit a loan application to FHA TOTAL. A submission count is included in the **Number of Submissions** field on the FHA TOTAL Scorecard Feedback Certificate. Upon resubmission, merged credit will be re-accessed unless any of the following conditions have occurred:

- Change in loan type
- Change in specified CRC or technical affiliate
- Change in joint merged credit borrowers
- Change in merged credit transaction request type
- Change in borrower data, including a change in borrower order on a joint merged credit request
- Non-matching reference number
- Credit freshness expiration
- Secondary Use submission error

You may need to resubmit your FHA loan application for a variety of reasons at some point in your process, including:

- The final risk class and documentation level is greater than 120 days from the Note Date, or 180 days if new construction.
- The merged credit data results are greater than 120 days from the Note Date, or 180 days if new construction.
  - If you resubmit a new construction loan you must keep the same CRC (and if applicable, technical affiliate), critical borrower data and submitting entity *after* the first 120 days to maintain the same credit data for 180 days.
  - You must obtain new merged credit if any critical data changes (i.e., change in Joint merged indicator from single to joint or vice-versa, change in CRC or technical affiliate, etc.). If critical borrower data changes are required, use the Reorder Credit Service to request new credit. New merged credit fees will apply.
- The Credit Alert Interactive Voice Response System (CAIVRS) authorization shows a Federal Delinquency/Lien for any borrower.
- Any information changes - including decreases to a borrower's income, assets and/or liabilities.
- There is a change to the property valuation, sales price or terms and conditions of the mortgage.

- There is a critical borrower(s) data change or addition/deletion of borrower(s)
- To include the FHA Case Number if not already entered on a prior submission.

Perform the following steps if you need to resubmit an FHA loan application:

<b>Process for Resubmitting an FHA Mortgage</b>	
<b>Step</b>	<b>Action</b>
1	Select the FHA loan application to be resubmitted and click <b>Modify Loan</b> .
2	Make any data changes required on the <b>Loan File Setup</b> page, <b>Loan Application Data</b> pages, <b>FHA</b> page, and <b>ARM</b> page (if applicable).
3	<p>Review and update merged credit selections.</p> <p>The <b>Credit Reporting Company (and if applicable, technical affiliate)</b> and <b>Single</b> or <b>Joint</b> report type fields must be completed on every resubmission regardless of access method. If the information is not entered, the loan application will receive an <i>Incomplete</i> response and messages instructing you to enter the required information. The process for entering data in the fields may vary based on access type when you resubmit an FHA loan application:</p> <ol style="list-style-type: none"> <li>1. Select <b>Request Services</b> in Loan Product Advisor.</li> <li>2. Select <b>Request a Merged Credit Report</b> so the credit report option fields appear.</li> <li>3. If the name of your CRC does not appear in the <b>Credit Reporting Company</b> field (and if applicable technical affiliate, select your CRC (and if applicable, technical affiliate) from the pull down list.</li> <li>4. Select the correct report type is selected in the <b>Single</b> or <b>Joint</b> report type field.</li> <li>5. Enter or confirm the Reference Number(s), if applicable.</li> </ol> <p>Note: If no Reference Number(s) are provided, then merged credit may <b>automatically</b> be re-pulled from the CRC (or if applicable, technical affiliate) if critical borrower data changes, a new CRC (or if applicable, technical affiliate) is selected, joint or single merged indicator changes, or credit report exceeds 120 days. Merged Credit fees will apply and be billed directly from the CRC. Refer to the Using Loan Product Advisor Merged Credit Report Options quick reference at <a href="http://www.FreddieMac.com/learn/pdfs/uw/using_mc.pdf">http://www.FreddieMac.com/learn/pdfs/uw/using_mc.pdf</a> for more information on using the merged credit options.</p>
4	Submit the mortgage for assessment.
5	Review the assessment results. Look for any changes to the risk class and documentation level, as well as the detailed feedback messages for any changes that would impact the processing and underwriting of the mortgage.

### Requirements for Preparing a Mortgage for Delivery to FHA

For FHA mortgages, obtain an FHA Mortgage Insurance Certificate through HUD according to the requirements in the HUD Handbook 4000.1. Following is a summary of the requirements:

If a loan application receives ...	Then...
Refer risk class	An FHA-approved Direct Endorsement (DE) underwriter must sign the HUD 92900-LT form.
Accept risk class	A DE underwriter's signature or CHUMS ID is not required on the following FHA Forms: <ul style="list-style-type: none"> <li>• 92900-LT</li> <li>• 92900-A</li> </ul>
Accept risk class, but there exists a condition where you must reclassify, document and underwrite as a Refer risk class	An FHA DE underwriter must sign the HUD 92900-LT form.

Ensure you have performed all of the following tasks before delivering a Loan Product Advisor FHA loan application:

- Place the FHA TOTAL Scorecard Feedback Certificate on the right side, top sheet, of the FHA endorsement binder
- If Accept risk class, on Form 9200-A:
  - Enter "FHA TOTAL Scorecard" in lieu of a DE underwriter's signature
  - Enter "ZFHA" as CHUMS ID.

- If Refer risk class, a DE underwriter must provide signature and CHUMS ID on FHA Form 92900-LT or 92900-A.

### Additional Resources

Questions related to the FHA TOTAL assessment through Loan Product Advisor, including functionality and feedback messages may be directed to Freddie Mac Customer Support (800-FREDDIE):

For the latest updates and changes from FHA regarding their policies and regulations, refer to their HUDCLIPS website at <http://www.hud.gov/offices/adm/hudclips/index.cfm>.

Questions regarding FHA credit policy and underwriting requirements may also be directed to:

- Sponsoring lender
- FHA Direct Endorsement Underwriter
- FHA's Resource Center at 800-CALLFHA (225-5342)
- HUD Handbook 4000.1 located at <http://www.hud.gov/offices/adm/hudclips/index.cfm>
- HUD website located at <http://www.hud.gov>

This document is not a replacement or substitute for the requirements set forth in the *Single-Family Seller/Service Guide* (Guide), and/or terms of your Master Agreement and/or Master Commitment, *Loan Product Advisor Functionality Guide* or *HUD Handbook 4000.1*.