Post-Endorsement Technical Review Checklist

Office of Housing
Federal Housing Commissioner

Review of Underwriter/Mortgage Credit Checklist

Mortgage Credit Underwriting/Loan Closing

Credit History Documents/Debts and Obligations - Check if a required document is missing or statement describes a deficiency. Only assign a "poor" if materially affecting HUD's insurance risk and describe below.

M01 ___ Copies of all credit reports were not submitted with loan file
M02 ___ Credit report was not obtained under all names and name variations used, as well as all social security numbers used
M03 ___ Report does not comply with prescribed guidelines
M04 ___ If verification of mortgage used, payment history was not shown (if not on credit report)
M05 ___ Report was more than 120 (180) days old at time loan closed
M06 ___ Recent inquiries by other creditors not adequately explained
M07 ___ Credit accounts recently paid-in-full/source of funds unknown

___ Fair ___ Poor Comments

Underwriting Analysis
Fair: Miscalculation of debts/obligations, however risk and/or acceptability not affected. Describe below:

Poor: Check if one or more of the following significantly increased HUD's insurance risk. **Describe below how HUD's risk was increased.**

M10 ___ Bankruptcies, judgments, collections, foreclosures, delinquent government-related debts improperly addressed.*
M11 ___ Past due accounts, pattern of consistently slow or late payments not satisfactorily or properly addressed.
M12 ___ Monthly obligations improperly calculated and included in ratios
M13 ___ Personal obligations (child support, alimony, child care) not included in analysis.
M14 ___ Real estate obligations/Non-owner occupant expenses improperly analyzed and used
M16 ___ Other

Comments:

Asset Verification Documents and Analysis - Documents: Check if a required document is missing or statement describes a deficiency. Only assign a "poor" if materially affecting HUD's insurance risk and describe below.

M17 ___ Asset verification documents more than 120 days old (180 on proposed construction) when loan closed.
M18 ___ Gift letter not complete or does not meet all requirements

___ Fair ___ Poor Comments

Underwriting Analysis
Fair: Miscalculation of assets to close, etc., however acceptability not affected. Describe below:

Poor: Check if one or more of the following significantly increased HUD's insurance risk. **Describe below how HUD's risk was increased.**

M20 ___ Substantial increase in debts or savings accounts not satisfactorily explained.
M21 ___ Earnest money greater than 2% of sales price/Receipt not properly documented
M22 ___ Secondary financing does not meet HUD requirements *
M23 ___ Asset value of personal property sold not established and/or ownership verified.
M24 ___ Equity from sale of previous residence not properly documented
M25 ___ Value and sale of stocks, bonds, other securities not verified.
M26 ___ Transfer of Gift funds not properly substantiated
M27 ___ Funds to close not documented/Proper analysis of cash required vs. cash available not made.
M28 ___ Seller concessions not properly considered or loan amount adjustments made.
M30 ___ Other

Comments

Income Verification Documents and Analysis - Check if a required document is missing or statement describes a deficiency. Only assign a "poor" if materially affecting HUD's insurance risk and describe below.

M31 ___ Pay stub was dated more than 30 days before signing initial application.
M32 ___ Two-year employment history was not provided.
M33 ___ Documents (W-2s, 1099s, 1040s, etc) do not support income used for qualifying.
M34 ___ VOE missing employer's signatures, has white-outs, "squeezed-in" numbers, proper certifications absent.
M35 ___ If self-employed, or using alternate documentation, file missing IRS 4506 or IRS 8821.
M36 ___ If self-employed, two years' tax returns with all schedules were not provided.

___ Fair ___ Poor Comments

Underwriting Analysis
Fair: Miscalculation of income amount or the income source is not acceptable, however acceptability and/or risk not affected. Describe below:

Poor Check if one or more of the following significantly increased HUD's insurance risk. Describe below how HUD's risk was increased

M38 ___ Income amount improperly calculated and/or analyzed
M39 ___ Year-to-date income does not correlate to previous years' income/Reasons for differences not documented
M40 ___ Income source unacceptable (overtime, bonus, car allowance, alimony, child support)
M41 ___ Rental income not supported by tax returns (or lease if recently acquired)
M42 ___ Stability of income not documented, including seasonal employment, second jobs etc.
M43 ___ Other

Comments

Mortgage Transaction

Underwriting Analysis - **Fair:** Miscalculation of mortgage amount, MIP (upfront or annual), Attachment "A" improperly processed, etc., however acceptability of loan not affected. Describe below.

Poor Check if one or more of the following significantly increased HUD's insurance risk. Describe below how HUD's risk was increased

M45 ___ Loan amount/investment requirements incorrectly calculated and/or does not reflect sales contract.
M47 ___ Repair items were not included in borrower's investment requirements or otherwise not properly addressed.
M48 ___ Loan-to-value ratio or statutory limits violated.*
M49 ___ If a non-occupant co-borrower was included in mortgage, proper analysis of expenses, etc., not made.
M50 ___ Compensating factors not properly enumerated or not sufficient to allow for loan approval on loan where ratios guidelines were exceeded.
M51 ___ CAIVRS number not shown or, if other than "A", reason for loan approval not justified.
M52 ___ Income amounts, assets, etc., on worksheet not reflected by that shown on final application.
M53 ___ LTV exceeds 90% but property not eligible for maximum financing ("new const.")*
M54 ___ Transaction violates "Seven-unit" limitation. Mortgagor is an investor and not eligible for the loan.*

Refinance Transactions

M55 ___ If streamline refinance, lender did not provide evidence that previous mortgage was HUD-insured.
M56 ___ If investor refinance, file includes a HUD appraisal/closing costs included in mortgage.
M57 ___ Subordinate liens included in new mortgage amount were not seasoned at least one year, or were not related to repairs/rehabilitation.
M58 ___ Cash to borrower exceeded $250 (unless LTV < 85% and eligible for cash back)
M60 ___ Other

Comments

Application/Underwriting/Closing Documents - Check if a required document is missing or statement describes a deficiency. Only assign a "poor" if materially affecting HUD's insurance risk, and describe in "comments" below.

Sales Agreement

M70 ___ Was not signed by all parties to the transaction.
M71 ___ Contract addenda were not provided.
M72 ___ Although identity-of-interest was indicated, proper consideration was not given, including maximum LTV ratio.
M73 ___ Responsibility for repairs required by appraiser was not detailed
M74 ___ Seller not acceptable (e.g., seller LDP'd and not selling principal residence)
M75 ___ Security Instruments/Mortgage Note, etc.
M76 ___ Loan was not closed in the same names as those approved on worksheet/loan application.
M77 ___ Underwriter Certification not completed and/or executed properly.

Settlement Statement/HUD-1

M78 ___ Was not signed by buyer, seller, etc.
M79 ___ Seller and buyer were not identical to those shown on the sales contract.
M80 ___ Seller concessions do not reflect those indicated on the sales contract and worksheet.
M81 ___ Earnest money credit varies from that shown on sales agreement/analysis worksheet.
M82 ___ Indicates unauthorized charges, overcharges, etc.
M83 ___ Closing costs on HUD-1 does not reflect those used to determine mortgage on worksheet (loan not within $250).
M84 ___ Secondary financing shown but not disclosed elsewhere.

Uniform Residential Loan Application (URLA) & Addendum (HUD-92900-A)

M85 ___ Initial (handwritten) application missing/not in file (if lender produces separate initial and final loan applications)
M86 ___ Variations between initial and final applications not satisfactorily explained.
M87 ___ Addendum is not complete and correct, including property address, discount points paid by borrower.
M88 ___ Addendum not signed by borrower before signing by lender.
M89 ___ Not all conditions (from page 3) satisfied at closing or waived.
M90 ___ Borrower Identification
M91 ___ Files does not contain valid picture identification or SSN not documented

☐ Fair ☐ Poor Comments:

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* Indicates deficiencies that may warrant indemnification.

Completed by | Date | CHUMS ID#

FHA Case No

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