YOUR HOSTS



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FHA & CONVENTIONAL COMPARISON TRAINING FOR BROKERS



DISCLAIMER

- This training is for Mortgage Professional Use Only
- Information contained within this training is subject to change

- According to the National Association of Realtors (NAR), the current ratio of first-time home buyers looking for a home is 42%
- In February 2023, FHA reduced the annual mortgage insurance premiums from .85% to .55% for most homebuyers
- Fannie & Freddie both offer comparable programs that allow up to 97% LTV / 105% CLTV with a Community Second Mortgage



FHA vs CONVENTIONAL

FHA LOANS

- More Flexible Standards including Lower Credit Score
- Typically Allow for Higher DTI
- Appraisal focuses on safety & soundness along with property's market value
- Manual Underwrites

CONVENTIONAL

- Allows up to 97% LTV and up 105% CLTV with Community Second Mortgage
- Mortgage Insurance may be little less and is cancelable
- Appraisal focus more on property's market value
- Less requirements for 3–4-unit properties

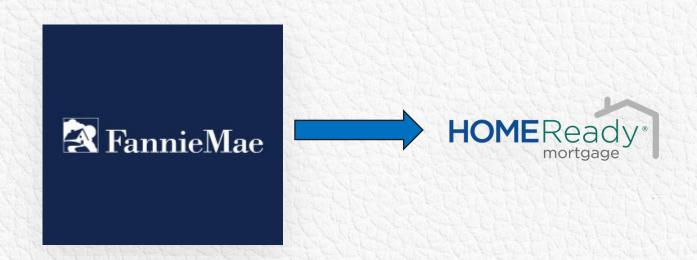


FHA REQUIREMENTS

- 3-4-UNIT PROPERTIES: Must meet the net selfsufficiency rental income
- RENTAL INCOME FROM CURRENT RESIDENCE:

 If income is being derived from property being vacated, must be relocating to an area more than 100 miles from the current residence

CONVENTIONAL OPTIONS







HOME AFFORDABLE PROGRAMS

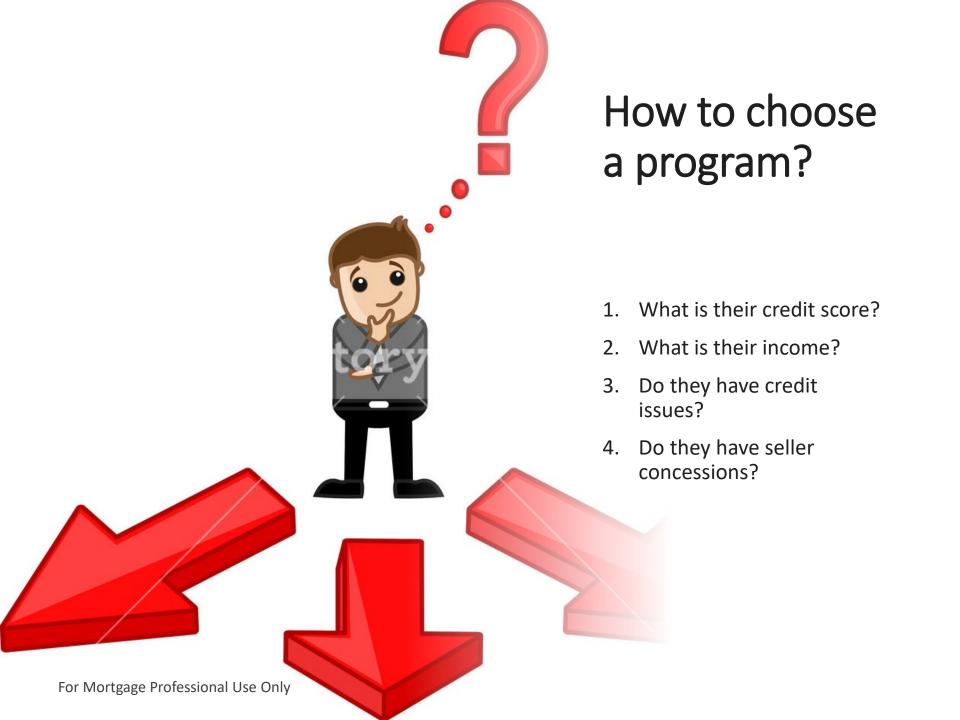
- Principal Residence only
- Borrower Income Limits (80% of the AMI)
- Occupant borrower(s) may own one other financed residential property (in addition to the subject property) at the time of closing. Non-occupant borrower(s) are not subject to this restriction
- Boarder income is permitted
- Income from an ADU is permitted
- If all borrowers are FTHB, at least one must go through Homeownership Education
- LLPA's are WAIVED
- MI coverage is 25% for LTVs up to 97%

TRADITIONAL CONVENTIONAL

- Principal Residence, Second Home, Investment Properties
- High LTV at least one borrower must be FTHB
- No limit to the number of properties they own
- Boarder income or income from an ADU is not permitted
- Standard LLPA's apply unless the borrower is a FTHB with income at or below 100% AMI for non-high-costareas or 120% for high-cost areas
- Standard MI coverage required



	FHA	Traditional Conventional	HomeReady [®]	Home Possible®
Credit Score	580*	620	620	620
Down Payment	3.5% Unless using DPA	3% Unless using DPA	3% Unless using DPA	3% Unless using DPA
PMI Requirements	1.75% upfront + 0.55% annually	35% coverage for high LTV's	25% coverage for high LTV's	25% coverage for high LTV's
Cancelable MI	No	Yes	Yes	Yes
FTHB Required	No	No	No	No
Seller Concessio	Up to 6%	Up to 3%	Up to 3%	Up to 3%
Loan Limit	\$679,650	\$726,200	None	None
Income Limit	None	None	Varies by location	Varies by location
For pur	••	credit score; however, i ison – we used the app	· ·	
**	Loans utilizing Down	Payment Assistance re	quire a 600 Credit Sc	o e
DPA Program	Yes**	Yes	Yes	Yes





- Home Possible® Mortgage FAQ Freddie Mac Single-Family
- Home Possible® Income and Property Eligibility Tool Freddie Mac Single-Family
- HomeReady Mortgage Comparison with Fannie Mae Standard
- HomeReady FAQs
- AMI Lookup Tool

How to Become an Approved Broker?

Our Website: myndm.com



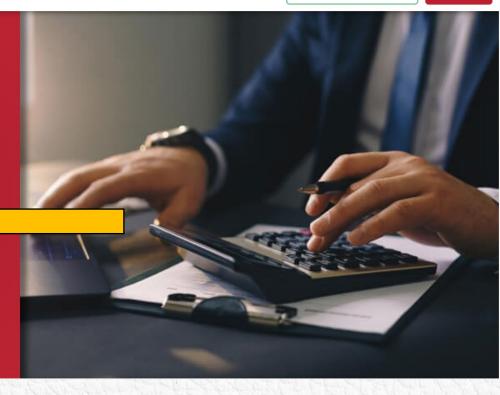
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Become an Approved Broker



How to Become an Approved Broker?

Our Website: myndm.com

Get Approved

STEP 01

Please complete these two forms, so we can create your logins.

Once this is completed, you will be able to start submitting.

Compensation Form

Contact Form

Send Forms once complete to:

If your company wishes t ApprovalDesk@myndm.com

rtner, we welcome you to

complete our application by clicking on the button below. Thank you for considering Nations Direct Mortgage.

Broker Package

Branch Addition Form

Express DSCR Addendum

Annual Recertification
Agreement





QUESTIONS

Thank You