

MANUAL UNDERWRITING CHECKLIST

Manual Underwriting

Manual UW	Was the loan referred by an Automatic Underwriting System (AUS)?	<input type="checkbox"/> Yes
Automatic Downgrades to Manual UW	Mortgage file contains information or documentation that cannot be entered into or evaluated by TOTAL Mortgage Scorecard?	<input type="checkbox"/> Yes
	Additional information, not considered in the AUS recommendation affects the overall insurability of the Mortgage?	<input type="checkbox"/> Yes
	Any late mortgage payments on a cash-out refinance within 12 months of the case assignment?	<input type="checkbox"/> Yes
	Mortgages reported on the credit report with more than 2x30 late pays within 12 months of the case assignment?	<input type="checkbox"/> Yes
	Mortgages not reported on the credit report with any delinquency within 12 months of the case assignment, or more than 2x30 late pays within 24 months of the case assignment?	<input type="checkbox"/> Yes
	Previous Mortgage Foreclosure, Short Sale, or Deed-in-Lieu (DIL) of Foreclosure within last 3 years from Case Assignment?	<input type="checkbox"/> Yes
	Chapter 7 or 13 Bankruptcy discharged less than 2 years from date of loan application from Case Assignment?	<input type="checkbox"/> Yes
	Existing Disputed Accounts/Collections/Public Records (Excludes medical; includes chargeoffs, collections, late payments in last 24 months; aggregate balance >=\$1000)	<input type="checkbox"/> Yes
	Business income shows a greater than 20% decline over the analysis period?	<input type="checkbox"/> Yes
Potential Downgrades to Manual UW	Authorized user account is only current tradeline	<input type="checkbox"/> Yes
	Multiple NSF's on bank statements	<input type="checkbox"/> Yes
	Mortgage lates not reporting (includes private notes)	<input type="checkbox"/> Yes
	Mortgages extinguished through foreclosure that have fallen off credit report or showing "unrated" instead of 8 or 9.	<input type="checkbox"/> Yes
	Tax liens not showing on credit report	<input type="checkbox"/> Yes

Compensating Factors (FHA Only)

Manually Underwritten loans require compensating factors to improve probability for loan approval. Conditions will apply to substantiate the factors below.

	FICO >= 580				FICO < 580 (and Non-Traditional/Insufficient)
Housing/Total Debt Ratios	31/43	37/47	40/40	40/50	31/43 Max Debt Ratio
# Comp Factors	None	1	No Discretionary Debt	2	None

CASH RESERVES

Cash Reserves: \$ _____ ÷ Mo. PITI: \$ _____ = _____ Reserve Months

• 1+ Months required for 1-2 Unit Property (3+ Months as Comp Factor)

• 3+ Months required for 3-4 Unit Property (6+ Months as Comp Factor)

• Exclude from Cash Reserves: Gift Funds; Equity from another property; Borrower Funds; Cash Proceeds from Refi Transaction

• Retirement Accounts may be used – only 60% of the vested amount

SIGNIFICANT ADDITIONAL INCOME NOT INCLUDED IN GROSS EFFECTIVE INCOME

Bonus Income: \$ _____ Monthly _____ Annual _____ Quarterly _____

Overtime Income: \$ _____ Monthly _____ Annual _____ Quarterly _____

Part-Time Income: \$ _____ Monthly _____ Annual _____ Quarterly _____

Seasonal Income: \$ _____ Monthly _____ Annual _____ Quarterly _____

Requirements:

• Proof that borrower has received this income for at least 1 year and income will likely continue.

• The income, if included in Gross, would reduce the qualifying ratios under 37% housing and 47% total ratio.

• Income from non-borrowing spouses/non-obligated parties is not permitted

MORTGAGE PAYMENT & PAYMENT HISTORY

Current Total Housing Payment: \$ _____

New Payment (PITI): \$ _____

Difference: \$ _____ (_____ % increase/decrease)

Mortgage/Rental Lates in last 12 months: _____

☐ No Discretionary Debt*

*Housing Payment is the ONLY open account with balance not paid off monthly

Additional established credit lines as authorized user required to be open for at least 6 months and paid in full for the past 6 months

MONTHLY RESIDUAL INCOME

Family Size: _____

Total Monthly Income: \$ _____

Less Gross Up Portion of Non-Taxable Income: \$ _____

Less Child care expenses \$ _____

Less PITI + HOA: \$ _____

Less monthly debts: \$ _____

Less Monthly prop maint: \$ _____ (.14 cents per square foot)

Less Fed/State/Other tax: \$ _____

TOTAL RESIDUAL INCOME: \$ _____ (exceeds amount from chart below)

Use **BOLD** values for loan amounts of \$80,000 or higher; *italics* values for loan amounts less than \$80,000

Family Size	Northeast	Midwest	South	West
1	\$450 (<i>\$390</i>)	\$441 (<i>\$382</i>)	\$441 (<i>\$382</i>)	\$491 (<i>\$425</i>)
2	\$755 (<i>\$654</i>)	\$738 (<i>\$641</i>)	\$738 (<i>\$641</i>)	\$823 (<i>\$713</i>)
3	\$909 (<i>\$788</i>)	\$889 (<i>\$772</i>)	\$889 (<i>\$772</i>)	\$990 (<i>\$859</i>)
4	\$1025 (<i>\$888</i>)	\$1003 (<i>\$868</i>)	\$1003 (<i>\$868</i>)	\$1117 (<i>\$967</i>)
5	\$1062 (<i>\$921</i>)	\$1039 (<i>\$902</i>)	\$1039 (<i>\$902</i>)	\$1158 (<i>\$1004</i>)

Over 5, add **\$80** (*\$75*) for each additional member up to 7 Total

Northeast: CT, MA, ME, NH, NJ, NY, PA, RI, VT Midwest: IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

South: AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, OK, PR, SC, TN, TX, VA, VI, WV

West: AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

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1600 South Douglass Road, Suites 110 & 200-A Anaheim, CA 92806

VER. 08/18/21