

Loan Options and Property Requirements



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Luminate
Home Loans



FHA Mortgage

Insured by the Federal Housing Administration, borrowers must pay mortgage insurance premiums, which protects the lender if a borrower defaults

Eligible Property Types:

- Primary residence
- Single family homes
- Condominiums
- Manufactured homes
- Modular homes
- Rural properties

Benefits:

- As little as 3.5% down
- Credit scores as low as 580
- Fixed Mortgage Insurance regardless of credit score
- Allows higher debt to income percentage, which allows for a higher purchase price.
- Down Payment Assistance Programs available

Max loan amount – \$366,850 in 14 county metro area / \$314,827 in all other counties
Max Seller Paid Closing Costs – 6%

FHA Property Guidelines

- No cracked windows
- No missing flooring/no sub-floor showing
- No missing shingles
- AC/Heat must be in working condition
- Plumbing works in all sinks, toilets, showers
- Smoke and carbon monoxide detectors
- GFCI outlets in bathroom and kitchen
- Outlet covers on all outlets
- Up to date well/septic
- Handrails on all stairs
- No peeling paint (before 1978)
- No evidence of termites
- No ripped/badly damaged screens
- No exposed wire
- No falling/unattached gutters
- No rotted window sills/trim
- No missing appliances that are usually sold with the home (fridge, stove..)
- Bedrooms must have large enough windows for egress
- Exterior doors must open/close properly



Conventional Mortgage

Typically fixed in the terms and rate, and not guaranteed or insured by any government agency

Eligible Property Types:

- Single family homes
- Duplexes
- 2-4 unit properties
- Condos/townhomes
- Modular homes

Max loan amount - \$484,350

Max Seller Paid Closing Costs - 3%

Benefits:

- As little as 3% down
- No mortgage insurance with 20% or more down.
- Mortgage insurance can be removed after reaching 20% equity or paying down to 78% loan to value.
- More lenient on property standards
- Single premium or monthly mortgage insurance available

Conventional Property Guidelines

- No broken windows
- Roof in good condition
- Working AC/Heat
- Smoke/carbon monoxide detectors
- No mold stains
- Hand rails on stairs
- No cracks in the walls, ceilings, or flooring



VA Mortgage

Designed for Veterans, active-duty service members, and surviving eligible spouses, with fewer restrictions and more benefits than a traditional loan program

Eligible Property Types:

- Primary residence
- Single family homes
- 1-4 units
- Townhomes/condos
- Modular homes

Benefits:

- No monthly mortgage insurance
- A veteran that is considered at least 10% disabled by the Veterans Administration are exempt from VA Funding Fee
- Discounted closing fee

Max loan amount - \$484,350

Max Seller Paid Closing Costs - 4%

VA Property Guidelines

- Structure of home must be sound
- Property must have own water heater
- Working septic system
- No leaks in the roof
- No evidence of termites
- No peeling or chipping paint



USDA Mortgage

Backed by the U.S. Department of Agriculture and available to home buyers with low-to-average income for their area, these loans offer 100% financing with reduced mortgage insurance premiums and below-market mortgage rates

Eligible Property Types*:

- Primary residence
- Single family homes
- Modular homes
- Condominiums
- Townhouses

Benefits:

- 0% down
- Reduced mortgage insurance premiums
- Below market mortgage rates

Income restrictions apply.

Max Seller Paid Closing Costs - 6%

*Must be primary residence & not own any other real estate

USDA Property Guidelines

- No cracked windows
- No missing flooring/no sub-floor showing
- No missing shingles
- AC/heat must be in working condition
- Plumbing works in all sinks, toilets, shower
- Smoke and carbon monoxide detectors
- GFCI outlets in bathroom and kitchen
- Outlet covers on all outlets
- Up to date well/septic
- Handrails on all stairs
- No peeling paint
- No exposed/frayed wires
- No buildings with the primary purpose of producing income (barns, silos, commercial greenhouses)
- No pool
- Access to the home on an all- weather or paved road

Property must be located in eligible rural area as defined by USDA

Additional Property Testing

Well Water - Sample must be taken by a disinterested third party and must be performed by the local health authority or by a laboratory acceptable to the local health authority or EPA.

Conventional

- Existing properties (occupied or vacant) - No well water inspection is required unless appraiser has indicated in the report that a water test is required or there is evidence to suggest to the underwriter that the property needs a water test to meet agency or investor guidelines.
- New construction or constructed within 1 year and never occupied - well water test required to verify that the subjects water supply is potable and meets local health authority (or EPA) requirements.

FHA

- Existing properties (occupied or vacant) - No well water inspection is required unless appraiser has indicated in the report that a water test is required or there is evidence to suggest to the underwriter that the property needs water test to meet agency or investor guides.
- New construction or constructed within 1 year and never occupied- well water test required to verify that the subjects water supply is potable and meets local health authority (or EPA) requirements.

USDA/VA

- If the subject property has a private water system, a water test will be required for all loans regardless if the subject property is vacant or occupied at the time of the appraisal or when it was constructed.

Septic Inspections - Must be completed by a licensed professional.

Conventional

- Existing properties (occupied or vacant) - No septic system inspection is required unless appraiser has indicated affluence or there is evidence in the appraisal that suggests failure, issues with the system or required per agency or investor guidelines.
- New construction or constructed within 1 year and has never been occupied - Satisfactory septic inspection required.

FHA

- Existing properties (occupied or vacant) - No septic system inspection is required unless appraiser has indicated affluence or there is evidence in the appraisal that suggests failure, issues with the system or required per agency or investor guidelines.
- New construction or constructed within 1 year and never occupied- satisfactory septic inspection required.

VA/USDA

- Existing properties (occupied or vacant) - No septic system inspection is required unless appraiser has indicated affluence or there is evidence in the appraisal that suggests failure, issues with the system or required per agency or investor guidelines *Note: If the USDA has a condition on their commitment, then a septic would be required regardless.
- New construction or constructed within 1 year and never occupied- Satisfactory septic inspection required.

If the sales contract references that a water test or septic inspection will be performed or has been completed, a copy of that report is required for the file regardless of the loan type or occupancy at the time of the appraisal.

Contaminant Testing

Conventional

- Coliform/E. coli
- Nitrates

VA

- Nitrates
- Nitrite
- Lead
- Coliform/E. coli
- Bacterium
- Arsenic

FHA & USDA

- Total coliform (includes fecal coliform and E. coli)
- Nitrates, total
- Nitrites
- Lead