

## **UNDERWRITING GUIDELINES**

- Any exception requests to Lafayette Community Development Fund (LCDF) underwriting guidelines will be considered on a case-by-case basis after review of a full loan submission.
- These are guidelines only. LCDF has the right to deny any borrower that cannot demonstrate the ability or willingness to repay the loan, and are subject to change without notice.
- Property must be located in Lafayette Parish.
- Review current income limits at [www.lptfa.org](http://www.lptfa.org). Income is projected forward. All household income must be disclosed.
- Minimum credit score – 640
- Maximum debt ratio – 29/45
- A First Time Homebuyer has:
  - Never owned a home
  - Only owned a home with a former spouse
  - Only owned a home not permanently attached to a foundation such as a mobile home
  - Has not owned a principal residence in 3 or more years
- UW Findings – Approve/Eligible (DU/LP/AUS/GUS)
- No mobile, manufactured or multi-family homes.
- No non-occupying co-borrowers.
- 3 traditional trade lines with 12-month payment history. Or 3 non-traditional trade lines, plus a Verification of Rent. VOR has to be completed by a property management company, with 12 months cancelled checks/bank statements. Non-traditional trade lines are bills paid monthly, documented with 12 months of statements from the creditor, plus 12 months bank statements. Such as: utility bills, car insurance, cell phone bill, etc.
- 1% of the outstanding balance of student loans is used to calculate monthly payment, unless additional documentation is submitted.
- LCDF may not gross up income.
- Bankruptcy must be discharged 3 years, with credit re-established.
- No past due child support/alimony owed allowed. Or must provide legal repayment plan with proof of 12 months consistent payments.
- Closing must be at least 10 days after date of approval.
- Approvals expire in 45 days, and are non-transferable between lender representatives and property addresses.
- Loan proceeds only to be used for closing costs, pre-paid charges and deposit. No other cash out at closing. If applicable, any principal reduction must be applied to the LCDF loan at closing, or a reduction in the LCDF loan amount.