



first community mortgage



Doctor Loan (National) Guidelines



PRIMARY RESIDENCE 1-4 Units, Condo			
Credit Score	<\$1,500,000	>=\$1,500,000	Max DTI
700+	90%	85%	45%
660 – 699	80%	80%	45%
620 – 659	65%	65%	45%

- *Minimum Loan Amount \$100,000*
- *Maximum Loan Amount \$2,000,000*
- *Maximum DTI 45%*
- *Purchase transactions only, Primary residence only*
- *Non-Warrantable Condo ineligible*
- *FC/SS/DIL/BK Seasoning 36 months*
- *Mortgage History 0x30x12*
- *Non-Occupant Borrowers are ineligible*
- *DU Approve/Ineligible or LPA Accept/Ineligible-Ineligible for loan amount and LTV only*
- *Reserves: 3 months loan amt <=\$1mm, 6 months >\$1mm-<=\$1.25mm, >\$1.25mm 12 months*
- *3% minimum borrower contribution for loan amts <=\$1.25mm, 5% for loans >\$1.25mm*
- *Gifts/Grants/Employer assistance eligible to satisfy borrower contribution if 1 unit, FICO >=680, max loan amt \$1.25mm. (Loans >\$1.25mm 2% minimum borrower contribution)*
- *Eligible Professionals: MD, DO, Medical Resident/Fellow, DMD, DVM, General/Specialized Surgeon, DPM, Pharmacist*
- *Employment for the borrower with the eligible profession may begin up to 90 days after loan closing with the following: A non-contingent, fully executed and accepted employment contract or offer letter documented in the loan file; & Verbal Verification of Employment (VVOE) has been conducted, prior to closing, to confirm authenticity of the employment documentation*
- *Subordinate financing is not permitted.*



General

All Mortgage Loans must be underwritten by FCM and must meet the standards and guidelines stipulated herein as well as in the Underwriting Guidelines FCM Documents.

Loans meeting the parameters outlined in these guidelines are consistent with the Dodd Frank Wall Street Reform and Consumer Protection Act's requirement that a borrower have the Ability to Repay the mortgage loan. Documentation standards are designed so that loans are made to borrowers who have demonstrated the ability and have the wherewithal to repay the debt. This program requires review and verification of documentation to ensure that the loan meets Ability-to-Repay (ATR) standards. In regard to any underwriting criteria not specifically addressed in this document, Fannie Mae standards apply or CFPB 12 CFR Part 1026 - Truth in Lending (Regulation Z).

Eligible Products/Terms

- 30 Year Fixed, 5/6 and 7/6 ARM

Program Description

- The Doctor Loan Product offers expanded guideline requirements for eligible professionals who show a strong earning potential with a high DTI ratio due to student loans and/or employment beginning after closing.
- Items not addressed defer to Agency conventional guidelines.

Eligible Professionals

- Medical Doctor (MD) or (DO)
- Medical Resident/Fellow
- Doctor of Dental Medicine (DMD)
- Dental Resident/Fellow
- Doctor of Dental Surgery (DDS)
- Doctor of Veterinary Medicine (DVM)
- General/Specialized Surgeon
- Podiatrist (DPM)
- Pharmacist

Loan Amounts

- Minimum Loan Amount: \$100,000
- Maximum Loan Amount: \$2,000,000

Maximum LTV/CLTV

- Maximum LTV/CLTV 90%

Minimum Credit Score

- Minimum credit score 620



Maximum DTI

- Maximum DTI is 45%

Loan Purpose

- Purchase only

Occupancy

- Primary Residence only

Qualifying Rates

The following qualifying rates will be used to calculate the monthly housing expense:

- Fixed Rate,
- 7/6 ARM Loans qualified using the fully amortized payment calculated at the note rate
- 5/6 ARM qualified using the fully amortized payment calculated at the greater of the fully indexed rate or note rate plus 2%

Interest Only Loans are not eligible.

Borrower Eligibility

- At least one borrower is required to be an eligible professional as defined in these guidelines
- US Citizen
- Permanent Resident Aliens
- Non-Permanent Resident Aliens
 - Borrower must have an unexpired visa & valid passport or an unexpired EAD card
 - Borrower must have a Social Security number
 - Borrower must have at least one year credit history in the US

Ineligible Borrowers

- Borrowers without a credit score (All borrowers must have a credit score)
- Non-occupant Borrowers
- Borrowers without Social Security number

Underwriting

- DU Approve/Ineligible; or LPA Accept/Ineligible
 - Ineligible for loan amount and LTV only
- May follow documentation requirements for employment, income and assets

Underwriting Authority

- Delegated underwriting only
 - Non-delegated underwriting not permitted



Credit Report

- An industry standard, tri-merge credit report (a “Credit Report”) is required for each Borrower who is both (i) a citizen / US person, and (ii) a natural person.
- All Credit Reports must provide merged credit information from Experian (FICO), Trans Union (Empirica) and Equifax (Beacon).

Credit Score Requirements

- The qualifying credit score is the lowest Applicable Score among all Borrowers who are natural persons. The applicable score for a Borrower is (i) the middle score for Borrowers with 3 Valid Credit Scores, and (ii) the lower score for Borrowers with 2 valid Credit Scores.
- A (“Valid Credit Score”) is a credit score from Experian (FICO), Trans Union (Empirica), and Equifax (Beacon). Only scores from these reporting agencies are Valid Credit Scores

Credit Tradelines

- Tradeline Requirements
 - Minimum of three (3) tradelines/credit references, open or closed, which have been evaluated at least 12 months
 - Credit references may be a combination of tradelines, traditional or non-traditional credit
 - non-traditional credit limited to purchase only with max conforming-1 unit loan amount, max LTV of 90% and max DTI of 45%
- At least one borrower must have a valid credit score

Liabilities

- Refer to Fannie Mae Selling Guide in addition to the requirements described below
- Student Loans: Student loan debt may be excluded from the DTI calculation with documentation evidencing loan payments are in forbearance or deferred after the note date.
- Exclusion only applies to borrower(s) meeting the eligible professional criteria as outlined in Eligible Professionals.

Projected/Future Income

- Employment for the borrower with the eligible profession may begin up to 90 days after loan closing with the following:
 - A non-contingent, fully executed and accepted employment contract or offer letter documented in the loan file; AND
 - A Verbal Verification of Employment (VVOE) has been conducted, prior to closing, to confirm authenticity of the employment documentation
- Note: Offer letter may not be required to be non-contingent if LTV is less than 90% and the offer letter has been reviewed and approved by Underwriting Management. Additionally, contingencies which can be cleared prior to closing should be cleared.

Reserves

- Reserves are based upon loan amount for purchase transactions as follows:



- $\leq \$1,000,000$ = 3 months of reserves
- $\$1,000,000 - \leq \$1,250,000$ = 6 months of reserves
- $\$1,250,000 - \leq \$2,000,000$ = 12 months of reserves

Minimum Borrower Contribution & Gifts

- LTV less than or equal to 90% with loan amount of $\leq \$1,250,000$ = 3% required minimum borrower contribution
- LTV less than or equal to 90% with loan amount of $> \$1,250,000$ = 5% required minimum borrower contribution
 - Gifts/Grants/Employer Assistance, may be used to satisfy the minimum borrower contribution when all of the are following are met:
 - 1-unit primary residence purchase
 - Credit Score is greater than or equal to 680
 - Maximum DTI is less than or equal to 45%
 - Maximum loan amount $\leq \$1,250,000$
 - No subordinate financing or grant resulting in monthly payment obligations
 - Meets all other GSE guidelines requirements

Homebuyer Education

- Follow AUS findings.

Mortgage Insurance

- Mortgage insurance is not required.

Eligible Property Types

- 1-Unit Single Family (Attached/Detached)
- 2-4 Unit properties
- Condominium (Warrantable)
- PUDs
- Townhomes

Ineligible Property Type

- Manufactured Homes
- Construction to Permanent Loans
- Non-Warrantable Condominium
- Co-op
- Leasehold
- Dome, Berm, or any other unusual property types
- Mixed Use Properties
- Time Shares
- Hobby/Working Farms



Subordinate Financing

- Subordinate financing is not permitted.

Credit Events

- Foreclosure – 36 months seasoning measured by the settlement date to the note date
- Short Sale/Deed-in-Lieu: 36 months seasoning measured by the completion date to the note date.
- Bankruptcy (Chapter 7, 11, 13) – 36 months since discharge/dismissal date as of the note date.

Appraisal Requirements

- Must be Interior/Exterior review with all applicable addenda
- Appraisal waivers are ineligible

Loan Amounts > \$1,500,000 require 2 Full URARs or 1 Full URAR and a Field Review (Form 2000/Form1032)

Geographic Restrictions

- Properties located outside of the United States or in a Territory, Province or Commonwealth, including but not limited to properties in Guam, Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, or American Samoa, Hawaii in lava zones 1 and 2, Texas refinances are not permitted.

Regulatory Compliance/ Disclosures

- All loans must be originated, closed and transferred in compliance with all applicable federal, state, and local laws, regulations and orders
- Higher-priced mortgage loans and higher-priced covered transactions are not eligible.