



first community mortgage

WHOLESALE ANNOUNCEMENT 2021-28

October 7, 2021

FHA Guideline Update

Foster Care Payments / Eligible Properties

Effective Date

October 1, 2021

Updated Guideline Section

FHA Guidelines-Sections:

1.05.06.06 Government Assistance Programs

1.08.05.01 Eligible Properties

Guideline Verbiage Added

Section 1.05.06.06

Added sub section 1.05.06.06.1 Foster Care Payments

Foster Care Payment refers to payment received from a state or county sponsored organization for providing temporary care for one or more individuals. Foster Care payment may be considered acceptable and stable income if the Borrower has a two-year history of providing foster care services and receiving foster care payment and the foster care payment is reasonably likely to continue.

Written verification of two-year history for receipt must come from the organization providing the payment. Payment used for qualification is the lesser of:

- Average foster care payment received over the previous two years; or
- Average foster care payment received over the previous year.

Section 1.08.05.01

First Community Mortgage accepts the following property types for FHA loans:

- Condominiums approved with single unit approval; **Manually underwritten loan- max LTV 90%**