



FHA ONE-TIME CLOSE PROGRAM

PROGRAM SPECIFICATIONS	
Description	<p>American Financial Resources, Inc. (AFR) offers Construction to Permanent loans for <u>new</u> manufactured, modular homes, and one unit stick built homes. Our One Time Close program provides construction financing, lot purchase and Permanent loan, all wrapped up in one loan. Why worry about re-qualifying, re-appraisals or incurring additional costs?</p> <p>AFR provides interim financing and administration for true one-time close staged funded construction-to-permanent loans. Designed for manufactured housing, modular housing, and stick built housing, this programs allows American Financial Resources, Inc. the ability to offer our Wholesale clients this unique loan product.</p> <p>American Financial Resources, Inc. (AFR) underwrites and approves the permanent portion of the loan before the construction begins. The construction portion of the loan is also underwritten and approved. When all conditions for closing are cleared with AFR, other than the final construction related conditions, the closing will be coordinated. Once closed, construction can begin.</p> <p>Because the permanent loan is closed before construction begins, there is no “re-qualifying” the borrower. This is a true one-time close; therefore, the borrowers will not need to return to the settlement agent for a second closing once construction is complete.</p>
Channels	<ul style="list-style-type: none"> • Broker • Correspondent <ul style="list-style-type: none"> ○ Table Funded ○ Non-Delegated <ul style="list-style-type: none"> ▪ AFR must draw/prepare all Correspondent Non-Delegated closing packages <p>Important: Correspondent Delegated UJ transactions are not permitted Note: Correspondent Table Funded and Correspondent Non-Delegated partners must complete the AFR One-Time Close Programs webinar and pass a test prior to submitting an OTC transaction.</p>
FICO	<ul style="list-style-type: none"> • Minimum 640 FICO for all qualifying borrowers <ul style="list-style-type: none"> ○ 640-659: A minimum of 2 credit scores are required for all qualifying borrowers. Use the middle score if 3 credit scores or the lower of the two if 2 credit scores. Lowest representative score from all borrowers will be used for qualification purposes. ○ 660+: A minimum of 1 credit score is required for all required borrowers.
UW Method	<ul style="list-style-type: none"> • Desktop Underwriter (DU) • Loan Prospector (LP)
AUS Recommendation	<ul style="list-style-type: none"> • Approve/Eligible (DU) • Accept/Accept (LP) <p>Important: AFR does not permit Refer or Caution AUS recommendations</p>
Eligible Terms	<ul style="list-style-type: none"> • 15 Year Fixed • 30 Year Fixed
Eligible Transactions	<ul style="list-style-type: none"> • Purchase
Eligible Property Types	<ul style="list-style-type: none"> • Multi-Width Manufactured Housing • Modular Homes • 1 Unit Stick Built Housing <p>Reminder: Single Width Manufactured Housing is not permitted</p>
Maximum LTV/CLTV/HCLTV	96.5% LTV
Maximum DTI	Follow AUS findings
Appraisal	Note: The appraised value determined by the Appraiser must be the “as completed” appraised value of the property after completion of construction
Geographic Restrictions	<ul style="list-style-type: none"> • Alaska • Hawaii <ul style="list-style-type: none"> ○ AFR does not operate in the states of Alaska or Hawaii and does not permit OTC loans with a subject property in Alaska or Hawaii.
UW Guidelines (4000.1)	http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1_H.A.8.j
Forms	See FORMS Section in the Resource Center





OVERLAYS

Follow all overlays outlined in the FHA 203(b) Program Matrix and:

- Correspondent Delegated UW transactions are not permitted
- Correspondent Table Funded and Correspondent Non-Delegated partners must complete the AFR One-Time Close Programs webinar and pass a test prior to submitting an OTC transaction
- All Correspondent Non-Delegated closing packages will be drawn/prepared by AFR
- 640 minimum qualifying credit score.
- 15 Yr. and 30 Yr. Fixed only; ARMs are not permitted
- The Borrower cannot perform any of the work (“Self-Help” is not permitted)
- Singlewide Manufactured housing is not permitted
- AUS Refer Recommendations are not permitted
- AFR requires a Final Inspection performed on the HUD Form 92051 accompanied by interior and exterior pictures of the subject property
- AFR does not permit the installation or construction of a pool unless all the following are met:
 - The pool contractor is a subcontractor of the General Contractor or the General Contractor is building the pool,
 - The property state is one of the following: Nevada, Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Florida, or Georgia,
 - Must be an in-ground pool, above-ground pools are not permitted, and
 - Follow all HUD, state and local requirements
- If the utilities are off at the time of the inspection, the Appraiser must ask to have them turned on and complete all requirements under Mechanical Components. However, if it is not feasible to have the utilities turned on, then a pressure test and electrical test is required and must be completed by an appropriately licensed professional.
- AFR does not permit the construction of an Additional Dwelling Unit (A.D.U.).
- Due to COVID-19, AFR expects the minimum build time in the states of California, Oregon and Washington of no less than 8 months for Stick built and Modular homes. Proposed Build times less than 8 months will require additional AFR review.
- **Site-Built, Modular and Manufactured homes:**
 - Maximum of \$150,000 disbursement at closing for land acquisition or payoff.
- **Building permits (where required by the jurisdiction):**
 - Site-Built and Modular home – applicable building permits to be obtained prior to closing.
 - Manufactured home – applicable building permits to be obtained prior to closing when the initial disbursement is greater than \$75,000.

