

VA ONE-TIME CLOSE ("OTC") PROGRAM

	PROGRAM SPECIFICATIONS
Description	American Financial Resources, Inc. (AFR) offers Construction to Permanent loans for new 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? 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 program allows American Financial Resources, Inc. the ability to offer our Wholesale clients this unique loan product.
	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.
	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.
Channels	Broker Correspondent
	 Non-Delegated AFR must draw/prepare all Correspondent Non-Delegated closing packages Important: Correspondent Delegated UW transactions are not permitted Note: Correspondent Non-Delegated partners must complete the AFR One-Time Close Programs webinar and pass a
5100	test prior to submitting an OTC transaction.
FICO	Minimum FICO and Loan Amounts: • At or under the CLL, Minium FICO 620 • > CLL up to 1.5 million, Minium FICO 640
	 Minimum FICO waterfall: 1 credit score required for all qualifying borrowers,
	 Use the middle score if 3 credit scores, or
	The lower of two if 2 credit scores.
	• The lowest representative score of all Borrowers will be used for qualification purposes.
	Note: if the Borrower has only 1 score the minimum FICO score is 660.
UW Method	Desktop Underwriter (DU) Loan Product Advisor (LPA)
AUS Recommendation	Approve/Eligible (DU)
	Risk Class Accept (LPA)
Eligible Terms	• 15Yr. and 30Yr. Fixed
Eligible Transaction Types	Purchase
Eligible Property Types	Primary Residence Only:
	 1 Unit Stick Built Housing (Temporary suspension 12/31/2024) Modular
	New Manufactured Housing
	○ Single-wide
	o Multi-wide
	Barndominium
Maximum LTV	100% not including the VA Funding Fee
Maximum DTI	 Approve/Eligible recommendations: Follow AUS findings (DU/LPA) Maximum 65% with Approve/eligible AUS Recommendation (DU or LP) and meeting VA requirements over 41% (see Chapter 4, Topic 9)
Maximum Loan Amount	AFR has 2 specific loan amount buckets for VA Fully Amortizing Fixed Loans

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Revised 02/07/25



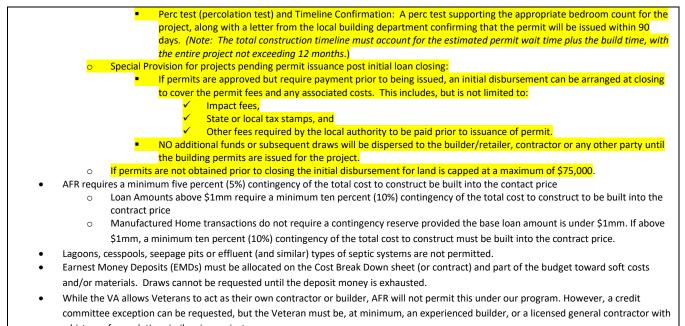
	 Conforming loan limit. Jumbo, which includes base loan amounts above the current years FHFA base line Conventional Conforming loan limit. AFR utilizes the Conventional conforming loan limits table. VA Maximum loan amounts can be found here: current years FHFA baseline conventional conforming loan limit for a 1-unit property. Veterans may purchase a home for up to \$1.5MM without a down payment. The Veteran will still be subject to the increased VA Funding Fee, which could affect the down payment amount slightly. Important: There may be a Price Adjustment for loan sizes that are considered Jumbo. Please see the daily rate sheets for details. AFR Overlays for VA Jumbo AFR requires additional overlays for VA Jumbo loans. Applications for a VA Jumbo Loan must have all overlays outlined in this matrix and:
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	 New York State (Suspended 12/21/2022) Hawaii AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions. AFR requires the use of AFR's Texas counsel on all Texas transactions with the exception of Correspondent Delegated loans. AFR utilizes this 3rd party for document preparation and require 48 hours for both title review and to generate a closing package.
Guidelines	http://www.benefits.va.gov/warms/pam26_7.asp
Forms	See FORMS Section in the Resource Center
	OVERLAYS
 Correspondent Dele Correspondent Nor OTC transaction. AFR must draw/pre 620 Minimum quali The Borrower canne AUS Refer Recomm AFR does not perm 	ot perform any of the work ("Self-Help" is not permitted) hendations are not permitted I Inspection performed on the VA Form 26-1839 accompanied by interior and exterior pictures of the subject property it the use of a DPA to be used in conjunction with One Time Close Programs it change orders. it the borrower to pay construction interest, this must be charged directly to the Builder/Retailer. it the installation or construction of a pool unless all the following are met: I contractor is a subcontractor of the General Contractor, or the General Contractor is building the pool, perty state is one of the following: Nevada, Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Florida, or an in-ground pool, above-ground pools are not permitted, and II VA, state, and local requirements. it cash back from equity in the project, or funds provided by another party. nstruction of an Accessory Dwelling Unit (A.D.U.) if accompanied with the construction of a one-unit single-family site- ence. Is not permit the A.D.U. to be a Manufactured Home, or ing an existing outbuilding on the property to an A.D.U. times less than 8 months will require additional AFR review. and Manufactured homes: Im of \$250,000 disbursement at closing for land acquisition or payoff.

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- a history of completing similar size projects.
- Site-Built temporary suspension 12/31/2024

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