



Sterling Home Mortgage

Loan Programs

No Down Payment Loan

This loan program is for borrowers who have an average to excellent credit history. Sometimes median income limits apply based on county income. For example, the maximum household income for a home in Maricopa and Pinal Counties is \$48,320. This requirement is waived if the subject property is in a low-income census tract. This program is available statewide. Borrowers cannot own any other properties at time of closing. Borrowers can receive a gift for down payment and closing costs. Two months' of PITI reserves are required from the borrower's own funds after close of escrow. There are many 0 \$ down loans available with fewer restrictions and the interest rates will vary depending on credit scores.

103% Loan to Value Loan

This loan program is available on purchases only. This allows a homebuyer to purchase with little or no money out of pocket. The lender will finance the entire purchase price and lend the borrower 3% of the sales price for closing costs. The homebuyer must have excellent credit with scores above 700. The debt ratios for this loan are 33/38 with no exceptions allowed. This is an excellent program for your sophisticated buyers who have taken exceptional care of their credit. Two month's of PITI payments are required as reserves after close of escrow.

FHA Loans

These loans are typically for 1st time homebuyers and for people who have experienced credit challenges in the past. FHA loans require a three percent (3%) investment from the borrower as a down payment. Maximum loan amounts vary from county to county. The maximum loan amount for Maricopa County and Pinal County are \$154,896, which equates to a sales price \$159,686. FHA loans do not look at credit scores but rely heavily on timely housing payments and how borrowers have paid their obligations in the past year. Down payment and closing costs may be a gift from a family member, or non-profit organization. 6% seller concession is also allowed.

Ameridream Gift Program

The Ameridream Charity is a non-profit organization that gifts a homebuyer up to five percent (5%) of the sales price of the home at close of escrow. With consent, the seller pays a Three & 75/100 percent (3.75%) or \$1,000 (which ever is less) service fee to Ameridream for their service. This program is most often used with a FHA loan to be used as down payment. Lower gift amounts are applicable and the three percent is used as an example only. There are many other Gift Programs such as Hart, Nehemiah, Partners in Charity, Neighborhood Gold and The Home Program.

VA Loans

This loan program is intended to provide a home loan to someone who has served their country in the Armed Forces for a minimum period of time and was honorably discharged. A VA underwriter looks strongly at how a veteran has paid their obligations in the past year. This program requires no money down for most loan amounts from the veteran and no cash reserves at closing. A borrower and co-borrower must be married when qualifying for this loan, or they both must have VA eligibility. The Ameridream Charity program may be used for a VA loan to pay for closing cost. The maximum VA loan amount is \$322,700 with the veteran putting a small percentage as down payment. The VA loan amount with no down payment is approximately \$144,000.

Credit Flex 97 Loans

This loan is for borrowers with limited savings, credit history or who need flexible debt ratios. Median county income limits apply or property must be in low-income census tract. Down payment and closing may come from a gift, a grant, a secured loan, or an unsecured loan from a family member. The borrower must have \$500 of their own funds for down payment. This program allows the use of undocumented income, if reasonable.

Conventional Loans

These loans are \$322,700 and less. Typically good credit and FICO scores of 620 or higher are necessary to purchase a home using a conventional loan. A minimum down payment of five (5%) from the buyer's own funds are required; the balance can be a gift. Mortgage insurance is required if a buyer puts less than twenty percent (20%) as a down payment. There are many loan products available using a conventional loan such as fixed rate loans, adjustable rate loans, 3,5,7 or 10 year fixed loans, and balloon loan products.

Jumbo Loans

These loans are for loan amounts of \$322,700 and higher. Lenders will loan up to \$2,000,000 using these loan programs. Interest rates and guidelines will vary depending on credit scores and loan to value amount.

No-Income Verification Loans

These loans require a homebuyer to state their income on the loan application but the income is not proven with tax returns or W-2's. Borrowers can put as little as -0- to 5% down (depending on credit scores) using this loan program. Two years employment in the same line of work and in the same geographic location is verified.

No-Income, No Asset Loans

These loans do not require the homebuyer to state their income or their assets on the loan application. Excellent credit and FICO scores of 700 are generally required. A minimum down payment of 5% or more is required for this loan. Two years of employment in the same field are verified, without income verification.

No-Doc loans

These are loans for someone who has changed jobs or careers within the last two years and cannot or choose not to document their income. No employment or asset information is given to the underwriter. This is a credit score and collateral loan only. As little as 5% down payment is required by the borrower. No source or seasoning of funds is required.

Non-Owner Occupied Loans

These loans are used to purchase investment property for use as rental property. This loan program requires six-month's of PITI in cash reserves after closing and good credit. An investor can put as little as five percent (5%) down on this loan. Stated income investor loans with 5% down are also available.

Non-Conforming Loans

These loans are for the borrower that has experienced some credit challenges in the past and do not yet meet the requirements for a regular conventional loan. Typical loan to values range from 100% to 65%, depending on the buyer's current credit. Lenders place most weight on time on job, mortgage/rent payment history and length of time in their current residence. FICO scores are not heavily considered for these loans but may have and impact on the interest rate. A borrower must have five-percent (5%) of their own funds to put as a down payment and they can receive a gift or subordinate financing for the balance of the down payment. Many programs are offered with non-conforming loans such as mortgage/rent payment only, where consumer credit is not considered. Most sub-prime lenders require a minimum credit score of 500+.

Subprime 100% Financing

If a primary borrower (the one that earns the most income) Has a middle credit score of 575 or more, four or more substantial trade lines on his credit report, the borrower can purchase a home with 100% financing. If he has had a Bankruptcy or Foreclosure, he can purchase a home with no down payment, as long as the bankruptcy or foreclosure has been settled and discharged and that the action appears on his credit report. These loans are typically a two to three year ARM with a pre-payment penalty and are referred to as "Band-Aid" loans as they fix the immediate challenge of getting a homebuyer into his home.

Manufactured Home Loans

A manufactured home with it's own land is considered to be equal to a regular site built home if it is manufactured after 1976, is placed on a permanent foundation affixed to the land, and does not have metal siding or a metal roof. These homes can be purchased with as little as 5% down. The home buyer must have good credit and the manufactured homes must generally be doublewide.

Equity Loans

These loans are for homebuyers with large cash down payments. The lender does not consider income or credit with this loan program, but is strictly looking at the value of the property and the equity of the buyer.

Lot Loans

Homebuyers who have not decided on a floor plan, but have found the lot they want to purchase can obtain a lot loan with as little as 20% down, with a 680 FICO score. The lot must be located in the city limits and have all amenities available to it. Loan terms on this loan typically range from fifteen to thirty years, with a two to five year balloon.

One Time Close Construction Loans

This loan program is for a homebuyer who wants to customize his home to suit his or her own tastes. This loan program will lend up to 90% of the lot purchase price, hard and soft construction costs and contingency reserves. A licensed contractor must build the home. Loan amounts up to \$1,500,000 are available. The real savings to this loan program are that only one set of loan fees and closing cost are paid. Another benefit is that the interest rate that is locked at the time of closing is the rate that is paid during construction, and after the home is completed. There are also stated income and no ratio loans available to 80% LTV.