



# ColonialFunding

Group, LLC

## SELLER FINANCE LOAN CREATION GUIDELINES & MATRIX

### Single-Family Residential

#### **Loan Purchase Criteria**

*In order to be considered for purchase by Colonial Funding Group, the following Loan Requirements must be met\**:

1. RMLO must qualify the borrower
2. Monthly periodic payments (principal & interest)
3. Fixed interest rate
4. Borrower(s) Loan Payment to Income can't exceed 32% and Debt to Income (DTI) can't exceed 45% of verified gross monthly income
5. Close at a Title Company or Law Office
6. Mortgagee Title Policy or Attorney's Opinion
7. Property Hazard & Liability Policy and if needed Flood Policy
8. Promissory Note must have provision to setup Escrow accounts
9. Note & Mortgage or Deed of Trust (Compliant Land Contract accepted with additional discount)
10. Non-Owner-Occupied Loans must have Assignment of Rents, Personal Guarantee and a DSCR 1:1.25

*\* Colonial Funding Group evaluates each note using its' own note purchase risk assessment. CFG reserves the right to request additional information as part of the purchase risk assessment process.*

#### **Program Features:**

1. Active collections considered
2. Gift Funds considered for down payment/closing costs
3. Seller held second mortgages allowed
4. Alternative Income Programs – Bank Statements (24 months)

#### **Minimum Borrower Requirements:**

1. Minimum credit score of 660 (ITIN and 0-660 Credit Score – see chart)
2. Cannot have a foreclosure in the past 24 months
3. Bankruptcy discharge (chapter 7 or 13) must be discharged at least 24 months
4. Cannot have unpaid child support orders
5. U.S. Citizen, permanent or non-permanent resident alien

**Minimum Property Requirements:**

1. Property must be in “average” or “good” condition with no repairs needed
2. Property cannot have any current or uncorrected municipal compliance code violations
3. Acceptable property valuation must be included in the file, this can include appraisals, BPO or comparable sales report dated within 30 days of initial application
4. Non-owner-occupied investment property, must have rental compliance certificate (if required by local zoning statute)

***First liens with a second lien retained by seller***

Occupancy	CREDIT FICO SCORE	MIN DOWN PMT	1 <sup>st</sup> LIEN LTV	2 <sup>ND</sup> LIEN LTV	Minimum Pay History	Loan Amt \$100k-\$400k
OO	660+	10%	80%	10%		Int: 10%
OO	Below 660 or ITIN	15%	75%	10%	2 months	Int: 11%
NOO	650+	20%	70%	10%	2 months	Int: 11%

- ***Terms are based on 240-month Amortization Schedule up to \$400k***
- ***If partial purchase of loan needed, CFG will setup consult with you***
- ***CFG must sign off on property and neighborhood for premium pricing***
- ❖ ***Colonial Funding Group (CFG) purchases existing residential real property loans and are NOT an originator. This document serves as a guideline of the minimum standards for loan terms and borrower qualifications in order for CFG to consider purchasing a note. This document is only a guideline and not an absolute guarantee. There will be exceptions considered on either side of the guideline defined within this document.***