

DU Underwriting Findings

SUMMARY

Recommendation	Approve/Eligible		
Primary Borrower	Joel Karpen	Co-Borrower	
Lender Loan Number	600127270	Casefile ID	1410096033
Submission Date	06/14/2019 03:28PM	Submitted By	1571elne
First Submission Date	06/05/2019 06:15PM	DU Version	10.3
Submission Number	11		

Mortgage Information

LTV/CLTV/HCLTV	80.00% / 80.00% / 80.00%	Note Rate	4.625%
Housing Expense Ratio	0.01%	Loan Type	Conventional
Debt-to-Income Ratio	49.55%	Loan Term	360
Total Loan Amount	\$190400.00	Amortization Type	Fixed Rate
Sales Price	\$238000.00	Loan Purpose	Purchase
Actual/Estimated Appraised Value	\$250000.00	Refi Purpose	

Property Information

Property Address	33 Menicha Dr aka 68 Maple Avenue South, Unit 20 Woodridge, NY 12789	Number of Units	1
Property Type	Condominium	Occupancy Status	Secondary Residence

RISK/ELIGIBILITY

- The risk profile of this loan casefile appears to meet Fannie Mae's guidelines.
- This loan casefile appears to meet Fannie Mae's eligibility requirements.

REPRESENTATIONS AND WARRANTIES

- The following message was issued by Collateral Underwriter:

Message ID	Message Text
FNM1102	Based on the CU results for the appraisal submitted under DocFileID 11013295GH on 06/10/2019 12:06 PM this loan is not eligible for the enforcement relief on representations and warranties related to property value.

FINDINGS

- The following risk factors represent strengths in the borrower's loan application:
Combined Loan-to-Value Ratio

VERIFICATION MESSAGES/APPROVAL CONDITIONS

- This loan is subject to all lender specified conditions and must comply with all

applicable federal, state, and local laws and regulations.

- 6 Based on the credit report obtained through DU, this loan casefile must close on or before 10/05/2019. All credit documents must be no more than four months old on the note date. Refer to the Selling Guide for guidelines on the age of the appraisal or property inspection report.
- 7 If there is a home equity line of credit secured against the subject property the maximum allowable HCLTV is 90 percent, verify the terms of the home equity line of credit for compliance with the Selling Guide, and calculate the HCLTV using the maximum credit limit of the equity line.
- 8 Verify that this second home property is suitable for year-round occupancy. The borrower must occupy the property for some portion of the year, have exclusive control over the property, and not enter into any agreements that require the property to be rented or give a management firm control over the property. Rental income from a second home may not be used as qualifying income.
- 9 Loan Level Price Adjustments may be applied when this loan is delivered to Fannie Mae. Refer to the Selling Guide and Loan-level Price Adjustment (LLPA) Matrix on fanniemae.com for specific details.
- 10 The number of financed properties used in determining the loan's eligibility and minimum reserve requirements was 1. This information was provided in the Number of Financed Properties field. If this information is incorrect, the number must be updated and the loan casefile resubmitted to DU.

Employment and Income

- 11 Document Joel Karpen's income using a paystub and a W-2 from the prior year, or using a standard Verification of Employment (1005). The paystub must be dated no earlier than 30 days prior to the initial loan application date, include all year-to-date earnings, and include sufficient information to appropriately calculate income. Otherwise, additional documentation must be obtained. If a W-2 is not available from the prior year, the lender must determine if the income would still be acceptable per the Selling Guide. If a standard Verification of Employment (1005) will be obtained it must include all year-to-date earnings as well as prior year earnings if a W-2 is not being provided. Direct verifications provided by a third party employment verification vendor are acceptable if completed in accordance with the Selling Guide.
- 12 Perform and document a verbal verification of employment for each borrower. For all borrowers who are not Self-Employed no more than 10 business days prior to the note date, or Self-Employed within 120 calendar days prior to the note date. Direct verification by a third party employment verification vendor is acceptable if completed within the same timeframes, and the information is not more than 35 days old (120 days old if self employed) as of the note date. If the borrower is in the military, obtain either a Military Leave and Earnings Statement within 31 calendar days prior to the note date or a verification of employment through the Defense Manpower Data Center (<https://mla.dmdc.osd.mil/mla/#/home>). Lenders also have the option of obtaining the verbal verification of employment after the note date (and prior to delivery of the loan to Fannie Mae), but when using this option must ensure compliance with the Selling Guide.
- 13 Obtain a completed and signed Form 4506-T for each borrower at or before closing. If

all of a borrower's income has been validated through the DU validation service, a completed and signed Form 4506-T is not required for that borrower. Form 4506, Form 4506T-EZ, or Form 8821 may be used in lieu of Form 4506-T. Refer to the Selling Guide for additional information.

- 14 DU did not receive report data from the vendor(s) shown below.

Borrower	Vendor and Rep Type	Rep ID	Reason
Joel Karpen	The Work Number (VOI/VOE)	Missing	Report was not ordered, or vendor did not have report on the borrower, or report ID and borrower SSN do not match those provided to the vendor.

- 15 DU could not validate borrower employment shown below for the reason provided.

Borrower	DU Employer	Vendor and Rep Type	Rep ID	Vendor Match	Reason
Joel Karpen	M & Y Developers	Missing	Missing	Missing	No VOI/VOE report

- 16 DU could not validate borrower income shown below for the reason provided.

Borrower	DU Income Type	Vendor and Rep Type	Rep ID	Vendor Match	DU Reported Amount	Reason
Joel Karpen	Base Employment Income	Missing	Missing	Missing	\$6,933.33	No report received by DU that validates this income type

Assets

- 17 Verify assets totaling \$54919 from the liquid assets listed on the 1003. Refer to the Selling Guide for additional information.
- 18 A miscellaneous other credit has been entered in Section VII of the loan application. Verify that the minimum borrower contribution is made for the transaction. Verify that contributions by others do not exceed the limits permitted in the Selling Guide. All credits applied in this section must be eligible and documented according to the requirements of the Selling Guide.

- 19 If depository assets are needed to support the amount of funds required and reserves, verify these assets with a verification of deposit or bank statements covering a two-month period, refer to the Selling Guide for guidance on evaluating un-sourced large deposits, and direct verifications provided by a third party asset verification vendor are acceptable if completed in accordance with the Selling Guide.
- 20 Earnest money is listed as an other credit on the details of transaction. If the deposit is used to make any part of the borrower's minimum contribution that must come from his or her own funds, the source of funds for the deposit must be verified.
- 21 Verify the gift by obtaining a signed gift letter, documenting the transfer of the funds, and ensuring the gift comes from an eligible source (as defined in the Selling Guide) and does not come from an interested party to the transaction. If the gift is a grant that the borrower is obligated to repay enter a corresponding liability in Section VI to be included in the debt-to-income ratio and document the terms of the loan.

Property and Appraisal Information

- 22 This property is located in a condominium project. Conduct a review of the project utilizing the Lender Full Review process, either manually or with Condo Project Manager (CPM). Ensure that the project meets the underwriting requirements of the applicable project classification as defined in the Selling Guide. If the property is a detached condo, or is in a condo project consisting of only 2 to 4 units, a project review is not required. Determine if the property is located in a state in which specific project review type guidelines apply and confirm the loan casefile complies with those guidelines. If the condo project requires a Fannie Mae project approval through the Project Review Eligibility Service (PERS), confirm there is a valid Fannie Mae PERS approval when one is required. Refer to the Selling Guide for additional information.
- 23 DU could not verify the submitted subject property address for this transaction. An appraisal based on an interior and exterior property inspection reported on Form 1004 is required for one-unit properties. Form 1004C is required for manufactured homes. Form 1025 is required for two-to-four unit properties. Form 1073 is required for units in condominium projects. Form 2090 is required for units in cooperative projects. Alternatively, modify the subject address and resubmit to determine whether DU can offer a more streamlined property fieldwork recommendation.

Ratio Information

- 24 This loan casefile has been underwritten as a second home or investment property transaction. DU uses data from Section VI L to calculate the debt-to-income ratio from the liabilities section of the loan application. The debt-to-income ratio will not be accurate unless the borrowers' total monthly principal residence housing expense (PITIA) is accounted for in the Liabilities section.

OBSERVATIONS

- 25 This case was submitted to Desktop Underwriter version 10.3 by LDWholesale. The following information is associated with this loan: Casefile ID is 1410096033 and Submission number is 11. If the loan is delivered to Fannie Mae, the Casefile ID must be provided at delivery.
- 26 The following list of special feature codes is provided to assist you in determining which codes may be associated with this loan. Other codes may be required. Refer to the Special Feature Codes list on fanniemae.com for a comprehensive list.

Special Feature Code	Description
127	DU Loan

- 27 The following Credit Report is associated with this submission:

Borrower Name	Credit Agency	Credit Report ID	Credit Report Date
Joel Karpen	CIS INFORMATION SERVICES	9743577	06/05/2019

- 28 The following credit scores are included in the credit report:

Borrower	Credit Scores
Joel Karpen	657 737 771

- 29 DU has identified the following authorized user tradelines on the credit report:

Creditor	Account Number
AMEX	349991157741
CAPITAL ONE BANK USA N	486236990269
JPMCB CARD	438857605930
CITICARDS CBNA	546616020266
JPMCB CARD	552475400302
AMEX	349992585477
CITICARDS CBNA	546616018068
CITICARDS CBNA	546616031964

- 30 The following sources of income were used in the underwriting analysis:

Borrower	Income Type	Amount
Joel Karpen	Base employment income	6933.33

- 31 The following assets were counted towards available funds. With the exception of cash on hand, all available funds greater than the amount required to close have been added to cash reserves.

Borrower	Asset Type	Institution Name	Amount
Joel Karpen	Checking Account	Chase Bank	6868.83
Joel Karpen	Gift funds	Gift @ closing	55000.00

Underwriting Analysis Report

Recommendation	Approve/Eligible		
Primary Borrower	Joel Karpen	Co-Borrower	
Lender Loan Number	600127270	Casefile ID	1410096033
Submission Date	06/14/2019 03:28PM	Submitted By	l571elne

PROPERTY INFORMATION

Property Address	33 Menicha Dr aka 68 Maple Avenue South, Unit 20 Woodridge, NY 12789	Number of Units	1
Property Type	Condominium	Occupancy Status	Secondary Residence

MORTGAGE INFORMATION

Loan Type	Conventional	LTV/CLTV/HCLTV	80.00% / 80.00% / 80.00%
Amortization Type	Fixed Rate	Loan Amount	\$190400.00
Balloon	No	Financed MI Amount	\$0.00
Community Lending	No	Total Loan Amount	\$190400.00
Payment Frequency	Monthly	Sales Price	\$238000.00
Lien Type	First Mortgage	Actual/Estimated Appraised Value	\$250000.00
Amt. Subordinate Fin.	\$0.00	P&I	\$978.92
Loan Purpose	Purchase	Note Rate	4.625%
Refi Purpose		Qualifying Rate	4.625%
Owner Existing Mtg.		Bought Down Rate	0.00%
Buydown	No	Term (Months)	360

INCOME

Base	\$6933.33
Commission	\$0.00
Bonus	\$0.00
Overtime	\$0.00
Other	\$0.00
Positive Net Rental	\$0.00
Subj. Pos. Cash Flow	\$0.00
Total	\$6933.33

QUALIFYING RATIOS

Housing Expense	0.01%
Debt-to-Income	49.55%

EXPENSE RATIOS

Including ≤ 10 Mos.	49.55%
With Undisclosed Debt	207.72%

PROPOSED MONTHLY PAYMENT

First P&I (Qualifying)	\$978.92	Negative Net Rental	\$0.00
Second P&I	\$0.00	Subj. Neg. Cash Flow	\$0.00
Hazard Insurance	\$34.00	All Other Payments	\$1659.00
Taxes	\$262.26	Total Expense Payment	\$3435.18
Mortgage Insurance	\$0.00		
HOA Fees	\$500.00	Present/Principal Housing Payment	\$1.00
Other	\$0.00		
Total Housing Payment	\$1775.18		

FUNDS

Total Available Assets	\$61868.83	Cash Back	\$0.00
Funds Required to Close	\$51368.70	Net Cash Back	\$0.00
Reserves Required to	\$3550.36	Excess Available Assets,	\$6949.77

be Verified

not required to be verified
by DU

Total Funds to be
Verified

\$54919.06

The recommendation for this case is: Approve/Eligible

CU Findings

- 1 The messages below were issued by Collateral Underwriter and the Uniform Collateral Data Portal for the appraisal submitted under DocFileID 11013295GH on 06/10/2019 12:06 PM. These messages are the result of an automated analysis and were not prepared by a state-licensed or a state-certified appraiser. Lenders remain responsible for the appraisal report in accordance with the Fannie Mae Selling Guide, must analyze CU Findings in context of the appraisal report to determine an appropriate course of action, may not use CU Findings to interfere with the independent judgment of the appraiser, and may not encourage appraisers to provide inaccurate or otherwise misleading conclusions to conform with automated output from CU. CU Findings may not be used as the lender's basis for accepting or rejecting the appraisal, may not be used as basis for a credit decision, do not need to be cleared, do not impact the DU risk assessment, and do not impact the lender's ability to deliver the associated loan to Fannie Mae.

COLLATERAL UNDERWRITER MESSAGES

- 2 Collateral Underwriter issued the following Risk Score and submission status message(s):

Message ID	Message Text
FNM1000	The Collateral Underwriter Risk Score is 999 on a scale of 1 to 5 where 5 indicates highest potential collateral risk. A score of 999 indicates no Collateral Underwriter Risk Score available.
FNM1007	The Fannie Mae UCDP Submission Status is Successful.

- 3 Collateral Underwriter issued the following Model Error message(s):

Message ID	Message Text
FNM0904	The subject's location is not covered by the model. No CU Risk Score available.

- 4 Collateral Underwriter issued the following Data Discrepancy message(s):

Message ID	Message Text
FNM0423	The appraiser has reported a materially different condition for comparable #3 in one or more appraisal reports.

- 5 Collateral Underwriter issued the following Fannie Mae Proprietary message(s):

Message ID	Message Text
FNM0103	The developer/builder is in control of the HOA. Determine the project review type. Fannie Mae eligibility requires a full project review on

properties that are not established,
except for detached subject properties
on which a limited project review is
permitted.

NOTICE: The DU Underwriting Findings report does not constitute an approval or denial of the loan application. Lenders must comply with all laws and regulations, including those related to privacy and nonpublic personal information, when handling the DU Findings Report.

Copyright (c) 1994-2019 Fannie Mae