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# Louisiana Housing Finance Agency



## Single Family Committee

Brenda Evans, Program Administrator  
Mary Antoon, Program Manager

January 30, 2008

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## MEMORANDUM

**TO:** Commissioner Michael Airhart, Chairman  
Commissioner Mayson Foster  
Commissioner Allison A. Jones  
Commissioner John N. Kennedy  
Commissioner Tyrone Wilson

**From:** Brenda Evans, Program Administrator

**Date:** 01/30/09

**Re:** Single Family Committee Meeting

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There will be a Single Family Committee Meeting on Wednesday, February 11, 2009 at 9:30 a.m. at Louisiana Housing Finance Agency, located at 2415 Quail Drive, Baton Rouge, LA., in Committee Room 2.

Approval of minutes for the December 10, 2008 Single Family Committee Meeting

Updates will be provided on the 2008B, 2008A and Whole Loan Report

Discussion of MOU between LHFA and Standard Mortgage Corp.

Discussion of affordability ratios for HOME and CDBG products for Programs beginning in 2009

Discussion on increase in compliance fees

Update on discussion with LRA/OCD on CDBG/MRB loans

Other Business

If you have any questions, please do not hesitate to contact me.

Attachments

January 30, 2009

**SINGLE FAMILY COMMITTEE MEETING**

Notice is hereby given of a regular meeting of the Single Family Committee to be held on Wednesday, February 11, 2009 at 9:30 a.m. at Louisiana Housing Finance Agency, in Committee Room 2, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairperson.

**Agenda**

1. Call to order, roll call, and introduction of guests.
2. Approval of the minutes of the December 10, 2008 Single Family Committee Meeting.
3. Updates will be provided on the 2008B, 2008A and Whole Loan Report.
4. Discussion of MOU between LHFA and Standard Mortgage Corp.
5. Discussion of affordability ratios for HOME and CDBG products for Programs beginning in 2009.
6. Discussion on increase in compliance fees.
7. Update on discussion with LRA/OCD on CDBG/MRB loans.
8. Other Business

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Milton J. Bailey, President

If you require special services, please call Barry Brooks at (225) 763-8700 by Monday, February 9, 2009.

**Louisiana Housing Finance Agency  
Single Family Committee Meeting Minutes  
Wednesday, December 10, 2008  
2415 Quail Drive  
Committee Room 2  
Baton Rouge, LA 70808  
9:00 A.M.**

**Commissioners Present**

Michael Airhart  
Alice Washington (sitting in for John Kennedy)  
Tyrone Wilson  
Katie Anderson

**Commissioners Absent**

Mayson Foster  
Allison Jones

**Legal Counsels Present**

Wayne Neveu, Foley and Judell, L.L.P  
John Godfrey, Godfrey Firm  
Sabra Matheny, Godfrey Firm

**Staff Present**

Mary Antoon  
Janelle Dickey  
Amy York  
Kesha Clark  
Sydney Edmonston  
Jason Fowler  
Anne Fulton  
Tracy Roberts

**Others Present**

Richard Wolcott, Standard Mortgage  
Guy Yandel, G. K. Baum  
Carliss Knesel, Hancock Bank  
Larry Englande, G. K. Baum  
Buck Landry, Morgan Keegan  
Edgar Bright, Standard Mortgage  
Ty Carlos, BNYM  
Tim Rittenhouse, CSG Advisors

**Others Present (Continued)**

Billy Gauthier, EBRMFA  
Levi Davis, Siebert, Bradford & Shank

**Minutes**

The Single Family Committee meeting was called to order by Commissioner Michael Airhart on December 10, 2008, at 9:06 A.M. in the Committee Room 2 at Louisiana Housing Finance Agency, located at 2415 Quail Drive, Baton Rouge, LA.

The approval of the November 12, 2008 Single Family Committee Meeting Minutes were motioned by Commissioner Tyrone Wilson and seconded by Alice Washington.

Updates on the 2008B (including CDBG funds), 2008A, 2007C Bond Issues, and Whole Loan Report were given by Mary Antoon, Single Family Manager.

There was a brief discussion concerning MOU with Standard Mortgage regarding reservation over commitments. Wayne Neveu suggested that the Agency outline a framework giving assurance to Standard Mortgage that loans being purchased by Standard Mortgage beyond the capacity of each specific series will have the financing to back them from one of the Single Family series programs or directly by the agency's general fund.

Overview of George K. Baum memo to the Agency, dated 12/9/08, regarding the Single Family Conference Call which took place on 12/4/08, was given by Guy Yandel. The memo requests that the Single Family Committee consider the following:

1. A plan to create a separate reservation pool for the Agency's CDBG loan program.
2. Approval to go to the Louisiana Recovery Authority and the Office of Community Development for permission to allow the CDBG program to be offered statewide and to allow the mix of CDBG funds and bond proceeds to change from 50%-50% to a higher percentage of CDBG funds, allowing for a lower interest rate.
3. Reaffirm the Agency's current operating plan for ensuring that Single Family bond issues are fully reserved with qualified borrowers.

Edgar Bright (with Standard Mortgage Corporation) stated on low income loans, lower rates always perform better. Wayne Neveu suggested the agency may re-introduce a front end ratio maximum providing confidence in these loans overall performance.

*Commissioner Tyrone Wilson entertained a motion for the issuance of not exceeding Forty-Five Million Dollars (\$45,000,000) of Single Family Mortgage Revenue Bonds of the Louisiana Housing Finance Agency Series 2008C in one or more series or subseries; and providing for other matters in connection therewith. It was seconded by Alice Washington.*

RESOLVED: A resolution approving and authorizing the issuance of not exceeding Forty-Five Million Dollars (\$45,000,000) of Single Family Mortgage Revenue Bonds of the Louisiana Housing Finance Agency, Series 2008C in one or more series or subseries; and providing for other matters in connection therewith.

**Other Business**

There was no further business to come before the Committee. The meeting was motioned to be adjourned by Commissioner Michael Airhart at 9:47 A.M.

# View First Mortgage Allocations

Issuer: Louisiana Housing Finance Agency

Program: 2008B SF MRB PROGRAM

Click on selection for different summary options:

All ALLOCATIONS/POOLS ▾

		Allocation Amount	Used Amount	Available Amount
Acadia - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
Calcasieu - CDBG	CDBG Unrestricted	\$1,081,349.00	\$0.00	\$1,081,349.00
Cameron - CDBG	CDBG Unrestricted	\$445,261.00	\$0.00	\$445,261.00
HOME/MRB Unrestricted	HOME/MRB Unrestricted	\$5,084,746.00	\$3,342,079.00	\$1,742,667.00
Iberia - CDBG	CDBG Unrestricted	\$127,217.00	\$0.00	\$127,217.00
Jefferson - CDBG	CDBG Unrestricted	\$7,498,511.00	\$0.00	\$7,498,511.00
Plaquemines - CDBG	CDBG Unrestricted	\$1,335,784.00	\$0.00	\$1,335,784.00
St. Tammany - CDBG	CDBG Unrestricted	\$1,893,680.00	\$112,917.00	\$1,780,763.00
Tangipahoa - CDBG	CDBG Unrestricted	\$127,217.00	\$0.00	\$127,217.00
Terrebonne - CDBG	CDBG Unrestricted	\$190,826.00	\$0.00	\$190,826.00
Unrestricted Pool	Unrestricted	\$26,366,525.00	\$20,541,625.00	\$5,824,900.00
Vermilion - CDBG	CDBG Unrestricted	\$254,435.00	\$0.00	\$254,435.00
Washington - CDBG	CDBG Unrestricted	\$190,826.00	\$0.00	\$190,826.00
<b>Grand Total</b>		<b>\$44,596,377.00</b>	<b>\$23,996,621.00</b>	<b>\$20,599,756.00</b>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008B SF MRB PROGRAM

Inception Date: 11/25/2008

End Date: 11/01/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Loan Status	# Loans	\$ Allocated	
Reservation	109	13,864,456.00	<input type="checkbox"/>
Underwriter's Certification	0	0.00	<input type="checkbox"/>
Preliminary File Received	2	292,319.00	<input type="checkbox"/>
Preliminary Exceptions	27	3,052,656.00	<input type="checkbox"/>
Preliminary Compliance Approve	22	2,629,399.00	<input type="checkbox"/>
Closed File Received/Review	19	2,106,435.00	<input type="checkbox"/>
Mortgage Approved/Purchased	1	132,779.00	<input type="checkbox"/>
Pooled	16	1,918,577.00	<input type="checkbox"/>
Delivered To Trustee	0	0.00	<input type="checkbox"/>
Cancelled	42	0.00	<input type="checkbox"/>
Assumed	0	0.00	<input type="checkbox"/>
<b>Total Loans</b>	<b>196</b>	<b>23,996,621.00</b>	<input type="checkbox"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008B SF MRB PROGRAM

Inception Date: 11/25/2008

End Date: 11/01/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	90	11,916,141.00	<input type="text" value="x"/>
Underwriter's Certification	0	0.00	<input type="text" value="x"/>
Preliminary File Received	2	292,319.00	<input type="text" value="x"/>
Preliminary Exceptions	19	2,197,100.00	<input type="text" value="x"/>
Preliminary Compliance Approve	20	2,507,758.00	<input type="text" value="x"/>
Closed File Received/Review	15	1,782,825.00	<input type="text" value="x"/>
Mortgage Approved/Purchased	1	132,779.00	<input type="text" value="x"/>
Pooled	14	1,712,703.00	<input type="text" value="x"/>
Delivered To Trustee	0	0.00	<input type="text" value="x"/>
Cancelled	35	0.00	<input type="text" value="x"/>
Assumed	0	0.00	<input type="text" value="x"/>
<b>Total Loans</b>	<b>161</b>	<b>20,541,625.00</b>	<input type="text" value="x"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008B SF MRB PROGRAM

Inception Date: 11/25/2008

End Date: 11/01/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	19	1,948,315.00	<input type="text" value="x"/>
Underwriter's Certification	0	0.00	<input type="text" value="x"/>
Preliminary File Received	0	0.00	<input type="text" value="x"/>
Preliminary Exceptions	7	742,639.00	<input type="text" value="x"/>
Preliminary Compliance Approve	2	121,641.00	<input type="text" value="x"/>
Closed File Received/Review	4	323,610.00	<input type="text" value="x"/>
Mortgage Approved/Purchased	0	0.00	<input type="text" value="x"/>
Pooled	2	205,874.00	<input type="text" value="x"/>
Delivered To Trustee	0	0.00	<input type="text" value="x"/>
Cancelled	7	0.00	<input type="text" value="x"/>
Assumed	0	0.00	<input type="text" value="x"/>
<b>Total Loans</b>	<b>34</b>	<b>3,342,079.00</b>	<input type="text" value="x"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008B SF MRB PROGRAM

Inception Date: 11/25/2008

End Date: 11/01/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	0	0.00	<input type="checkbox"/>
Underwriter's Certification	0	0.00	<input type="checkbox"/>
Preliminary File Received	0	0.00	<input type="checkbox"/>
Preliminary Exceptions	1	112,917.00	<input type="checkbox"/>
Preliminary Compliance Approve	0	0.00	<input type="checkbox"/>
Closed File Received/Review	0	0.00	<input type="checkbox"/>
Mortgage Approved/Purchased	0	0.00	<input type="checkbox"/>
Pooled	0	0.00	<input type="checkbox"/>
Delivered To Trustee	0	0.00	<input type="checkbox"/>
Cancelled	0	0.00	<input type="checkbox"/>
Assumed	0	0.00	<input type="checkbox"/>
<b>Total Loans</b>	<b>1</b>	<b>112,917.00</b>	<input type="checkbox"/>

# View First Mortgage Allocations

Issuer: Louisiana Housing Finance Agency

Program: 2008A SF MRB PROGRAM

Click on selection for different summary options: All ALLOCATIONS/POOLS ▾

		Allocation Amount	Used Amount	Available Amount
2008AR Unrestricted	Unrestricted	\$7,830,252.00	\$7,662,243.00	\$168,009.00
Acadia - CDBG	CDBG Unrestricted	\$61,239.00	\$58,870.00	\$2,369.00
Calcasieu - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
Cameron - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
HOME/MRB Unrestricted	HOME/MRB Unrestricted	\$4,237,288.00	\$3,635,318.00	\$601,970.00
Iberia - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
Jefferson - CDBG	CDBG Unrestricted	\$524,978.00	\$202,737.00	\$322,241.00
Low Rate	Low Rate Unrestricted	\$3,468,099.00	\$2,521,936.00	\$946,163.00
Plaquemines - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
St. Tammany - CDBG	CDBG Unrestricted	\$220,827.00	\$88,827.00	\$132,000.00
Tangipahoa - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
Target Area Set- Aside	Target	\$0.00	\$0.00	\$0.00
Terrebonne - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
Unrestricted Pool	Unrestricted	\$22,934,277.00	\$22,679,193.00	\$255,084.00
Vermilion - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
Washington - CDBG	CDBG Unrestricted	\$0.00	\$0.00	\$0.00
<b>Grand Total</b>		<b>\$39,276,960.00</b>	<b>\$36,849,124.00</b>	<b>\$2,427,836.00</b>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008A SF MRB PROGRAM

Inception Date: 08/18/2008

End Date: 01/31/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Loan Status	# Loans	\$ Allocated	
Reservation	6	607,679.00	<input type="checkbox"/>
Underwriter's Certification	0	0.00	<input type="checkbox"/>
Preliminary File Received	1	93,632.00	<input type="checkbox"/>
Preliminary Exceptions	5	536,821.00	<input type="checkbox"/>
Preliminary Compliance Approve	4	428,518.00	<input type="checkbox"/>
Closed File Received/Review	14	1,830,181.00	<input type="checkbox"/>
Mortgage Approved/Purchased	0	0.00	<input type="checkbox"/>
Pooled	17	2,441,435.00	<input type="checkbox"/>
Delivered To Trustee	238	30,910,858.00	<input type="checkbox"/>
Cancelled	97	0.00	<input type="checkbox"/>
Assumed	0	0.00	<input type="checkbox"/>
<b>Total Loans</b>	<b>285</b>	<b>36,849,124.00</b>	<input type="checkbox"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008A SF MRB PROGRAM

Inception Date: 08/18/2008

End Date: 01/31/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	0	0.00	<input type="text" value="x"/>
Underwriter's Certification	0	0.00	<input type="text" value="x"/>
Preliminary File Received	0	0.00	<input type="text" value="x"/>
Preliminary Exceptions	0	0.00	<input type="text" value="x"/>
Preliminary Compliance Approve	0	0.00	<input type="text" value="x"/>
Closed File Received/Review	0	0.00	<input type="text" value="x"/>
Mortgage Approved/Purchased	0	0.00	<input type="text" value="x"/>
Pooled	0	0.00	<input type="text" value="x"/>
Delivered To Trustee	62	7,662,243.00	<input type="text" value="x"/>
Cancelled	1	0.00	<input type="text" value="x"/>
Assumed	0	0.00	<input type="text" value="x"/>
<b>Total Loans</b>	<b>62</b>	<b>7,662,243.00</b>	<input type="text" value="x"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008A SF MRB PROGRAM

Inception Date: 08/18/2008

End Date: 01/31/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	0	0.00	<input type="text" value="x"/>
Underwriter's Certification	0	0.00	<input type="text" value="x"/>
Preliminary File Received	0	0.00	<input type="text" value="x"/>
Preliminary Exceptions	2	223,305.00	<input type="text" value="x"/>
Preliminary Compliance Approve	0	0.00	<input type="text" value="x"/>
Closed File Received/Review	8	1,286,304.00	<input type="text" value="x"/>
Mortgage Approved/Purchased	0	0.00	<input type="text" value="x"/>
Pooled	9	1,309,716.00	<input type="text" value="x"/>
Delivered To Trustee	147	19,859,868.00	<input type="text" value="x"/>
Cancelled	63	0.00	<input type="text" value="x"/>
Assumed	0	0.00	<input type="text" value="x"/>
<b>Total Loans</b>	<b>166</b>	<b>22,679,193.00</b>	<input type="text" value="x"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008A SF MRB PROGRAM

Inception Date: 08/18/2008

End Date: 01/31/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	1	143,010.00	<input type="text" value="x"/>
Underwriter's Certification	0	0.00	<input type="text" value="x"/>
Preliminary File Received	0	0.00	<input type="text" value="x"/>
Preliminary Exceptions	1	70,207.00	<input type="text" value="x"/>
Preliminary Compliance Approve	2	194,758.00	<input type="text" value="x"/>
Closed File Received/Review	2	171,231.00	<input type="text" value="x"/>
Mortgage Approved/Purchased	0	0.00	<input type="text" value="x"/>
Pooled	4	658,838.00	<input type="text" value="x"/>
Delivered To Trustee	9	1,283,892.00	<input type="text" value="x"/>
Cancelled	9	0.00	<input type="text" value="x"/>
Assumed	0	0.00	<input type="text" value="x"/>
<b>Total Loans</b>	<b>19</b>	<b>2,521,936.00</b>	<input type="text" value="x"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008A SF MRB PROGRAM

Inception Date: 08/18/2008

End Date: 01/31/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	4	380,369.00	<input type="text" value="x"/>
Underwriter's Certification	0	0.00	<input type="text" value="x"/>
Preliminary File Received	1	93,632.00	<input type="text" value="x"/>
Preliminary Exceptions	2	243,309.00	<input type="text" value="x"/>
Preliminary Compliance Approve	2	233,760.00	<input type="text" value="x"/>
Closed File Received/Review	4	372,646.00	<input type="text" value="x"/>
Mortgage Approved/Purchased	0	0.00	<input type="text" value="x"/>
Pooled	4	472,881.00	<input type="text" value="x"/>
Delivered To Trustee	17	1,838,721.00	<input type="text" value="x"/>
Cancelled	16	0.00	<input type="text" value="x"/>
Assumed	0	0.00	<input type="text" value="x"/>
<b>Total Loans</b>	<b>34</b>	<b>3,635,318.00</b>	<input type="text" value="x"/>

# Program Pipeline

Issuer: Louisiana Housing Finance Agency

Program: 2008A SF MRB PROGRAM

Inception Date: 08/18/2008

End Date: 01/31/2009

Select Mortgage Type:

Select Originator/Lender:

Select County:

Select the following loans:

Select interest rate:

Loan Status	# Loans	\$ Allocated	
Reservation	1	84,300.00	<input type="checkbox"/>
Underwriter's Certification	0	0.00	<input type="checkbox"/>
Preliminary File Received	0	0.00	<input type="checkbox"/>
Preliminary Exceptions	0	0.00	<input type="checkbox"/>
Preliminary Compliance Approve	0	0.00	<input type="checkbox"/>
Closed File Received/Review	0	0.00	<input type="checkbox"/>
Mortgage Approved/Purchased	0	0.00	<input type="checkbox"/>
Pooled	0	0.00	<input type="checkbox"/>
Delivered To Trustee	3	266,134.00	<input type="checkbox"/>
Cancelled	8	0.00	<input type="checkbox"/>
Assumed	0	0.00	<input type="checkbox"/>
<b>Total Loans</b>	<b>4</b>	<b>350,434.00</b>	<input type="checkbox"/>

**LOUISIANA HOUSING FINANCE AGENCY  
WHOLE LOAN MONTHLY STATUS REPORT**

<b>SINGLE FAMILY</b>		<b>8.50%</b>
<b>TOTAL DELINQUENCIES</b>		<b>1984/98</b>
<b>AS OF DECEMBER 20, 2008</b>		<b>PROGRAM</b>
<b>CURRENT</b>	<b># OF LOANS</b>	<b>33</b>
<b>(CURRENT + 20 DAYS)</b>	<b>\$ AMOUNT</b>	<b>\$722,210.05</b>
	<b>% of \$</b>	<b>91.5%</b>
	<b>% OF LOANS</b>	<b>91.7%</b>
<b>30 - 50 DAYS DELINQUENT</b>	<b># OF LOANS</b>	<b>1</b>
	<b>\$ AMOUNT</b>	<b>\$17,050.17</b>
	<b>% of \$</b>	<b>2.2%</b>
	<b>% OF LOANS</b>	<b>2.8%</b>
<b>60 - 80 DAYS DELINQUENT</b>	<b># OF LOANS</b>	<b>0</b>
	<b>\$ AMOUNT</b>	<b>\$0.00</b>
	<b>% of \$</b>	<b>0.0%</b>
	<b>% OF LOANS</b>	<b>0.0%</b>
<b>&gt; 90 DAYS DELINQUENT</b>	<b># OF LOANS</b>	<b>0</b>
	<b>\$ AMOUNT</b>	<b>\$0.00</b>
	<b>% of \$</b>	<b>0.0%</b>
	<b>% OF LOANS</b>	<b>0.0%</b>
<b>BANKRUPTCY</b>	<b># OF LOANS</b>	<b>0</b>
	<b>\$ AMOUNT</b>	<b>\$0.00</b>
	<b>% of \$</b>	<b>0.0%</b>
	<b>% OF LOANS</b>	<b>0.0%</b>
<b>FORECLOSED</b>	<b># OF LOANS</b>	<b>1</b>
	<b>\$ AMOUNT</b>	<b>\$20,410.57</b>
	<b>% of \$</b>	<b>2.6%</b>
	<b>% OF LOANS</b>	<b>2.8%</b>
<b>REO</b>	<b># OF LOANS</b>	<b>1</b>
	<b>\$ AMOUNT</b>	<b>\$29,424.38</b>
	<b>% of \$</b>	<b>3.7%</b>
	<b>% OF LOANS</b>	<b>2.8%</b>
<b>TOTAL</b>	<b># OF LOANS</b>	<b>36</b>
	<b>\$ AMOUNT</b>	<b>\$789,095.17</b>

**2008B Loans by Lenders**

<b>Lender</b>	<b>Total Loans</b>	<b>Total Dollar Amount</b>	<b>Average Loan Amount</b>
A-1 Mortgage Services	2	\$ 147,058.00	\$ 73,529.00
Acadian Residential Mortgage	0	\$ -	\$ -
Ace Mortgage	0	\$ -	\$ -
Allegro Mortgage	0	\$ -	\$ -
Amcor Mortgage	0	\$ -	\$ -
America's Mortgage Resource	13	\$ 1,829,119.00	\$ 140,701.46
American Bank & Trust	0	\$ -	\$ -
American South Financial Svcs	0	\$ -	\$ -
Assurance Financial Group	0	\$ -	\$ -
Bancorp South	0	\$ -	\$ -
Broker's Home Mortgage	0	\$ -	\$ -
Capital Lending	5	\$ 698,004.00	\$ 139,600.80
Capital One Bank	0	\$ -	\$ -
Capital Trust Mortgage	0	\$ -	\$ -
Cedotal Mortgage Company	0	\$ -	\$ -
Central Progressive Mortgage	1	\$ 76,293.00	\$ 76,293.00
Chase Manhattan Mortgage	4	\$ 458,907.00	\$ 114,726.75
Coast Capital Mortgage	10	\$ 993,391.00	\$ 99,339.10
Countrywide Home Loans	4	\$ 468,006.00	\$ 117,001.50
Covenant Mortgage	0	\$ -	\$ -
DHI Mortgage Company, LTD	0	\$ -	\$ -
Deep South Mortgage	0	\$ -	\$ -
Dryades Savings Bank	1	\$ 159,605.00	\$ 159,605.00
Essential Mortgage	1	\$ 180,667.00	\$ 180,667.00
Eureka Homestead	0	\$ -	\$ -
Eustis Mortgage Corporation	8	\$ 1,186,391.00	\$ 148,298.88
FBT Mortgage	1	\$ 115,000.00	\$ 115,000.00
FMC Mortgage	0	\$ -	\$ -
Fakouri Mortgage	1	\$ 121,500.00	\$ 121,500.00
Fidelity Homestead	0	\$ -	\$ -
First Choice Funding	0	\$ -	\$ -
First Choice Mortgage	10	\$ 1,320,733.00	\$ 132,073.30
First Federal Bank of LA	0	\$ -	\$ -
First Mortgage Services	4	\$ 417,230.00	\$ 104,307.50
First National Bank USA	4	\$ 485,556.00	\$ 121,389.00
GMFS,LLC	2	\$ 320,084.00	\$ 160,042.00
Gulf Coast Bank & Trust	6	\$ 707,946.00	\$ 117,991.00
Hancock Mortgage Corporation	1	\$ 151,320.00	\$ 151,320.00
Home Loan Corporation	0	\$ -	\$ -
Home Loan USA Corp	0	\$ -	\$ -
Home Mortgage Association, Inc	1	\$ 101,164.00	\$ 101,164.00
Homebuyers Resource Group	3	\$ 373,523.00	\$ 124,507.67
Hometown Mortgage Company	0	\$ -	\$ -
Hope Community Credit Union	1	\$ 142,800.00	\$ 142,800.00
Iberia Bank	5	\$ 408,194.00	\$ 81,638.80
Indymac Bank	0	\$ -	\$ -
International Mortgage Corp.	4	\$ 439,260.00	\$ 109,815.00
Intertrust Mortgage	0	\$ -	\$ -
Johnson Mortgage Corporation	15	\$ 2,413,502.00	\$ 160,900.13

Key Lending Solution	0	\$	-	\$	-
Landmark Mortgage Corporation	0	\$	-	\$	-
Liberty Bank & Trust	9	\$	992,853.00	\$	110,317.00
Louisiana Real Estate Finance	0	\$	-	\$	-
Market Street Mortgage	0	\$	-	\$	-
Miller Home Mortgage	0	\$	-	\$	-
Mortgage Bank of America	0	\$	-	\$	-
Mortgage Factory	9	\$	1,181,046.00	\$	131,227.33
Mortgage Linq	0	\$	-	\$	-
Mortgage Market	0	\$	-	\$	-
NOLA Lending Group	1	\$	95,060.00	\$	95,060.00
New South Federal Savings	2	\$	298,380.00	\$	149,190.00
Oasis Mortgage	0	\$	-	\$	-
Omni Bank	0	\$	-	\$	-
Parish National Mortgage	0	\$	-	\$	-
Pinnacle Mortgage Group	1	\$	112,917.00	\$	112,917.00
Priority Mortgage Lending	0	\$	-	\$	-
Red River Bank	2	\$	209,420.00	\$	104,710.00
Regions Mortgage	14	\$	1,412,165.00	\$	100,868.93
SB Hardie Financial	0	\$	-	\$	-
SWBC	11	\$	1,372,575.00	\$	124,779.55
Sabine State Bank & Trust	9	\$	937,177.00	\$	104,130.78
Southwest Funding	0	\$	-	\$	-
Standard Mortgage Corporation	8	\$	1,051,272.00	\$	131,409.00
State Bank & Trust	0	\$	-	\$	-
The Mortgage Lending Group	2	\$	228,619.00	\$	114,309.50
The Mortgage Link	4	\$	497,890.00	\$	124,472.50
U. S. Capital Corp	0	\$	-	\$	-
Universal Lending Services	4	\$	389,861.00	\$	97,465.25
Wells Fargo Home Mortgage	7	\$	874,731.00	\$	124,961.57
Whitney National Bank	5	\$	557,202.00	\$	111,440.40
<b>TOTAL</b>	<b>195</b>	<b>\$</b>	<b>23,926,421.00</b>	<b>\$</b>	<b>122,699.59</b>
1/14/2009					

### 2008A Loans by Lenders

<b>Lender</b>	<b>Total Loans</b>	<b>Total Dollar Amount</b>	<b>Average Loan Amount</b>
A-1 Mortgage Services	3	\$ 286,767.00	\$ 95,589.00
Acadian Residential Mortgage	0	\$ -	\$ -
Ace Mortgage	0	\$ -	\$ -
Allegro Mortgage	0	\$ -	\$ -
Amcor Mortgage	1	\$ 122,612.00	\$ 122,612.00
America's Mortgage Resource	14	\$ 1,843,548.00	\$ 131,682.00
American Bank & Trust	0	\$ -	\$ -
American South Financial Svcs	2	\$ 297,800.00	\$ 148,900.00
Assurance Financial Group	4	\$ 401,668.00	\$ 100,417.00
Bancorp South	3	\$ 342,168.00	\$ 114,056.00
Broker's Home Mortgage	0	\$ -	\$ -
Capital Lending	24	\$ 2,836,608.00	\$ 118,192.00
Capital One Bank	1	\$ 47,000.00	\$ -
Capital Trust Mortgage	0	\$ -	\$ -
Cedotal Mortgage Company	0	\$ -	\$ -
Central Progressive Mortgage	0	\$ -	\$ -
Chase Manhattan Mortgage	9	\$ 980,797.00	\$ 108,977.44
Coast Capital Mortgage	18	\$ 2,182,633.00	\$ 121,257.39
Countrywide Home Loans	15	\$ 2,057,954.00	\$ 137,196.93
Covenant Mortgage	1	\$ 121,438.00	\$ -
DHI Mortgage Company, LTD	1	\$ 105,730.00	\$ -
Deep South Mortgage	0	\$ -	\$ -
Dryades Savings Bank	0	\$ -	\$ -
Essential Mortgage	12	\$ 1,432,418.00	\$ 119,368.17
Eureka Homestead	0	\$ -	\$ -
Eustis Mortgage Corporation	6	\$ 801,228.00	\$ 133,538.00
FMC Mortgage	0	\$ -	\$ -
Fakouri Mortgage	1	\$ 70,200.00	\$ -
Fidelity Homestead	0	\$ -	\$ -
First Choice Funding	0	\$ -	\$ -
First Choice Mortgage	7	\$ 947,651.00	\$ 135,378.71
First Federal Bank of LA	0	\$ -	\$ -
First National Bank USA	3	\$ 441,469.00	\$ 147,156.33
GMFS,LLC	1	\$ 121,450.00	\$ 121,450.00
Gulf Coast Bank & Trust	11	\$ 1,461,502.00	\$ 132,863.82
Hancock Mortgage Corporation	1	\$ 136,517.00	\$ 136,517.00
Home Loan Corporation	0	\$ -	\$ -
Home Loan USA Corp	0	\$ -	\$ -
Home Mortgage Association, Inc	0	\$ -	\$ -
Homebuyers Resource Group	5	\$ 835,143.00	\$ 167,028.60
Hometown Mortgage Company	0	\$ -	\$ -
Hope Community Credit Union	3	\$ 344,624.00	\$ 114,874.67
Iberia Bank	11	\$ 1,216,520.00	\$ 110,592.73
Indymac Bank	0	\$ -	\$ -
International Mortgage Corp.	1	\$ 223,847.00	\$ 223,847.00
Intertrust Mortgage	0	\$ -	\$ -
Johnson Mortgage Corporation	17	\$ 2,626,885.00	\$ 154,522.65
Key Lending Solution	0	\$ -	\$ -
Landmark Mortgage Corporation	2	\$ 208,415.00	\$ 104,207.50

Liberty Bank & Trust	9	\$	1,130,502.00	\$	125,611.33
Louisiana Real Estate Finance	4	\$	658,103.00	\$	164,525.75
Market Street Mortgage	0	\$	-	\$	-
Miller Home Mortgage	1	\$	118,437.00	\$	118,437.00
Mortgage Bank of America	0	\$	-	\$	-
Mortgage Factory	1	\$	84,099.00	\$	84,099.00
Mortgage Linq	0	\$	-	\$	-
Mortgage Market	5	\$	743,495.00	\$	148,699.00
NOLA Lending Group	4	\$	644,585.00	\$	161,146.25
New South Federal Savings	10	\$	1,419,076.00	\$	141,907.60
Oasis Mortgage	0	\$	-	\$	-
Omni Bank	1	\$	121,600.00	\$	121,600.00
Parish National Mortgage	0	\$	-	\$	-
Priority Mortgage Lending	2	\$	216,096.00	\$	108,048.00
Red River Bank	2	\$	161,533.00	\$	80,766.50
Regions Mortgage	9	\$	1,264,948.00	\$	140,549.78
SB Hardie Financial	4	\$	632,987.00	\$	158,246.75
SWBC	13	\$	1,663,371.00	\$	127,951.62
Sabine State Bank & Trust	3	\$	318,504.00	\$	106,168.00
Southwest Funding	0	\$	-	\$	-
Standard Mortgage Corporation	18	\$	2,446,237.00	\$	135,902.06
State Bank & Trust	0	\$	-	\$	-
The Mortgage Lending Group	4	\$	393,859.00	\$	98,464.75
The Mortgage Link	1	\$	166,250.00	\$	-
U. S. Capital Corp	0	\$	-	\$	-
Universal Lending Services	2	\$	247,418.00	\$	123,709.00
Wells Fargo Home Mortgage	4	\$	552,378.00	\$	138,094.50
Whitney National Bank	11	\$	1,371,054.00	\$	124,641.27
TOTAL	285	\$	36,849,124.00	\$	129,295.17
1/14/2009					

**2008B SF MRB LOANS BY PARISH 1-14-09**

<i>Parish</i>	Total Loans	Total Dollar Amount	Average Loan Amount
<b>Acadia</b>	<b>2</b>	<b>\$ 181,289.00</b>	<b>\$ 90,644.50</b>
<b>Allen</b>	<b>1</b>	<b>\$ 73,000.00</b>	<b>\$ 73,000.00</b>
Ascension	9	\$ 1,275,214.00	\$ 141,690.44
Assumption	1	\$ 182,500.00	\$ 182,500.00
Avoyelles	0	\$ -	\$ -
<b>Beauregard</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Bienville	0	\$ -	\$ -
Bossier	2	\$ 171,017.00	\$ 85,508.50
Caddo	2	\$ 262,929.00	\$ 131,464.50
<b>Calcasieu</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Caldwell	0	\$ -	\$ -
<b>Cameron</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Catahoula	0	\$ -	\$ -
Claiborne	0	\$ -	\$ -
Concordia	0	\$ -	\$ -
DeSoto	0	\$ -	\$ -
East Baton Rouge	51	\$ 5,763,633.00	\$ 113,012.41
East Carroll	0	\$ -	\$ -
East Feliciana	0	\$ -	\$ -
<b>Evangeline</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Franklin	0	\$ -	\$ -
Grant	2	\$ 248,281.00	\$ 124,140.50
<b>Iberia</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Iberville	1	\$ 134,722.00	\$ 134,722.00
Jackson	0	\$ -	\$ -
Jefferson	21	\$ 2,810,052.00	\$ 133,812.00
<b>Jefferson Davis</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
LaSalle	0	\$ -	\$ -
<b>Lafayette</b>	<b>16</b>	<b>\$ 1,652,403.00</b>	<b>\$ 103,275.19</b>
Lafourche	0	\$ -	\$ -
Lincoln	0	\$ -	\$ -
Livingston	7	\$ 969,968.00	\$ 138,566.86
Madison	0	\$ -	\$ -
Morehouse	0	\$ -	\$ -
Natchitoches	0	\$ -	\$ -
Orleans	30	\$ 4,412,980.00	\$ 147,099.33
Ouachita	0	\$ -	\$ -
Plaquemines	0	\$ -	\$ -
Pointe Coupee	1	\$ 63,775.00	\$ 63,775.00
Rapides	8	\$ 825,316.00	\$ 103,164.50
Red River	0	\$ -	\$ -
Richland	0	\$ -	\$ -
<b>Sabine</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
St. Bernard	10	\$ 1,320,410.00	\$ 132,041.00
St. Charles	4	\$ 606,423.00	\$ 151,605.75
St. Helena	0	\$ -	\$ -
St. James	2	\$ 289,000.00	\$ 144,500.00

St. John the Baptist	6	\$	858,623.00	\$	143,103.83
<b>St. Landry</b>	<b>2</b>	<b>\$</b>	<b>135,144.00</b>	<b>\$</b>	<b>67,572.00</b>
St. Martin	1	\$	87,525.00	\$	87,525.00
<b>St. Mary</b>	<b>0</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
St. Tammany	6	\$	739,601.00	\$	123,266.83
Tangipahoa	3	\$	319,173.00	\$	106,391.00
Tensas	0	\$	-	\$	-
<b>Terrebonne</b>	<b>3</b>	<b>\$</b>	<b>273,124.00</b>	<b>\$</b>	<b>91,041.33</b>
Union	1	\$	59,218.00	\$	59,218.00
<b>Vermilion</b>	<b>0</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>Vernon</b>	<b>0</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
Washington	0	\$	-	\$	-
Webster	1	\$	57,145.00	\$	57,145.00
West Baton Rouge	1	\$	86,956.00	\$	86,956.00
West Carroll	0	\$	-	\$	-
West Feliciana	1	\$	67,000.00	\$	67,000.00
Winn	0	\$	-	\$	-
<b>Totals</b>	<b>195</b>	<b>\$</b>	<b>23,926,421.00</b>	<b>\$</b>	<b>122,699.59</b>
<b><i>Rita Zone Parishes are in bold.</i></b>					

<b>2008A SF MRB LOANS BY PARISH 1-14-09</b>			
<i>Parish</i>	Total Loans	Total Dollar Amount	Average Loan Amount
<b>Acadia</b>	<b>2</b>	<b>\$ 177,190.00</b>	<b>\$ 88,595.00</b>
<b>Allen</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Ascension	17	\$ 2,532,123.00	\$ 148,948.41
Assumption	0	\$ -	\$ -
Avoyelles	1	\$ 96,900.00	\$ 96,900.00
<b>Beauregard</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Bienville	0	\$ -	\$ -
Bossier	0	\$ -	\$ -
Caddo	9	\$ 973,580.00	\$ 108,175.56
<b>Calcasieu</b>	<b>1</b>	<b>\$ 50,611.00</b>	<b>\$ 50,611.00</b>
Caldwell	0	\$ -	\$ -
<b>Cameron</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
Catahoula	0	\$ -	\$ -
Claiborne	0	\$ -	\$ -
Concordia	0	\$ -	\$ -
DeSoto	0	\$ -	\$ -
East Baton Rouge	66	\$ 8,182,084.00	\$ 123,970.97
East Carroll	0	\$ -	\$ -
East Feliciana	1	\$ 128,468.00	\$ 128,468.00
<b>Evangeline</b>	<b>1</b>	<b>\$ 36,083.00</b>	<b>\$ 36,083.00</b>
Franklin	0	\$ -	\$ -
Grant	0	\$ -	\$ -
<b>Iberia</b>	<b>2</b>	<b>\$ 234,002.00</b>	<b>\$ 117,001.00</b>
Iberville	1	\$ 137,471.00	\$ 137,471.00
Jackson	0	\$ -	\$ -
Jefferson	44	\$ 5,550,437.00	\$ 126,146.30
<b>Jefferson Davis</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
LaSalle	0	\$ -	\$ -
<b>Lafayette</b>	<b>22</b>	<b>\$ 2,556,911.00</b>	<b>\$ 116,223.23</b>
Lafourche	2	\$ 284,652.00	\$ 142,326.00
Lincoln	0	\$ -	\$ -
Livingston	18	\$ 2,565,137.00	\$ 142,507.61
Madison	0	\$ -	\$ -
Morehouse	0	\$ -	\$ -
Natchitoches	0	\$ -	\$ -
Orleans	51	\$ 7,049,510.00	\$ 138,225.69
Ouachita	0	\$ -	\$ -
Plaquemines	0	\$ -	\$ -
Pointe Coupee	0	\$ -	\$ -
Rapides	4	\$ 383,137.00	\$ 95,784.25
Red River	0	\$ -	\$ -
Richland	0	\$ -	\$ -
<b>Sabine</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
St. Bernard	5	\$ 743,895.00	\$ 148,779.00
St. Charles	7	\$ 859,543.00	\$ 122,791.86
St. Helena	0	\$ -	\$ -
St. James	1	\$ 62,775.00	\$ 62,775.00

St. John the Baptist	12	\$	1,730,038.00	\$	144,169.83
<b>St. Landry</b>	<b>1</b>	<b>\$</b>	<b>196,023.00</b>	<b>\$</b>	<b>196,023.00</b>
St. Martin	0	\$	-	\$	-
<b>St. Mary</b>	<b>0</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
St. Tammany	8	\$	1,070,768.00	\$	133,846.00
Tangipahoa	6	\$	819,267.00	\$	136,544.50
Tensas	0	\$	-	\$	-
<b>Terrebonne</b>	<b>1</b>	<b>\$</b>	<b>145,800.00</b>	<b>\$</b>	<b>145,800.00</b>
Union	0	\$	-	\$	-
<b>Vermilion</b>	<b>1</b>	<b>\$</b>	<b>132,855.00</b>	<b>\$</b>	<b>132,855.00</b>
<b>Vernon</b>	<b>0</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
Washington	0	\$	-	\$	-
Webster	0	\$	-	\$	-
West Baton Rouge	1	\$	149,864.00	\$	149,864.00
West Carroll	0	\$	-	\$	-
West Feliciana	0	\$	-	\$	-
Winn	0	\$	-	\$	-
<b>Totals</b>	<b>285</b>	<b>\$</b>	<b>36,849,124.00</b>	<b>\$</b>	<b>129,295.17</b>
<b><i>Rita Zone Parishes are in bold.</i></b>					

**MEMORANDUM OF UNDERSTANDING**

**WHEREAS**, the Board of Commissioners (the “Board”) of the Louisiana Housing Finance Agency (the “Agency”) has previously authorized the origination of mortgage loans in connection with the Series 2007 and Series 2008A Single Family Mortgage Revenue Bond (Home Ownership Programs) above the balance of the bond proceeds available to Hancock Bank (the “Trustee”) to purchase Fannie Mae, Freddie Mac and/or Ginnie Mae securities backed by such mortgage loans through specific Series Program Notices to Lenders (the “Notices”); and

**WHEREAS**, Standard Mortgage Corporation (the “Master Servicer”) is required to purchase mortgage loans types from Lenders participating in the Agency’s Single Family Mortgage Revenue Bond Programs in accordance with the terms specified in the Master Servicing Agreement (the “Servicing Agreement”) related to each Series Program; and

**WHEREAS**, the Notices may authorize and direct the Master Servicer to purchase mortgage loans in excess of the principal amount of such mortgage loan types as specified in the Servicing Agreements; and

**WHEREAS**, this Memorandum of Understanding is intended to provide assurance to the Master Servicer that the purchase of mortgage loan types in excess of the aggregate principal amounts specified in the Servicing Agreements will be permitted as specified in the Notices and that the Master Servicer is authorized and directed to securitize the excess mortgage loan types into Fannie Mae, Freddie Mac and/or Ginnie Mae securities backed by such mortgage loans for purchase directly by the Agency within a reasonable time after the bond proceeds maximums are exceeded;

**NOW, THEREFORE, THE AGENCY AND THE MASTER SERVICER AGREE AS FOLLOWS:**

In accordance with the preamble hereto, the Master Servicer is hereby assured that the Agency will acquire mortgage loan types in excess of the aggregate principal amounts specified in the Servicing Agreements in accordance with the Notices for each Series released by the Agency within a reasonable time after the bond proceeds maximums are exceeded.

**LOUISIANA HOUSING FINANCE AGENCY**

**By:** \_\_\_\_\_

**STANDARD MORTGAGE CORPORATION**

**BY:** \_\_\_\_\_

# INDUSTRY HOUSING RATIOS & COMPENSATING FACTORS

## FHA

- 31% - Front end ratio
  - Includes principal, interest, escrow deposits for real estate taxes, hazard insurance, mortgage insurance premium, HOA dues, ground rent, special assessments, and payments for any acceptable secondary financing.
- 43% - Back end ratio
- > 31%/43% may be acceptable only if significant compensating factors are documented & recorded.
- Compensating Factors
  - The borrower has successfully demonstrated the ability to pay housing expenses equal to or greater than the proposed monthly housing expense for the new mortgage over the past 12-24 months.
  - The borrower makes a large down payment (ten percent or more) toward the purchase of the property.
  - The borrower has demonstrated an ability to accumulate savings and a conservative attitude toward the use of credit.
  - Previous credit history shows that the borrower has the ability to devote a greater portion of income to housing expenses.
  - The borrower receives documented compensation or income not reflected in effective income, but directly affecting the ability to pay the mortgage, including food stamps and similar public benefits.
  - There is only a minimal increase in the borrower's housing expense.
  - The borrower has substantial documented cash reserves (at least 3 months' worth) after closing.
    - In determining if an asset can be included as cash reserves or cash to close, the lender must judge whether or not the asset is liquid or readily convertible to cash and can be done so, absent retirement or job termination.
    - Funds borrowed against IRA's, Thrift Savings Plans, 401 (k) & Keough accounts may be used for loan closing, but are not to be considered as cash reserves. "Assets" such as equity in other properties and the proceeds from a cash-out refinance are not to be considered as cash reserves.

## **INDUSTRY HOUSING RATIOS & COMPENSATING FACTORS**

- Similarly, funds from gifts from any source are not to be included as cash reserves.
  - The borrower has substantial non-taxable income (if no adjustment was made previously in the ratio computations).
  - The borrower has potential for increased earnings, as indicated by job training or education in the borrower's profession.
  - The home is being purchased as the result of relocation of the primary wage-earner – and the secondary wage-earner has an established history of employment, is expected to return to work, and reasonable prospects exist for securing employment in a similar occupation in the new area. The underwriter must document the availability of such possible employment.

**NOTE:** Loans should be run through Desktop Underwriter or Loan Prospector for loan approval. Compensating factors are built into DU/LP and are factored into the final loan approval. Loans can be manually underwritten as long as the guidelines are strictly adhered to.

### **USDA RURAL DEVELOPMENT**

- 29% - Front end ratio
- 41% - Back end ratio
- > 29%/41% is allowed with compensating factors.

**NOTE:** Loans should be run through Rural Development's Automated Underwriting System for loan approval. Loans can be manually underwritten as long as guidelines are strictly adhered to or loan can be submitted to RD for loan approval.

### **VA**

- No front end ratio
- 41% - Back end ratio
- > 41% requires close scrutiny unless:
  - The ratio is > 41% solely due to the existence of tax-free income (Social Security, SSI, etc. which can be grossed up)
  - Residual income exceeds the guideline by at least 20%

# INDUSTRY HOUSING RATIOS & COMPENSATING FACTORS

- Compensating Factors are required

**NOTE:** Loans should be run through Desktop Underwriter or Loan Prospector for approval. Compensating factors are built into DU and are factored into the final loan approval. Loans can be manually underwritten as long as guidelines are strictly adhered to or may be sent to VA for loan approval.

## **FNMA**

- No front end ratio
- 36% - Back end ratio
- > 36% compensating factors are required

**NOTE:** Loans are run through Desktop Underwriter for loan approval. Compensating factors are built into DU and are factored into the final loan approval. Loans can be manually underwritten as long as written guidelines are strictly adhered to.

## **FHLMC**

- 28% - Front end ratio
- 36% - Back end ratio
- > 28%/36%
- Compensating Factors include:
  - The borrower's verified liquid assets being substantial enough to evidence an ability to repay the mortgage regardless of income.
  - A large down payment on the purchase of the property.
  - The demonstrated ability of the borrower to maintain a good credit history, accumulate savings and maintain a non-housing debt-free position.
  - The borrower's strong credit score (for example, a 720 or higher FICO score) and the Seller's confirmation that the borrower's credit reputation is excellent.

**NOTE:** Loans are required to be run through Loan Prospector for loan approval. Compensating factors are built into LP and are factored into the final loan approval. Loans can be manually underwritten as long as written guidelines are strictly adhered to.