

Jon Laird presents:

Taking the mystery out of FHA Non Occupying Co-Borrower Loans

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The purpose of the FHA non-occupying co-borrower loan is to allow one family member to have a joint interest in property, while enabling another family member to attain home ownership. This type of FHA mortgage loan is typically used by parents and children. The parent will sign as an FHA non occupying co-borrower so the child may obtain his or her first home or college housing.

This program is NOT intended to circumvent FHA's policy against financing investor properties. If the non-occupying co-borrower owns rental properties, expect a close examination of the entire transaction.

Family Ties Preferred

A familial relationship between the co-borrower and the occupying borrower is generally required. The co-borrower will have a joint interest in the property, while his or her good credit history and income is used to help secure the loan.

- 3.5% Down payment for 1 Unit, Arms-length Purchase
- 25% Down payment for 2-4 Unit Owner Occupied Purchase
- 25% Down payment for sale from parent(s) to child.

FHA Occupying Borrower Guidelines

There are certain guidelines which must be followed to make this type of loan work. The borrower:

- Needs a valid Social Security number.
- Needs acceptable minimum credit score (no minimum trade-lines)
- Should have employment if not a full-time student. No minimum income.
- Takes title to the property and signs all loan and security documents

Non-Occupying Co-Borrowers

The non-occupying co-borrower:

- Takes title to the property.
- Signs all note and mortgage documents.
- Completes a loan application with approval of credit, income and assets.
- May not be a party to the transaction.

For more information or a discussion of your needs, please don't hesitate to call me.

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