

**Mortgage Tidbits**



**Keeping you informed and in the know….**

**Non-Occupying Borrowers, the know all guide for FHA Loans!**

So, you need a little help buying a house, no problem! Consider having a non-Occupying borrower but beware, certain guidelines apply! Let’s take a look!

First things first, regardless of anything a non-occupant borrower must always have a qualifying credit score. In our case, that score is a 620 or above! **If the occupying borrower has no credit score, then non-occupant borrower is not an eligible route.**

A non-occupant borrower is a person who does not live in the home but will be on the loan to help the occupying borrower qualify for the loan.

**LTV:**

Transactions with these kinds of borrowers are limited to 75% LTV. However, it can be increased to 96.5% ***if*** the borrowers(s) are family members. But if the transaction involves:

* A family member seller to a family member who will be a non-occupant borrower
* A transaction on a two-to-four-unit property

Then that negates 96.5% and drops the LTV back down to 75%.

**Income:**

Income from a non-occupying borrower can be used for qualifying when the borrower has no income to provide or to provide any additional income than what the borrower has supplied!

**Parties who have a financial interest in the transaction (seller, builder, real estate agent, etc.) may not be a co-borrower. It is important to remember that a Seller who is related to the Buyer may not be on the purchase loan of the home as a Non-Occupant Borrower. They cannot Purchase what they already own!!**

**Call us today for the best answers to the mortgage questions!**

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