

<b>Credit</b>	<p><b><u>Judgments</u></b></p> <p>Court-ordered judgments MUST be paid off before the mortgage loan is eligible for a guarantee unless the applicant provides documentation indicating that regular payments have been made on time in accordance to a documented agreement with a creditor.</p> <p>The presence of court-ordered judgments must be considered in the credit analysis. Unpaid judgments may represent an applicant's disregard for credit obligations. Lenders must document reasons for approving a mortgage when the applicant has judgments. Usually judgments are paid in full prior to loan eligibility. An exception to payment in full of outstanding judgments can be made when the applicant(s) have a payment arrangement with the creditor and have made regular and timely payments for the three months prior to loan application. Prepaying scheduled payments as a means of meeting minimum requirements is unacceptable. Lenders will obtain a copy of the payment agreement and validate payments have been made in accordance with the payment agreement. The payment agreement will be included in the debt-to-income ratio.</p>
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Information shown is subject to change without notice. Rates, fees and programs are subject to change without notice. Information is intended solely for mortgage bankers, mortgage brokers, financial institutions and correspondent lenders. Not intended for distribution to consumers as defined by Section 226.2 of Regulation Z, which implements the Truth-in-Lending Act.

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