

Tax ID Max-EEP (Earned Equity Program) Underwriting Matrix

General Info	
Agency Requirements	The Tax ID Max-Earned Equity Program is a purchase transaction by a governmental entity that allows certain consumers to enter into an "ownership equity agreement" relationship to ultimately enter into homeownership. Tax ID Max- Earned Equity Program guidelines and overlays are specific to consumer qualification for the "ownership equity agreement" portion of the transaction. All are summarized here.
Consumer Eligibility	US Citizens: All. Non-US Citizens: Lawful Permanent Resident Aliens eligible with green card, US Social Security Number. Non-Permanent Resident Aliens: Eligible with proof of ability to repay and Individual Taxpayer Identification Number (ITIN). DACA eligible.
Property Eligibility	Allowed: SFR, PUD, townhome, attached, detached, and double-wide manufactured homes that are permanently affixed. Condos allowed, but complex must be FHA-approved or have a spot approval documented. 1–2 units allowed. Not Allowed: Second homes, investment properties, 3–4 units, co-ops, Modular homes, single wide manufactured homes. Homes with ground rent that is not permanently affixed.
Non-Occupant Consumers	May be allowed. Cannot be used for all qualifying income. Primary occupant must document income toward qualifying PTI/DTI (UW discretion). Non-occupant consumer must sign the ownership equity agreement.
Credit History	
General	<ul style="list-style-type: none"> • At least one credit score from a major bureau is required to qualify. A soft pull credit report may be acceptable, provided we have sufficient housing history documented and a credit score (or "No Score") is on the soft pull. • Alternative credit such as utilities, medical, or housing expenses may be acceptable when a credit score is not available due to lack of recent credit history. • Eligible credit reports must reflect at least 1 trade line and provide at least 12 months of credit history. • Foreign credit may be considered with supporting documentation that the repository used is comparable with major US bureaus and is supported by a participating financial institution or employer. • Borrowers with no credit score may be considered per the section "Borrowers with No Credit Score"
Credit Score	Minimum 580. (Below 580 may be allowed with an approved exception.)
Borrowers with No Credit Score	May be eligible. The following will be required: <ul style="list-style-type: none"> • 12 months documented verification of housing history. • Verified alternative credit tradelines (e.g. utility bills, other payment arrangements)



Credit Exceptions	<p>Credit exceptions may be allowed with the following criteria:</p> <ul style="list-style-type: none"> • Consumer bureau with rescore projections provided supporting an increase in FICO score; and • Debt, if any, reduced. <p>Alternatively, a HUD–approved housing counseling agency may be used to document a credit improvement plan in place.</p>
Qualifying Credit Score <580	<p>Consumer Applicants with qualifying credit scores <580 may require compensating factors to support weak credit profiles. Compensating factors may include:</p> <ul style="list-style-type: none"> • 12 months of alternative tradeline history (utility bills, cellular phone bills, or other documented payment histories); • Child support or alimony payments made on-time for 12 months; or • Business expenses for self-employed borrowers (not found on credit) paid on-time for 12 months Additional reserves may also qualify.
Student Loans	<p>Must be in good standing (not delinquent or in collections). For DTI, follow FHA guidelines for calculating payments considering deferment/forbearance requirements as applicable.</p>
Bankruptcies	<ul style="list-style-type: none"> • Eligible if discharged at the time of closing. • Eligible if discharged OR filed within 12 months of closing and evidence of successful payments made for 12 months. All bankruptcies must be recorded on the credit report.
Foreclosures, Deed-in-Lieu, Short Sales	<ul style="list-style-type: none"> • Eligible upon discharge or satisfaction prior to closing. • Must be recorded on credit report.
Judgements and/or Tax Liens	<ul style="list-style-type: none"> • Eligible if paid, settled, and/or discharged at closing. • Eligible if a satisfactory payment arrangement is documented with a minimum of 3 payments made in the plan. • Payments in arrangement must be included in DTI (as a monthly payment of 5% of the outstanding lien balance); if payment is unable to be calculated, OK to amortize the payment of the obligation over a reasonable time frame (no greater than 180 months). • If the Program Participant has tax obligations from a previous year's returns, \$5,000 or greater must be proven paid, or proven to be in a satisfactory installment agreement. Compensation factors such as reserves or business cash flow may be considered if payment in full or installment agreement cannot be met.
Property Tax Assessments	<ul style="list-style-type: none"> • All transactions must be qualified for DTI purposes and impounded with the proposed tax assessment after property transfer (calculated with the current mill rate/county tax estimate), not with the current tax assessment from the previous transfer, as found from title.
Soft Credit Update/UDM/Credit Refresh	<ul style="list-style-type: none"> • A soft credit update, debt monitoring service, or general credit refresh is required to ensure no new debt opened by the consumer prior to closing. Any bureau or vendor is acceptable.



Fraud Report	Required. Must be run to validate the government entity transaction
DTI (Debt-to-income)	
Maximum DTI	The consumer may have no higher than a 50% PTI (housing payment to income) / 60% DTI (total debt to income).
DTI Max Adjustments	<p>Exceptions to DTI limits may be granted with strong compensating factors including:</p> <ul style="list-style-type: none"> • Additional 24–48-month VOR reflecting no lates (a credit supplement may be required) • 2 alternative tradelines for 12 months reflecting no lates • 2 months reserves possibly more depending on the strength of file (must provide corresponding asset statements)
Assets/Reserves	
Funds for Closing	<p>Consumers must document sufficient cash/liquidity to consummate the transaction, including the following:</p> <ul style="list-style-type: none"> • 1st Payment Due • Closing Costs, including title fees, per title fee sheet • Sufficient down payment funds (minimum 3.5%) • 1 month housing payment in reserves <ul style="list-style-type: none"> ◦ Additional reserves may be required based on exceptions granted and strength of the overall transaction. <p>Note: All funds for closing are finalized after receipt of the following: (1) Final CD, (2) Settlement Statement from Title, (3) Closing Request Form, and (4) Final Cost Disclosure (created by investor after receipt of the Final CD and Settlement Statement).</p>
Asset Documentation/Bank Statements	<p>Assets relevant to the consumer transaction require the following:</p> <ul style="list-style-type: none"> • 2 months of bank statements (most recent), covering 2 statement periods • Assets/reserves must be liquid at the time of closing
Acceptable Assets Additional Info	<p>Business bank statements are acceptable as long as ownership is documented in the borrower’s name and funds used from the business account do not deplete the company’s ability to operate.</p> <p>Investment accounts are acceptable if liquidation terms are documented and sufficient for closing.</p> <p>If additional funds are needed to consummate the transaction, a LOE must be provided to certify the deposited funds did not come directly, or indirectly, from the seller, the real estate agent, the lender, or any other interested party to the transaction.</p>
Gift funds	Gift funds are acceptable for funds to close.
Verification and Wiring for Funds to Close	<p>If underwriting is unable to verify total funds required to close the lease in the program participant’s account, then the underwriter will attempt to verify at least 3.5% of the purchase price.</p> <ul style="list-style-type: none"> • If at least 3.5% can be verified, Be In Mortgage requires documentation where the rest of the funds will be derived from: a gift letter with the standard FHA verbiage is acceptable or, as an alternative, a LOE may be provided.



	<ul style="list-style-type: none"> ○ If an LOE is provided, the LOE must contain verbiage indicating that the funds are not in any way derived from an interested party to the transaction. Funds then should be deposited into the program participant's bank account. When the funds are wired to TRHEEA, we will require a copy of the wire confirmation evidencing that the funds came from the program participants account. ● If 3.5% cannot be verified, a LOE may be submitted using the above guidance to evidence from where the funds will be derived, otherwise the file will be suspended pending verification of funds. Earnest money funds paid by the program participant are considered verified funds
Housing History	
Rental	<p>12 months of documented payment history required. The history must show good standing: no prior evictions, no late payments, and no balances remaining upon termination of lease agreement.</p> <p>The following documentation is allowed:</p> <ul style="list-style-type: none"> ● Fully completed VOR ● Private Landlord/Private VOR: Evidence of 12 months of payment history via canceled checks, bank statements, or receipt and review of a ledger of payments from the landlord through a third-party source (subject to approval from the Underwriter) <ul style="list-style-type: none"> ○ Alternative documentation may be acceptable at the Underwriter's discretion. ● Renting from Relative: Canceled checks or bank statements <p>Alternative methods of documenting housing history, including electronic payments (Venmo, Zelle, PayPal) are acceptable with a complete history documented.</p> <p>Cash payments can be verified by a VOR (even with a private landlord) if one of the following is provided:</p> <ul style="list-style-type: none"> ● Copies of cashiers checks for the most recent 2 months. ● 3 months bank statements showing money going to the landlord
Mortgage	12 months of 0x30 payment history required (documented by a credit report).
Private Mortgage	May be allowed, if housing payment can be documented with bank statements, cancelled checks or reasonable equivalent. Not allowed if payment history is not available.
Income Requirements	
General Guidance	All income reviewed should be calculated generally according to FHA and mortgage industry standards. Some exceptions may apply. Minimum of 12 months of consistent employment history required.
W2 Employees	<p>Required:</p> <ul style="list-style-type: none"> ● 2 months paystubs (must be most recent)



	<ul style="list-style-type: none"> • Prior year W2 • Documented WVOE (to validate income) <p>W2 wages must be calculated according to general FHA guidelines for wage earners.</p>
1099/Independent Contractor	<p>Required (must be most recent):</p> <ul style="list-style-type: none"> • Previous year's tax returns required. • 3 months of bank statements (to validate income) • YTD P&L required (income review is determined on cash flow from the business)
New Employment History (<12 Months)	<p>May be acceptable with compensating factors documented. If considered, the following are required:</p> <ul style="list-style-type: none"> • Salaried or hourly; commission income must be guaranteed for 12 months or with previous history documented, otherwise not allowed. • Fully completed WVOE. • 2 months of paystubs and 2 months of bank statements (to validate deposits and cash flow)
Bank Statements Only	<p>Required for consumers with income that may only be documented with bank statements:</p> <ul style="list-style-type: none"> • 3 months of bank statements • Consistent deposits must be documented with sufficient income to meet DTI qualification. • Exception guidelines met. <p>12 months of bank statements may be used for seasonal work; the most recent 3 months will be averaged in this instance. Tax returns or a business license may be required.</p>
Other Income Source	<p>Interest and dividend income will be considered. If considered, the following are required:</p> <ul style="list-style-type: none"> • Verification of the borrower's ownership of the assets on which the interest or dividend income was earned. • Documentation of asset ownership (must be reviewed and approved) • Verification of the two-year history of the income must be verified using either: (a) copies of the borrowers' signed, federal tax returns; (b) copies of account statements with earned income documented. <p>Further guidance on the above bullet point: Develop an average of the income received for the most recent two years. Subtract any assets used for down payment and closing costs from the consumer's total assets before calculating expected future interest or dividends.</p>
Lump Sum Asset Depletion	<p>Lump sum asset depletion may be used for qualifying purposes. Total of all assets depleted are divided out by 120 months to calculate monthly qualifying income.</p>
Liquidity	<p>Consumers with substantial documented liquidity will be considered on a case-by-case basis. Substantial liquidity may be defined as evidence of 50% of the value of the subject property documented as liquid. Exceptions may apply.</p>
Self-Employed	<p>Required (must be most recent):</p>

	<ul style="list-style-type: none"> • Previous year's tax return, all schedules (must be documented as filed with the IRS or executed tax transcripts are required) • YTD P&L and three months of bank statements (to document cash flow) <p>K1s and 1120s may be required depending on self-employment type.</p> <p>Lender must provide self-employed income analysis to document calculation. At UW discretion, Be In Mortgage will not consider DTI reduction for self-employment for well-established businesses; may require well-documented cash flow and other comp factors.</p>
Additional Notes on Self-Employed	<p>Self-employment business types will be reviewed for effective income analysis. Some consumers may have revenue streams or cash positions that require alternative methods of underwriting review.</p> <p>Be In Mortgage will consider atypical income or asset profiles for all self-employed types, including 1099, independent contractors, investors, and those with tax returns or P&L statements that may not reflect their true liquidity.</p>
Additional Notes on ITIN	<p>For borrowers with an ITIN, but a Social Security Number (SSN) is provided on W2s, pay stubs, etc, the most recent year of tax returns and transcripts are required.</p>
Additional Notes on P&L	<p>P&Ls may be signed by the Program Participant, not a CPA, if an underwriter from the investor judges the P&L reasonable based on a review of bank statements</p>
Additional Properties	
Primary Residence (REO)	<p>One currently owned property (departing residence) allowed. The following will be required:</p> <ul style="list-style-type: none"> • Strong supporting documentation justifying the need to move and obtain EEP financing. • LOE (signed and dated by the consumer) • UW support and approval <p>For retained REO, the disposition at closing must be one of the following:</p> <ul style="list-style-type: none"> • Leased (with supporting lease agreement and evidence of deposit or rent received) • Pending sale <p>Additional circumstances <i>may</i> be considered with <i>strong</i> supporting documentation.</p>
Rental Properties (REO)	<p>May be considered with:</p> <ul style="list-style-type: none"> • 3 months reserves documented (to support REO) • Properties documented with lease agreements and receipt of rental income. <p>Additional Overlays for Retained REO (Rental Properties):</p> <ul style="list-style-type: none"> • Minimum 580 credit score • Maximum PTI/DTI: 43%/50% • Exceptions may be considered, depending upon the strength of the consumer

Closing/Documentation Requirements	
Closing	<p>The consumer is responsible for providing all down payment funds, including closing costs and 1st month's payment due in certified funds, to title.</p> <p>Be In Mortgage will secure a 2nd lien position at closing in the form of a forgivable 2nd mortgage, regardless of consumer down payment.</p> <ul style="list-style-type: none"> • Terms: Forgivable in 10 years, amortized over 30 years, signed and executed at closing by a Be In Mortgage representative; no regular monthly payment required. Amount: 1% of the lower of the purchase price or the appraised value. DPA funds are not required to be extended at closing. <p>A ownership equity agreement is required to be signed by all parties, executed and recorded by an Be In Mortgage representative.</p> <ul style="list-style-type: none"> • Minimum term: 24 months. Prior to closing, a home inspection is required to be completed. See "Property Details" for more information.
Appraisal/Home Inspection	
Appraisal	<p>Required:</p> <ul style="list-style-type: none"> • A full FHA appraisal • Appraisal marked "as-is" at the time of purchase or have a completion cert/1004D if property was "subject to" repairs or completion prior to purchase. • Appraiser certified that the subject property meets FHA minimum property requirements; no health, safety or adverse conditions can be present. • Subject property does not have commercial influence, and/or is not considered a "working farm," and/or and does not have commercial agricultural income potential
Automated Valuation Model	<p>An AVM (Automated Valuation Model) will be pulled on all submitted appraisals to support the full appraised value. All AVM values must be within ten percent (10%) of the full appraised value for acceptance. Any appraised value that is greater than ten percent (10%) in difference from the AVM value is subject to a desk review, or counter-offer to the sales price</p>
Property Details	<p>Appraisal condition requirements:</p> <ul style="list-style-type: none"> • C1–C3 • C4–C5 allowed with exception review <p>The roof must be in acceptable condition and good repair. C5 properties may be ineligible without significant repair or renovation. See the "Home Inspection" section for more information.</p> <p>Properties built prior to 1978 will require a full property inspection, performed by a certified property inspector. Any/all properties found to have aluminum electrical wiring (as indicated by the inspection or found through property insurance due diligence) may be ineligible for EEP based on ability to acquire acceptable hazard insurance.</p>



Appraisal: Cost Approach to Value Section	It is required for the RCE (or Cost Approach to Value section) of the Appraisal to be completed
Home Inspection	<p>Home inspection required prior to closing for all properties listed in C4–C5 condition, according to the FHA appraiser, or built prior to 1978. Inspections must be performed by a licensed home inspector prior to closing.</p> <p>Inspection requirements include:</p> <ul style="list-style-type: none"> • All health and safety items addressed and/or repaired, as required by the inspection • All major systems inspected, including HVAC, plumbing, electrical, appliances, siding, major fixtures and flooring (with a life expectancy of at least 5 years) • Roof inspection (with a useful life expectancy of at least 10 years) • Furnace and air conditioning systems documented to have been serviced within the previous 12 months, unless covered by a Certified Home Warranty • Smoke detectors and carbon monoxide systems tested and certified as operable per local building and health/safety codes • Septic systems must have separate septic inspections performed, and they must be pumped and inspected along with the drain field • If electrical tests are not performed, it must be confirmed that power meters are functioning and are not bypassed
Home Warranty	Certified Home Warranty must be obtained after home inspection has been completed. Required for all properties where full inspections are performed.
Home Inspection Repair Requirements	<p>All health and safety items noted on the home inspection report as requiring further inspection or repair, and any items noted as "major concerns" by the inspector, must be repaired or remedied prior to closing.</p> <p>When roof inspections are required, all major roofing repairs must be done prior to closing. All significant electrical issues, including replacing fuses with circuit breakers, or updating aluminum wiring and knob and tube wiring to modern electrical wiring, must be repaired prior to closing. All other moderate to minor items noted by the inspector may be included as repair requirements post-closing, as indicated by a Cure Addendum that the consumer must sign prior to closing.</p> <p>Some exceptions apply. Exceptions may be escalated, or emailed to investor.</p>
Wood-Destroying Organism Inspection Requirements	For existing construction, the Correspondent (Mortgagee) is responsible for confirming that the Property is free of wood-destroying insects and organisms. All purchase/sale contracts must provide all seller disclosures related to inspection requirements by state and addendums accordingly. Appraisers must report any apparent evidence of wood-destroying insect infestation, fungus growth, or dry rot. If the appraisal is made subject to an inspection by a qualified pest control specialist, the Correspondent must obtain the inspection and evidence of any required treatment to confirm the Property is free of wood-destroying insects and organisms. If the property (existing construction only) is located in an area defined as having a "very heavy" or "moderate to heavy" probability of termite infestation (see list of states below), then a wood-destroying insect inspection report MUST be required and provided for review. Any/all evidence of infestation must be remedied prior to closing.



States Requiring Wood-Destroying Organism Inspection	Alabama, Arkansas, Arizona, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Iowa, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Mississippi, Missouri, North Carolina, Nebraska, New Jersey, New Mexico, Nevada, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Washington, D.C
Renters Insurance	<p>Optional Coverage. If the applicant chooses to forego a renter's insurance policy, a "coverage waiver disclosure" is required to ensure the applicant is aware that their personal property will not be covered if an adverse event occurs.</p> <p>If included, renter's policy should include the following standard coverage:</p> <ul style="list-style-type: none"> • Personal Property, Liability, and Additional Living Expenses • Deductible should be standard for the policy, not to exceed \$1,000. • Any additional coverages that are considered standard for the marketplace of the subject property. <p>Policy must be proven paid prior to closing.</p>
Exceptions	
Exceptions	For all exceptions, please reach out to your Corporate Account Director
Credit Exceptions	<p>Exceptions may be considered for the following events:</p> <ul style="list-style-type: none"> • Credit score below 580 • Foreclosure • Bankruptcy
	<ul style="list-style-type: none"> • Thin credit history • No trade lines or alternative credit documented. <p>The following must be provided for a credit exception to be considered:</p> <ul style="list-style-type: none"> • 1 month of housing expense reserves documented for each event (in addition to the amount normally required by the Tax ID Max-EEP); OR • 31% PTI / 43% DTI; OR • Combination of compensating factors as documented by the underwriter (may include extended housing history documentation [24–48 months], low payment shock [50% or less], time on the job [documented > 3 years], or reasonable equivalent [per UW analysis])
Income/DTI Exceptions	<p>Certain exceptions may apply to consumers with excessive PTI/DTI or income documentation challenges:</p> <ul style="list-style-type: none"> • Exceptions may be considered for PTI/DTI up to, but not exceeding 46%/56% • Income calculation exceptions will be considered with strong supporting documentation from the UW, a LOE, and an income calculation worksheet
Additional Program Details	



Approved Title insurers	<ul style="list-style-type: none"> • First American Title • Old Republic • Stewart Title • Velox Title • Westcor Title
Consumer Contract/Lease (Consumer Fees)	Fees to Consumer: <ul style="list-style-type: none"> • \$1,250 Admin Fee • 1-month complete payment (lease/contract payment, 1/12th of the annual program fee, and taxes and insurance)
Other Fees	Annual Service fee that is part of the monthly payment listed at the bottom of Be In Mortgage's rate sheets.
Second Lien Required	The Tax ID Max- Earned Equity Program requires all FHA loans to have a 10-year soft/forgivable second of 1% assistance that carries no payment and bears no interest. The second must be issued in the name of Tule River Finance Authority or made in the Correspondent's company name and assigned at closing to Tule River Finance Authority.
High Balance Loans	High balance loan is any loan that exceeds the national conforming loan limit published by the CFPB. (This limit is higher in Alaska and Hawaii.) High balance loans may be approved by secondary. Please reach out to lock desk for pricing.
Property Rights	Fee Simple and Leasehold both allowed per HUD guidelines. However, Leasehold properties must have a minimum of 50 years remaining on the lease at the time of closing. In addition, the lease document must be provided to Be In Mortgage UW for approval.

Case Number Transfer	If the appraisal number or FHA case number is in the name of anyone other than THREEA, Arrive Home™ will require a complete paper trail of the case transfer
Flood Insurance	Flood insurance will be acquired through a provider that participates in the National Flood Insurance Program (NFIP).
Including Rental Income	If the home purchased through the EEP program has more than one unit and the Consumer intends to rent the vacant unit, the Consumer's qualifying income may include rental income from the unit, calculated at 75% of the market value of the proposed rent assessed by the FHA appraiser.
Financed Solar Panels	Solar panels are acceptable if they are included in the price of the home and financed as part of the mortgage. Leased solar panels are not currently acceptable. EEP program will not assume a solar panel lien and/or make any payments on financed solar panels associated with the property. If the lease can be placed in the tenant's name, and any lien placed in third position, then the transaction may be acceptable on a case-by-case basis.
Fuse Boxes	Due to difficulties with obtaining hazard insurance on properties with electrical systems using fuse boxes, homes will need to be updated from fuse boxes to breaker panels prior to closing.



Estimating Real Estate
Taxes for the Lease
Payment

The mortgagee must use accurate estimates of monthly tax escrows when calculating the total mortgage payment. This will affect the Consumer's lease payment. Depending upon varying requirements, real estate taxes are generally calculated by taking the transfer price (or assessment) multiplied by the city/county mill rate, or the proposed assessment rate for the subject property transfer. In cases where the process differs, the lender is responsible for ensuring that the tax payment included in the PITI payment and impounds are calculated as accurately as possible.

When taxes are under-calculated, or the subject property's previous assessment value is used for current PITI and impounds, the consumer will be assessed a tax roll increase that could jeopardize ability to repay or to meet cash reserves. The company does not allow for the participant to wire the title company directly, even on an exception basis.

