



MUTUAL™  
POWERED BY



SUPREME  
LENDING

# REALTOR®

## FAST FACTS 2025

## COMMUNICATION is what makes us **SUPREME!**

We have implemented a customer communication protocol that ensures your buyer is getting up-to-date communication on their loan. We provide frequent updates on loan progress, and we are available after hours for all real estate agent and customer questions.

## Buying a home is a **BIG DEAL.**

Often people are apprehensive about taking this step, even if they have purchased homes in the past. Why? It's a large investment—an investment of time, an emotional investment, and of course, a large financial investment!

We are here to guide your buyers through the financing of this large investment. We are also here to help you understand your buyers' financing options so you may be able to put some of their fears to rest, encouraging them to move forward in purchasing a home!

### **Why Supreme Lending?**

We care about you and your customers. This shows with our 97.1% customer satisfaction rating\*.

**We close loans quickly and efficiently.** With in-house processors and underwriters, we are able to work closely as a team and address any issues immediately.

**We offer a wide range of loan products.** With our large product portfolio, we can get more of your customers to the closing table, even those in the most unique financing situations.

This information is for real estate professionals only. Various requirements and qualifications cited may change over time, and nothing in this document should be construed as legal advice.

*\*The above information is based on the company's 2023 nationwide average as of December 31, 2023.*

# YOUR LOCAL LENDER



**Scotty Gifford**

Loan Officer

NMLS #2357310

Direct: 9795719067

Cell: 9795719067

[ScottyGifford.SupremeLending.com](http://ScottyGifford.SupremeLending.com)

[Scotty.Gifford@SupremeLending.com](mailto:Scotty.Gifford@SupremeLending.com)

5050 Quorum Drive, Suite 500 | Dallas, TX 75254



# CONTRACT ESSENTIALS

Addresses	▶ Please make sure to use the complete address on the purchase agreement, i.e., Rd, Hwy, Lane, Court, condo unit number.
Dates	▶ Given the amount of time it takes for negotiation of the contract, election of home inspection, the appraisal, and closing procedures, it is important to talk with our team to establish IMPORTANT loan approval and loan closing dates. Supreme Lending can often close loans in as little as 30 days. Check with our team for any variations. Loan processing starts once you have a fully signed, accepted offer after the home inspection contingency has been removed.
Seller Concessions	▶ If negotiating seller concessions, it is best to be written as follows: Seller to pay up to ____ or ____% of sales price toward closing costs, prepaids, and any lender-approved fees. Consult with our team.
Personal Property	▶ Personal property must be addressed separately and given no value to price. Example: Garden tractor to remain with property which contributes no value to price.
Allowances	▶ There can be no allowances given on the Purchase Agreement. Example: Seller to give buyer \$2,000 toward carpet allowance at closing. THIS IS NOT ALLOWED.
Earnest Deposit	▶ Earnest deposits should NEVER be taken in cash. Lenders are required to verify the deposit on the home to give credit to the buyer on the closing statement. Please deposit your buyer's earnest deposit as soon as possible so funds will clear the buyer's account.
Names	▶ Ask your buyer what name they prefer to take the title in. This should be the name on the Purchase Agreement.
Signatures	▶ Please ensure all sellers', buyers', and real estate agents' names are legible and spelled correctly on the Purchase Agreement. Please make sure all signatures and dates are completed. If signature is not legible, print name below or beside the signature.
Administrative Fees	▶ Please send our team your company's disclosure for administrative fees to enable us to properly disclose them.
Documentation	▶ We will need legible copies of the fully executed Purchase Agreement, lead-based paint disclosure, seller disclosures, MLS listing (lineside), and any fee agreements.
Power of Attorney	▶ For buyers who are planning to use a Power of Attorney (POA) for the transaction, we will need a copy of the POA that specifically states the property address. POAs cannot be used if there is only one buyer. Talk with our team about guidelines for your specific buyer BEFORE starting the transaction.
Home Inspections	▶ Supreme Lending requires an addendum removing the inspection contingency. We do not need a copy of the home inspection report.



# Well, well, well...

## YOU WANT TO LEARN ABOUT WELLS, UTILITIES, AND SEPTIC.

This information is being provided with reference to appraisal requirements for existing 1-4 family residential properties.

### Conventional

Supreme Lending no longer requires that the utilities be turned on for Conventional appraisal assignments. If the property is vacant more than 30 days and has a well, we will need a bacteria only water test completed. Well and septic inspections are required only if requested by the appraiser. A Hold Harmless is required at closing if the property has a well and septic that has not been inspected.

### FHA

The appraiser must state utilities are on and in working order. If the appraiser is unable to comment, we will accept notification from a home inspector or licensed contractor in lieu of the appraiser returning to the property, especially if it is a HUD-owned home. We will accept the property condition report (PCR) on HUD-owned homes stating the utilities are in good working order, if it is within 120 days of loan application. Any FHA property that has been vacant for 30 days or more and has a well will require a water test for bacteria\*. Any property with a well and septic must meet FHA minimum distance requirements. It must not be feasible to hook up to public utilities. Well and septic inspections are required only if requested by the appraiser.

*\*If a water test is required by the appraiser, the water test must meet local, state, and EPA requirements.*

### USDA Rural Development

The appraiser must state utilities are on and in working order. If property has a well, Rural Development (RD) requires a water test that meets local, state, and EPA requirements. If the property has a septic system, RD requires the USDA appraiser to state the property meets USDA minimum property requirements. If the appraiser is not qualified and does not make this statement, a septic evaluation by a government health authority, licensed sanitation professional, or a qualified home inspector will be required. The well and septic must meet USDA distance requirements. It must not be feasible to hook up to public utilities. A Hold Harmless is required at closing if the property has a well and septic that has not been inspected.

### USDA Rural Development

The appraiser is not required to comment on the utilities being on or in working order.

Underwriters are to review the appraisal on a case-by-case basis where the appraiser has not stated the utilities are on and working based on the status of the property and the ability of the borrower, and only require further inspection if warranted. If there is a well, a water test is required that meets local, state, and EPA requirements. Septic inspections are only required when the appraiser notes an issue or the property is in a jurisdiction which requires septic inspections. It must not be feasible to hook up to public utilities per VA guidelines. A Hold Harmless is required at closing if the property has a well and septic that has not been inspected. A Hold Harmless will also be required if there is no comment or inspection regarding the utilities being on and working.

# CONVENTIONAL LOANS

A Conventional loan simply refers to any mortgage that is not insured or guaranteed by the federal government.

Conventional mortgages may have higher down payment and credit score requirements than government loans, and if the Loan-to-Value (LTV) exceeds 80% on a Conventional loan, private mortgage insurance\* is required by the lender.

Conventional loans can be fixed or adjustable-rate mortgages.

## Buyer Profile:

- Good credit
- A bit of savings
- Considering homes up to \$806,500 (\$1,209,750 high balance areas)

## Loan Requirements:



As low as 5% minimum down payment (3% for first-time homebuyers)



Maximum loan amount  
\$806,500 (\$1,209,750 high balance areas)



620 minimum credit score



Private mortgage insurance required if down payment is less than 20%



Gift funds approved for down payment\*



**Seller Concessions**  
• 3-5% down: 3% maximum  
• 10% down: 6% maximum  
• 20% down: 9% maximum

## Property Requirements:



Appraisal good for 120 days



No farming



No health or safety deficiencies



No allowance for personal property on Purchase Agreement



Condos eligible; review process required

*\*Guidelines apply. This figure is based on the maximum loan amount.*

# HOMEREADY® LOANS

HomeReady® is an affordable, low down payment mortgage designed to help creditworthy borrowers.

Unlike government-insured loans, with HomeReady®, borrowers may have the option to cancel their mortgage insurance once their home equity reaches 20%.

This can result in lower monthly payments down the road.

## Buyer Profile:

- Good credit
- A bit of savings
- Low- to moderate-income (must meet the income limit for the property area)
- First-time or repeat homebuyer

## Loan Requirements:



3% minimum down payment



Maximum loan amount  
\$806,500



620 minimum credit score



Private mortgage insurance required if  
down payment is less than 20%



Gift funds approved for down  
payment\*



Seller concessions up to 3% of sales  
price



Homeownership education  
required

## Property Requirements:



Appraisal good for 120 days



No farming



No health or safety deficiencies



No allowance for personal property on Purchase Agreement



Condos eligible; review process required

*\*Guidelines apply. This figure is based on the maximum loan amount.*

# FHA LOANS

Federal Housing Administration (FHA) loans are insured by the federal government.

FHA loans have helped grow homeownership rates in large cities since the program's inception in 1934. They continue to benefit families in our area. Often this loan product is utilized when the buyer has past credit issues that may have eliminated the opportunity for them to obtain Conventional mortgage financing.

A borrower can put no money down if the FHA first mortgage is combined with a non-second mortgage from a state-sponsored program.

This product is typically a fixed-rate mortgage, has no prepayment penalty, and is also assumable. Under certain circumstances, a borrower can have more than one FHA loan.

## Buyer Profile:

- Minimal savings
- Low credit score
- First-time or repeat homebuyer

## Loan Requirements:



3.5% minimum down payment



580 minimum credit score



Gift funds available from family members only\*



FHA's nationwide forward mortgage limit "floor" and "ceiling" for a one-unit property in CY 2025 are \$524,225 and \$1,209,750. Amounts must comply with County Limits



Private mortgage insurance required



Seller concessions up to 6% of sales price

## Property Requirements:



Appraiser must inspect appliances and sump pump



1-4 unit residential properties\*\*



All utilities must be on for appraisal



Water test required if vacant for 30 days or more

*\*Gift letter and donor bank statement required.*

*\*\*Additional cash reserve requirements for 3-4 units.*



# MOST COMMON FHA PROPERTY APPRAISAL ISSUES

## Common Inspection Issues

1. Safety issues, such as a missing handrail
2. Peeling paint
3. Broken or unattached gutters
4. Exterior doors that do not open and close properly
5. Exposed wiring and uncovered junction boxes
6. Inoperable heating systems
7. Major plumbing issues
8. No active pest issues; this may require an inspection
9. Leaky or defective roofs, roofs with a life expectancy of less than 3 years
10. Rotted windowsills and wood trim
11. Missing appliances that are almost always sold with a home such as a stove
12. Kitchen appliances that don't work
13. Bedrooms without windows for proper egress by a person
14. Foundation or structural defects
15. Actively wet basements
16. Evidence of standing water in a crawl space
17. Empty swimming pools or pools that don't have a working pump
18. Ripped or badly damaged screens
19. No pressure relief valve on the water heater
20. A fence in disrepair

## Potential Location Issues

1. The property must be a minimum of 10 feet from the nearest boundary of a high pressure gas line easement.
2. High-tension power lines cannot pass directly over the improvements of a property.
3. The subject property cannot be within 300 feet of an above-ground or sub-surface stationary storage tank with a capacity of 1,000 gallons or more of flammable or explosive material.
4. The subject property must be at least 75 feet from an operating or proposed oil/gas well. Properties with abandoned wells are ineligible.

# DPA PROGRAMS

## **Supreme Dream FHA 100**

The Supreme Dream FHA 100 down payment assistance program is coupled with an FHA loan to provide 100% financing for eligible borrowers. Through this program, down payment assistance is provided in the form of a forgivable second mortgage on an FHA loan.

### **Buyer Profile:**

- First-time or repeat homebuyer
- 620 minimum credit score

### **Program Options:**

- 30-year term, 0% interest, no monthly payment second mortgage
- 3.5% option, forgivable after 60 consecutive, on-time payments on the first mortgage
- Loan may be forgiven at the end of 30-year term if other forgiveness conditions are not met

## **FHA Chenoa**

The Chenoa Fund is a national down payment assistance program created to provide affordable and sustainable homeownership, with a focus on creditworthy, low- and moderate-income individuals and families. This fund provides 3.5% DPA assistance when coupled with an FHA 30-year fixed-rate first mortgage. The assistance is in the form of a 3-year fully forgivable second lien.

### **Buyer Profile:**

- First-time or repeat homebuyer
- 600 minimum credit score

### **Program Options:**

- 30-year term, 0% interest, no monthly payment second mortgage
- Non-occupying co-borrowers are permissible
- Loan forgiven after 36 months' consecutive, on-time payments on the first mortgage

# USDA LOANS

Many individuals are eligible to become homeowners in rural areas with the help of a USDA-guaranteed home loan.

The USDA Rural Development loan program encourages families to move to more rural areas, resulting in expansion and economic growth. This program provides low- and moderate-income households the opportunity to own adequate, modest, safe, and sanitary residences in eligible rural areas. Eligible applicants may build, rehabilitate, improve, or relocate a dwelling in the eligible rural area.

USDA loans are 30-year fixed-rate mortgages and are NOT limited to first-time homebuyers, despite popular belief.

USDA allows financing of appliances and closing costs up to appraised value.

## Buyer Profile:

- No savings for down payment
- Considering home in rural area\*
- Low- to moderate-income\*\*
- First-time or repeat homebuyer
- Good credit

## Loan Requirements:



No down payment



Maximum loan amount determined by income and repayment ability\*\*\*



600 minimum credit score



Private mortgage insurance required



Gifts and grant programs



Seller concession up to 6% of sales price

## Property Requirements:



Primary residence only



Home or land cannot be income-producing



Land value must be typical for the area



Must meet safety requirements

*\*Designated rural area eligibility can be found at <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>.*

*\*\*Income guidelines apply, based on gross income of all adults in household.*

*\*\*\*580-639 credit score requires 2 months PITI + cash to close; 640+ has a better chance of approval.*

# VA LOANS

Backed by the U.S. Department of Veterans Affairs, a VA loan is available for eligible military Veterans and active personnel who qualify based on service time and dates of service.

The VA funding fee is determined by the sales price and the Veteran's entitlement. This mortgage is typically a 30-year fixed-rate loan, which is assumable.

## Buyer Profile:

- No savings for down payment
- Active duty and Veterans\*
- First-time or repeat homebuyer
- No maximum loan amount for first-time use
- Good credit score

## Loan Requirements:



No down payment



\$1.5 million maximum loan amount



Seller can contribute up to 4%



Funding fee based on Veteran status\*\*

## Property Requirements:



Must meet VA appraisal guidelines



No farming



1-4 unit residential properties



Owner-occupied only



Condos must be VA approved

*\*A DD-214 is required to determine eligibility. Allowable persons include Veteran, Veteran and spouse, two Veterans who both have entitlement (each would use ½ their entitlement), or widow/widower of deceased Veteran if they have not remarried.*

*\*\*May be exempt from funding fee if they are 10% disabled or more, as determined by the VA.*

# MOST COMMON VA APPRAISAL ISSUES

## Common Inspection Issues

1. Rotten wood around fascia boards, doors, and garage doors
2. Loose or missing handrail on steps (normally on 3 or more steps up or down)
3. Outbuilding in disrepair or unsafe
4. Broken windows or windows that won't open
5. Inoperable garage door opener
6. Inoperable garage door safety feature
7. Exposed wiring
8. Water stains on the ceiling
9. Inaccessible areas of the house such as attic or crawlspace
10. Missing stove, HVAC, hot water heater, or other essentials
11. Hot water and power turned off
12. Peeling paint (especially if home was built prior to 1978)

VA appraisals are mainly looking for health and safety items. They want to make sure the property does not have any major deficits that would cause the borrower a lot of money out of pocket within the next two years.



# VA APPRAISAL PROCESS

When the buyer of a property uses a VA home loan, the appraisal process is a little different than other mortgage types. The biggest difference is that lenders do not order the appraisal directly with appraisers. The lender will request the appraisal through the Veteran Affairs' online portal. Then, the VA assigns the appraisal request using a rotation system of VA-approved appraisers. The VA looks to have approved appraisers in each county or area.

If the VA appraiser feels the value may be short of the purchase price, then the Tidewater Initiative is invoked. This process typically looks like the following:

1. Appraiser provides Tidewater Notice to lender's designated point of contact (POC) stating that the appraised value is going to be low.
2. Details of the request are provided to POC (loan processor).
3. POC notifies real estate agents of the Tidewater Initiative notification.
4. POC has two working days to return any additional information to the appraiser.
5. Appraiser is not at liberty to discuss contents of the appraisal.
6. Additional information is reviewed by appraiser.
7. Completed appraisal is uploaded to the VA portal.
8. Lender POC is notified of the completed order.
9. Lender's VA underwriter performs a review of the appraisal and completes the Notice of Valuation (NOV).
10. Appraisal is provided to the borrower.

If additional comparables are provided, then there are additional specific requirements. Typically, the real estate agent is the one providing the comparables.

## **Requirements of Additional Comparable Sales Provided**

1. Provide within two working days.
2. Must be in format similar to comparable sales grid on the appraisal report.
3. Verification the sale actually closed.
4. Pending sales contracts used to support a time adjustment must include all contract addendum's.
  - Brief narrative describing similarities or differences in pending sale and subject property.

# 203(K) RENOVATION LOANS

Renovation loans offer the opportunity to buy a property and close as-is, financing both the purchase and repair money in one mortgage transaction.

This loan is a great option for a buyer who just cannot seem to find a home to meet their needs, particularly when they are wanting to live in a specific area.

There are two types of 203(k) Renovation loans that are dependent on the scope of the work being done as well as the cost of the repairs/upgrades.

The appraisal assignment is done as if the property were complete. Also, there is no requirement for a certificate of occupancy prior to closing, meaning the loan closes, then the work on renovating/upgrading can begin.

## Buyer Profile:

- Minimal savings
- Considering a fixer-upper
- First-time or repeat

## Loan Requirements:



Cash for repairs built into the loan



Buyer picks contractor



3.5% minimum down payment of sales price and repairs



Maximum loan amount 110% of appraised value



Must meet FHA guidelines



Mortgage insurance required

## Property Requirements:



Must meet FHA guidelines



Owner-occupied



Swimming pools cannot be added, only repaired

# MANUFACTURED HOME LOANS

A manufactured home is commonly referred to as a mobile home. These homes are built to the Manufactured Home Construction and Safety Standards (HUD Code) and include a red certification label on the exterior of each transportable section.

Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

## Financing Options\*:

Several programs are available to finance a new manufactured home on the land; the price of the home, improvements, and land are all financed in one mortgage transaction.



### FHA

Existing and new homes permitted; structural inspection required.



### USDA

New homes only, built after January 1, 2006; 640 minimum credit score.



### VA

Existing and new homes permitted. Appraiser may require structural inspection.



### Conventional

Existing and new homes permitted; as low as 5% minimum down payment. Structural inspection required only if there were structural changes since original setting or if required by appraiser.

## Property Requirements:



Homes must be singlewide, doublewide or greater



Permanent, affixed to foundation



Built after January 1, 1985



Owner-occupied only



Unit cannot have been previously occupied at another location\*\*



Home must include red certification label on each transportable section

\*Qualifications apply.

\*\*Unit cannot have been installed at any other site, except the manufacturer's or dealer's lot (new unit only).

# SPECIALTY PROGRAMS



## **Investment Home Loan**

Supreme Lending offers loans for investment properties, including 1-4 family dwellings. This is a good option for borrowers who want to purchase rental properties.



## **Bank Statement Loan**

This program allows use of 12 months' personal bank statements or 24 months' business bank statements to verify income for self-employed borrowers. This is a great program for borrowers who prefer not to share tax returns.



## **HomeStyle® Renovation Loan**

This Conventional loan program allows the borrower to purchase a home and finance renovations. This is perfect for someone who says, "We would buy this home if it had \_\_\_\_." We can finance what they need to make it the home they want. Single-family investment homes are eligible for this program as well.



## **Debt Service Coverage Ratio (DSCR) Loan**

The DSCR loan helps borrowers looking to purchase investment properties without having to include income verification or Debt-to-Income (DTI) ratio.

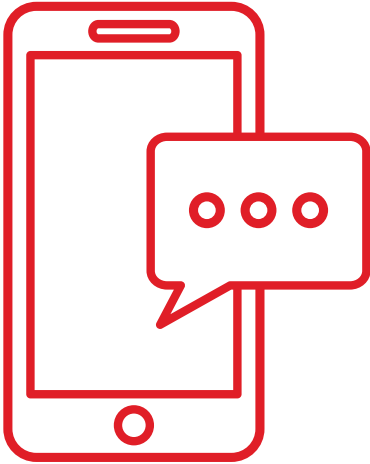
This program works by measuring a borrower's ability to service, repay, and cover debts—including cash flow—to obtain a loan. First-time investors may be considered, however, first-time homebuyers are not.



## **Asset Utilization Loan**

Instead of using traditional proof of income—such as employment verification, tax returns, and deposit records—this program considers a borrower's total asset landscape to calculate a monthly income stream. Assets must be liquid and available to the borrower [i.e., 401(k), IRA, employer severance package or lump sum, and employment-related assets]. Primary residences are eligible for purchase and limited cash-out refinance

# MYSUPREME APP



**MySupreme is a best-in-class**, easy-to-use app that connects you with your clients and mortgage team from anywhere, allowing all parties to easily communicate and exchange data in a single location throughout the entire loan process.

Stay in the loop on your clients' loan progress and add your familiar face to the app. Clients enjoy working with a connected team for their entire homeownership journey.

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## **Real Estate Professional Benefits**

- Personalize your app account.
- Gain loan status visibility.
- Adjust pre-qualification letters.
- Chat with clients and our team.
- Connect your tools (i.e., home search, mortgage calculators, etc).
- Share your app to build relationships and gain referrals.
- Promote your app in several ways, including a QR code and online.

## **Client Benefits**

- Sign up on mobile or desktop.
- Estimate mortgage payments.
- Get pre-qualified.
- Automatically verify assets.
- Upload documents.
- Verify income and employment.
- Authorize credit reporting.
- Get real-time loan updates.
- E-Sign disclosures.
- And more!



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