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Overview

This guide provides partners with a clear overview of A&D Mortgage's underwriting guidelines across our product suite. It clarifies guideline interpretations and key underwriting considerations to ensure efficient and accurate deal submissions.

Fannie Mae Guidelines

For FNMA guidelines, please [click here](#).

Freddie Mac Guidelines

For FHLMC guidelines, please [click here](#).





A&D Additional Guideline Requirements

Income

Future Income

Future income will only be accepted from well-established corporations.

Assets

Income Taxes Owed on 1040s

Prior to Tax Filing Deadline

- The amount owed is added to required reserves.
- If 4/15 or later, proof of payment or payment plan is required.

After Tax Filing Deadline (on extension)

- If prior to 10/15, the amount owed is added to required reserves.
- If 10/15 or later, proof of payment or payment plan is required.

NOTE: Taxes owed can be removed from the reserve requirement if there is evidence they're paid in full, or a payment plan is in place.

Gift Funds for Reserves

Gift funds sent directly to title cannot be used for reserves. Instead, they must be transferred directly to the borrower's account prior to closing.

AUS Findings

Adjustable-Rate Mortgages (ARMs)

DU findings for 7/6 and 10/6 ARMs will not be accepted. These transactions must use LPA findings.

Manual Underwriting

Manually underwritten transactions are not permitted on Conventional loans.





Property

COO & 1004D on New Construction

The Certificate of Occupancy (COO) can be made a closing condition and the 1004D can be made a post-closing condition for the following builders:

- Lennar
- DR Horton
- Pulte
- GL Homes
- Kolter Homes
- Mattamy Homes
- Taylor Morrison Homes

Native American Reservation

Loans secured by properties located on a Native American Reservation are not allowed.

Transferred Appraisals

Transferred appraisals with a CU Score greater than 2.5 and Overvaluation Flag will be rejected.

MLO or Processor as Borrower

Files where the MLO or processor is the borrower or vested on title are prohibited.

Visa Requirements

Lawful non-permanent resident of the United States legally present in the US are eligible for a mortgage if the following is met:

- Must have a valid Social Security Number (SSN); and
- They have current, verified status, which may be documented by a valid employment authorization document (EAD) showing immigration status/program (if status is unclear, the underwriter can request I-797 to verify borrower's status), or other documentation showing immigration status is current (e.g., Green Card, work visa, etc.).

Documents must be current at the time of the note date. If any document is expired as of the note date, it is acceptable to provide proof of application for renewal documented by the receiving agency (e.g., Filing receipt, letter with case receipt confirmation.)



Borrowers unable to provide evidence of lawful residency status in the U.S. are not eligible for financing.

Exhibit 1- Visa Requirements

The visa classifications allowed as Non-Permanent Resident Aliens are listed below:

Visa	Valid EAD Card	Description
B1/A3/G5	C17	Non-immigrant domestic servant (VISA and Valid EAD Card must be combined)
BC-1	N	Broadcaster in the US employed by the International Broadcasting Bureau of the Broadcasting Board of Governors
BC-2,3	Y	Spouse, child of BC-1
C-5; C-51	N	Employment creation
C-52-53	C09	Spouse or child of C-5 or C-51
DV- 1,2,3	N	Diversity immigrant, spouse, child
E-1, 2, or spouse of E-1, 2 (the spouse does not get a different number for this category)	A17	Treaty/Trade investor or spouse
E-11/EB-1	N	Person with extraordinary ability in the sciences, arts, education, business or athletics
E-12	N	Outstanding professor or researcher
E-13	N	Multinational executive or manager
E-14 /15	C09	Spouse or child of E11, 12, or 13
E-21	N	Professional holding advanced degree or alien of exceptional ability
E22,23	C09	Spouse, child of E-21
E-3	N	Specialty occupation- Australia
E-31	N	Skilled worker
E-32	N	Professional holding baccalaureate degree
E-34,35	C09	Spouse or child of E31 or 32
EB-5	N	Immigrant Investor
EW-3	N	Other worker
EW-4,4	C09	Spouse or child of EW-3



G-1, 2, 3, 4, 5	N / C04 spouses and children: C04	Employees of international organizations and NATO; spouses and children
H1-B	N	Foreign nationals working in the US in a specialty occupation
H-4	N/A	Spouse or child of H type
I- 5, 51	N	Investor in employment
I-52, 53	C09	Spouse or child of I-51
IH-3, 4	C09	Child adopted or to be adopted by US citizen
L, L-1a and L-1b	N	Intracompany transferees
L-2	N	Dependents of L-1 visa holders
N/A	A02	Lawful temporary resident pursuant to sections 245a or 210 of the INA (temp. agricultural worker)
N/A	A03	Refugee
N/A	A05 (or Valid SSN Card)	Asylum granted
N/A	A12	Temporary protected status
N/A	A13	IMMACT Family Unity beneficiary
N/A	A14	LIFE Act Family Unity beneficiary
N/A	A11	Deferred Enforced departure
N/A	A10	Granted withholding of Deportation or Removal
N/A	C12	Spouse of an E2 commonwealth of the Northern Mariana Islands investor, eligible for employment. In the CNMI only
N/A	C14	Alien granted deferred action
N/A	C16	Registry applicant
N/A	C19	Temporary Protected status
N/A	C31	Principal beneficiary or qualified child of approved VAWA self-petition
N/A	C33	DACA
N/A	C10	Nicaraguan Adjustment & Central American Relief act
N/A	C08	Asylum applicant, status pending



N/A	C11	An alien paroled into the United States in the public interest or temporarily for emergency reasons
N-8 OR 9	A07	Parent or child of international organization employee granted permanent residence
NATO-1-6	C07	NATO members, staffs, and families for temporary stay
O	N	Extraordinary ability in science, education, the arts, business or athletics
R-1		Religious workers
R-5, 51	N	Investor in pilot program
R-52, 53	C09	Spouse or child of R-51
SD-1	N	Religious workers
SD-2, 3	C09	Spouse or child of SD-1
SE-1	N	Employees or former employees of the US Gov't abroad
SE-2, 3	C09	Spouse or child of SE-1
SF-1	N	Former employees of the Panama Canal Company or Canal Zone Gov't
SF-2	C09	Spouse or child of SF-1
SG-1	N	Former employees of the US gov't in the Panama Canal Zone
SG-2	Y	Spouse or child of SG-1
SH-1	N/A	Certain former employees of the Panama Canal Company or Canal Zone gov't on 4/1/79
SH-2	C09	Spouse or child of SH-1
SI	N	Interpreters
SJ-1	N	Foreign medical graduate
SJ-2	C09	Spouse or child of SJ-1
SK-1	N	Retired international organization employee
SK-2	C09	Spouse of SK-1
SK-3	C09	Unmarried child of an international organization employee

SK-4	C09	Surviving spouse of deceased international organization employee
SN-1	N	Retired NATO6 civilian
SN-2, 3	C09	Spouse of child of NATO6 civilian employee
SN-4	C09	Surviving spouse of deceased NATO6 civilian employee
SQ	N	Iraqi/Afghans who work on behalf of the US government
SR 2, 3	C09	Spouse or child of SR-1
SR-1	N	Religious workers
T-1-4	A16 OR C25	Victim or spouse or child or parents of victim of human trafficking
T-5, 51	N	Employment creation
T-52, 53	C09	Spouse or child of T-51
TC NAFTA, TN, TD	N	Canadian or Mexican citizens working in the US
U-1-4	A19 OR A20	Victim or family member of victim of criminal activity

