

Terms and Conditions for Kentucky Home Performance Residential Energy Efficiency Loan Program

Loan Amounts	From \$2,500 to \$20,000 720 credit score and above From \$2,500 to \$15,000 640 to 679 credit score
Loan Terms	12 to 120 Months
Collateral	None
Eligible Properties	Owner Occupied residences, 1-2 unit primary residences
Credit Scores	
Minimum FICO (Credit Score) Each Borrower must have a minimum FICO If there are multiple borrowers, the lower score (regardless of income) must be used for qualification	-640 if salaried (or fixed income) -680 if self-employed for at least 2 years -720 if self-employed less than 2 years
Bankruptcy, Foreclosure, Repossession	None in last 7 years
Unpaid Collection Accounts, Judgments, Liens	No more than \$2,500 total
Loans may be approved, declined or subject to further review if underwriter determines that FICO score or other factors are inconsistent with actual credit profile.	
Income Verification Requirements	
<u>Salaried Employees, Pension, SSI Income etc.</u> Stated Income (No Verification Required) - When the loan amount is less than \$4,000 - Or any loan amount if the FICO is greater than 680. - Or at the underwriter's discretion Income Verification Required - When the loan amount is greater than \$4,000 - And the FICO is less than 680 - Or at the underwriter's discretion -One pay-stub with YTD earnings dated within 30 days of the application or award/benefit letter for SSI or pension showing income amount, payment frequency and start and end dates. Rental income verified by lease or Schedule E from tax return. Note: Any "other" income (not primary income) which is being used to qualify the loan must be verified.	<u>Self Employed</u> Stated Income (No Verification Required) - When the loan amount is less than \$4,000 - Or any loan amount if the FICO is greater than 680. - Or at the underwriter's discretion Income Verification Required - When the loan amount is greater than \$4,000 - And the FICO is less than 680 - Or at the underwriter's discretion - Most recent federal income tax return (first 2 pages of 1040) plus Schedule C if applicable. Rental income verified by lease or Schedule E from tax return. Note: Any "other" income (not primary income) which is being used to qualify the loan must be verified.
Debt To Income Ratio	
<u>Total Monthly Obligations</u> Any loan which has a remaining term of less than 6 months may be excluded from the calculation When revolving accounts do not show a minimum payments use the greater of 1% per month or \$10 Real Estate taxes and homeowners insurance (if not included in the mortgage payment) must be included in ratio	Total Monthly Obligations to Total Monthly Income All qualifying FICO scores - 50%

Note: An underwriter will make the final decision on qualification. In some cases you may meet all these requirements and still not qualify for this loan.