

<p>Identity of Interest Transactions</p>	<p>An Identity-of-Interest Transaction is a sale between parties with an existing Business Relationship or between Family Members.</p> <ul style="list-style-type: none"> ➤ Business Relationship refers to an association between individuals or companies entered into for commercial purposes. <p>Family Member is defined as follows, regardless of actual or perceived sexual orientation, gender identity, or legal marital status:</p> <ul style="list-style-type: none"> ➤ Child, Parent or Grandparent <ul style="list-style-type: none"> • A child is defined as a son, stepson, daughter or stepdaughter • A parent or grandparent includes a step-parent/grandparent or foster parent/grandparent ➤ Spouse or domestic partner ➤ Legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption ➤ Foster child ➤ Brother, Step-brother ➤ Sister, Step-sister ➤ Uncle or Aunt ➤ Son-in-law, daughter-in-law, father-in-law, brother-in-law or sister-in-law or the borrower ➤ Note – “Cousins” are not considered family members for this definition <p>Identity of Interest transactions may result in a reduced maximum loan-to-value limitation.</p> <p><u>Maximum LTV for Identity-of-Interest and Tenant/Landlord Transactions</u></p> <ul style="list-style-type: none"> ➤ The maximum LTV percentage for Identity-of-Interest transactions on Principal Residences is restricted to 85 percent. ➤ The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of contract execution is restricted to 85 percent. ➤ Exceptions to the Maximum LTV of 85 percent maximum LTV restriction does not apply for Identity-of-Interest transactions under the following circumstances. <ul style="list-style-type: none"> • <u>Family Member Transactions</u> - The 85 percent LTV restriction may be exceeded if a Borrower purchases as their Principal Residence: <ul style="list-style-type: none"> ❖ the Principal Residence of another Family Member; or ❖ a Property owned by another Family Member in which the Borrower has been a tenant for at least six months immediately predating the sales contract. A lease or other written evidence to verify occupancy is required. • <u>Builder’s Employee Purchase</u> - The 85 percent LTV restriction may be exceeded if an employee of a builder, who is not a Family Member, purchases one of the builder’s new houses or models as a Principal Residence. • <u>Corporate Transfer</u> - The 85 percent LTV restriction may be exceeded if a corporation transfers an employee to another location, purchases the employee’s house, and sells the house to another employee.
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FHA Program (203b)

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- Tenant Purchase - The 85 percent LTV restriction may be exceeded if the current tenant purchases the Property where the tenant has rented the Property for at least six months immediately predating the sales contract. A lease or other written evidence to verify occupancy is required.
- Appraiser to provide a comparable rent schedule to verify current rent for the area. The rent payment must not be lower than market rent or this will be viewed as an inducement to purchase (applicable on all Identity of Interest transactions)