



DELEGATED SUBORDINATION GUIDELINES

ANY SUBORINATION REQUESTS NOT MEETING THESE GUIDELINES SHOULD BE SENT TO NFP FOR REVIEW USING THE SUBORINATION COVER SHEET

Max CLTV Ratio	<ul style="list-style-type: none">• 100% Combined-Loan-to-Value• On loans where the combined loan to value (CLTV) will exceed 100% and the second is a HELOC, the credit limit should be reduced to get the CLTV at no more than 100%. If the new first mortgage results in an LTV equal to, or greater than 100% then the HELOC limit should be reduced to zero (\$0.00) and the line should be closed to any further draws.
Closing Costs	<ul style="list-style-type: none">• Whether financed or paid outside of closing, cannot exceed 5% of the new first mortgage amount.
Cash Out	<ul style="list-style-type: none">• If cash out exceeds \$ 250, funds must be applied to the balance of the second mortgage
Second Mortgage Pay history	<ul style="list-style-type: none">• No mortgage delinquency exceeding 30 days
New 1st Mortgage	<ul style="list-style-type: none">• Cannot be interest only, reverse, negative amortization or privately held
Lien position	<ul style="list-style-type: none">• No encumbrances on the property except for the first and second mortgages – clouded title work will disqualify the subordination
Property Valuation Options	<ul style="list-style-type: none">• Appraisal (must be performed within 6 months of application date)• Automated Valuation Method (AVM)• Tax Assessment• Zillow
Title Search	<ul style="list-style-type: none">• Basic Title Search or last lien search required. (alternative title impairment products must be approved by NFP)
Debt ratio	<ul style="list-style-type: none">• Based on reported income from the borrower(s) application, the debt ratio can not exceed current guidelines.
Other Requirements	<ul style="list-style-type: none">• The new first mortgage payment must reflect a reasonable reduction compared to current first mortgage OR the loan term must be for a shorter period than what is presently remaining