

## **II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT**

### **A. Title II Insured Housing Programs Forward Mortgages**

#### **4. Underwriting the Borrower Using the TOTAL Mortgage Scorecard (TOTAL)**

---

##### **(2) Standard**

The Mortgagee may consider Private Savings Club funds that are distributed to and received by the Borrower as an acceptable source of funds.

The Mortgagee must verify and document the establishment and duration of the club, and the Borrower's receipt of funds from the club. The Mortgagee must also determine that the received funds were reasonably accumulated, and not borrowed.

##### **(3) Required Documentation**

The Mortgagee must obtain the club's account ledgers and receipts, and a verification from the club treasurer that the club is still active.

#### **(F) Gifts (Personal and Equity) (TOTAL)**

##### **(1) Definition**

Gifts refer to the contributions of cash or equity with no expectation of repayment.

##### **(2) Standards for Gifts**

###### **(a) Acceptable Sources of Gifts Funds**

###### **Gifts may be provided by:**

- the Borrower's Family Member;
- the Borrower's employer or labor union;
- a close friend with a clearly defined and documented interest in the Borrower;
- a charitable organization;
- a governmental agency or public Entity that has a program providing homeownership assistance to:
  - low or moderate income families; or
  - first-time homebuyers.

Any gift of the Borrower's MRI must also comply with the additional requirements set forth in [Source Requirements for the Borrower's MRI](#).

###### **(b) Donor's Source of Funds**

Cash on Hand is not an acceptable source of donor gift funds.