



LAIKA

Earned Equity Program (EEP)



WHOLESALE BROKER SUBMISSION GUIDE

Everything you need to submit a complete file — the first time.

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Welcome to Laika

This guide tells you exactly what to submit, at every stage, for a Laika EEP file — so your files move through clean the first time and you spend less time chasing paperwork with your buyers and their agents.

Quick Facts

- Laika lets buyers who don't qualify for a traditional mortgage move into a home now and build equity toward ownership over time.
- The home is purchased through an FHA-insured loan by Tule River Homebuyer Earned Equity Agency (TRHEEA), a governmental entity. Your client is not the FHA borrower.
- Your client occupies the home under a Homeownership Agreement, pays all closing costs and a monthly payment, and earns equity and appreciation as long as payments are made as agreed.
- Loan type: FHA 203(b), 30-year fixed, purchase only, 1–2 unit primary residences.
- Minimum down payment: 3.5%. Minimum credit score: 580.
- Qualification based on a 40 Year Term (480 months)

Eligibility at a Glance

Category	Minimum / Requirement
Minimum Credit Score	Tri-merged credit report with a minimum qualifying score of 580. The report must show 2 active tradelines with a 24-month history. If standard tradelines are unavailable, 2 approved alternative tradelines with a 24-month history may be used (major utility, cell phone, cable, or medical). If neither can be met, document 24 months of verified housing history and 3 months of verified reserves.
Maximum DTI	Maximum 50%. Any exception is subject to the one-exception-per-loan policy and requires at least 2 months of reserves unless a higher reserve requirement applies.
Minimum Down Payment	3.5% of purchase price (Minimum Required Investment).
Housing History	Tier 1: 12 months documented housing payments by formal VOR, 580 score, and 2 months reserves. Tier 2: no documented 12-month housing history, 640 score, and 3 months reserves. Tier 3: prior primary residence owned free and clear—exempt from these housing history and reserve restrictions.
Eligible Borrowers	U.S. citizens; lawful permanent residents; ITIN/non-permanent residents case-by-case; DACA eligible.
Eligible Properties	1–2 units: SFR, PUD, townhome, attached/detached, modular, manufactured (multi-wide only). Condos with FHA approval.
Ineligible Properties	3+ units, second homes, investment properties, co-ops, single-wide manufactured, age-restricted communities.
Total Out-of-Pocket (typical)	~8%–10% of purchase price, including down payment, closing costs, and program fees.

Submission checklist

This is the package that opens a Laika file. Send everything below together, in one submission.

☐ **Photo ID for every occupant borrower** — driver's license, resident alien card, or visa; plus ITIN documentation and Social Security card if available.

MIN REQUIREMENT: Name must match exactly across the ID, 1003, credit report, and income documents.

☐ **Initial 1003** — fully completed and signed by borrowers and broker — current address with years listed, employer info with years listed, income/asset/liability sections, declarations and demographics, and lender loan information pages.

MIN REQUIREMENT: If a gift is being used: signed and dated gift letter plus proof of deposit (check/wire/deposit evidence).

MIN REQUIREMENT: Proposed property section may reflect TBD if not yet under contract.

☐ **Credit Report** — dated within 90 days of submission.

MIN REQUIREMENT: Tri-merged credit report with a minimum qualifying score of 580.

MIN REQUIREMENT: The credit report must show at least two active tradelines with a 24-month history. Applicants below 580 or without a qualifying score are not eligible under the standard requirement.

If standard tradelines are unavailable, substitute two approved alternative tradelines with at least 24 months of history.

Approved sources are limited to major utility bills, cell phone bills, cable bills, and medical bills.

If the borrower cannot satisfy either tradeline requirement, eligibility may be established only with at least 24 months of verified housing history and three months of verified reserves.

LOEs required if: Any public records on the credit report; any credit inquiries within 90 days of the credit report date;

Any address mismatch between bank statements and the 1003.

☐ **Income Documentation** — matched to income type:

- W-2: Two most recent months of paystubs + most recent year's W-2 + written Verification of Employment. Applicants who are brand new to the workforce may qualify only if employed full-time on an hourly or salaried basis and provide a completed WVOE and two consecutive months of paystubs.
- Commission income for a borrower brand new to the workforce is reviewed case-by-case and requires a maximum DTI within the 43%–50% range, as determined by underwriting, plus two months of verified reserves.
- For ITIN borrowers using W-2 income: paystubs and W-2s may not reflect a third-party Social Security number. Provide the prior year's federal tax return, three months of bank statements showing consistent matching payroll deposits, and a formal Verification of Employment. If needed for qualification, net income may be grossed up by 125%. A documented exception may be considered with an LOE and use of the bank-statement-only option.
- 1099 / Independent Contractor: most recent year's tax return OR 3 months bank statements (business/personal); paystubs or a P&L if not paid via paystub.
- Self-Employed: most recent year's tax return with all schedules, or a Profit & Loss statement. When qualifying with a P&L, it should generally cover 12 months. A year-to-date P&L may be accepted at underwriter discretion with at least six months of history. The P&L must be audited or prepared by a qualified CPA or Enrolled Agent, and the most recent three months of bank statements are required to support reported cash flow.
- Bank Statements Only: 3 most recent months of complete bank statements (business/personal). Underwriters may require 6 or 12 months when risk layers are present, including DTI above 48%, a DTI exception request, payment shock above 225%, declining deposit averages, or discrepancies between the borrower's risk profile and reported income stability.
- Foreign Income: Stable two-year receipt history with reasonable expectation of continuance for at least three years; current active employment contract; formal employer letter confirming ongoing employment; signed U.S. federal tax returns for the most recent two years reflecting the foreign income (plus business returns if self-employed); recent paystubs/earnings statements; foreign tax returns and matching bank statements; proof of work authorization when applicable; and all figures converted to USD.

MIN REQUIREMENT: Maximum DTI is 50%. Payment shock is capped at 225%. Above 225% requires a minimum 640 score and either a maximum DTI within the 43%–50% range, as determined by underwriting, or at least 3 months of verified reserves. Borrowers who currently own their primary residence free and clear are exempt from the payment-shock policy. A maximum of one exception is permitted per loan and all exception requests require at least 2 months of reserves unless a higher amount applies; multiple exceptions may be reviewed case-by-case with 10% or more down.

- ☐ **2 Months Asset / Bank Statements** — most recent 2 statement periods, all pages, no strikethroughs, white-out, or alterations.

MIN REQUIREMENT: Minimum 3.5% down payment; funds must be verified, sourced, and liquid.

MIN REQUIREMENT: Address on the statement must match the 1003 — if it doesn't, include a signed and dated Letter of Explanation (LOE).

- ☐ **Verification of Rent (VOR)** — provide documentation based on the applicable housing-history tier.

MIN REQUIREMENT: Tier 1—formal VOR documenting the most recent 12 months of housing payments, minimum 580 score, and 2 months of reserves. Tier 2—if 12 months of housing payments cannot be documented, minimum 640 score and 3 months of reserves. Tier 3—borrowers who owned their previous primary residence free and clear are exempt from these housing-history and reserve restrictions. The separate no-tradeline fallback still requires 24 months of verified housing history and 3 months of reserves.

- ☐ **Signed Program Disclosures** — Consumer Disclosure (Earned Equity Program), Earned Equity Program Disclosure, Consumer Lease Application Authorization, Hazard & Renter's Insurance Disclosure, PUD Disclosure (if applicable), Earned Equity Program Home Property Inspection Acknowledgment/Attestation, new Property Inspection Disclosure, Utility Closing Form, and Home Inspection Cure Agreement — all signed and dated by every occupant borrower, as applicable.

- ☐ **Purchase Contract** —Purchase contract if already executed at the time of submission (an assignment to the contract under TULE River must be fully executed by the seller and the buyer). If not yet under contract, it will be done under TULE River, submit as soon as it's signed — don't hold the rest of the file waiting on it.

- ☐ **If your client currently owns a primary residence** — one of the following, plus a signed LOE justifying the need to move:

An executed lease on the departing residence, with proof of rent deposited to the client's account, OR A purchase contract showing the departing residence is currently pending sale, OR If retaining the departing residence as a rental: 3 months of reserves, the executed lease agreement, and proof of received rental income.

Preapproval

If you need an income review for pre approval please submit the following documentation:

- A completed Uniform Residential Loan Application (Form 1003) reflecting:
- A minimum two-year employment history.
- A two-year residential address history.
- A copy of the borrower's government-issued photo ID.
- Income documentation.
- Asset documentation.
- A copy of a tri-merged credit report.

Final / Closing Package

Once the file is preapproved and your buyer has a home under contract, this is what moves the file to the closing table.

☐ **Fully Executed Purchase Contract** — all pages, all addendums, and the seller's disclosure included.

☐ **Assignment & Amendment Addendum** — signed by Buyer and Seller.

MIN REQUIREMENT: Submit this immediately upon contract execution — nothing else (appraisal, title) can move forward on the file until this is fully signed.

☐ **Condominium / PUD Questionnaire** — top section completed on every file. If the property is in a condo, HOA, or PUD, complete the full form.

MIN REQUIREMENT: Include HOA bylaws and CC&Rs if the property is in an HOA.

☐ **Utility Closing Form** — completed by you or the buyer's agent — no signatures required.

☐ **Homeowners / Hazard Insurance Binder** — have your client's insurance agent bind coverage using the insured-party and mortgagee instructions we provide once the file reaches this stage.

MIN REQUIREMENT: HOI should be under **TULE River, reflecting Loan Number**. Do not let the agent default to standard owner-occupant naming — the policy must reflect the instructions we send, or closing will be delayed.

☐ **Home Inspection Report + Home Warranty Evidence** — required for all C2, C3, C4, and C5 properties. C1 new construction is exempt. A required home warranty must include a roof-leak provision.

MIN REQUIREMENT — DEFECTS: Major defects are unsafe or broken systems requiring evaluation and repair by a licensed professional, including gas/plumbing leaks, structural damage, electrical hazards, mold, or infestations. Minor defects do not affect safety or structure and may include cosmetic issues, sticky doors, worn trim, or minor appliance issues.

MIN REQUIREMENT — PRIOR-TO-CLOSING REPAIRS: No exceptions. Fully repair active health/safety hazards; smoke and carbon monoxide detectors not meeting local code; mold, unacceptable moisture, standing water, active water stains or roof leaks; major foundation or grading issues; visible wood damage; broken windows/door frames, damaged siding, severe masonry damage or large stucco cracks; termite damage; and dysfunctional private well or septic components.

MIN REQUIREMENT — ROOF: Homes older than 10 years require a certified 5-year roof certification. Damaged, curling, cupping, or missing shingles; cracks; holes; active leaks; and damaged or improper flashing must be fully repaired before closing.

MIN REQUIREMENT — ELECTRICAL: Repair visible wiring in bad condition; fully upgrade all knob-and-tube wiring; confirm service panels have adequate capacity, are serviceable, and show no overheated fuses or breakers; and correct or properly permit all electrical hazards and code violations before closing.

MIN REQUIREMENT: An executed HUD Form 92800.5b / Conditional Commitment is required before final approval. A desk review is not required. An AVM is not required on every appraisal, but may be ordered when due diligence indicates the value may be unsupported; additional comparable sales may be required based on the results.

MIN REQUIREMENT — PROPERTY TAXES: When FHA permits qualification using unassessed land value or without proposed assessments, either (A) obtain a buyer attestation, use a maximum DTI within the 43%–50% range, verify 3 months reserves, and document ability to repay; or (B) qualify using estimated future taxes based on the higher proposed fully assessed value and the applicable local mill/transfer rate.

MIN REQUIREMENT — HOMEOWNER-PROCURED HO-3: Permitted with the Homeownership Agreement and Maryland Land Installment Contract. Homebuyer-procured HO-3 policies are not eligible in Virginia.

☐ **Fraud Report** — industry-standard Fraud Report performed on the FHA mortgage/government-entity portion of the transaction in the name of Tule River Homebuyer Earned Equity Agency (TRHEEA).

MIN REQUIREMENT — POST-CLOSING REPAIRS: Only non-health-and-safety items that do not affect a system's main functionality and are not otherwise required prior to closing may be deferred, subject to underwriter approval. Eligible examples include minor door/window, HVAC/electrical, landscaping, fencing, localized pest-control, or cosmetic mold repairs. Deferred repairs must be completed within 6 months.

☐ **Proof of Repair Completion** — submit the applicable inspections, contractor estimates, final invoices, and before-and-after photos. If the homebuyer performs or pays for prior-to-closing repairs, document funds completely separate from the down payment, closing costs, and required reserves. For deferred repairs, document the homebuyer's financial ability to complete the work.

☐ **Preliminary Title Report should reflect TULE River Homebuyer Earned Equity Agency TRHEEA/ Title Commitment** — submit as soon as available from your title company.

MIN REQUIREMENT (TEXAS ONLY): All registered Texas EEP transactions are strictly required to use **Kapstone Title** (Kapstonetitle.com). Kapstone will manage the closing, documentation process, and the collection of funds on behalf of TRHEEA.

☐ **Step-3 Signings Scheduled (TEXAS ONLY)** — All step-3-post-closing-homebuyer-document signings must be scheduled prior to closing the FHA loan with TRHEEA. This is a strict pre-close condition for Texas files.

☐ **Updated Documentation (if closing is delayed)** — refreshed paystubs, VOE, bank statements, or credit report if any Stage 1/3 documents are approaching their expiration window.

☐ **Pest Inspection** — needed on all properties

☐ **Appraisal** — Ordered through the approved AMCs (Signature Valuation, Rapid Appraisal, Dart Appraisal, Valuation Services, Clear Capital) reflecting TULE River Homebuyer Earned Equity Agency and not the occupant participating in the EEP program. We order the FHA Case # and then give it to the Broker for them to order their own appraisal. We are on the email confirmation and status updates from the AMCs.

*Appraisal, title, HOI, and flood cert should all be in the name of TULE River Homebuyer Earned Equity Agency TRHEEA.

What We Handle From Here

- FHA case assignment, and final closing document preparation happen on our end once the items above are received.
- You'll be notified of your Clear to Close and final closing figures directly — no additional submission needed from you on those items.

Program Fees

Set correct cost expectations with your buyer early — this is the fastest way to avoid a fee surprise derailing a file at closing.

Fees You Control (Broker / Lender Side)	Limit
Total Origination / Section A Fees	Cannot exceed 3% of purchase price.
Discount Points	Must be bona fide to be excluded from the 3% cap; if not, they count against it.
Total Seller + Lender Credits (combined)	Cannot exceed 6% of purchase price.
Program Participation Fee	If charged, must be $\leq 1\%$ of the total FHA loan amount and disclosed to us for inclusion on the Homebuyer Cost Disclosure.

Fixed Program Fees (Charged to Homebuyer)	Amount
Program Fees	\$1,500
Program Management Fee	0.5% of the purchase amount.
Notary Fee (if applicable)	\$250.
HOA Service Fee (if applicable)	\$250.
Monthly Servicing Fee	0.50% of the FHA loan amount $\div$ 12, included in the monthly payment.

Typical total out-of-pocket for the buyer: 8%–10% of purchase price, covering the 3.5% down payment, closing costs, and the program fees above.

Eligibility Quick Reference

The full detail behind the Eligibility at a Glance summary. When in doubt, this page is the tie-breaker.

Topic	Detail
Credit Score	Tri-merged report; minimum qualifying score 580; 2 active standard tradelines with 24 months history, or 2 approved alternative tradelines with 24 months history. If neither is available, document 24 months housing history and 3 months reserves.
DTI	Maximum 50%. Payment shock is capped at 225%. Above 225% requires a 640 score plus either a maximum DTI within the 43%–50% range or 3 months reserves. Exception requests require at least 2 months reserves.
Bankruptcies	Chapter 7: eligible if discharged by closing. Chapter 13: eligible if discharged by closing, or filed at least 12 months of closing with evidence of 12 months of payments made.
Foreclosure / Deed-in-Lieu / Short Sale	Not eligible if less than 1 year prior to closing.
Down Payment	Minimum 3.5% of purchase price (Minimum Required Investment). Funds must be verified, sourced, and liquid.
Asset Documentation	2 most recent months of bank statements, all pages. Business bank statements and investment accounts may be eligible.
Gift Funds	Acceptable for funds to close. Gifts of equity are not permitted.
Housing History	Tier 1: 12 months formal VOR, 580 score, 2 months reserves. Tier 2: undocumented 12-month housing history, 640 score, 3 months reserves. Tier 3: previous primary residence free and clear—exempt. No-tradeline fallback requires 24 months housing history and 3 months reserves.
W-2 Income	Standard W-2 documentation applies. ITIN W-2 documents cannot reflect a third-party SSN; require VOE, 3 months matching payroll deposits, prior-year federal return, and allow 125% gross-up of net income if needed.
1099 / Self-Employed Income	Most recent year's tax return (all schedules) OR 3 months of bank statements, plus a P&L where applicable.
Bank-Statement-Only Income	Use 3-month average under standard rules. Underwriter may require 6 or 12 months for DTI above 48%, DTI exceptions, payment shock above 225%, declining deposits, or profile/income discrepancies.
Non-Occupant Borrowers	May be allowed; their income cannot be used as all qualifying income, and they must sign the Homeownership Agreement.
Additional Properties Owned	Requires underwriter approval. One retained departing residence allowed, with an LOE and either a lease + proof of rent deposit or a pending-sale contract.
Eligible Property Types	1–2 units: SFR, PUD, townhome, attached/detached, modular, manufactured (multi-wide). Condos allowed with FHA approval/spot approval.
Ineligible Property Types	3+ units, second homes, investment properties, co-ops, single-wide manufactured, and age-restricted communities.
Property Condition	C1–C5 may be eligible, but inspections are required for C2–C5; only C1 new construction is exempt. Major health/safety, structural, water/moisture, pest, utility, roof, and electrical

Topic	Detail
	defects must be repaired before closing. Homes older than 10 years require a certified 5-year roof certification.
Loan Terms	FHA 203(b), 30-year fixed rate, full amortization, purchase only.
Exceptions	Maximum one exception per loan; all requests require at least 2 months reserves unless a higher requirement applies. Multiple exceptions may be considered case-by-case with 10% or more down.
Appraisal Review	Executed HUD Form 92800.5b is required before final approval. Desk review is removed. AVM is discretionary when value support is questioned.
Fraud Report	Industry-standard report required on the FHA mortgage/government-entity portion in TRHEEA's name.
Property Taxes	For unassessed/proposed-tax scenarios, use the compensating-factor path (attestation, 43%–50% DTI range, 3 months reserves, documented ability to repay) or qualify using estimated future assessed taxes.
HO-3 Insurance	Homebuyer-procured HO-3 is allowed with the Homeownership Agreement and Maryland Land Installment Contract; not eligible in Virginia.

Questions & Contacts

Reach out before a file stalls — most delays are avoidable with one quick question.

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