

5. Non-Traditional Credit Report (NTMCR) Requirements, Continued

4155.1 1.C.5.f Guidelines for Determining That a Borrower Has Sufficient Credit References

In order for the underwriter to determine that a borrower has sufficient credit references to help evaluate bill paying habits, the credit history must

- include three credit references, including at least one from Group I (below), and
- exhaust all Group I references prior to considering Group II for eligibility purposes, as Group I is considered more indicative of a borrower's future payment performance.

The table below lists the Group I and Group II categories of credit references the underwriter can use to determine if a borrower has a sufficient credit history.

Group Number	Types of Credit References
Group I	<ul style="list-style-type: none"> • Rental housing payments (subject to independent verification if the borrower is a renter) • Utility company reference (if not included in the rental housing payment), including <ul style="list-style-type: none"> – gas – electricity – water – land-line home telephone service, and – cable TV. <p><i>Note:</i> If the borrower is renting from a family member, the lender should request independent documents to prove regularity of payments, such as cancelled checks.</p>

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Group Number	Types of Credit References
Group II	<ul style="list-style-type: none"> • Insurance premiums not payroll deducted (for example, medical, auto, life, renter’s insurance) • Payment to child care providers made to businesses that provide such services • School tuition • Retail stores credit cards (for example, from department, furniture, appliance stores, or specialty stores) • Rent-to-own (for example, furniture, appliances) • Payment of that part of medical bills not covered by insurance • Internet/cell phone services • A documented 12 month history of savings evidenced by regular deposits resulting in an increased balance to the account that <ul style="list-style-type: none"> – were made at least quarterly – were not payroll deducted, and – caused no insufficient funds (NSF) checks • Automobile leases • A personal loan from an individual with repayment terms in writing and supported by cancelled checks to document the payments

Note: Lenders must underwrite borrowers with no Group I trade references using the criteria set forth in

- [HUD 4155.1 4.C.3.b](#), and
- [HUD 4155.1 4.C.3.c](#).