

FHA 203 (b)

theNada

Transaction	FICO	Number of Units	Maximum LTV	Maximum CLTV
<b>Primary Residence – Owner Occupied</b>				
Purchase	680	1-2	96.50%	100%

**Upfront Mortgage Insurance Premium (UFMIP)**

All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.

**Mortgage Term of More Than 15 Years**

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	50	11 years
	> 90.00% but ≤ 95.00%	50	Mortgage term
	> 95.00%	55	Mortgage term
Greater than \$726,200	≤ 90.00%	70	11 years
	> 90.00% but ≤ 95.00%	70	Mortgage term
	> 95.00%	75	Mortgage term

**Mortgage Term of Less than or Equal to 15 Years**

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	15	11 years
	> 90.00%	40	Mortgage term
Greater than \$726,200	≤ 78.00%	15	11 years
	> 78.00% but ≤ 90.00%	40	11 years
	> 90.00%	65	Mortgage term

Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: <a href="https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1">https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1</a>
Loan Limits	<b>FHA Mortgage Limits</b> <ul style="list-style-type: none"> <li><a href="https://entp.hud.gov/idapp/html/hicostlook.cfm">https://entp.hud.gov/idapp/html/hicostlook.cfm</a></li> </ul>
Maximum Loan Amount	<ul style="list-style-type: none"> <li>Per FHA County Limits</li> </ul>
Minimum Loan Amount	<ul style="list-style-type: none"> <li>Minimum 1<sup>st</sup> Loan amount \$50,000</li> </ul>
4506 Transcripts	<ul style="list-style-type: none"> <li>Transcripts are required per income documentation type included in the loan file.</li> </ul>
AUS System	<ul style="list-style-type: none"> <li>DU or LPA</li> <li>Manual Underwrites OK, 45% max DTI</li> </ul>
Bankruptcy	All bankruptcies (7 & 13) must be discharged for 24 months preceding the case assignment date During this time, Borrower must have re-established good credit.
Borrower Eligibility	<ul style="list-style-type: none"> <li>No first-time homebuyer requirement.</li> <li>Borrower must occupy the residence as their primary residence within (60) days of closing).</li> <li>Borrowers may have ownership in other property at time of closing</li> <li>Non-occupant co-borrowers allowed</li> </ul>
Building on Own Land	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>The loan file must contain a clear compliance cert on both the 1<sup>st</sup> and 2<sup>nd</sup> mortgages</li> </ul>
Condominium	<ul style="list-style-type: none"> <li>Must be in an FHA HRAP approved project</li> <li>Manufactured homes located in Condominium projects – Not Allowed</li> </ul>
Credit Score	<ul style="list-style-type: none"> <li>Minimum credit score of 680</li> <li>Each borrower must have a minimum of one credit score.</li> </ul>
DACA Borrowers	<ul style="list-style-type: none"> <li>Allowed</li> </ul>
Deed Restrictions	<ul style="list-style-type: none"> <li>Age related restrictions only. All other deed restrictions are ineligible.</li> </ul>
DPA	DPA Amount: <ul style="list-style-type: none"> <li>Up to 3.5% of the Sales Price or Appraised Value (lesser of).</li> <li>Proceeds may be used for down payment and/or closing costs;</li> <li>10-year community second – 2% above the note rate</li> <li>No cash back to borrower</li> </ul>
DPA 2 <sup>nd</sup> Terms	<ul style="list-style-type: none"> <li>10 year Term;</li> <li>Note Rate is 2.0% greater than rate on 1st loan</li> <li>10 yr. fully amortizing loan</li> <li>Monthly payments required</li> <li>Second loan amounts must be rounded up to nearest dollar;</li> <li>No subordination allowed;</li> <li>The loan must conform to federal RESPA and Truth-in-lending laws in disclosing the terms of the Second Mortgage Late charge amount assessed if payment is not made within 15 days of the due date. The late charge amount is 5% or the maximum amount if a statutory limit is less than 5%</li> </ul>
DTI	<ul style="list-style-type: none"> <li>Per the AUS</li> </ul>
Escrow / Impounds	<ul style="list-style-type: none"> <li>Required: Waivers are not allowed.</li> </ul>
Escrow Holdbacks / Repair Escrows	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>
Gift Funds	<ul style="list-style-type: none"> <li>Cash on hand is not an acceptable source of donor gift funds.</li> </ul>
Geographic Restrictions	<ul style="list-style-type: none"> <li>Not available in the state of Washington or Massachusetts</li> <li>South Carolina <ul style="list-style-type: none"> <li>Minimum \$5,000 loan amount on the 2<sup>nd</sup> TD</li> </ul> </li> </ul>
Homebuyer Education	<ul style="list-style-type: none"> <li>At least one borrower must receive housing counseling from a Fannie/Freddie or HUD approved non-profit housing counseling agency</li> </ul> <p style="text-align: center;"><a href="https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm">https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm</a></p>

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<p><b>Identity-of-Interest Transactions</b></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"> <li>• The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%.</li> <li>• The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of sales contract execution is restricted to 85%.</li> </ul> <p>The 85% LTV restriction may be exceeded if the borrower purchases as their principal residence:</p> <ul style="list-style-type: none"> <li>• The principal residence of another family member; or</li> <li>• A property owned by a family member where the borrower has been a tenant for at least six months immediately predating the sales contract.</li> <li>• 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; or</li> <li>• The current tenant purchases the property where the tenant has rented the property for at least six months immediately predating the sales contract.</li> </ul>
<p><b>Income</b></p>	<ul style="list-style-type: none"> <li>• Follow agency guidelines.</li> </ul>
<p><b>Ineligible Programs</b></p>	<p>The following programs are not eligible:</p> <ul style="list-style-type: none"> <li>• 203(h) Disaster Victims</li> <li>• 203(k) Rehabilitation Program</li> <li>• 235 Refinance of Borrowers in Negative Equity Positions</li> <li>• 247 Hawaiian Homelands</li> <li>• 248 Indian Lands</li> <li>• Energy Efficient Mortgage Program (EEM)</li> <li>• FHA Assumption Program</li> <li>• Good Neighbor/Officer Next Door</li> <li>• Graduated Payment Program</li> <li>• Growing Equity Mortgages</li> <li>• Housing Authority Subsidies</li> <li>• Loans to Non-Profit Organizations</li> <li>• Short Refinances</li> </ul>
<p><b>Ineligible Properties</b></p>	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> <li>• Assisted Living Properties</li> <li>• Bed and Breakfast Establishments</li> <li>• Boarding Houses</li> <li>• Commercial Properties</li> <li>• Condos in litigation</li> <li>• Condotels, Motels or Hotels</li> <li>• Co-ops</li> <li>• Fraternity or Sorority Houses</li> <li>• Hawaii Properties in Lava Zones 1 and 2</li> <li>• Houseboats</li> <li>• Log or Dome Homes</li> <li>• Mobile Homes</li> <li>• Native American Indian Trust Lands</li> <li>• Newly Constructed Properties Located in Military Airfield Accident Prone Zone 1</li> <li>• Private Clubs</li> <li>• Properties with Condition/Quality Ratings of C5, C6, or Q6</li> <li>• Properties Contaminated by Methamphetamine Production or Use</li> <li>• Properties with More than One Accessory Dwelling</li> <li>• Properties Located within 75 Feet of an Operating/Proposed Gas or Oil Well</li> <li>• Properties Located within 10 Feet of a Pipeline Easement or High-Pressure Gas Line</li> <li>• Properties Located within 300 Feet of Above/Below Ground Stationary Storage Tanks Containing more than 1000 Gallons of Explosive/Flammable Fuel (Includes Gas Stations)</li> <li>• Properties Located in Coastal Barrier Resources Systems (CBRS)</li> </ul>

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	<ul style="list-style-type: none"> <li>• Properties that do not meet FHA MPR/MPS.</li> <li>• Timeshares</li> <li>• Vacation Homes</li> <li>• Working Farms and Ranches</li> </ul>
<b>Land Trusts</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Manufactured Homes</b>	<ul style="list-style-type: none"> <li>• Eligible – Doublewides only</li> </ul>
<b>Manual Underwriting</b>	<ul style="list-style-type: none"> <li>• Allowed</li> </ul>
<b>Mixed Use Properties</b>	<ul style="list-style-type: none"> <li>• Not allowed</li> </ul>
<b>Non-Occupant Co-Borrower</b>	<ul style="list-style-type: none"> <li>• 75% Maximum LTV unless the non-occupant co-borrower is a family member as defined by FHA</li> <li>• Rental income may not be used to qualify</li> <li>• The non-occupant co-borrower must take title to the property and sign the Note and deed of trust/mortgage</li> <li>• The non-occupant co-borrower must have a principal residence in the United States or be a U.S. citizen</li> </ul>
<b>Non-Traditional Credit</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Number of Borrowers</b>	<ul style="list-style-type: none"> <li>• There can be no more than 4 borrowers per loan</li> </ul>
<b>PACE (HERO) Programs</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Projected Income</b>	<ul style="list-style-type: none"> <li>• Not allowed</li> </ul>
<b>Sales Contracts</b>	<ul style="list-style-type: none"> <li>• Assigned Sales Contracts - Not Allowed</li> </ul>
<b>Section 8 Voucher</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Tax Returns</b>	<ul style="list-style-type: none"> <li>• Amended tax returns that increase the borrower's income – Not Allowed</li> <li>• When the tax return reflects monies are owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.</li> </ul>
<b>Temporary Buy Downs</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Texas 50(a)(6)</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Transaction Type</b>	<ul style="list-style-type: none"> <li>• Purchase only</li> </ul>
<b>Unpermitted Additions</b>	<p>Acceptable Unpermitted Property Additions:</p> <ul style="list-style-type: none"> <li>• The addition complies with all FHA guidelines</li> <li>• The addition does not result in a change in the number of units</li> <li>• The appraiser has no reason to believe the addition would not pass inspection for a permit.</li> </ul>