

**PRODUCT GUIDELINES
FHA STREAMLINE**



NON CREDIT QUALIFYING WITHOUT APPRAISAL, STANDARD & HIGH BALANCE, FIXED & ARM							
Occupancy	Maximum LTV/CLTV	# of Units	MAX Base Loan*	High Balance MIN Base*	Min FICO	Max Ratios	Mortgage History**
Primary	125%	1 UNIT	417,000	417,001	640 Standard & High Balance	N/A	No Lates
		2 UNITS	533,850	533,851			
		3 UNITS	645,300	645,301			
		4 UNITS	801,950	801,951			
Non- Owner	125%	1 UNIT	417,000	417,001	640 Standard & High Balance	N/A	No Lates
		2 UNITS	533,850	533,851			
		3 UNITS	645,300	645,301			
		4 UNITS	801,950	801,951			

*Subject to HUD maximum in area

**Tri merge credit report with mortgage rating only

CREDIT QUALIFYING WITH & WITHOUT APPRAISAL, STANDARD & HIGH BALANCE, FIXED & ARM							
Occupancy	Maximum LTV/CLTV	# of Units	MAX Base Loan*	High Balance MIN Base*	Min FICO	Max Ratios	Mortgage History**
Primary	Without appraisal, AVM	1 UNIT	417,000	417,001	640 Standard & High Balance	Max DTI 50%	No Lates
		2 UNITS	533,850	533,851			
		3 UNITS	645,300	645,301			
		4 UNITS	801,950	801,951			
Non- Owner	AVM	1 UNIT	417,000	417,001	640 Standard & High Balance	Max DTI 50%	No Lates
		2 UNITS	533,850	533,851			
		3 UNITS	645,300	645,301			
		4 UNITS	801,950	801,951			

*Subject to HUD maximum in area

**May exceed with comp factors. Verify your County limits.

Underwriting Guidelines Requirements	
Loan Limits Exceeding Current Statutory Loan Limits	
Without Appraisal	Credit Qualifying With Appraisal
<p>THE LOAN AMOUNT MAY EXCEED THE CURRENT STATUTORY LOAN LIMITS IF THE NEW MORTGAGE COMPLIES WITH STANDARD PRODUCT GUIDELINES AND ALL THE FOLLOWING REQUIREMENTS:</p> <p>1) The maximum loan amount (including financed UFMIP) of the new FHA insured mortgage, must not exceed the original principal amount of the existing FHA insured mortgage. Closing costs, prepaid expenses, discounts points and escrow shortages may not be financed into the new loan. The borrower shall provide verified assets to cover the costs that exceed the allowable maximum loan amount.</p> <p>2) The new FHA insured mortgage may not have a term of more than 12 years in excess of the existing FHA insured mortgage. NOTE: if original term was 15 years, new term is the lesser of 30 yrs. or the unexpired term plus 12 yrs.</p> <p>3) The monthly PI & MI payment due under the new FHA insured mortgage is less than the PI & MI payment that is due under the existing FHA insured mortgage. Borrowers must meet Net Tangible Benefit = to 5% reduction in payment based on above payment calculation.</p> <p>TOTAL NEW MORTGAGE AMOUNT MAY NOT EXCEED ORIGINAL LOAN AMOUNT OF CURRENT MORTGAGE IF ABOVE CURRENT STATUTORY LIMIT. BASE + MIP</p>	<p>THE LOAN AMOUNT MAY EXCEED THE CURRENT STATUTORY LOAN LIMITS IF THE NEW MORTGAGE COMPLIES WITH STANDARD PRODUCT GUIDELINES AND ALL OF THE FOLLOWING REQUIREMENTS:</p> <p>1) The maximum loan amount (including financed UFMIP) of the new FHA insured mortgage, including all fees, closing costs, mortgage insurance premiums (MIP), interest, etc, must not exceed the original principal amount of the existing FHA insured mortgage. Should the maximum loan amount be insufficient to cover allowable interest, MIP, closing costs, fees, etc., the borrower shall provide verified assets to cover the costs that exceed the allowable maximum loan amount.</p> <p>2) The new FHA insured mortgage may not have a term of more than 12 years in excess of the existing FHA insured mortgage</p> <p>3) The monthly PI & MI payment due under the new FHA insured mortgage is less than the PI & MI payment that is due under the existing FHA insured mortgage. Borrowers must meet Net Tangible Benefit = to 5% reduction in payment based on above payment calculation.</p> <p>TOTAL NEW MORTGAGE AMOUNT MAY NOT EXCEED ORIGINAL LOAN AMOUNT OF CURRENT MORTGAGE IF ABOVE CURRENT STATUTORY LOAN LIMIT. BASE + MIP</p>

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Maximum Loan Term and Mortgage	
Maximum Loan Term	30 years or the remaining term of the existing Mortgage plus 12 years.
Maximum Mortgage without Appraisal (Credit & Non Credit Qualifying)	Cannot exceed the outstanding principal balance minus the applicable refund of UFMIP plus the new UFMIP. Outstanding Principal Balance may include interest charged by existing lender when the payoff is not received on the first day of the month but may not include delinquent interest, late charges or escrow shortages.
Maximum Mortgage with Appraisal (Credit qualifying only)	The outstanding principal balance minus the applicable refund of UFMIP plus closing costs, prepaid items to establish the escrow account and the new UFMIP. *discount points, delinquent interest, late charges or escrow shortages may not be included REFER TO FHA MAXIMUM MORTGAGE CALCULATION WORKSHEET
Credit	
Credit Documentation	Manual underwriting only, do not run AUS/Total Scorecard. Evidence of valid Social Security Number is required on all loans. Evidence of Refinance Authorization data and new case number assignment must be obtained from FHA Connection. Title Report to verify at least one borrower is listed as owner. CAIVRS is not required. Norcom to review all parties for LDP and GSA exclusion lists.
Credit Report	
Credit Qualifying	Traditional Credit Only. Minimum 2 FICO Scores per borrower.
Non-Credit Qualifying	A tri-merge credit report is required to solely validate the FICO Score. A tri-merge credit report reflecting only the fico score and a 12 month mortgage history is required. If the credit report reflects a bankruptcy, pre-foreclosure/foreclosure, or short sale, standard FHA credit requirements apply.
Mortgage Rating	If existing loan is seasoned 12 months or more: 1) Evidence that the existing loan has not had any 30 day lates in the past 12 months If existing loan is seasoned less than 12 months: 1) At least 6 payments made, and 2) All payments made on time.
Payoff Statements	Current payoff statements for all liens to be satisfied must be provided. Mortgage payments must be current and paid within the month due .
Funds Required to Close	Funds must be sourced and seasoned with 2 months consecutive bank statements.
Credit Qualifying Steamline	Borrower's income must be verified. Borrower's credit report must be obtained and all debts verified. Debt-to-income ratios must be computed. If assets are needed to close, funds must be verified and determined acceptable in accordance with FHA Standards. Closing costs may be financed into the new mortgage on credit qualifying loans with appraisal only. Credit qualifying streamline refinance must be considered when: 1) A change in the mortgage term will result in an increase in the mortgage payment of more than 20% 2) A deletion of a borrower or borrowers will trigger the due-on-sale clause 3) Follows the assumption of a mortgage that occurred less than 6 months previously, and does not contain restrictions limiting assumption only to a creditworthy borrower OR 4) Follows the assumption of a mortgage that occurred less than 6 months previously and did not trigger the transferability restriction such as in a divorce decree or by devise or descent.

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Credit (continued)	
Non-Credit Qualifying Streamline	<p>Borrower's income is not verified. 1003 MUST NOT include income in Section V or the REO schedule Section VI. Income documentation is not required and the loan file CANNOT contain paystubs, W-2, tax returns, etc. In the event the initial 1003 reveals income or the loan file documentation contains evidence of the borrower's current income, the loan must be converted to a credit qualifying streamline and qualifying ratios will be computed.</p> <p>Evidence of a valid Social Security Number must be confirmed without providing income documentation. If assets are needed to close, funds must be verified and determined acceptable. A current 30-day bank statement reflecting beginning and ending balances is acceptable. The bank statement must meet standard requirements. All large deposits and/or questionable deposits need to be sourced and seasoned. Closing costs may not be financed into the new mortgage on Non-Credit Qualifying streamlines.</p> <p>Neither Form 4506T / Modelo SC 2907 or Tax Return Transcripts are required on non-credit qualifying streamlines.</p>
Adding borrower	<p>Individuals may NOT be added to the loan; must be credit qualifying only. However, individuals may be added to the title on a streamline refinance without creditworthiness review and without triggering the due on sale clause.</p>
Deleting borrower	<p>Individuals may NOT be removed from the loan; must be credit qualifying only. However, individuals may be deleted from title on a streamline refinance only when:</p> <ol style="list-style-type: none"> 1) An assumption of a mortgage not containing a due on sale clause occurred more than 6 months previously, and 2) The assumption can document that he/she has made the mortgage payments during this interim period, OR 3) Following the assumption of a mortgage in which the: <ol style="list-style-type: none"> a. Due-on-Sale Clause was not triggered, such as in a transfer due to a divorce decree or by devis or descent b. Assumption or quit-claim of interest occurred more than 6 months previously, and c. Remaining owner-occupant can demonstrate that he/she has made the mortgage payments during this period.
Net Tangible Benefit	
FROM:	TO: FIXED RATE
Fixed Rate	Payment reduction of at least 5% of P&I plus MIP
One-Year ARM	New rate no greater than 2% above the current ARM rate
Hybrid ARM/Fixed Period	Payment reduction of at least 5% of P&I plus MIP
Hybrid ARM/NonFixed Period	New rate no greater than 2% above the current ARM rate

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General	
Appraisal Requirements for Streamlines with Appraisal	<p>A new appraisal is always required. When appraisal is ordered, inform appraisal vendor/appraiser that the loan is a FHA Streamline Refinance.</p> <p>No repairs required unless health and safety or lead based paint related. Any necessary repairs must be completed prior to closing.</p> <p>No termite certification is required unless appraiser notes a problem and related repairs are considered health and safety issues.</p> <p>If an appraisal is ordered but the borrower decides to proceed with a streamline without an appraisal, the appraisal may be voided.</p> <p>If it is determined that it is in the best interest of the borrower not to use the appraisal due to declining value, the Case Number must be updated in FHA Connection to reflect Streamline without an appraisal and the underwriter must notate this decision on the HUD 92900LT.</p> <p>*State specifics, for States that require an appraisal, follow appraisal requirements for that State.</p> <p>HPML loans may require second appraisal.</p>
Loan Types	<p>A transaction for the purpose of reducing the mortgage term must be underwritten and closed as a rate and term (no-cash-out refinance) and is not eligible for streamline.</p> <p>An existing 203(k) rehabilitation mortgage may be refinanced into a 203(b) after all work is complete and the previous lender has completed the 203(k) closeout process in FHAC.</p> <p>203(B) ONLY, 203(k) streamline is not eligible.</p>
Maximum Cash	Minor adjustment at closing not to exceed \$500 cash back.
Occupancy	<p>Investment or secondary residences may be only made without an appraisal.</p> <p>Investment properties may only be refinanced for the outstanding principal balance and may not exceed county limits.</p>
Seasoning	<p>On the date of FHA Case Number Assignment:</p> <ol style="list-style-type: none"> 1) The borrower must have made at least 6 payments on the FHA insured mortgage being refinanced 2) At least 6 full months must have passed since the first payment due date of the refinanced mortgage, and 3) At least 210 days must have passed from the closing date of the mortgage being refinanced.
Eligible Property Types Eligible Condos	<p>1-4 units, PUD's, Condos</p> <p>Condo Projects withdrawn from FHA's approved list or projects that no longer meet 51% occupancy requirement may only be done without an appraisal.</p> <p>All condo's must be on FHA approved list and meet guidelines as determined by the loan level certification for individual unit financing procedures, HRAP and DELRAP.</p> <p>If the condo is not approved, the loan is only eligible for Streamline Refinanced without appraisal options.</p>
Ineligible Properties	CO-OPS, Mobile Homes, Commercial or Industrial Zoned, Mixed Use, Working Farms, Properties located within designated Coastal Barrier Resource System (CBRS). Construction to Permanent, Land Contracts.
Recent MLS Activity/ Properties Listed for Sale	Property cannot be listed for sale at time of application. Underwriter to validate no MLS activity on all streamlines without appraisal. Borrower to provide letter of explanation for all MLS activity within 6 months of application date and provide letter confirming intent to retain property as primary residence.
Eligible Borrowers	<p>Permanent Resident & Non-Permanent Resident</p> <p>Ineligible: Loans to non-profit organization borrowers.</p>
Qualifying Fixed Products	Qualify at Note Rate
Qualifying ARM Products	<p>Qualify at Note Rate</p> <p>Fully Indexed Rate = Index + Margin rounded to the nearest 1/8th percent</p> <ol style="list-style-type: none"> 1) Index = Wall Street Journal 1-Year CMT 2) Margin = 2% 3) Terms available = 5/1 Treasury ARM 4) Caps (initial/periodic/lifetime) = 1/1/5

