

Maximum LTV						Refinance						Guidelines							
For Case Number Assignments on or after 1/1/2009						No Cash Out Refinance:						Eligibility							
Purchase		No Cash Out Refinance		Cash Out Refinance		Max. loan amount is the lesser of the LTV in the Max. LTV table or existing debt calculation as described below:						• US Citizens, Inter vivos revocable trusts, Permanent and Non-Permanent Resident Aliens, Non-Occupant Co-Borrowers.							
96.50%		97.75%		85%		To calculate existing debt, add together the amount of the applicable items listed below, any UFMIP refund must be subtracted from the total:						• Owner Occupied Only. (exception available for streamline refinance).							
Streamline Refinance: New loan amount may not exceed the sum of outstanding principal balance and new UFMIP.						<ul style="list-style-type: none"> Existing 1st lien, any purchase money 2nd lien, any junior liens over 12 mos. old, borrower paid closing costs, prepaid expenses, borrower paid repairs required by the appraisal, discount points Other fees acceptable by the appropriate Homeownership Center (HOC) Max 1 X 30 with AUS approval only. The mortgage must be paid current for the month the loan is closing. Prepaid expenses may include per diem interest, hazard/mortgage insurance, and real estate tax deposits needed to establish the escrow account. If the property was acquired less than one year before the loan application and is not already FHA-insured, the original sales price of the property (rather than appraised value) must be used in determining the maximum mortgage. 						Documentation <ul style="list-style-type: none"> All borrowers must have valid social security number. All borrowers must have at least one valid credit score. Borrowers using non-traditional credit are not allowed. A completed and signed 4506-T is required for all borrowers on all loans. The 4506-T form will be processed for all TPO loans. 							
FHA Mortgage Limits						Cash Out Refinance:						DTI Ratios							
Region	1 Unit	2 Units	3 Units	4 Units	Value Determination: If the subject property has been the borrower's principal residence owned for:						• Manual underwriting: 31/43%								
Low Cost Areas	\$271,050	\$347,000	\$419,400	\$521,250	<ul style="list-style-type: none"> > 12 mos: Use current appraised value. < 12 mos: Use lesser of current appraised value or the sales price when the property was acquired. 						• Ratios may be exceeded only when significant compensating factors exist.								
High Cost Areas	\$625,500	\$800,775	\$967,950	\$1,202,925	• Borrowers whose loans are delinquent or in arrears are not eligible.						• AUS: 45 / 55 Conforming; 45/50 High Balance								
Alaska & Hawaii	\$938,250	\$1,201,150	\$1,451,925	\$1,804,375	<ul style="list-style-type: none"> Existing subordinate financing may remain in place (max 97.75% CLTV) if the borrower qualifies with payments on all liens. (\$500 cash back is allowed for minor adjustments in estimated vs. final closing costs) If any portion of a line of credit in excess of \$1000 was advanced within the past 12 months and was for purposes other than repairs and rehab of the property, the line of credit would not be eligible for inclusion in the new mortgage. 						Underwriting Method <ul style="list-style-type: none"> All loans (except streamline refinances) must be decided through FHA TOTAL scorecard by DU/LP. "Refer" decisions may be eligible for manual underwriting. 								
A complete schedule of FHA mortgage limits for all areas is available at: https://entp.hud.gov/idapp/html/hicostlook.cfm						<ul style="list-style-type: none"> New subordinate financing: max. 85% CLTV Co-borrowers or co-signers added to the note or currently on the note must occupy the property securing the new FHA-insured mortgage. Non-occupant co-borrowers or co-signers may not be added to the note to meet credit underwriting guidelines. Properties owned free and clear may be financed as cash-out transactions. 						Credit Score Requirements <ul style="list-style-type: none"> Minimum 640 credit score required, regardless of any AUS decision. A credit report will only be used to validate the credit score for non-credit qualifying streamline refinance loans. 							
Upfront and Annual MIP						Streamline Refinance:						Appraisal Requirements							
For case numbers assigned on or after April 18, 2011						Designed to lower the monthly payments on a current FHA-insured mortgage.						All appraisals must be completed by HUD-approved appraisers							
Greater than 15 year terms			15 year or less terms			Must result in an immediate payment reduction to the borrower.						A 2nd appraisal will be required if:							
LTV	UFMIP	Annual	LTV	UFMIP	Annual	Cash back not allowed, except for minor adjustments at closing, not to exceed \$500.						• The re-sale date of a property is between 91 and 180 days following the acquisition of the property by the seller, AND							
> 95%	1.00%	1.15%	> 90%	1.00%	0.50%	Existing subordinate financing may remain in place if CLTV is 125% or less						• The resale price is 100 percent or more over the price paid by the seller when the property was acquired, OR							
≤ 95%	1.00%	1.10%	≤ 90%	1.00%	0.25%	Mortgage history must reflect 0x30x12 or 1x30x12 if >= 12 months (0 x 30 required 3 mos prior to application)						• The resale price is over 20 percent of the price paid by the seller when the property was acquired less than 90 days							
For case numbers assigned October 4, 2010 - April 17, 2011						At application, borrower must have made at least 6 monthly payments on the mortgage being refinanced.													
Greater than 15 year terms			15 year or less terms			A Net Tangible Benefit determination is required for all loans.													
LTV	UFMIP	Annual	LTV	UFMIP	Annual	Streamline Refinance WITHOUT an Appraisal: The maximum insurable mortgage may not exceed the Outstanding principal balance minus the applicable refund of the UFMIP plus the new UFMIP that will be charged.													
> 95%	1.00%	0.90%	> 90%	1.00%	0.25%	Streamline Refinance WITH an Appraisal: Only available with CREDIT QUALIFYING													
≤ 95%	1.00%	0.85%	≤ 90%	1.00%	0.00%														
Loan Program Names and Terms																			
Fixed Rate Programs		Terms		ARM Programs		Terms													
15 YR		10, 15 yrs		ARM 3/1		30 yrs													
30 YR		20, 25, 30 yrs		ARM 5/1		30 yrs													
Additional information: http://www.FHA.gov http://www.hudclips.org http://www.hud.gov/groups/lenders.cfm																			