

Primary Residence			
Purchase Transactions			
Property Type	Maximum Base Loan Amount <sup>1</sup>	Minimum Credit Score <sup>2</sup>	Maximum LTV/CLTV
1-4 Units	<a href="#">FHA Mortgage Limits</a>	620	96.5%
Rate / Term Refinance Transactions			
Property Type	Maximum Base Loan Amount <sup>1</sup>	Minimum Credit Score <sup>2</sup>	Maximum LTV/CLTV
1-4 Units	<a href="#">FHA Mortgage Limits</a>	620	97.75%
Footnotes			
<b><sup>1</sup>Maximum Base Loan Amount</b>	<ul style="list-style-type: none"> <li>Refer to maximum base loan amount section below for additional calculation requirements</li> </ul>		
	Purchase and Rate & Term		
<b><sup>2</sup> Minimum Credit Score Restriction</b>	620	640	680
	<ul style="list-style-type: none"> <li>Maximum 50% DTI, AUS Approval</li> <li>No Gift Funds</li> <li>Ineligible for manual underwrite</li> </ul>	<ul style="list-style-type: none"> <li>If using gift funds:                             <ul style="list-style-type: none"> <li>Maximum 45% DTI, AUS Approval</li> <li>Ineligible for manual underwrite</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Manual underwrite requires:                             <ul style="list-style-type: none"> <li>Maximum 43% DTI</li> <li>Compensating factors are not allowed to offset credit score or DTI restrictions</li> </ul> </li> </ul>

Mortgage Insurance Premiums					
Upfront Mortgage Insurance Premium (UFMIP)					
<ul style="list-style-type: none"> <li>The UFMIP is 1.75% of the base loan amount</li> <li>The UFMIP must be 100% financed into the mortgage or paid entirely by cash; partial financing is not allowed</li> <li>The LTV is calculated using the base loan amount prior to financing UFMIP</li> </ul>					
Annual Mortgage Insurance Premium (MIP)					
> 15-Year Term Base Loan Amount ≤ \$625,500			≤ 15-Year term Base Loan Amount ≤ \$625,500		
LTV	Annual MIP (%)	Duration	LTV	Annual MIP (%)	Duration
≤ 90.00%	0.80	11 Years	≤ 90.00%	0.45	11 Years
> 90.00% ≤ 95.00%	0.80	Mortgage Term	> 90.00%	0.70	Mortgage Term
> 95.00%	0.85	Mortgage Term			
> 15-Year term Base Loan Amount > \$625,500			≤ 15-Year term Base Loan Amount > \$625,500		
LTV	Annual MIP (%)	Duration	LTV	Annual MIP (%)	Duration
≤ 90.00%	1.00	11 Years	≤ 78.00%	0.45	11 Years
> 90.00% ≤ 95.00%	1.00	Mortgage Term	> 78.00% ≤ 90.00%	0.70	11 Years
> 95.00%	1.05	Mortgage Term	> 90.00%	0.95	Mortgage Term

<b>Maximum Base Loan Amount</b>	<p><b>Purchase transaction is the lesser of:</b></p> <ul style="list-style-type: none"> <li>The appropriate LTV ratio multiplied by the lesser of:                             <ul style="list-style-type: none"> <li>The adjusted As-Is value plus:                                     <ul style="list-style-type: none"> <li>Financeable Repair and Improvement Costs for Standard or Limited 203(k)</li> <li>Financeable Mortgage Fees for Standard or Limited 203(k)</li> <li>Financeable Contingency Reserves for Standard or Limited 203(k) and</li> <li>Financeable Mortgage Payment Reserves for Standard 203(k) or</li> </ul> </li> <li>110% of the After Improved Value (100% for condos) or</li> </ul> </li> <li>The FHA Mortgage Limit</li> </ul>
	<p><b>Refinance transaction is the lesser of:</b></p> <ul style="list-style-type: none"> <li>The existing debt and fees associated with the new mortgage plus:                             <ul style="list-style-type: none"> <li>Financeable Repair and Improvement Costs for Standard or Limited 203(k)</li> <li>Financeable Mortgage Fees for Standard or Limited 203(k)</li> <li>Financeable Contingency Reserves for Standard or Limited 203(k) and</li> <li>Financeable Mortgage Payment Reserves for Standard 203(k) only or</li> </ul> </li> <li>97.75% LTV multiplied by the lesser of:                             <ul style="list-style-type: none"> <li>Adjusted As-Is Value plus:                                     <ul style="list-style-type: none"> <li>Financeable Repair and Improvement Costs for Standard or Limited 203(k)</li> <li>Financeable Mortgage Fees for Standard or Limited 203(k)</li> <li>Financeable Contingency Reserves for Standard or Limited 203(k) and</li> <li>Financeable Mortgage Payment Reserves for Standard 203(k) only or</li> </ul> </li> <li>110% of the After Improved Value (100% for condos) or</li> </ul> </li> <li>The FHA Mortgage Limit</li> </ul>



	<b>Note:</b> Allowable Financeable Repair and Improvement Costs and Fees can be found in the FHAC 203k Calculator (or <a href="#">public version</a> ) or <a href="#">FHA step by step guide</a>	
<b>FHA Lending Resource</b>	<ul style="list-style-type: none"> <li>All loans must be underwritten to the standards contained within this matrix and <a href="#">the loanDepot Wholesale Underwriting Guidelines</a></li> <li>Refer to <a href="#">FHA Fixed/ARM</a> Matrix for additional basic 203(b) credit, borrower eligibility, etc. guidelines</li> <li>Any guidance published on this matrix supersedes any guidance referenced within the Wholesale Underwriting Guidelines</li> <li>If guidance is not provided on this matrix or within the Lending Guide, please refer to the <a href="#">FHA Handbook 4000.1</a></li> </ul>	
<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>Energy Efficient Mortgage</li> <li>Down Payment Assistance programs</li> </ul>	
<b>Minimum Loan Amount</b>	<ul style="list-style-type: none"> <li>\$60,000</li> </ul>	
<b>AUS Requirements</b>	<ul style="list-style-type: none"> <li>All loans must be submitted through TOTAL Scorecard (AUS)</li> <li>Manual underwriting is allowed</li> </ul>	
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>All appraisals must be completed by HUD Roster appraiser</li> <li>Appraiser must review the Consultant's Work Write Up (Standard) or work plan with contractor's proposal (Limited) and the Cost Estimates</li> <li>When appraisal identifies health/safety repairs not included on the consultant's work write-up, borrower's work plan, or contractor's proposal, the repairs must be included in the consultant's final work plan or borrower's final work plan</li> <li>After Improved Value is determined by obtaining an appraisal subject to all repairs and improvements</li> <li>Adjusted As-Is Value                             <ul style="list-style-type: none"> <li>Purchase transaction is the lesser of:                                     <ul style="list-style-type: none"> <li>Purchase price less inducement to purchase or</li> <li>As-Is appraisal if obtained (required for flip transactions)</li> </ul> </li> <li>Refinance when property is owned ≥ 12 months prior to case assignment                                     <ul style="list-style-type: none"> <li>As Is appraisal required when existing debt<sup>1</sup> plus allowable financed costs, fees, and reserves<sup>2</sup> exceed After Improved Value</li> <li>As Is appraisal is not required when existing debt plus allowable financed Costs, Fees, and Reserves do not exceed After Improved Value; If As Is appraisal is obtained, it must be used to determine As Is value</li> </ul> </li> <li>Refinance when property is owned &lt; 12 months prior to case assignment                                     <ul style="list-style-type: none"> <li>Require As Is appraisal; Exception if inheritance or gift from family member</li> </ul> </li> </ul> </li> </ul> <p><sup>1</sup>Existing debt is the sum of the unpaid principal balance of the 1st mortgage, purchase money or seasoned junior mortgage(s), interest due, mortgage insurance due, prepayment penalty, late charges and escrow shortages</p> <p><sup>2</sup>Allowable financed costs, fees, and reserves are Financeable Repairs and Improvement Costs; Mortgage Fees, Contingency Reserves and Mortgage Payment Reserves (Standard only)</p>	
<b>Property Types</b>	<b>Eligible</b>	<b>Ineligible</b>
	<ul style="list-style-type: none"> <li>SFR/PUD (detached/attached)</li> <li>FHA <a href="#">Approved Condo</a> (low/high rise)<sup>1</sup></li> <li>2 unit properties</li> <li>3-4 unit properties<sup>2</sup></li> </ul> <p><sup>1</sup>Condominium Restrictions:</p> <ul style="list-style-type: none"> <li>Rehabilitation limited to interior repairs/improvements and attic firewall</li> <li>Maximum 5 units or 25% of all units in project eligible</li> <li>Maximum 4 units per structure (townhouse style considered one structure if separated by a 1.5 hour firewall from foundation to roof)</li> </ul> <p><sup>2</sup>Refer to FHA Handbook for 3-4 unit property reserves and self-sufficiency rental income requirements</p>	<ul style="list-style-type: none"> <li>Co-op/Log homes/ Geodesic dome/ Berm homes</li> <li>Agricultural/income producing properties</li> <li>Manufactured home</li> <li>Condotel</li> <li>Property completed less than 1 year at case assignment</li> </ul>
<b>203(k) Consultant Work Write-Up</b>	<ul style="list-style-type: none"> <li>HUD approved consultant required for Standard 203(k), to inspect property and prepare Work Write-Up and Cost Estimate</li> <li>May not have demonstrated past poor performance based on reviews completed by loanDepot</li> <li>Must identify each Work Item on the Work Write Up for borrowers who perform their own work (Rehabilitation Self-Help Agreement); Borrower labor may not be reimbursed</li> <li>Must include all health and safety issues</li> </ul>	
<b>Borrower Work Plan</b>	<ul style="list-style-type: none"> <li>Allowed on Limited 203(k) only</li> <li>Requires 1 or more contractor(s) to provide Cost Estimate; Bids must be in the usual and customary range for the work</li> <li>Borrower(s) doing their own work (Rehabilitation Self-Help Agreement) requires Cost Estimate from a contractor (cannot be borrower); Borrower labor may not be reimbursed</li> </ul>	
<b>Self-Help</b>	<ul style="list-style-type: none"> <li>Borrower may act as general contractor if licensed general contractor or can document acceptable work experience</li> <li>Requires borrower to maintain complete records including paid receipts and lien waivers from any subcontractors</li> <li>Proof of permits obtained prior to starting any work</li> <li>Cost estimate to include labor and materials; only material cost to be reimbursed</li> <li>Signed Rehabilitation (Self-Help) Loan Agreement required</li> </ul>	
<b>Contractor Requirements</b>	<ul style="list-style-type: none"> <li>Meet all jurisdictional licensing and bonding requirements; Where not required obtain alternate documentation to support contractor's ability to complete the project</li> <li>Credentials, work experience and client references to support qualification to perform work</li> </ul>	



	<ul style="list-style-type: none"> <li>• Agreement to complete work in Work Write-up for the estimated costs and within the allotted timeframe</li> </ul>
<b>Forms</b>	<ul style="list-style-type: none"> <li>• Identity of Interest Certifications signed by borrower and 203(k) Consultant               <ul style="list-style-type: none"> <li>◦ Sales transactions between family members permitted</li> <li>◦ Consultant for Feasibility Study may also act as 203(k) Consultant for the project</li> </ul> </li> <li>• Borrower's Acknowledgment (HUD-92700-A)</li> <li>• Borrower's Certification</li> <li>• Consultant's Certification</li> <li>• Feasibility Study</li> <li>• Borrower Contractor Agreement</li> <li>• Consultant Final Work Write-Up and Cost Estimate (Standard only)</li> <li>• Architectural Exhibits (Standard only)</li> <li>• Consultant/Borrower Agreement (Standard only)</li> <li>• Contractor's Cost Estimate (Limited only)</li> </ul>
<b>Sales Contract</b>	<ul style="list-style-type: none"> <li>• Contract must include provision for FHA 203(k) financing, and contingent on:               <ul style="list-style-type: none"> <li>◦ Mortgage approval and</li> <li>◦ Borrower acceptance of additional required improvements</li> </ul> </li> </ul>
<b>Financeable Mortgage Fees</b>	<ul style="list-style-type: none"> <li>• Origination Fee not to exceed the greater of \$350 or 1.5% of the total repair amount (max \$3500)</li> <li>• Discount Points paid on the total repair amount</li> </ul>
<b>Financeable Contingency Reserve</b>	<ul style="list-style-type: none"> <li>• Required for Standard 203(k); loanDepot requires 10% contingency on Limited 203(k)</li> <li>• Based on a percentage of the Financeable Repair and Improvement costs (10%-20%) for unforeseen project costs</li> <li>• Borrower may provide own funds for the reserve and noted as a separate category in the Repair Escrow Account</li> </ul>
<b>Financeable Mortgage Payment Reserve</b>	<ul style="list-style-type: none"> <li>• Allowed for Standard 203(k) only when the property cannot be occupied during rehabilitation</li> <li>• Not to exceed the greater of 6 months or the completion time in the Rehabilitation Loan Agreement</li> <li>• 2-4 Units will be based on the units that cannot be occupied</li> </ul>
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>• No maximum CLTV if provided by family member(s); Refer to the FHA Handbook 4000.1</li> <li>• Maximum 110% CLTV of After Improved value from private individuals or other organizations               <ul style="list-style-type: none"> <li>◦ Cannot be used for the borrower's minimum required investment</li> </ul> </li> </ul>
<b>Net Tangible Benefit</b>	<ul style="list-style-type: none"> <li>• Net Tangible Benefit Requirements – All refinance transactions must meet the more restrictive of <a href="#">loanDepot Net Tangible Benefit Policy</a> or agency/program Net Tangible Benefits Requirements.</li> </ul>
<b>Overlay Matrix</b>	<ul style="list-style-type: none"> <li>• Refer to the Overlay Matrix for additional restrictions</li> </ul>

### Limited 203(k)

- Minor remodeling and non-structural repairs
- Minimum repair amount \$5,000, maximum repairs \$35,000 including all costs
  - Maximum increased to \$50,000 in designated [Qualified Opportunity Zones](#)
- 203(k) consultant is allowed but not required
- Repairs must begin within 30 days and be completed within 6 months
- Initial and Final draws only
- No more than 3 specialized contractors or General Contractor is required to manage the project
- Projects that contain self-help must be done as Standard with consultant. Painting and appliance purchase may be included on a Limited as self-help

### Limited 203(k) Repair List

- Eligible Repairs/Improvements** include, but are not limited to:
- Eliminating health and safety hazards to meet HUD's minimum property requirements (MPRs)
  - Repair/replacement of roof (can have no impact to structural integrity), including siding gutters and downspouts
  - Repair/replace/upgrade existing HVAC systems, plumbing and electrical systems
  - Repair/replace/add exterior decks, patios, porches provided dollar for dollar increase in As-Is Property Value
  - Minor remodeling not involving structural repairs (i.e. kitchen)
  - Improved functions and modernization
  - Eliminate obsolescence
  - Purchase/installation of appliances including free standing ranges, refrigerators, washer/dryer, dishwashers and microwaves
  - Accessibility improvements for persons with disabilities
  - Lead based stabilization or abatement of lead based paint hazards for property built prior to 1978
  - Septic system and/or well repair or replacement
  - Connection to public water and/or sewer
  - Pool repairs
  - Installation/repair of fences, walkways and driveways
  - Refer to the FHA Handbook 4000.1 for list of eligible and ineligible repairs

**Note:** All repairs must comply with HUD's Minimum Property Requirements and meet or exceed local building codes.

### Standard 203(k)



- Minimum \$5000 repair amount, no maximum
- Repairs must begin within 30 days and be completed within 6 months
- Maximum 5 draws; No initial draw allowed
- Homeowner/Contractor Agreement and Consultant Work Write Up to be signed by all parties agreeing to the draw schedule and holdback policy
- Inspection and title update required prior to each draw
- HUD accepted 203(k) fee consultant to ensure program compliance
  - Initial review prior to appraisal
  - Cost of repairs/fee varies, contact the 203(k) Consultant
- 10% holdback is required for each draw
- No more than 3 specialized contractors or General Contractor is required to manage the project
- Projects that include self-help must be done as Standard with consultant. Painting and appliance purchase may be included on a Limited as self-help

**Standard 203(k) Repair List**

**Eligible Repairs/Improvements** include, but are not limited to:

- Major remodeling or structural repairs/alterations such as 1-4 structure conversions, additions, finished attic, basements, changing footprint or requiring architectural plans; Any addition must be attached to the existing residential structure
- Eliminating health and safety hazards to meet HUD’s minimum property requirements (MPRs)
- Septic system and/or well installation, repair or replacement
- Connection to public water and/or sewer
- Repair/replace/upgrade existing HVAC systems, plumbing and electrical systems
- Improved functions and modernization
- Installation /repair of roof including siding gutters and downspouts
- Installation/repair of fences, walkways and driveways
- Accessibility improvements for persons with disabilities
- Repairing or removing an in-ground swimming pool
- Installation of built-in appliances microwave, washer/dryer and smoke detectors
- Site improvements such as installation /repair exterior decks, patios, porches provided dollar for dollar increase in As-Is Property Value
- Windstorm shelter
- Lead based stabilization or abatement of lead based paint hazards for property built prior to 1978
- Refer to the FHA Handbook 4000.1 for list of eligible and ineligible repairs

**Note:** All repairs must comply with HUD’s Minimum Property Requirements and meet or exceed local building codes

**FHA Limited 203(k) Eligible Terms & Plan**

		Conforming				High Balance						
FIXED	Description / Terms											
					15 Year				15 Year			
					30 Year				30 Year			
		Conforming				High Balance						
ARM	Description	Index	Caps	Margin	Description	Index	Caps	Margin				
	5/1	1YR -CMT	1/1/5	1.75	5/1	1YR-CMT	1/1/5	1.75				

**FHA Standard 203(k) Eligible Terms & Plan**

		Conforming				High Balance						
FIXED	Description / Terms											
					15 Year				15 Year			
					30 Year				30 Year			
		Conforming				High Balance						
ARM	Description	Index	Caps	Margin	Description	Index	Caps	Margin				
	5/1	1YR -CMT	1/1/5	1.75	5/1	1YR-CMT	1/1/5	1.75				