

FHA 203(h) Disaster Victims

Primary Residence					
Purchase Transactions					
Property Type	Maximum Base Loan Amount ¹	Minimum Credit Score ³	Maximum LTV / CLTV ²		
			203(b)(h)	203(k)(h)	
1 Unit	FHA Mortgage Limits	620	100%	96.5%	
Rate / Term Refinance Transactions					
Property Type	Maximum Base Loan Amount ¹	Minimum Credit Score ³	203(k)(h) Maximum LTV / CLTV ²		
1 Units	FHA Mortgage Limits	620	97.75%		
Footnotes					
¹ Maximum Base Loan Amount	<ul style="list-style-type: none"> For 203(k)(h) loans refer to the FHA 203(k) Matrix for maximum base loan amount calculation 				
² Maximum LTV/CLTV	<ul style="list-style-type: none"> 203(b)(h) LTV based on adjusted value 203(k)(h) follow 203(k) LTV requirements Secondary Financing is permitted subject to guidelines. Refer to the FHA Handbook 4000.1 for secondary financing guidelines 				
³ Minimum Credit Score	<ul style="list-style-type: none"> Loans with a FICO <620 and DTI >50% may require a second level review 				

Temporary Guidance Due to COVID-19

- Self-Employment Verification** for loans with case assignment dates on or after August 12, 2020 through September 30, 2021:
 - Evidence of current work (signed contracts/invoices to show the business is operating on the day of the verification)
 - Current business receipts within 10 days of the Note (payment for services performed)
 - Business website demonstrating activity to support current operations (timely appointments for estimates/services can be scheduled)
 - Lender certification the business is open and operating (confirmed through phone call or other means)
- Rental Income** for loans with case numbers assigned on or after August 12, 2020 through September 30, 2021:
 - Reduction of the effective rental income by 25%, or
 - Verify 6 months PITI reserves, or
 - Obtain previous 2 months bank statements to evidence rental payments were received (applies only if there is a history of rental income for property)

Mortgage Insurance Premiums

Upfront Mortgage Insurance Premium (UFMIP)

- The UFMIP is 1.75% of the base loan amount
- The UFMIP must be 100% financed into the mortgage or paid entirely by cash; partial financing is not allowed
- The LTV is calculated using the base loan amount prior to financing UFMIP

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



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FHA Lending Resource	<ul style="list-style-type: none"> All loans must be underwritten to the standards contained within this matrix and loanDepot FHA Lending Guide Any guidance published on this matrix supersedes any guidance referenced within the FHA Lending Guide For 203(b)(h) loans refer to the FHA Fixed/ARM matrix for additional basic 203(b) credit, eligibility, etc. guidelines For 203(k)(h) loans refer to the 203(k) and FHA Fixed/ARM matrices for additional basic 203(b) credit, eligibility, etc. guidelines Refer to Overlay Matrix for additional restrictions If guidance is not provided on this matrix, overlay matrix or within the FHA Lending Guide, please refer to the FHA Handbook 4000.1 <p>Note: Section 203(h) mortgage must be processed and underwritten in accordance with regulations and requirements applicable to 203(b)/203(k) programs. Where 203(b) or 203(k) guideline conflict with 203(h) requirements, the 203(h) guidelines will apply</p>	
Application Deadline	<ul style="list-style-type: none"> The FHA case number must be assigned within 1 year of the Presidentially Declared Major Disaster Area (PDMDA) declaration, unless an additional period of eligibility is provided Only one transaction per PDMDA event allowed. HUD allows only 1 FHA insured mortgage, if borrower has an existing FHA mortgage, the borrower is not eligible 	
Ineligible Transactions	<ul style="list-style-type: none"> Energy Efficient Mortgage (EEM) Down Payment Assistance options 	
Geographical Restrictions	<ul style="list-style-type: none"> Hawaii: <ul style="list-style-type: none"> Properties in Lava Zones 1 and 2 not permitted Hawaiian Home Land Transactions not permitted Texas: Texas50(a)(6) not permitted 	
Minimum Loan Amount	<ul style="list-style-type: none"> \$60,000 	
Debt-To-Income (DTI)	<ul style="list-style-type: none"> As determined by TOTAL Scorecard (AUS) or Per Manual Underwriting of Borrower guidelines 	
AUS Requirements	<ul style="list-style-type: none"> All loans must be submitted through TOTAL Scorecard/AUS Manual underwriting is allowed All borrowers must have a valid credit score 	
Qualifying Rate	<ul style="list-style-type: none"> Fixed & ARM: Qualify at the Note Rate 	
Appraisal	<ul style="list-style-type: none"> All appraisals must be completed by HUD Roster appraisers eligible to appraise 203(h) transactions <u>Temporary Partial Appraisal Waiver</u> effective April 26, 2021 through April 26, 2022 <ul style="list-style-type: none"> For appraisals with increasing values and a supply shortage Requirement for 2 active listings or pending sales has been waived Health and safety repairs must be met prior to close 	
Property Types	Eligible	Ineligible
	<ul style="list-style-type: none"> SFR/PUD (detached/attached) FHA Approved Condo (low/high rise) 	<ul style="list-style-type: none"> Co-op/Condotels/Geodesic dome/log/Berm homes Agricultural/Income producing properties Manufactured homes 2-4-unit properties
203(k)(h) Property Eligibility	<ul style="list-style-type: none"> Damaged residences located in PDMA are eligible regardless of the age of the property, must only have been completed and ready for occupancy to be eligible for 203(k)(h) All other 203(k) guidelines must be followed, refer to FHA 203(k) matrix 	
Prior Residence Eligibility	<ul style="list-style-type: none"> Previous residence (owned or rented) must have been located in PDMDA as identified by Federal Emergency Management Agency (FEMA) <ul style="list-style-type: none"> Document the borrower's previous residence was in PDMDA, and destroyed or damaged to an extent that reconstruction or replacement is required Property requiring only components of the property to be repaired/replaced is not eligible The purchase of a new residence is not required to be in the same area as the prior residence Prior residence was owned requires: <ul style="list-style-type: none"> Insurance claim to document prior residence was destroyed in PDMDA Servicing Agreement for the payoff of the mortgage If insurance coverage is not adequate to satisfy the mortgage, proof of FEMA approved assistance is needed to evidence the mortgage will be paid in full Prior residence was rented requires: <ul style="list-style-type: none"> Proof of residence in the PDMDA such as: <ul style="list-style-type: none"> Valid driver's license or Voter registration or Utility bills Evidence prior residence was destroyed in PDMDA <ul style="list-style-type: none"> Insurance claim or Inspection report by independent fee inspector or government agency or Conclusive photographic evidence of the destruction /damage Signed/dated letter from landlord confirming destruction and that borrower has been relieved of all future liabilities 	



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Underwriting	<ul style="list-style-type: none"> Underwriting should be as flexible as prudent decision making permits Every effort must be made to obtain traditional documentation for credit, employment and assets Document all attempts made to obtain traditional documentation When traditional documentation is not available, use alternative documentation as listed below If specific requirements are not listed, document the reasonable and prudent judgement used for the underwriting decision
	Credit
	<ul style="list-style-type: none"> Borrower is considered a satisfactory credit risk if the credit report reflects satisfactory credit prior to the disaster and any subsequent derogatory credit is related to the effects of the disaster Mortgage history: <ul style="list-style-type: none"> Late payments as a result of the disaster, on a property that was damaged/destroyed in the PDMDA, and the borrower was not 3 or more months delinquent at the time of the disaster may be disregarded With documented extenuating circumstance, delinquent payments of 3 or more months may be acceptable Purchase transactions, the prior residence located in a PDMDA may be excluded with the following: <ul style="list-style-type: none"> Evidence borrower is working with the servicer to appropriately address the mortgage obligation and Property insurance proceeds are applied to the damaged residence
	Income
203(k)(h)	<ul style="list-style-type: none"> If prior employment cannot be verified because records were destroyed by the disaster, and the borrower is in same/similar field, employment and income documentation obtained from the IRS may be considered Short-term employment following the disaster may be considered
	Assets
Net Tangible Benefit	<ul style="list-style-type: none"> Minimum Required Investment (MRI): <ul style="list-style-type: none"> 203(b)(h) MRI not required 203(k)(h) MRI required If traditional assets statements are not available because records were destroyed by the disaster, statements from the applicable financial institution website may be used to document required assets
Assumability	<ul style="list-style-type: none"> Refer to the 203(k)(h) Matrix for <ul style="list-style-type: none"> Loan Amount Calculations Fees Forms Contractor Requirements Limited and Standard requirements and Repair Lists
Net Tangible Benefit	<ul style="list-style-type: none"> Net Tangible Benefit Requirements: <ul style="list-style-type: none"> Every refinancing transaction must offer a documented demonstrable Net Tangible Benefit Policy (NTB) to the borrower
Assumability	<ul style="list-style-type: none"> FHA insured mortgages are assumable

FHA 203(b)(h)- Purchase Only Eligible Terms

		Conforming				High Balance			
Fixed		Description / Terms				Description / Terms			
		15 Year				15 Year			
		30 Year				30 Year			
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 Limited 203(k)(h) - Purchase and Rate/Term Eligible Terms

		Conforming				High Balance			
Fixed		Description / Terms				Description / Terms			
		15 Year				15 Year			
		30 Year				30 Year			
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)(h) - Purchase and Rate/Term Eligible Terms

		Conforming				High Balance			
Fixed		Description / Terms				Description / Terms			
		15 Year				15 Year			
		30 Year				30 Year			
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

