

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>	680	96.5%
<b>Footnotes</b>			
<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>		
<b><sup>2</sup>Minimum Credit Score Restrictions</b>	<ul style="list-style-type: none"> <li>Maximum 43% DTI</li> <li>AUS approval required</li> <li>No Gift Funds or Bonds</li> <li>Ineligible for manual underwrite</li> </ul>		

Temporary Guidance Due to COVID-19	
<ul style="list-style-type: none"> <li>Refer to <a href="#">COVID-19 Communications</a> for additional guidance</li> <li><b>FHA Re-Verification of Employment</b> for loans that close on or before <b>October 31, 2020</b> <ul style="list-style-type: none"> <li>Re-verification of employment is not required provided loanDepot is not aware of any loss of employment by the borrower, and</li> <li>All transactions require one of the following:                             <ul style="list-style-type: none"> <li>YTD paystub or direct electronic verification of income for the pay period immediately preceding the note date, or</li> <li>Bank statement showing the direct deposit from the employer for the pay period immediately preceding the note date</li> </ul> </li> <li>Purchase transactions also require a minimum of 2 months PITI reserves</li> </ul> </li> <li><b>Self-Employment Verification</b> for loans with case numbers assigned on or after August 12, 2020 through November 30, 2020:                             <ul style="list-style-type: none"> <li>Evidence of current work (signed contracts/invoices to show the business is operating on the day of the verification)</li> <li>Current business receipts within 10 days of the Note (payment for services performed)</li> <li>Business website demonstrating activity to support current operations (timely appointments for estimates/services can be scheduled)</li> <li>Lender certification the business is open and operating (confirmed through phone call or other means)</li> </ul> </li> <li><b>Rental Income</b> for loans with case numbers assigned on or after August 12, 2020 through November 30, 2020:                             <ul style="list-style-type: none"> <li>Reduction of the effective rental income by 25%, or</li> <li>Verify 6 months PITI reserves, or</li> <li>Obtain previous 2 months bank statements to evidence rental payments were received (applies only if there is a history of rental income for property)</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>FHA Standard 203(k) – Currently Suspended</li> </ul>	<a href="#">FHA 203(k) Renovation Program Restrictions</a>

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</li> <li>Financeable Mortgage Fees for</li> <li>Financeable Contingency Reserves 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>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></p>



<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 the <a href="#">loanDepot FHA Lending Guide</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> <li>Multiple loanDepot loans: Maximum 2 loans for one borrower active at one time</li> <li>Refinance transactions</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 not 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 Consultant's Work Write Up or work plan with contractor's proposal &amp; the Cost Estimates when applicable</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> </ul> </li> </ul>	
<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>	<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>
	<sup>1</sup> Condominium Restrictions: <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> <sup>2</sup> Refer to FHA Handbook for 3-4 unit property reserves and self-sufficiency rental income requirements	
<b>203(k) Consultant Work Write-Up</b>	<ul style="list-style-type: none"> <li>Borrower may request HUD approved consultant 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> <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 (when applicable)</li> <li>Architectural Exhibits (when applicable)</li> <li>Consultant/Borrower Agreement (when applicable)</li> </ul>	



	<ul style="list-style-type: none"> <li>Contractor's Cost Estimate</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>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 as noted as a separate category in the Repair Escrow Account</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>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.

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

		Conforming				High Balance			
		Description / Terms				Description / Terms			
FIXED		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	

