

Primary Residence																																			
Purchase Transactions																																			
Property Type	Maximum Base Loan Amount	Minimum Credit Score ²	Maximum LTV / CLTV ¹																																
1-4 Units	FHA Mortgage Limits	620	96.5%																																
Rate & Term Refinance Transactions																																			
Property Type	Maximum Base Loan Amount	Minimum Credit Score ²	Maximum LTV / CLTV ¹																																
1-4 Units	FHA Mortgage Limits	620	97.75%																																
Cash Out Refinance Transactions																																			
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1-4 Units	FHA Mortgage Limits	660	80%																																
Footnotes																																			
¹ Maximum LTV/CLTV	<ul style="list-style-type: none"> • Identity of Interest purchase transaction is restricted to 85% with specific exceptions detailed in the loanDepot FHA Lending Guide • Rate & Term refinance transaction restricted to 85% if the borrower has not occupied as a primary residence for the 12 months prior to the case assignment, or if owned less than 12 months has not occupied the property since acquisition • FHA case numbers assigned on or after 9/1/19 for cash out transactions are capped at 80% LTV / CLTV 																																		
² Minimum Credit Score Restriction	<table border="1"> <thead> <tr> <th colspan="4">Purchase and Rate & Term</th> </tr> <tr> <th>Credit Score</th> <th>Maximum DTI</th> <th>AUS/Manual</th> <th>Gift Funds Allowed</th> </tr> </thead> <tbody> <tr> <td>≥620</td> <td>50%</td> <td>AUS Approval Required</td> <td>No</td> </tr> <tr> <td>≥640</td> <td>45%</td> <td>AUS Approval Required</td> <td>Yes</td> </tr> <tr> <td>≥ 680</td> <td>43%; Cannot use compensating factors to offset restriction</td> <td>Manual UW Allowed</td> <td>Yes</td> </tr> <tr> <th colspan="4">Cash Out</th> </tr> <tr> <th>Credit Score</th> <th>Maximum DTI</th> <th>AUS/Manual</th> <th>Gift Funds Allowed</th> </tr> <tr> <td>≥ 660</td> <td>45%</td> <td>AUS Approval Required</td> <td>N/A</td> </tr> </tbody> </table>			Purchase and Rate & Term				Credit Score	Maximum DTI	AUS/Manual	Gift Funds Allowed	≥620	50%	AUS Approval Required	No	≥640	45%	AUS Approval Required	Yes	≥ 680	43%; Cannot use compensating factors to offset restriction	Manual UW Allowed	Yes	Cash Out				Credit Score	Maximum DTI	AUS/Manual	Gift Funds Allowed	≥ 660	45%	AUS Approval Required	N/A
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Temporary Guidance Due to COVID-19

- Refer to [COVID-19 Communications](#) for additional guidance
- **FHA Re-Verification of Employment** for loans that close on or before **October 31, 2020**
 - Re-verification of employment is not required provided loanDepot is not aware of any loss of employment by the borrower, and
 - All transactions require one of the following:
 - YTD paystub or direct electronic verification of income for the pay period immediately preceding the note date, or
 - Bank statement showing the direct deposit from the employer for the pay period immediately preceding the note date
 - Purchase transactions also require a minimum of 2 months PITI reserves
- **Appraisal Options** for inspections completed on or before **October 31, 2020**
 - The appraiser may amend the scope of work to perform an Exterior-Only or Desktop-Only report. FNMA 2055 or 1075 are not FHA approved forms and are not compatible with FHA's Electronic Appraisal Delivery (EAD) portal
 - The appraiser may use supplemental information to prepare the report from:
 - Reliable sources such as multiple listing service and tax assessor's property record
 - Interested party to the transaction such as the borrower, real estate agent, etc. with clear disclosure when additional verification is not feasible
 - The report must include adequate information to enable the DE Underwriter to understand the extent of the inspection performed, including a signed certification indicating if the appraiser did or did not personally inspect the subject property and the extent of the inspection
 - Completion Report Form 1004D, FHA will permit a letter signed by the borrower affirming the work was completed along with additional evidence which may include:
 - Photographs
 - Paid invoices
 - Occupancy permits,
 - Other substantially similar documentation
 - This temporary guidance does not apply to:
 - New construction
 - 203(k) purchase or refinance
 - Cash out refinance
- **Self-Employment Verification** for loans with case numbers assigned on or after August 12, 2020 through November 30, 2020:
 - 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 November 30, 2020:
 - 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)					
<ul style="list-style-type: none"> 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



FHA Lending Resource	<ul style="list-style-type: none"> All loans must be underwritten to the standards contained within this matrix and the loanDepot FHA Lending Guide Any guidance published on this matrix supersedes any guidance referenced within the Wholesale Underwriting Guidelines If guidance is not provided on this matrix or within the FHA Lending Guide, please refer to the FHA Handbook 4000.1
Ineligible Transactions	<ul style="list-style-type: none"> Energy Efficient Mortgage Down Payment Assistance programs FHA Secure Multiple loanDepot loans: Maximum 2 loans for one borrower active at one time
Geographical Restrictions	<ul style="list-style-type: none"> Hawaii <ul style="list-style-type: none"> Properties in Lava Zones 1 and 2 not permitted (verify the appraisal to confirm if property may be in a lava zone) Hawaiian Home Land Transactions Texas <ul style="list-style-type: none"> 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"> Refer to Minimum Credit Score Restrictions above
AUS Requirements	<ul style="list-style-type: none"> All loans must be submitted through TOTAL Scorecard/AUS by; Minimum credit score required regardless of AUS Manual underwriting may be considered when AUS returns as "Refer"
Documentation	<ul style="list-style-type: none"> Per TOTAL Scorecard/AUS or manual underwriting requirements All borrowers must have a valid Social Security number Borrowers using non-traditional credit are not allowed A fully executed IRS Form 4506-T is required for each borrower on the loan. Refer to IRS Form 4506-T and Tax Transcripts policy in loanDepot FHA Lending Guide
Qualifying Ratios	<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-approved appraisers Appraisal must meet FHA minimum property requirements/standards (MPR/MPS) The following is general guidance and subject to TOTAL Scorecard/AUS approval Income documents may be subject to additional document requests at the underwriter's discretion
Income/Employment	Salaried Borrowers
	<ul style="list-style-type: none"> A current paystub dated within 120 days from the Note date W-2's or written verification(s) of employment documenting most recent 2 years income
	Rental Income
	<ul style="list-style-type: none"> History of rental income requires most recent 2 years tax returns Limited or no history of rental income allowed Boarder income may be considered with a minimum 2 years reporting on tax returns; Refer to FHA Handbook 4000.1
	Self-Employed Borrower
	<ul style="list-style-type: none"> Eligible with at least 2 years self-employment; Periods of self-employment of less than 2 years, but at least 1 year may be considered case by case Maximum 1 business owned
	Personal Tax Returns
	<ul style="list-style-type: none"> Most recent 2 years signed tax returns with all pages and schedules
	Business Tax Returns
	<ul style="list-style-type: none"> Most recent 2 years signed tax returns with all pages and schedules required when applicable
	Profit & Loss (P&L) Statements
	<ul style="list-style-type: none"> Current signed and dated P&L and Balance sheet is required. Schedule C income does not require a Balance Sheet
	Gaps in Employment
<ul style="list-style-type: none"> Gap in employment ≥ 6 months the last 2 years requires the borrower to be on the current job for a minimum of 6 months 	
Asset Documentation	<ul style="list-style-type: none"> Follow TOTAL Scorecard requirements. Refer to Assets in the loanDepot FHA Lending Guide
Reserves	<ul style="list-style-type: none"> TOTAL Scorecard/AUS approval, follow findings Manual underwrite requires a minimum 1 month reserves 3-4 unit property require a minimum 3 months reserves
Borrower Eligibility	<ul style="list-style-type: none"> U.S. Citizens Permanent Residents Non-Permanent Residents - Refer to Non US Citizen Borrowers in the loanDepot FHA Lending Guide Inter Vivos Revocable Trusts Non-Occupant Borrowers
Property Types	Eligible
	<ul style="list-style-type: none"> SFR/PUD (detached/attached) FHA Approved Condo (low/high rise) 2-unit properties 3-4 unit properties¹
	Ineligible
	<ul style="list-style-type: none"> Co-op Properties Agricultural w/Income producing properties Manufactured housing Condotel
¹ Refer to the FHA Handbook 4000.1 for 3-4 unit property reserves and self-sufficiency rental income eligibility	



Credit	Mortgage/Rental History																																	
	<ul style="list-style-type: none"> • Purchase / Rate & Term Refinance requires manual downgrade if any mortgage in the last 12 months reflects ≥ 3 payment more than 30 days late or any payment ≥ 60 days late. Refer to Housing Payment History in the loanDepot FHA Lending Guide • Cash out requires all mortgage payments to be made on time in the 12 months prior to the FHA case assignment and through closing regardless of TOTAL Scorecard findings • Manual underwrite mortgage history is acceptable if all housing payments have been on time for the most recent 12 months and no more than 2x30 in the previous 24 months 																																	
	Installment/ Revolving																																	
	<ul style="list-style-type: none"> • TOTAL Scorecard/AUS approval, follow findings • Manual Underwriting: <ul style="list-style-type: none"> ○ Installment history is acceptable if all payments have been on time for the most recent 12 months and no more than 2x30 in the previous 24 months ○ Revolving is acceptable if there has been no major derogatory credit in the last 12 months 																																	
Undisclosed Mortgage Debt	Foreclosure, Bankruptcy, Deed-in-Lieu, Short Sale, or Consumer Credit Counseling																																	
	<ul style="list-style-type: none"> • All seasoning requirements must be met at the time of the FHA case number assignment 																																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Derogatory Event¹</th> <th style="text-align: center;">TOTAL Scorecard</th> <th style="text-align: center;">Manual</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Bankruptcy — Chapter 7</td> <td style="text-align: center;">2 years from discharge date</td> <td style="text-align: center;">Case by case 1 year from discharge</td> </tr> <tr> <td style="text-align: center;">Bankruptcy — Chapter 13</td> <td style="text-align: center;">2 years from discharge date</td> <td style="text-align: center;">Minimum 12 months of pay-out</td> </tr> <tr> <td style="text-align: center;">Foreclosure</td> <td style="text-align: center;">3 years from title transfer</td> <td style="text-align: center;">3 years from title transfer</td> </tr> <tr> <td style="text-align: center;">Deed-in-Lieu of Foreclosure</td> <td style="text-align: center;">3 years from title transfer</td> <td style="text-align: center;">3 years from title transfer</td> </tr> <tr> <td style="text-align: center;">Pre-foreclosure / Short Sale</td> <td style="text-align: center;">3 years from title transfer</td> <td style="text-align: center;">3 years from title transfer</td> </tr> <tr> <td style="text-align: center;">Current at time of Short sale</td> <td style="text-align: center;">3 years from title transfer</td> <td style="text-align: center;">Case by case with history of on time payments prior to sale</td> </tr> <tr> <td style="text-align: center;">Consumer Credit Counseling</td> <td style="text-align: center;">Follow AUS</td> <td style="text-align: center;">Minimum 12 months of pay out</td> </tr> <tr> <td style="text-align: center;">Collection Accounts²</td> <td style="text-align: center;">Per AUS findings</td> <td style="text-align: center;">Requires acceptable explanation</td> </tr> <tr> <td style="text-align: center;">Charge off³</td> <td style="text-align: center;">Per AUS Findings</td> <td style="text-align: center;">Requires acceptable explanation</td> </tr> <tr> <td style="text-align: center;">Judgment</td> <td style="text-align: center;">Must be paid or evidence of an established repayment plan</td> <td style="text-align: center;"> <ul style="list-style-type: none"> • Requires acceptable explanation • Must be paid or evidence of an established repayment plan </td> </tr> </tbody> </table>	Derogatory Event ¹	TOTAL Scorecard	Manual	Bankruptcy — Chapter 7	2 years from discharge date	Case by case 1 year from discharge	Bankruptcy — Chapter 13	2 years from discharge date	Minimum 12 months of pay-out	Foreclosure	3 years from title transfer	3 years from title transfer	Deed-in-Lieu of Foreclosure	3 years from title transfer	3 years from title transfer	Pre-foreclosure / Short Sale	3 years from title transfer	3 years from title transfer	Current at time of Short sale	3 years from title transfer	Case by case with history of on time payments prior to sale	Consumer Credit Counseling	Follow AUS	Minimum 12 months of pay out	Collection Accounts²	Per AUS findings	Requires acceptable explanation	Charge off³	Per AUS Findings	Requires acceptable explanation	Judgment	Must be paid or evidence of an established repayment plan	<ul style="list-style-type: none"> • Requires acceptable explanation • Must be paid or evidence of an established repayment plan
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<p>¹ Refer to loanDepot FHA Lending Guide for all requirements</p> <p>² Collection account(s) with cumulative balance ≥ \$2000 must be paid in full or included in the DTI. Use the documented repayment amount, or 5% of the outstanding balance(s). Medical collections are not included in the DTI</p> <p>³ Charge off accounts that the creditor is no longer attempting to collect on the debt, are not required to be included in the DTI</p>																																		
<ul style="list-style-type: none"> • A mortgage not on borrower's credit report requires a 24 month-mortgage payment history directly from the servicer regardless if underwritten using TOTAL or manual guidelines. Refer to Downgrade to Manual Underwriting in the loanDepot FHA Lending Guide 																																		
Refinance Transactions	<ul style="list-style-type: none"> • Net Tangible Benefit Requirements – All refinance transactions must meet the more restrictive of loanDepot Net Tangible Benefit Policy or agency/program Net Tangible Benefits Requirements • At least one borrower on the refinancing mortgage must hold title to the property being refinanced prior to case number assignment 																																	
	Rate and Term Refinance																																	
	<ul style="list-style-type: none"> • The borrower's employment documentation or utility bills must evidence the borrower currently occupies the property and evidences the length of time the borrower has occupied the subject property as their principal residence 																																	
	<p>Rate/Term Refinance – Cash Back Eligibility All occupancy types except Texas Homestead</p> <ul style="list-style-type: none"> • The use of estimates of existing debts and costs in calculating the maximum mortgage amount is allowed to the extent that the actual debts and costs do not result in the borrower receiving greater than \$500 cash back at closing • Cash back amounts greater than \$500 require resubmission to Underwriting or a principal reduction to satisfy the maximum \$500 cash back guideline • Cash to the borrower resulting from the refund of borrowers unused escrow balance from the previous mortgage must not be considered in the \$500 cash back limit whether received at or subsequent to mortgage disbursement 																																	
	<p>Texas Homestead Occupancy NO EXCEPTIONS: Cash back is not allowed for loans secured by owner-occupied primary residence properties located in the state of Texas</p>																																	
	Cash-Out Refinance																																	
<ul style="list-style-type: none"> • Subject property must have been owned and occupied by the borrower's principal residence for the 12 months prior to the date of case number assignment; Properties owned less than 12 months are not eligible for cash-out (except in the case of inheritance, refer to FHA Handbook 4000.1 for further guidance) • The borrower's employment documentation or utility bills must evidence the borrower has occupied the subject property as their principal residence for the 12 months prior to case number assignment 																																		



	<ul style="list-style-type: none"> Document the borrower has made all mortgage payments within the month due for the previous 12 months or since the borrower obtained the mortgages, whichever is less Payments for all mortgages secured by the subject property must have been paid within the month due for the month prior to mortgage disbursement <ul style="list-style-type: none"> Properties with mortgages must have a minimum of six months of mortgage payments <ul style="list-style-type: none"> If the subject mortgage is not reported in the borrower's credit report or is not in the name of the borrower, obtain a VOM, bank statements or other documentation to evidence that all payments have been made by the borrower in the month due for the previous 12 months Properties owned free and clear may be refinanced as cash-out transactions Income from a non-occupant co-borrower cannot be used to qualify for a cash out refinance <p>Ginnie Mae seasoning requirements apply to loans that refinance an existing FHA, VA or USDA loan</p> <ul style="list-style-type: none"> Borrower must have made at least six consecutive monthly payments on the initial loan, and The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the initial loan <p>Monthly payments cannot be prepaid to meet six consecutive payments requirement</p>
Community Property States	<ul style="list-style-type: none"> A credit report is required for the non-borrowing spouse who resides in a community property state or the subject property is located in a community property state; The debts of the non-borrowing spouse must be included in qualifying unless specifically excluded by state law: AZ, CA, ID, LA, NV, NM, TX, WA, WI
Subordinate Financing	<ul style="list-style-type: none"> Subordinate financing allowed; CLTV cannot exceed the eligible LTV/CLTV limits above Cash out maximum combined mortgage amounts of the first lien and any subordinate lien(s) not to exceed FHA Nationwide Mortgage Limit
Overlay Matrix	<ul style="list-style-type: none"> Refer to the Overlays Matrix for additional restrictions

FHA - Eligible Terms & Plan								
	Conforming				High Balance			
	Description / Terms				Description / Terms			
Fixed	10 Year				10 Year			
	15 Year				15 Year			
	20 Year				20 Year			
	25 Year				25 Year			
	30 Year				30 Year			
ARM	Conforming				High Balance			
	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

