

Maximum LTV/CLTV	Maximum Loan Amount		
None	<p>New base loan amount cannot exceed the lesser of the original loan amount (including financed UFMIP) or the maximum loan amount calculation (below).</p> <p><b><u>Primary Residence &amp; HUD-approved 2nd Home</u></b></p> <ul style="list-style-type: none"> <li>• The lesser of:               <ul style="list-style-type: none"> <li>○ Outstanding principal balance + interest due + annual MIP; or</li> <li>○ Original principal balance (including financed UFMIP)</li> </ul> </li> <li>• Subtract any refund of UFMIP</li> </ul> <p><b><u>Investment Property</u></b></p> <ul style="list-style-type: none"> <li>• The lesser of:               <ul style="list-style-type: none"> <li>○ Outstanding principal balance or</li> <li>○ Original principal balance (including financed UFMIP)</li> </ul> </li> <li>• Subtract any refund of UFMIP</li> </ul>		
<b>PRE 2009 loan programs = existing FHA loan endorsed prior to 6/1/09</b>			
<b>POST 2009 loan programs = existing FHA loan endorsed on or after 6/1/09</b>			
<b>Loan Limits</b>			
<p>FHA Streamline Refinance transactions without an appraisal are not subject to FHA Mortgage Limits. It is governed only by the maximum mortgage amounts under Section 223(a)(7) of the National Housing Act and 24 CFR 203.43(c). Loan amounts exceeding Conforming High Cost Limits require an Executive level exception.</p>			
<b>Loan Programs Names and Terms</b>			
Fixed Rate Programs	Terms	30-Year Fully Amortizing ARM Programs Caps 1/1/5 Index 1-Year CMT Margin 1.75	Terms
FHA Streamline 203(B)	10, 15 ,20,25,30 Year Fixed	3/1 and 5/1 CMT ARM	30 Years
FHA Streamline High Balance 203(B)	10, 15, 20, 25, 30 Year Fixed	3/1 and 5/1 ARM High Balance	30 Years



## FHA Streamline

Mortgage Insurance for Case Number Assignments on or after 01/26/15 AND existing FHA loan endorsed after 5/31/09					
> 15 Year term (base loan amount ≤ \$625,500)			≤ 15 Year term (base loan amount ≤ \$625,500)		
LTV	UFMIP	Annual	LTV	UFMIP	Annual
> 95%	1.75%	.85%	> 90%	1.75	0.70%
≤ 95%	1.75%	.80%	78.01% - 90.00%	1.75	0.45%
> 15 Year terms (base loan amount > \$625,500)			≤ 15 Year term (base loan amount > \$625,500)		
LTV	UFMIP	Annual	LTV	UFMIP	Annual
> 95%	1.75%	1.05%	> 90%	1.75	.095%
≤ 95%	1.75%	1.00%	78.01% - 90%	1.75	0.70%
			≤ 78.00%	1.75	0.45%
PRE 2009 Loan Programs: Existing FHA loan endorsed prior to 6/1/2009					
> 15 Year term (base loan amount ≤ \$625,500)			≤ 15 Year term (base loan amount ≤ \$625,500)		
UFMIP	Annual		UFMIP	Annual	
0.01%	0.55%		0.01%	0.55%	
<p><b>MIP Notes:</b></p> <ul style="list-style-type: none"> <li>• Program eligibility is determined using the base loan amount prior to financing UFMIP.</li> <li>• Pricing is determined using the Note loan amount (base loan amount + UFMIP).</li> <li>• UFMIP must be 100% financed into the mortgage or paid entirely by cash; partial financing is not allowed.</li> </ul>					
<p><b>Underwriting-Requirements for all FHA Streamlines</b></p>		<ul style="list-style-type: none"> <li>• On the case # assignment date, the borrower must have made at least 6 consecutive payments on the FHA mortgage being refinanced (FHA requirement/GNMA overlay), and at least 6 full months must have passed since the first payment due, and at least 210 days have passed from the closing date <b>Note:</b> Assumed mortgage - borrower must have made at least 6 monthly payments since the time of assumption.</li> <li>• A minimum of 210 days must have passed between the 1<sup>st</sup> payment due date of the initial FHA loan and the 1<sup>st</sup> payment due date of the new FHA loan (GNMA overlay)</li> <li>• Mortgage history: 0x30 required for 6 months prior to case number assignment. Max 1x30 in months 6-12</li> <li>• Existing subordinate financing may remain in place and must be resubordinated. New subordinate financing is permitted only if proceeds are used to reduce the existing FHA</li> </ul>			



## FHA Streamline

	<p>insured principal amount or finance origination fees, other closing costs or discount points associated with the refinance. No CLTV maximum</p> <ul style="list-style-type: none"> <li>• \$500 max cash back allowed for minor adjustments in estimated vs final closing costs</li> <li>• TOTAL scorecard usage is not to be utilized - manual underwriting only</li> <li>• Maximum loan term must be the lesser of 30 years or the remaining term of the mortgage plus 12 years</li> <li>• 3-4 unit properties require minimum 3 months PITIA + MIP in reserves (gift funds not allowed)</li> <li>• ARMS not allowed for 2<sup>nd</sup> homes and investment properties</li> <li>• Minimum loan amount \$60,000</li> <li>• Energy Efficient Mortgages (EEM) are not permitted</li> <li>• 3/1 and 5/1 ARMs Qualify at Note Rate</li> <li>• Occupancy Requirements:             <ul style="list-style-type: none"> <li>○ Must obtain either the borrower’s current employment documentation or obtain utility bills to evidence that the borrower currently occupies the property as their primary residence</li> <li>○ Must obtain evidence that the secondary residence has been approved by the jurisdictional HOC</li> <li>○ Must process as an investment property if no supporting documentation to evidence that the borrower occupies either as a primary or HUD-approved 2<sup>nd</sup> home</li> </ul> </li> </ul>												
<p><b>Net Tangible Benefit</b></p>	<ul style="list-style-type: none"> <li>• A Net Tangible Benefit determination is required for all transactions: A Net Tangible Benefit is a reduced combined rate, a reduced term, and/or change from an ARM to a fixed rate Mortgage resulting in a financial benefit to the borrower</li> <li>• Combined Rate is interest rate for mortgage + MIP rate (see table below)</li> <li>• Reduction in Term NTB test is met if:             <ul style="list-style-type: none"> <li>○ Mortgage term is reduced;</li> <li>○ New interest rate does not exceed current interest rate; and</li> <li>○ The combined principal, interest and MIP payment of the new mortgage does not exceed the current combined principal, interest and MIP by more than \$50</li> </ul> </li> </ul> <p style="text-align: center;"><b>Combined Rate NTB Table</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="440 1377 792 1444"></th> <th colspan="2" data-bbox="792 1377 1490 1444" style="background-color: #92d050;">TO</th> </tr> <tr> <th data-bbox="440 1444 792 1549" style="background-color: #92d050;">FROM</th> <th data-bbox="792 1444 1140 1549" style="background-color: #4b0082; color: white;">Fixed Rate- New Combined Rate</th> <th data-bbox="1140 1444 1490 1549" style="background-color: #4b0082; color: white;">Hybrid ARM- New Combined Rate</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1549 792 1692" style="background-color: #d3d3d3;">Fixed Rate</td> <td data-bbox="792 1549 1140 1692">At least 0.5 percentage points below the prior Combined Rate</td> <td data-bbox="1140 1549 1490 1692">At least 2 percentage points below the prior Combined Rate.</td> </tr> <tr> <td data-bbox="440 1692 792 1829" style="background-color: #d3d3d3;">Any Arm Loan</td> <td data-bbox="792 1692 1140 1829">No more than 2 percentage points above the prior Combined Rate</td> <td data-bbox="1140 1692 1490 1829">At least 1 percentage points below the prior Combined Rate</td> </tr> </tbody> </table>		TO		FROM	Fixed Rate- New Combined Rate	Hybrid ARM- New Combined Rate	Fixed Rate	At least 0.5 percentage points below the prior Combined Rate	At least 2 percentage points below the prior Combined Rate.	Any Arm Loan	No more than 2 percentage points above the prior Combined Rate	At least 1 percentage points below the prior Combined Rate
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## FHA Streamline

<p><b>Property Types</b></p>	<ul style="list-style-type: none"> <li>• 1-unit detached and attached SFR, PUD, condo and 2-4 units eligible. Manufactured homes, Co-ops, and Native American Housing Section 184 properties are ineligible</li> <li>• Refinancing of Texas 50(a)(6) is not allowed</li> <li>• Principal residences, HUD approved 2<sup>nd</sup> homes and investment properties eligible.</li> <li>• ARMS not allowed on 2<sup>nd</sup> homes/investment properties</li> <li>• Hawaiian Home Land Transactions are ineligible</li> <li>• Properties located in <a href="#">Hawaii Lava Zones 1 &amp; 2</a> are ineligible</li> </ul>
<p><b>Eligible Borrowers</b></p>	<ul style="list-style-type: none"> <li>• When a borrower is removed, the remaining borrower must be fully credit qualified unless: 1) Divorce proven by divorce decree, OR 2) Death proven by death certificate. Remaining borrower must prove that the last 6 payments were made from non-joint funds by the remaining borrower or full credit qualification is required (see Credit Qualifying)</li> <li>• Borrowers can be added provided the existing borrower(s) is retained</li> <li>• A copy of the original note is required to document all borrowers</li> </ul>
<p><b>Credit Report</b></p>	<ul style="list-style-type: none"> <li>• Mortgage Only credit report required on non-credit qualifying streamlines</li> </ul>
<p><b>Collateral/Appraisal Requirements</b></p>	<ul style="list-style-type: none"> <li>• For all streamlines without an appraisal, properties in FEMA declared disaster areas do not require an inspection unless the loan did not have a Homeowner's policy in effect at the time the disaster was declared</li> <li>• Properties listed for sale allowed</li> <li>• Condo approval is not required. If approval of a condo project has been withdrawn, only streamlines without an appraisal are allowed</li> </ul>
<p><b>Higher Priced Mortgage Loans (HPML)/Higher Priced Covered Transactions (HPCT)</b></p>	<ul style="list-style-type: none"> <li>• HPML/HPCT is a transaction where the APR exceeds the average prime offer rate (APOR) as of the date the interest rate is locked by 1.5% or more. For case numbers assigned on or after 1/10/14, HPML/HPCT is defined as having an APR that exceeds the APOR as of the date the interest rate is locked by 1.15% + the annual MIP. This applies to all occupancy types</li> <li>• Any mortgage that exceeds HPML tolerances must credit qualify (i.e. verify income and assets) and meet all requirements of <a href="#">FHA Manual Underwriting Requirements</a> and <a href="#">LDW's FHA Manual UW Policy</a>. Further, an escrow account must be established and cannot be cancelled for at least 12 months. Pre-payment penalties not allowed</li> </ul>



### Requirements for Non-Credit Qualifying Streamline Without Appraisal

- Minimum credit score required for primary residence.
  - **FICO 580: loanDepot to loanDepot refinance**
  - **FICO 620: Non-loanDepot to loanDepot refinance**
- Minimum credit score required for 2<sup>nd</sup> home/NOO
  - **FICO 620**
- Manual underwrites only. TOTAL Scorecard should NOT be run
- A credit report will only be used to validate the credit score and mortgage history
- No DTI applicable. Income is not stated on the 1003 nor is it verified
- VVOE or alternative income verification required to confirm borrower has income source at time of application (only one source of income required). This is required for borrower's primary employment income only and not required for retired borrowers (of retirement age) or spouse
- An IRS Form 4506-T must be signed, completed, and dated at closing by all borrowers
- The appraisal value from the FHA Refinance Authorization must be used for LTV/CLTV purposes
- Verify borrower's funds to close when the amount needed to close exceeds the amount of the new mortgage payment (PITIA). Obtain a VOD covering a two month period along with the most recent bank statement. When a VOD is not obtained, the two most recent, consecutive bank statements can be obtained provided the statements show the previous month's balance. Otherwise, statements covering the most recent three-month period are required. Large deposits must be explained and sourced. Large deposits are considered any single deposit in excess of 1% of the appraised value, use value on Refi Auth

### Requirements for Credit Qualifying Streamline Without Appraisal

- At least one borrower from existing mortgage must remain as borrower on the new mortgage
- Minimum credit score required for primary residence.
  - **FICO 580: loanDepot to loanDepot refinance**
  - **FICO 620: Non-loanDepot to loanDepot refinance**
- Minimum credit score required for 2<sup>nd</sup> home/NOO
  - **FICO 620**
- Manual underwrites only. TOTAL Scorecard should NOT be run
- A credit report is obtained to validate acceptable payment history. Manual underwriting guidelines must be applied (e.g. 3 year seasoning for foreclosure, 2 year seasoning for Chapter 7 bankruptcy, Chapter 13 bankruptcy okay if meets FHA guidelines, all mortgage payment history to meet manual underwriting guidelines)
- Two year job history required
- All qualifying income must be verified according to the manual guidelines.
- A fully executed IRS form 4506T is required for each borrower on the loan. Refer to [Tax Transcripts-4506-T Policy](#) for when transcripts are required
- DTI and reserves must meet requirements as defined in [FHA handbook 4000.1 Manual Underwriting Approvable Ratio and Reserve Requirements](#)
- Verbal VOE required within 10 calendar days of closing
- Credit report for non-borrowing spouse must be pulled in community property states with individual debts being included in the DTI
- Verify borrower's funds to close when the amount needed to close exceeds the amount of the new mortgage payment (PITIA). Obtain a VOD covering a two month period along with the most recent bank statement. When a VOD is not obtained, the two most recent, consecutive bank statements can be obtained provided the statements



## FHA Streamline

show the previous month's balance. Otherwise, statements covering the most recent three-month period are required. Large deposits must be explained and sourced. Large deposits are considered any single deposit in excess of 1% of the appraised value, use value on Refi Auth.

Revised: 10/31/2018

