

FHA Fixed/ARM

Maximum LTV/CLTV / FICO							
Purchase		No Cash Out Refinance		Cash Out Refinance		FICO	
96.50%		97.75%		85%		620	
						580 ¹	
FICO Restrictions		600-619			580-599		
		<ul style="list-style-type: none"> No Gift Maximum Payment Shock no more than 20% 			<ul style="list-style-type: none"> No Gift 6 Month Reserves Required Maximum Payment Shock no more than 15% 		
FHA mortgage limits for all areas: https://entp.hud.gov/idapp/html/hicostlook.cfm							
Loan Programs Names and Terms							
Fixed Rate Programs		Terms		Fully Amortizing ARM Programs Caps 1/1/5 Index 1-Year CMT Margin 1.75		Terms	
FHA Fixed		10, 15, 20, 25 and 30 Year Fixed		FHA CMT 3/1 and 5/1 ARM		30 Year	
FHA High Balance Fixed		10, 15, 20, 25 and 30 Year Fixed		FHA CMT 3/1 and 5/1 ARM High Balance		30 Year	
Mortgage Insurance Premiums (UFMIP / MIP)							
> 15 Year term (base loan amount ≤ \$625,500)				≤ 15 Year term (base loan amount ≤ \$625,500)			
LTV	UFMIP	Annual MIP	Duration	LTV	UFMIP	Annual MIP	Duration
> 95%	1.75%	.85%	Mortgage Term	> 90%	1.75	.70%	Mortgage Term
90.01% - 95%	1.75%	.80%	Mortgage Term	≤ 90.00%	1.75	.45%	11 Years
≤ 90%	1.75%	.80%	11 Years				
> 15 Year terms (base loan amount > \$625,500)				≤ 15 Year term (base loan amount > \$625,500)			
LTV	UFMIP	Annual MIP	Duration	LTV	UFMIP	Annual MIP	Duration
> 95%	1.75%	1.05%	Mortgage Term	> 90%	1.75	.95%	Mortgage Term



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90.01% - 95%	1.75%	1.00%	Mortgage Term	78.01% - 90%	1.75	.70%	11 Years
≤ 90%	1.75%	1.00%	11 Years	≤ 78.00%	1.75	.45%	11 Years

MIP Notes:

- Program eligibility is determined using the base loan amount prior to financing UFMIP
- Pricing is determined using the Note loan amount (base loan amount + UFMIP)
- UFMIP must be 100% financed into the mortgage or paid entirely by cash; partial financing is not allowed

Underwriting

- 580 minimum credit score for all loans, regardless of AUS decision
- All loans must be submitted through FHA TOTAL scorecard by DU or LPA. "Refer" decisions may be eligible for manual underwriting with minimum 580 FICO
- Foreclosure and deed-in-lieu: Minimum 3 year seasoning required (at case # assignment date)
- Pre-Foreclosure Sales (Short Sales): 3 year seasoning required if borrower was in default on the mortgage at the time of short sale. Manual underwrite allowed when Short Sale is within 3 years at the time of case # assignment date if the borrower was current on the mortgage at the time of short sale: 1) All mortgage payments on the prior mortgage were made within the month due for the 12-month period preceding the Short Sale, and 2) installment debt payments for the same time period were also made within the month due. In addition, there can be no evidence that the borrower pursued a short sale on his/her principal residence simply to take advantage of declining market conditions, and purchase a similar or superior property within a reasonable commuting distance at a reduced price as compared to current market value
- Chapter 7 or Chapter 13 bankruptcy: 2 year seasoning from discharge required (at case # assignment date). Manual underwrite allowed for Chapter 13 bankruptcy if the following guidelines are met: 1) One year of the pay-out period under the bankruptcy has elapsed, 2) The borrower's payment performance has been satisfactory and all required payments have been made on time 3) The borrower has received written permission from bankruptcy court to enter into the mortgage transaction and 4) DE UW must document that the borrower's current situation or event(s) that led to the bankruptcy are not likely to recur
- Consumer Credit Counseling: Acceptable if the following requirements are met: 1) One year of the pay-out period has elapsed under the plan, 2) The borrower's payment performance has been satisfactory and all required payments have been made on time, and 3) The borrower has received written permission from the counseling agency to enter into the mortgage transaction. A manual downgrade is not required if TOTAL Scorecard issues an Approve/Accept recommendation. No explanation or other documentation is needed for TOTAL Approve/Accept recommendation
- Credit report for non-borrowing spouse must be pulled in community property states with individual debts being included in the DTI. This applies if the subject property is located in a community property state or if the borrower's primary residence is in a community property state even though the subject property is not in a community property state. The non-borrowing spouse's SSN must match with the Social Security Administration and/or must obtain non-borrowing spouse's consent and authorization to verify the SSN with the SSA



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	<ul style="list-style-type: none"> Whenever a borrower must document funds to close and/or reserves and does not hold a deposit account solely, all non-borrower parties on the account must provide a written statement that the borrower has full access and use of the funds 3-4 unit properties require minimum 3 months PITIA + MIP in reserves (gift funds not allowed)
Documentation	<ul style="list-style-type: none"> All borrowers must have at least one valid credit score on manually underwritten loans. Borrowers using non-traditional credit are not allowed 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
Loan Purpose	<ul style="list-style-type: none"> Purchase No Cash-out Refinance Cash-out Refinance
Property Types	<ul style="list-style-type: none"> 1-Unit attached and detached SFR/PUD condo (must be HUD approved) 2-4 Units
Eligible Borrowers	<ul style="list-style-type: none"> US citizens Non-occupant co-borrowers Inter vivos revocable trusts Permanent and non-permanent resident aliens
Ineligible Transactions	<ul style="list-style-type: none"> EEM (Energy Efficient Mortgage) FHA Secure 203 (k) Hope for Homeowners Down payment assistance options Texas 50(a)(6) loans Manufactured Homes Second homes and Investment properties Hawaiian Home Land Transactions Properties located in Hawaii Lava Zones 1 & 2
DTI Ratios	<ul style="list-style-type: none"> 31/43% <p>Note: AUS approved loans may exceed this ratio</p>
Qualifying Rate	<ul style="list-style-type: none"> 3/1 and 5/1 ARM - Note Rate



<p>Manual Underwrite</p>	<ul style="list-style-type: none"> • DE UW must downgrade and manually underwrite as required within the new FHA handbook 4000.1 II.A.4.v TOTAL Accept Risk Classifications Requiring a Downgrade to Manual Underwriting. (e.g. mortgage payment history requires a downgrade, borrower has undisclosed mortgage debt, business income shows a greater than 20% decline over the analysis period...etc.) • AUS “Refer/Eligible” finding allowed on an exception basis subject to manual underwriting requirements (i.e. loan cannot have layered risk, compensating factors are required). • Subject to manual underwriting downgrade if additional information is identified in the loan file that was not considered in the AUS “Approve/Eligible” findings
<p>Appraisal Requirements</p>	<ul style="list-style-type: none"> • All appraisals must be completed by HUD-approved appraisers • Resales occurring 90 days or less after date of acquisition is no longer eligible for FHA-insured mortgage • Please refer to the HUD Handbook for more information on the following appraisal requirements: Resales occurring between 91 and 180 days after acquisition where the resale price is 100% or more over the price paid by the seller when the property was acquired • When a 2nd appraisal is required, the appraisal must be ordered from a different, HUD-approved appraiser. If the value of the 2nd appraisal is more than 5% below the original appraisal, the lesser value must be used. The cost of the 2nd appraisal may not be charged to the borrower
<p>Max Mortgage Amount</p>	<ul style="list-style-type: none"> • The maximum insurable mortgage amount is the lesser of: <ul style="list-style-type: none"> ○ FHA Nationwide Mortgage Limit for the applicable area or ○ Maximum LTV percentage of the Adjusted Value for the program type • The Adjusted Value is calculated as follows: <ul style="list-style-type: none"> ○ Purchase transactions: The Adjusted Value is the lesser of, 1) purchase price less any inducements to purchase, or 2) current property value ○ Refinance transactions: Properties acquired by the borrower within 12 months of case # assignment date - <ul style="list-style-type: none"> ▪ The Adjusted Value is the lesser of, 1) purchase price plus any documented improvements made subsequent to the purchase, or 2) current property value ▪ By inheritance or through a gift from family member may utilize calculation of Adjusted Value for properties purchased ≥ 12 months ▪ Properties acquired by borrower ≥ 12 months prior to case # assignment date, the Adjusted Value is the current property value
<p style="text-align: center;">No Cash-Out Refinance</p>	
<ul style="list-style-type: none"> • At the time of case # assignment date, the maximum LTV is 97.75% for borrower that occupied subject property for previous 12 months • Borrower who has occupied the subject property < 12 months or if owned < 12 months has not occupied subject property for that entire period is subject to maximum 85% LTV • The total amount of existing debt and costs associated with the transaction below less any UFMIP refund: <ul style="list-style-type: none"> ○ Existing 1st lien, any junior liens > 12 months old, borrower paid closing costs, prepaid expenses and borrower paid repairs (if required) 	



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- Any junior lien balance or portion of HELOC > \$1000 advanced within past 12 months was for purpose(s) other than repairs/rehabilitation of subject property is not eligible to be included in the new FHA-mortgage
- Prepaid expenses may include per diem interest, hazard/mortgage insurance, and real estate taxes needed to establish the escrow account
- Subordinate financing maximum CLTV is 97.75%
- Maximum \$500 cash back allowed

Cash-Out Refinance

- Subject property must have been owned and occupied as the borrower’s principal residence for the 12 months prior to the date of case # assignment. Properties owned ≤ 12 months are not eligible for cash-out (Except in the case of inheritance, refer to FHA handbook 4000.1 for further guidance)
- DE UW must review borrower’s employment documentation or obtain utility bills to evidence the borrower has occupied the subject property for 12 months prior to the case # assignment
- Borrowers whose loans are delinquent or who have mortgage lates in the last 12 months are not eligible
- Properties with mortgages must have a minimum of 6 months consecutive payments (FHA requirement / GNMA overlay) **AND**
- A minimum of 210 days must have passed between the 1st payment due date of the initial loan and the 1st payment due date of the new loan (GNMA overlay- applies when current loan that is being paid off is FHA, VA or USDA)
- Properties owned free and clear may be financed as cash-out transactions
- The maximum LTV/CLTV is 85% of the Adjusted Value. The combined mortgage amount of the 1st lien and any subordinate liens cannot exceed FHA Nationwide Mortgage Limit
- Co-borrowers or co-signers added to the note or currently on the note must occupy the subject property
Non-occupant co-borrowers income may not be used to qualify for a cash-out refinance

Additional Underwriting Guidelines

Please access [loanDepot Wholesale Underwriting Guidelines](#) for a complete set of guidelines. For ease of access, we have included links to popular topics by category:

Assets	Credit	Eligibility	Income	Property	Misc. Topics
Business Assets	Contingent Liabilities	Continuity of Obligation	Employment History	Accessory Units	Age of Documentation
Gift Funds	Disputed Accounts	First Time Home Buyer	Non Borrowing Spouse	Hobby Farms	Delayed Financing
Gift of Equity	Payoff and Paydown of Debt	Multiple Financed Properties	Retirement Income	Leasehold	Departure Primary Residence
Large Deposits	Student Loans	Non Arms Length Transactions	Temporary Leave	Non Permitted Additions	Non Borrowing Spouse
		Non Occupant Co-Borrower	Tax Transcripts	Property Flips	Power of Attorney
		Non U.S Citizens			Transferred Appraisals

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