

FHA PURCHASE

ELIGIBILITY MATRIX

PURPOSE	PROPERTY TYPE	CREDIT SCORE	LTV	CLTV	DTI
TOTAL Approve / Accept					
Purchase	1-4 Units Manufactured Home	580	96.5%	105%	Per AUS
	Manual Underwrite	580	96.5%	105%	50%*
<ul style="list-style-type: none"> MANUAL UNDERWRITING MUST FOLLOW HUD 4000.1 GUIDELINES ON DTI AND COMPENSATING FACTORS MANUAL UNDERWRITING REQUIRES VOM/VOR REGARDLESS OF HUD 4000.1 COMPENSATING FACTOR REQUIREMENTS 					

MORTGAGE INSURANCE PREMIUMS

LTV	LOAN TERM	UPMIP	BASE LOAN AMOUNT ≤ \$625,500 MONTHLY	BASE LOAN AMOUNT ≥ \$625,500 MONTHLY
> 95%	> 15 Years	1.75%	85 bps	105 bps
≤ 95%			80 bps	100 bps
> 90%	≤ 15 Years		70 bps	95 bps
> 78% & ≤ 90%			45 bps	70 bps
≤ 78%			45 bps	45 bps

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FHA PURCHASE	
REFERENCE	DESCRIPTION
PURPOSE	Purchase Mortgage
LOAN TERMS	Fixed Rate: 10-to-30-year terms in annual increments
ELIGIBLE PROGRAMS	203(b) 1-4 Family Home Mortgage Insurance Program
TEMPORARY BUYDOWNS	Not Permitted
LOAN AMOUNT	<p>Base loan amount cannot exceed the FHA Statutory Mortgage Limits for each county.</p> <p>Total loan amount with financed UFMIP may exceed the maximum statutory loan amounts.</p> <p>Minimum loan amounts for the FHA High Balance products will be based on the base loan amount and not the total loan amount that includes the UFMIP.</p> <p>Total loan amount must be rounded down to the nearest \$1.00.</p> <p>Max base loan amount is calculated as the adjusted value multiplied by the appropriate LTV factor.</p>
ELIGIBLE AUS DECISION	<p>Accept/Eligible</p> <p>Approve/Eligible</p> <p>Refer/Eligible (Providing loan meets all manual underwriting guidelines per HUD 4000.1)</p>
INELIGIBLE AUS DECISION	<p>Approve/Ineligible</p> <p>Refer with Caution</p> <p>Caution</p>
MANUAL UNDERWRITING	<p>Loan must be underwritten in accordance with HUD 4000.1</p> <p>VOM/VOR required on all manual underwritten loans regardless of guidelines within the HUD 4000.1</p>
QUALIFYING RATE	Fixed Rate: Note Rate

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QUALIFYING RATIOS	Decision	Ratios	Compensating Factors
	AUS Approve/Eligible AUS Accept	Follow AUS	None
	AUS Refer/Eligible (Manual Underwrite)	31%/43%	Max DTI cannot be exceeded VOM or VOR required Must meet manual underwriting cash reserve requirement: <ul style="list-style-type: none"> 1-2 Units: Minimum 1-month reserves 3-4 Units: Minimum 3-months reserves
		37%/47%	Max DTI cannot be exceeded VOM or VOR required Compensating Factor must be one of the following: <ul style="list-style-type: none"> Minimal housing increase Residual Income Additional Income not used for qualification Must meet manual underwriting cash reserve requirement: <ul style="list-style-type: none"> 1-2 Units: Minimum 3 months reserves 3-4 Units: Minimum 6 months reserves
		40%/50%	Max DTI cannot be exceeded VOM or VOR required Compensating Factor must be two of the following: <ul style="list-style-type: none"> Minimal housing increase Residual Income Additional Income not used for qualification Must meet manual underwriting cash reserve requirement: <ul style="list-style-type: none"> 1-2 Units: Minimum 3 months reserves 3-4 Units: Minimum 6 months reserves
40%/40%		Max DTI cannot be exceeded VOM or VOR required No discretionary debt	
SUBORDINATE FINANCING	Permitted		
OCCUPANCY	Primary Residence		
ELIGIBLE PROPERTY TYPES	1-4 Units Condominiums <ul style="list-style-type: none"> Must be unexpired on FHA’s approved list Single-Unit-Approval (SUI) is acceptable providing projects meets requirements Leasehold Estate		

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	Manufactured Housing Modular Homes PUDs
INELIGIBLE PROPERTY TYPES	Condo Hotels Co-Ops Leasehold Estate Condominium Projects Non-Warrantable Condominium The following manufactured housing: <ul style="list-style-type: none"> Leasehold Estate Units in Condominium Project Units in Mobile Home Park Units with Mixed-Use
ELIGIBLE BORROWERS	U.S (United States) Citizens Permanent Resident Aliens Non-Permanent Resident Aliens Inter Vivos Revocable Trust (Requires Underwriting Manager Approval)
CO-BORROWER	Cannot be the seller, builder, real estate agent, etc., unless the co-borrower is a family member Income, assets, and debts from all borrowers are used in qualifying
NON-OCCUPANT CO-BORROWER	Must be either a U.S. (United States) Citizen Max 75% LTV if not a family member or if Parent is seller and non-occupant co-borrower If a family with an LTV greater than 75% the property must be single family

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HOUSING PAYMENT HISTORY	Total Accept		Refer and Manual Underwrite
	Housing Payment History		Housing and Installment Payment History
	Follow AUS Manual Downgrade if: <ul style="list-style-type: none"> • Any mortgage trade line on the credit report in the 12 months prior to case number assignment date reflects any of the following: <ul style="list-style-type: none"> ○ 3X30 or ○ 1X60 plus 1X30 or ○ 1X90 ○ Fewer than three consecutive payments since completion of a forbearance plan • Undisclosed mortgage debt not on credit report and not considered by AUS, if as of case number assignment date reflects any of the following: <ul style="list-style-type: none"> ○ A current delinquency ○ 1X30 in months 1-12 ○ More than 2X30 in months 13-24 		<ul style="list-style-type: none"> • 0X30 in most recent 12 months • 2X30 in most recent 13-24 months
	Rental payment history is not required unless AUS specifically asks for VOR.		Revolving Payment History <ul style="list-style-type: none"> • 2X60 or 0X90 in most recent 12 months
BORROWER CONTRIBUTION	Minimum down payment is 3.5% of the sales price or appraised value, whichever is less The down payment requirement cannot be met by borrower paid closing costs, prepaid expense, commitment fees or discount points or premium pricing		
DOWN PAYMENT ASSISTANCE	Federal, state, local government agencies, charitable organizations and FHA Approved non-profit agencies considered by FHA to be an instrumentality of the government may provide funds for down payment, closing costs and prepaid expenses		
SELLER CONTRIBUTIONS	6% of the purchase price		
IRS FORM 4506-C	Prior to Underwriting <ul style="list-style-type: none"> ▪ Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.) At Closing (all loans) <ul style="list-style-type: none"> ▪ 4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing 		

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	<ul style="list-style-type: none"> ▪ 4506-C for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification
TAX TRANSCRIPTS	Required for all self-employed borrowers, or borrowers that are qualifying with rental income and borrowers with handwritten paystubs or if transaction is non-arm's length.
FINANCED PROPERTIES	<p>Borrowers may own more than one FHA-insured property providing they meet the policy exceptions required by HUD.</p> <ul style="list-style-type: none"> • Relocation • Increase in Family Size • Vacating a Jointly Owned Property • Non-Occupying Co-Borrower <p>Additional requirements must be met with acceptable documentation and underwriter approval.</p>
APPRAISALS	A new appraisal completed by an appraiser on the FHA Appraiser Roster Transferred appraisals are acceptable providing they meet KFI requirements.
POWER OF ATTORNEY	Permitted. Underwriting Manager approval is required.
PRINCIPAL CURTAILMENT	Principal curtailment eligible due to excess Premium Pricing Credit
ESCROW WAIVERS	Not permitted
MORTGAGE INSURANCE PREMIUM	Required for all loans. No exceptions.
INELIGIBLE PROGRAMS	<p>203(k) Rehabilitation Mortgage Energy Efficient Mortgages (EEM) Good Neighbor Next Door Graduated Payment Mortgage (GPM) Growing Equity Mortgage (GEM) Hope for Homeowners HFA Programs</p>

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