

FHA STREAMLINE

ELIGIBILITY MATRIX

PRIMARY RESIDENCE AND NON-OWNER OCCUPIED
1-4 UNITS

PROPERTY TYPE	CREDIT SCORE	LTV	CLTV	DTI
Non-Credit Qualifying Refinance	580	105%	125%	N/A
Credit Qualifying Refinance	580	105%	125%	50%

- PRINCIPAL BALANCE MAY NOT EXCEED ORIGINAL LOAN AMOUNT OF LOAN BEING REFINANCED
- 50% DTI PERMITTED WITH COMPENSATING FACTORS IN ACCORDANCE WITH HUD 4000.1

MORTGAGE INSURANCE PREMIUMS

LTV AND LOAN TERM	EXISTING FHA MORTGAGE ENDORSED ON OR BEFORE MAY 31, 2009 ALL LOAN AMOUNTS		BASE LOAN AMOUNT ≤ \$625,500 (MIP)		BASE LOAN AMOUNT ≥ \$625,500	
	UFMIP	MONTHLY	UFMIP	MONTHLY	UFMIP	MONTHLY
>95% LTV > 15 YEARS	.01%	55 bps	1.75%	85 bps	1.75%	105 bps
≤95% LTV > 15 Years	.01%	55 bps	1.75%	80 bps	1.75%	100 bps
> 90% LTV ≤ 15 Years	.01%	55 bps	1.75%	70 bps	1.75%	95 bps
> 78% and ≤90% LTV ≤ 15 Years	.01%	55 bps	1.75%	45 bps	1.75%	70 bps
≤78% LTV ≤ 15 Years	.01%	55 bps	1.75%	45 bps	1.75%	45 bps

Duration of Annual MIP based upon amortization term and LTV ratio at origination.

- LTV ≤ 90% - 11 Years
- LTV > 90% - Entire Loan Term

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FINANCING TYPE	Credit Qualifying Streamline Refinance (Income Required)
LOAN TERMS	The new mortgage may not have a term of more than 12 years in excess of the unexpired term of the existing mortgage. Fixed Rate: 10-to-30-year terms in annual increments
ELIGIBLE PROGRAMS	203(b) 1-4 Family Home Mortgage Insurance program
CURRENT FIRST MORTGAGE ELIGIBILITY	Existing Endorsed FHA Mortgage As of the new FHA case number assignment date: <ul style="list-style-type: none"> • At least 210 days must have passed since the closing-funding date of the existing mortgage • The borrower must have made at least six consecutive monthly payments on the existing mortgage, beginning with the payment made on the first payment due date, and • at least six full months have passed since the first payment due date on the mortgage being refinanced • deferred or skipped mortgage payments due to forbearance are not counted toward seasoning and minimum number of payments requirements The first payment due date of the new mortgage occurs no earlier than 210 days after the first payment due date of the existing mortgage For existing mortgages that have been modified, the first payment due date of new mortgage must be on or after the later of: <ul style="list-style-type: none"> • The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced, and • The date on which six modified payments have been made on the mortgage being refinanced
TEMPORARY BUYDOWNS	Not Permitted
STATUTORY LIMITS	Max base mortgage may exceed the current statutory loan limits Max base mortgage may not exceed the total loan amount on the existing mortgage, including UFMIP Minimum loan amounts for FHA High Balance will be based on the base loan amount and not the total loan amount that includes financed UFMIP Total loan amount must be rounded down to the nearest \$1.00

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NET TANGIBLE BENEFIT

The borrower must receive a Net Tangible Benefit (NTB) resulting from the streamline refinance transaction.

A Net Tangible Benefit is

- a reduced Combined Rate;
- a change from an ARM to a Fixed Rate; and/or
- a reduced term that results in a financial benefit to the borrower (reduction in term by itself is not an NTB)

Combined Rate Reduction refers to the interest rate on the mortgage plus the MIP rate.

Reduction in Term refers to the reduction of the remaining amortization period of the existing mortgage by three years or more.

Combined Rate Benefit Test (with no term reduction or term reduction of less than three years)

The following defines the permissible minimum thresholds to define net tangible benefit.

From -----> To	Fixed Rate	ARM
Fixed Rate	New Combined Rate at least 0.5% below prior Combined Rate	Not Eligible
ARM	New Combined Rate no more than 2% above prior Combined Rate	Not Eligible

STATUTORY LIMITS

- Max Base Mortgage may exceed the current Statutory Loan Limits
- Max Base Mortgage may not exceed the Total Loan Amount on the existing mortgage, including UFMIP
- Minimum loan amounts for the FHA High-Balance product will be based on the Base Loan Amount and not the Total Loan Amount that includes financed UFMIP
- Total Loan Amount must be rounded down to the nearest \$1.00

LOAN AMOUNT

Use original loan amount on FHA Connection Refinance Authorization Screen, even if loan has been modified

Owner Occupied Property

- Max base mortgage amount is limited to lesser of original principal amount of existing mortgage or UPB plus max of two months of interest and pro rata annual MIP, late charges, escrow shortages minus any unearned UFMIP

Non-Owner-Occupied Property

- Max base mortgage amount is limited to lesser of original principal amount of existing mortgage of UPB

Max mortgage amount calculation to be documented using FHA Maximum Refinance Calculation Worksheet

FHA-to-FHA Refinance: Refinance Authorization Information must be obtained at Case Number Assignment

Incidental cash back up to \$500

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MANUAL UNDERWRITING	All Streamline refinances must be manually underwritten and meet FHA underwriting guidelines No AUS should be run
QUALIFYING RATE	Credit Qualifying Refinance: Note Rate Non-Credit Qualifying Refinance: Not Applicable (No Income Disclosed)
TYPES OF FINANCING	Credit Qualifying Streamline Refinance (Income Disclosed) Non-Credit Qualifying Refinance: (No Income Disclosed)
ELIGIBLE SUBORDINATE FINANCING	Existing subordinate financing
INELIGIBLE SUBORDINATE FINANCING	New subordinate financing
OCCUPANCY	<p>Primary residence Provide evidence that the borrower currently occupies the property as their primary residence as of case number assignment date with one of the following:</p> <ul style="list-style-type: none"> • Current utility bill <p>Non-Owner Occupied (Fixed Rate)</p> <ul style="list-style-type: none"> • Second home • Investment property
ELIGIBLE PROPERTY TYPES	<p>1-4 units Condominium</p> <ul style="list-style-type: none"> • Must be unexpired on FHA's approved list • SUI Approval is acceptable providing project meets HUD 4000.1 guidelines <p>Leasehold estates Manufactured housing Modular homes PUDs</p>
INELIGIBLE PROPERTY TYPES	<p>The following manufactured housing:</p> <ul style="list-style-type: none"> • Leasehold estate • Units in a condo project • Units in a mobile home park • Units on a property with a hobby farm • Units with mixed-use • Non-warrantable condos

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<p>ELIGIBLE BORROWERS</p>	<ul style="list-style-type: none"> • U.S (United States) Citizens • Permanent resident alien • Non-Permanent Resident Alien • Inter Vivos Revocable Trust: Trust must be reviewed by Underwriting Manager • Provide copy of Social Security Card or processed Authorization to Release Social Security Number Form SSA-89 • Verification of citizenship and immigration status not required for Non-Credit Qualifying Streamline Refinance 		
<p>ADDING A CO-BORROWER</p>	<ul style="list-style-type: none"> • Occupant co-borrower may be added • An individual may be added to title • Non-occupant co-borrower or co-signer may not be added 		
<p>REMOVING A CO-BORROWER</p>	<table border="0"> <tr> <td data-bbox="418 835 974 1283"> <p><u>Credit Qualifying Refinance</u></p> <ul style="list-style-type: none"> • Borrowers may be removed provided the remaining borrower qualifies for the new mortgage • At least one borrower from the existing mortgage must remain as a borrower on the new mortgage </td> <td data-bbox="974 835 1531 1283"> <p><u>Non-Credit Qualifying Refinance</u></p> <ul style="list-style-type: none"> • All borrowers on the existing mortgage must remain as borrowers on the new mortgage. • Provide one of the following to confirm that the borrowers will remain the same. <p><i>*Copy of Note REQUIRED</i></p> <ul style="list-style-type: none"> • Exception permitted in case of divorce, separation, or death. • Divorce decree or legal separation agreement awarded the property and responsibility for payment to the remaining borrower, if applicable, and • The remaining borrower has made a minimum of six (6) months of mortgage payments prior to case number assignment. </td> </tr> </table>	<p><u>Credit Qualifying Refinance</u></p> <ul style="list-style-type: none"> • Borrowers may be removed provided the remaining borrower qualifies for the new mortgage • At least one borrower from the existing mortgage must remain as a borrower on the new mortgage 	<p><u>Non-Credit Qualifying Refinance</u></p> <ul style="list-style-type: none"> • All borrowers on the existing mortgage must remain as borrowers on the new mortgage. • Provide one of the following to confirm that the borrowers will remain the same. <p><i>*Copy of Note REQUIRED</i></p> <ul style="list-style-type: none"> • Exception permitted in case of divorce, separation, or death. • Divorce decree or legal separation agreement awarded the property and responsibility for payment to the remaining borrower, if applicable, and • The remaining borrower has made a minimum of six (6) months of mortgage payments prior to case number assignment.
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- Non-borrowing spouse: credit report not required.
- Non-Traditional credit is not permitted.

- Inclusive of all liens regardless of position
- Borrower must have made the payments for all mortgages secured by the subject property for the month prior to mortgage disbursement

HOUSING PAYMENT HISTORY

	Credit Qualifying Refinance	Non-Credit Qualifying Refinance
Housing Payment	<p>Applies to all mortgages on all financed properties</p> <p>Prior to case number assignment date</p> <ul style="list-style-type: none"> • 0x30 in past 6 months • 1x30 in months 7–12 • 0x30 if fewer than 12 months payments have been made 	<p>Applies to all mortgages on subject property</p> <p>Prior to case number assignment date:</p> <ul style="list-style-type: none"> • 0x30 in past 6 months • 1x30 in months 7–12 • 0x30 if fewer than 12 months payments have been made
Installment Payment	<ul style="list-style-type: none"> • 0x30 in most recent 12 months • 2x30 in most recent months 13-24 	Not applicable
Revolving Payment	<p>If the housing and installment payment history above is acceptable, the borrower's credit must not include any revolving accounts:</p> <ul style="list-style-type: none"> • 90+ days late in most recent 12 months, or • 2x60 in most recent 12 months 	Not applicable
Forbearance	<p>A borrower granted forbearance and continued to make all mortgage payments will be considered on time provided the borrower exits forbearance prior to closing.</p> <p>Payments not made during a forbearance granted by a servicer that do not require payments to be made during the forbearance period, are not considered delinquent. Forbearance plans that require partial payments are not considered delinquent as long as payments are made in accordance with the terms of the forbearance plan.</p>	
	<p>A borrower who is still in forbearance at the time of case number assignment or has made less than three consecutive monthly mortgage payments within the month due since exiting forbearance must:</p> <ul style="list-style-type: none"> • Have made all mortgage payments within the month due for the six months prior to forbearance; and • Have had no more than 1x30 within the 7-12 months prior to forbearance <p>Seasoning requirements apply</p>	<p>A borrower who was granted a forbearance and missed payments or paid outside month due while in forbearance, prior to case number assignment must have:</p> <ul style="list-style-type: none"> • exited the forbearance plan; and • made at least six consecutive mortgage payments within the month due since exiting the forbearance plan

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	<p>The following may be included in the loan amount:</p> <ul style="list-style-type: none"> For owner occupied properties, deferred mortgage payments (P&I, escrow shortages, late charges) on the payoff statement, provided that the maximum base loan amount does not exceed the original principal balance (including financed UFMIP) of the existing mortgage For non-owner-occupied properties, the maximum base loan amount is the lesser of outstanding principal balance only or original principal balance minus any refund of UFMIP 	<p>Seasoning requirements apply The following may be included in the loan amount:</p> <ul style="list-style-type: none"> For owner occupied properties, deferred mortgage payments (P&I, escrow shortages, late charges) on the payoff statement, provided that the maximum base loan amount does not exceed the original principal balance (including financed UFMIP) of the existing mortgage For non-owner-occupied properties, the maximum base loan amount is the lesser of outstanding principal
	Modified Mortgage	<p>The borrower must have made</p> <ul style="list-style-type: none"> At least six payments under the modification agreement, and At least six full months must have passed since the first payment due date of the mortgage that is being refinanced Seasoning requirements apply
FUNDS TO CLOSE	<ul style="list-style-type: none"> Must verify borrower's funds to close, more than the total mortgage payment on the new mortgage Source of large deposits required for Credit Qualifying Refinance 	
RESERVES	<p>Credit Qualifying Refi</p> <ul style="list-style-type: none"> 1-2 units: One-month PITIA 3-4 units: Three months PITIA Gifts: Not Permitted <p>Non-Credit Qualifying Refi</p> <ul style="list-style-type: none"> Not Required 	
EMPLOYMENT AND INCOME	<p>Credit Qualifying Refinance</p> <ul style="list-style-type: none"> Standard income documentation required <p>Non-Credit Qualifying Refinance</p> <ul style="list-style-type: none"> Current employer along with two-year job history to be listed on the URLA (No Income) Income documentation is not required Verbal VOE will be completed prior to closing confirming borrower(s) are employed. 	

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IRS FORM 4506-C	<p>Credit Qualifying Refinance – Prior to Closing (reviewed by underwriter)</p> <ul style="list-style-type: none"> Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification. <p>At Closing</p> <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 4506-C for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification <p>Non-Credit Qualifying Refinance</p> <ul style="list-style-type: none"> Not required
NUMBER OF FINANCED PROPERTIES	<p>Credit Qualifying Refinance</p> <ul style="list-style-type: none"> No limit on number of financed properties <p>Non-Credit Qualifying Refinance</p> <ul style="list-style-type: none"> No limit on number of financed properties
APPRAISAL	<p>No Appraisal Required</p> <p>Properties located in a FEMA-Declared Major Disaster Area do not require a disaster inspection.</p>
POWER OF ATTORNEY	<p>Permitted</p> <p>Must be Specific Power Attorney</p> <p>Borrower must provide signed and dated letter of explanation stating relationship between borrower and POA. LOX must also include reason for POA. Underwriting Manager to review and approve.</p>
PRINCIPAL CURTAILMENT	<p>The amount of the curtailment cannot exceed \$500 unless due to an excess Premium Pricing Credit</p>
ESCROW WAIVERS	<p>Not Permitted</p>
MORTGAGE INSURANCE PREMIUM	<p>Required for all loans</p>
INELIGIBLE PROGRAMS	<p>203(k) Rehabilitation Mortgage</p> <p>Energy Efficient Mortgages (EEM)</p> <p>Good Neighbor Next Door</p> <p>Graduated Payment Mortgage (GOM)</p> <p>Growing Equity Mortgage (GEM)</p> <p>Hope for Homeowners</p> <p>Housing Choice Voucher Homeownership Program (Section 8)</p>

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HFA Programs
HUD REO Program
Indian Reservation (Section 184)

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