



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%*

▪ 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	UFMIP	BASE LOAN AMOUNT < \$726,200	BASE LOAN AMOUNT > \$726,200
> 95%	> 15 Years	1.75%	55 bps	75 bps
<= 95%			50 bps	70 bps
> 90%	<= 15 Years		45 bps	65 bps
> 78% & <= 90%			40 bps	40 bps
<= 78%			15 bps	15 bps

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	2/1 Buydown 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 Approve/Eligible</p> <p>Refer/Eligible (Providing loan meets all manual underwriting guidelines per HUD 4000.1)</p>
INELIGIBLE AUS DECISION	<p>Approve/Ineligible 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>
OCCUPANCY	Primary Residence
ELIGIBLE PROPERTY TYPES	<p>1-4 Units Condominiums</p> <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 <p>Manufactured Housing</p> <p>PIHC</p> <p>Condo Hotels Co-Ops</p> <p>Leasehold Estate Condominium Projects Non-Warrantable Condominium</p>
INELIGIBLE PROPERTY TYPES	<p>The following manufactured housing:</p> <ul style="list-style-type: none"> • Leasehold Estate • Units in Condominium Project • Units in Mobile Home Park • Units with Mixed-Use



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QUALIFYING RATE	Fixed Rate: Note Rate																	
QUALIFYING RATIOS	<table border="1"> <thead> <tr> <th>Decision</th> <th>Ratios</th> <th>Compensating Factors</th> </tr> </thead> <tbody> <tr> <td>AUS Approve/Eligible AUS Accept</td> <td>Follow AUS</td> <td>None</td> </tr> <tr> <td rowspan="4">AUS Refer/Eligible (Manual Underwrite)</td> <td>31%/43%</td> <td> 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 </td> </tr> <tr> <td>37%/47%</td> <td> 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 </td> </tr> <tr> <td>40%/50%</td> <td> 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 </td> </tr> <tr> <td>40%/40%</td> <td> Max DTI cannot be exceeded VOM or VOR required No discretionary debt </td> </tr> </tbody> </table>	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 	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 	40%/40%	Max DTI cannot be exceeded VOM or VOR required No discretionary debt		
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SUBORDINATE FINANCING	Permitted																	
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																	
HOUSING PAYMENT HISTORY	Total Accept		Refer and Manual Underwrite															
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		VOM/VOR is required For borrowers living rent-free, the property owner must verify borrower has been living rent free and length of residency.																
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																	



FHA PURCHASE	
REFERENCE	DESCRIPTION
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	<p>Prior to Underwriting</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 (self-employment, rental income, etc.) <p>At Closing (all loans)</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
TAX TRANSCRIPTS	<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 <p>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.</p>
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	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