



FHA GUIDELINE SUMMARY MATRIX

MAXIMUM LTV

For Case Numbers Assignments on or after 1/1/2009

Purchase	No Cash Out Refinance	Cash Out Refinance
96.50%	97.75%	85%

Streamline Refinance w/ appraisal allows 97.75% LTV max.

No max LTV for Streamline without an appraisal as long as the new BASE does not exceed the original TOTAL loan amount.

FHA MORTGAGE LIMITS

Region	1 Units	2 Units	3 Units	4 Units
Low Cost Areas	\$271,050	\$347,000	\$419,400	\$521,250
High Cost Areas	\$729,750	\$934,200	\$1,129,250	\$1,403,400

A complete schedule of FHA mortgage limits for all areas is available at:

<https://entp.hud.gov/idapp/html/hicostlook.cfm>

UPFRONT & ANNUAL MIP

For case numbers assigned on or after April, 18, 2011

Greater than 15 year terms			15 year or less terms		
LTV	UFMIP	Annual	LTV	UFMIP	Annual
>95%	1.00%	1.15%	>90%	1.00%	.50%
≤95%	1.00%	1.10%	≤90%	1.00%	.25%

For case numbers assigned on or after October 4, 2010

Greater than 15 year terms			15 year or less terms		
LTV	UFMIP	Annual	LTV	UFMIP	Annual
>95%	1.00%	0.90%	>90%	1.00%	0.25%
≤95%	1.00%	0.85%	≤90%	1.00%	0.00%

For case numbers assigned April 5, 2010-October 3, 2010

Greater than 15 year terms			15 year or less terms		
LTV	UFMIP	Annual	LTV	UFMIP	Annual
>95%	2.25%	0.55%	>90%	2.25%	0.25%
≤95%	2.25%	0.50%	≤90%	2.25%	0.00%

MIP Notes:

- The number of years will be determined when the loan balance equals 78% LTV, provided the borrower has paid annual MIP for at least 5 years, (scheduled or actual)
- MI screen must be marketed to "recalculate based on remaining loan amount" for monthly MIP
- All FHA loans will have upfront and monthly premiums, except as noted above
- Program & Pricing eligibility is determined using the base loan amount prior to financing UFMIP
- UFMIP must be 100% financed into the mortgage or paid entirely by cash: partial financing is not allow

LOAN PROGRAMS & TERMS

Fixed Rate Programs	Terms	ARM Programs	Terms
Gov 15	10, 15 yrs	Gov Arm 5/1 w/1-1-5 Caps	30 yrs
Gov 30	20, 25, 30 yrs	Gov ARM 3/1	30 yrs

Additional information: <http://www.FHA.gov> <http://www.hudclips.org>

<http://www.hud.gov/groups/lenders.cfm>

REFINANCE

No Cash Out Refinance:

Max. Loan amount is the lesser of the LTV in the Max. LTV table or existing debt calculation as described below:

To calculate existing debt, add together the amount of the applicable items listed below, any UFMIP refund must be subtracted from the total:

- Existing 1st lien, any purchase money 2nd lien, any junior liens over 12 months old, borrower paid closing debts, prepaid expenses, borrower paid repairs by the appraisal, discount points
- Other fees acceptable by the appropriate Homeownership Center (HOC)
- Max 1 x30 AUS approval only
- The mortgage must be paid current for the month the loan is closing

- Prepaid expenses may include per diem interest, hazard/mortgage insurance, and real estate tax deposits needed to establish the escrow amount
- If the property was acquired less than one year before the loan application and is not already FHA-insured, the original sales price of the property (rather than appraised value) must be used in determining the maximum mortgage. Repairs and rehabilitation incurred after the purchase of the property may be added to the original sales price when calculating the mortgage amount
- Existing subordinate financing may remain in place (max 97.75% CLTV) if the borrower qualifies with payments on all liens. (\$500 cash back is allowed for minor adjustment in estimated vs. final closing costs)

If any portion of a line of credit in excess of \$1000 was advanced within the past 12 months and was for purposed other than repairs and rehab of the property, the line of credit would not be eligible for inclusion in the new mortgage

Cash Out Refinance:

- Value Determination: If the subject property has been the borrower's principal residence owned for:
 - > 12 mos: Use current appraised value
 - < 12 mos: Use lesser of current appraised value or the sales price when the proper was acquired
- Borrowers whose loans are delinquent or in arrears are not eligible
- Existing or modified subordinate financing may remain in place (max 85% CLTV) if the borrower qualifies with payments on all liens
- New subordinate financing: max 85% CLTV
- Co-borrowers or co-signers added to the note or currently on the note must occupy the property securing the new FHA-insured mortgage. Non-occupant co-borrowers or co-signers may not be added to the note to meet credit underwriting guidelines
- Properties owned free and clear may be financed as cash-out transactions

Streamline Refinance:

- Designed to lower the monthly payments on a current FHA-insured mortgage
- Must result in an immediate payment reduction to the borrower
- Cash back not allowed, except for minor adjustments at closing, not exceed \$500
- Mortgage history must reflect 0 x30 x12 or 1 x30 x 12 = 12 months (0 x 30 required 3 mos prior to application)
- At application, borrower must have made at least 6 monthly payments on the mortgage being refinanced.
- A Net Tangible Benefit determination is required for all loans

Streamline Refinance WITHOUT an Appraisal: The maximum insurable mortgage may not exceed the Outstanding principal balance minus the applicable refund of the UFMIP plus the new UFMIP that will be charged.

Streamline Refinance WITH an Appraisal: The max insurable mortgage is the lesser of:

- 97.75% of the appraised value of the property plus the new UFMIP that will be charged on the refinance, OR
- Outstanding principal balance minus the applicable refund of UFMIP plus up to 60 days interest. Borrower paid closing costs. Prepaid (taxed & insurance) as necessary to establish the escrow account, and the new UFMIP that will be charged on refinance.

GUIDELINES

Eligibility

- US Citizens, Inter vivos revocable trusts, Permanent and Non-Permanent Resident Aliens, Non-Occupant Co-Borrowers.
- Owner Occupied Only. (Exception available for streamline refinance).

Documentation

- All borrowers must have valid social security number.
- A completed and signed 4506-T is required for all borrowers on all loans.

DTI Ratios

- Manual underwriting: 31/43%
- Ratios may be exceeded only when significant compensating factors exist.
- Loans using an AUS may exceed the ratios above.

Underwriting Method

- All loans (except streamline refinance) must be decisioned through FHA TOTAL scorecard by DU/LP.
- "Refer" decisions may be eligible for manual underwriting.

Credit Score Requirements

- Minimum 640 credit score is required, regardless of any Aus decision.
- A credit report will only be used to validate the credit score for non-credit qualifying streamline refinance loans.

Appraisal Requirements

- All appraisals must be completed by HUD-approval appraiser
- A 2nd appraisal will be required if:
 - The re-sale date of property is between 91 and 180 days following the acquisition of the property by the seller, AND
 - The resale price is 100 percent or more over the price paid by the seller when the property was acquired
- Note: The second appraisal must be completed by an FHA roster appraiser selected by Bay Equity. Condominiums (including detached) and 2-4 unit properties must be completed on the appropriate appraisal form. Both appraisals must be completed prior to loan closing.