

STREAMLINE REFINANCE TRANSACTION							
Property Type <sup>1</sup>		Maximum Base Loan Amount		Minimum Credit Score		Max LTV/CLTV <sup>3</sup>	
<b>Principal Residence</b>							
1-4 Units		FHA Mortgage Limits		500		N/A	
<b>Second Home (HUD approved only)<sup>2</sup></b>							
1-4 Units		FHA Mortgage Limits		500		N/A	
Footnotes:							
<sup>2</sup> Second Home		Second Home must be HUD approved; Second Home and investment property are only eligible for non-credit qualifying streamline with fixed rate					
<sup>3</sup> Subordinate Financing		<ul style="list-style-type: none"> <li>• Existing subordinated financing must be re-subordinated</li> <li>• New subordinate financing permitted only when the proceeds are used to:               <ul style="list-style-type: none"> <li>◦ Reduce the principal amount of the existing mortgage or</li> <li>◦ Finance the origination fees, discount points or other associated costs</li> </ul> </li> </ul>					
FHA ELIGIBLE TERMS							
Standard				High-Balance			
Term				Term			
10 Year				10 Year			
15 Year				15 Year			
20 Year				20 Year			
25 Year				30 Year			
30 Year							
Standard				High-Balance/Super Max			
Description	Index	Caps	Margin	Description	Index	Caps	Margin
5/1	1-YR CMT	1/1/5	1.75%	5/1	1-YR CMT	1/1/5	1.75%
GUIDELINES							
<b>FHA Lending Resource</b>	<ul style="list-style-type: none"> <li>• All loans must be underwritten to the standards contained within this matrix.</li> <li>• Any guide published on this matrix DOES NOT supersede the FHA Handbook.</li> <li>• If guidance is not provided on this matrix, refer to the <a href="#">FHA Handbook 4000.1</a>.</li> </ul>						
<b>Geographical Restrictions</b>	<ul style="list-style-type: none"> <li>• Hawaii</li> <li>• Texas: Texas50(a)(6) not permitted.</li> </ul>						
<b>Assumability</b>	<ul style="list-style-type: none"> <li>• FHA insured loans are assumable.</li> </ul>						
<b>Minimum Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$60,000</li> </ul>						
<b>Documentation</b>	<ul style="list-style-type: none"> <li>• All borrowers must have a valid Social Security number.</li> <li>• A fully executed IRS Form 4506-C is required for each borrower on a <b>CREDIT QUALIFYING</b> loan only. Refer to IRS Form 4506-C and Tax Transcripts.</li> </ul>						
<b>AUS Requirements</b>	<ul style="list-style-type: none"> <li>• Manual underwriting is required. AUS is not allowed.</li> </ul>						
<b>Debt-to-Income (DTI)</b>	<ul style="list-style-type: none"> <li>• Not applicable to non-credit qualifying transactions.</li> <li>• Credit qualifying streamline transaction will need to follow Manual Underwriting guidelines, including non-borrowing spouse debt in Community property states.</li> </ul>						
<b>Qualifying Rate</b>	<ul style="list-style-type: none"> <li>• Fixed &amp; ARM: Qualify to Note Rate.</li> </ul>						
<b>Asset Documentation</b>	<ul style="list-style-type: none"> <li>• If funds required for closing are greater than the proposed PITIA, provide a 30 days bank statement with beginning and ending balance.</li> </ul>						
<b>Cash Back Eligibility</b>	<ul style="list-style-type: none"> <li>• Cash back is not permitted; Amounts ≤ \$500 is allowed due to minor adjustments at closing.</li> <li>• Cash to borrower from the refund of the unused escrow balance on the previous mortgage is not considered in the cash back limit.</li> </ul>						

	<ul style="list-style-type: none"> <li>No cash back is allowed for property located in Texas.</li> </ul>				
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Non-credit qualifying reserves not required.</li> <li>Credit Qualifying will require reserves documentation. <ul style="list-style-type: none"> <li>1–2-unit properties require a minimum of 1-month reserves.</li> <li>3–4-unit properties require a minimum of 3-months reserves.</li> </ul> </li> </ul>				
<b>Borrower Eligibility</b>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%; text-align: center;">Eligible</th> <th style="width: 50%; text-align: center;">Ineligible</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>US Citizens</li> <li>Permanent Residents</li> <li>Inter-Vivos Revocable Trusts</li> <li>Non-Occupant Borrowers</li> <li>All borrowers must have a valid Social Security number</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Non-Permanent Alien Residents</li> <li>Business Entity</li> <li>Non-profit</li> </ul> </td> </tr> </tbody> </table>	Eligible	Ineligible	<ul style="list-style-type: none"> <li>US Citizens</li> <li>Permanent Residents</li> <li>Inter-Vivos Revocable Trusts</li> <li>Non-Occupant Borrowers</li> <li>All borrowers must have a valid Social Security number</li> </ul>	<ul style="list-style-type: none"> <li>Non-Permanent Alien Residents</li> <li>Business Entity</li> <li>Non-profit</li> </ul>
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<ul style="list-style-type: none"> <li>Copy of the current note and deed are required to document current borrowers.</li> <li>Non-credit qualifying streamline: <ul style="list-style-type: none"> <li>All borrowers on the current loan must remain on the new loan except in cases of divorce, legal separation or death if: <ul style="list-style-type: none"> <li>The divorce decree or legal separation agreement awarded the property and mortgage to the remaining borrower and</li> <li>The borrower can document they have made all mortgage payments for a minimum of 6 months prior to the case assignment from his/her own funds.</li> </ul> </li> </ul> </li> <li>Credit qualifying streamline requires at least one borrower on the current loan to remain on the new loan.</li> </ul>					
<b>Community Property States</b>	<ul style="list-style-type: none"> <li>Only require for Credit Qualifying streamline transaction.</li> <li>Non-Borrowing Spouse: A credit report, execute borrower authorization cert, and executed SSA-89 form is required for the non-borrowing spouse who resides in a community property state or the subject property is located in a community property state; The debts of the non-borrowing spouse must be included in the qualifying unless specifically excluded by state law: AZ, CA, ID, LA, NV, NM, TX, WA, WI.</li> <li>Lender will order SSN Validation for non-borrowing spouse.</li> </ul>				
<b>Credit</b>	<b>Subject Mortgage</b>				
	<ul style="list-style-type: none"> <li>All payments for all mortgages on the subject property to have been made in the month due for the six months prior to the case assignment, and have no more than one 30-day late payment for the prior six months on all mortgages secured by the subject</li> <li>All payments on all mortgages must be made in the month due prior to mortgage disbursement</li> </ul>				
	<b>Other Credit Requirements</b>				
	<ul style="list-style-type: none"> <li>Credit Alert Interactive Voice Response System (CAIVRS) is required (overlay)</li> <li>HUD Limited Denial of Participation (LDP) clearance required</li> <li>Excluded Parties List System - System for Award Management (SAM) clearance required</li> <li>Non-credit qualifying streamline does not require review of consumer credit</li> <li>Credit qualifying streamline follows Manual Underwriting of Borrower requirements</li> <li>Judgments on title must be paid/released</li> </ul>				
<b>Income/Employment</b>	<ul style="list-style-type: none"> <li>Non-credit qualifying streamline does not require income documentation, only employment information is required on the initial URLA.</li> <li>Credit Qualifying streamline requires standard income documentation.</li> </ul>				
	<b>Gaps In Employment</b>				
	<ul style="list-style-type: none"> <li>Gap in employment <math>\geq</math> 6 months in the last 2 years requires that the borrower be on current job for a minimum of 6 months for credit qualifying streamline.</li> </ul>				
<b>Mortgage Term</b>	<ul style="list-style-type: none"> <li>The maximum allowed amortization term of a Streamline Refinance is the lesser of: <ul style="list-style-type: none"> <li>The remaining amortization period of the existing mortgage plus 12 years or 30 years</li> </ul> </li> </ul>				
<b>Net Tangible Benefits</b>	<ul style="list-style-type: none"> <li>Net Tangible Benefit Requirements: <ul style="list-style-type: none"> <li>Every refinance transaction must offer a documented, demonstrable Net Tangible Benefit (NTB) to the borrower, and</li> <li>FHA-specific NTB requirements must be met as referenced below</li> </ul> </li> <li>NTB is required on all Streamline Refinances, and can be reduced combined rate, change from ARM to fixed rate and/or reduced term that results in a financial benefit to the borrower</li> </ul>				

- Reduction in combined rate or change from ARM to fixed rate with no reduction in term or less than a 3-year reduction in term, must meet one of the following options
  - Combined rate is the current interest rate plus the MIP rate

From	To		
	Fixed Rate New Combined Rate	One-Year ARM New Combined Rate	Hybrid ARM New Combined Rate
Fixed Rate	At least 0.5 percentage points below the prior Combined Rate.	At least 2 percentage points below the prior Combined Rate.	At least 2 percentage points below the prior Combined Rate.
Any ARM With Less Than 15 Months to Next Payment Change Date	No more than 2 percentage points above the prior Combined Rate.	At least 1 percentage point below the prior Combined Rate.	At least 1 percentage point below the prior Combined Rate.
Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date	No more than 2 percentage points above the prior Combined Rate.	At least 2 percentage points below the prior Combined Rate.	At least 1 percentage point below the prior Combined Rate.

- Standard for refinance with a Term Reduction of Three Years or more, must meet one of the following Options:

From	To		
	Fixed Rate New Combined Rate	One-Year ARM New Combined Rate	Hybrid ARM New Combined Rate
Fixed Rate	Below the prior Combined Rate.	N/A	N/A
Any ARM With Less Than 15 Months to Next Payment Change Date	No more than 2 percentage points above the prior Combined Rate.	N/A	N/A
Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date	No more than 2 percentage points above the prior Combined Rate.	N/A	N/A

In addition, the following must be met:

- The combined principal, interest, and MIP payment of the new Mortgage must not exceed the combined principal, interest, and MIP payment of the refinance Mortgage by more than \$50.

	Eligible	Ineligible
<b>Property Types</b>	<ul style="list-style-type: none"> <li>SFR/PUD (detached/attached), MFH</li> <li>FHA Approved Condo (low/high rise)<sup>1</sup></li> <li>2-unit properties</li> <li>3–4-unit properties (refer to the FHA Handbook 4000.1 for 3-4-unit property reserves and self-sufficiency rental income eligibility<sup>2</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Co-op Properties</li> <li>Agricultural with income producing properties</li> <li>Condotel</li> <li>Manufactured Homes</li> </ul>
	<ul style="list-style-type: none"> <li><sup>1</sup>Current project approval is not required for Streamline with no appraisal</li> <li><sup>2</sup>Refer to the FHA Handbook 4000.1 for 3-4-unit property reserves and self-sufficiency rental income eligibility for credit qualifying only</li> </ul>	
<b>Seasoning Requirements</b>	<p align="center"><b>Occupancy Documentation</b></p> <ul style="list-style-type: none"> <li>Occupancy must be documented by obtaining current employment documentation or utility bills to support the borrower currently occupies the property OR</li> <li>Documentation of HUD approval as a second home OR</li> <li>Loan must be processed as an investment property if neither of the preceding items is met</li> </ul> <p align="center"><b>FHA seasoning requirements are based on the date of the FHA case assignment</b></p> <ul style="list-style-type: none"> <li>The borrower must have made at least six payments on the current loan</li> </ul>	

	<ul style="list-style-type: none"> <li>At least six full months have passed since the first payment due date, and</li> <li>At least 210 days have passed since the closing date of the current loan</li> <li>If the borrower assumed the FHA mortgage, they have made a minimum of six payments since the date of the assumption</li> </ul>																		
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Subordinate financing allowed; CLTV cannot exceed the eligible LTV/CLTV limits</li> <li>Cash out maximum combined mortgage amounts of the first lien and any subordinate lien(s) not to exceed the FHA Nationwide Mortgage Limit</li> </ul>																		
<b>Temporary Interest Rate Buydown</b>	<ul style="list-style-type: none"> <li>Not allowed</li> </ul>																		
<b>Manual Underwriting DTI/Compensating Factors</b>	<table border="1"> <thead> <tr> <th>FICO</th> <th>DTI</th> <th>Compensating Factors</th> </tr> </thead> <tbody> <tr> <td>500-579 or No Credit Score</td> <td>31/43</td> <td>N/A; Borrowers with minimum decision credit scores below 580, or with no credit score may not exceed 31/43 ratios</td> </tr> <tr> <td>≥580</td> <td>31/43</td> <td>No compensating factors required</td> </tr> <tr> <td>≥580</td> <td>37/47</td> <td><b>ONE</b> of the following: <ul style="list-style-type: none"> <li>Verified and documented cash reserves;</li> <li>Minimal increase in housing payment; or</li> <li>Residual income</li> </ul> </td> </tr> <tr> <td>≥580</td> <td>40/40</td> <td>No discretionary debt</td> </tr> <tr> <td>≥580</td> <td>40/50</td> <td><b>TWO</b> of the following: <ul style="list-style-type: none"> <li>Verified and documented cash reserves;</li> <li>Minimal increase in housing payment;</li> <li>Significant additional income not reflected in effective income; and/or residual income</li> </ul> </td> </tr> </tbody> </table>	FICO	DTI	Compensating Factors	500-579 or No Credit Score	31/43	N/A; Borrowers with minimum decision credit scores below 580, or with no credit score may not exceed 31/43 ratios	≥580	31/43	No compensating factors required	≥580	37/47	<b>ONE</b> of the following: <ul style="list-style-type: none"> <li>Verified and documented cash reserves;</li> <li>Minimal increase in housing payment; or</li> <li>Residual income</li> </ul>	≥580	40/40	No discretionary debt	≥580	40/50	<b>TWO</b> of the following: <ul style="list-style-type: none"> <li>Verified and documented cash reserves;</li> <li>Minimal increase in housing payment;</li> <li>Significant additional income not reflected in effective income; and/or residual income</li> </ul>
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<b>MORTGAGE INSURANCE PREMIUMS</b>																			
<b>Upfront Mortgage Insurance Premium (UFMIP) for all Endorsed files after May 31, 2009</b>																			
<ul style="list-style-type: none"> <li>UFMIP = 1.75% of the base loan amount</li> <li>UFMIP must be 100% financed into the mortgage of paid entirely by cash; partial financing is not allowed</li> <li>LTV is calculated using the base loan amount prior to financing UFMIP</li> </ul>																			
<b>Annual Mortgage Insurance Premium (MIP)</b>																			
Applies to all Mortgages except: <ul style="list-style-type: none"> <li>Streamline Refinance and Simple Refinance Mortgages used to refinance a previous FHA endorsed Mortgage on or before 5/31/2009</li> </ul>																			
<b>&gt;15-Year Term Base Loan Amount ≤ \$625,500</b>			<b>≤ 15-Year Term Base Loan Amount ≤ \$625,500</b>																
LTV	Annual MIP (%)	Duration	LTV	Annual MIP (%)	Duration														
≤90.00%	0.50	11 Years	≤90.00%	0.15	11 Years														
>90.00% ≤ 95.00%	0.50	Mortgage Term	>90.00%	0.40	Mortgage Term														
>95.00%	0.55	Mortgage Term																	
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LTV	Annual MIP (%)	Duration	LTV	Annual MIP (%)	Duration														
≤90.00%	0.70	11 Years	≤78.00%	0.15	11 Years														
>90.00% ≤ 95.00%	0.70	Mortgage Term	>78.00% ≤ 90.00%	0.40	11 Years														
>95.00%	0.75	Mortgage Term	>90.00%	0.65	Mortgage Term														
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Base Loan Amount	LTV	Annual MIP (bps)	Duration																
ALL	≤90%	55	11 years																
	>90%	55	Mortgage Term																
Streamline Refinance transaction does not require an appraisal. The appraised value from the Original Mortgage (Refi Auth) will be used to calculate the LTV.																			