

FHA LOANS

GUIDELINES	
ELIGIBILITY	<ul style="list-style-type: none"> * US Citizens, Permanent and Non Permanent Resident Aliens, Non-Occupant Co-Borrowers * Owner Occupied Primary Residence only (Investment Property only allowed on Streamline without an appraisal)
AVAILABLE PROGRAMS	* 15,20,25, and 30 Year Fixed and 1 YR, 3/1 & 5/1 ARMs
ARM INFORMATION	<ul style="list-style-type: none"> * Margin: 1 YR = 2.25%, 3/1 and 5/1 = 1.75% * Caps: 1/5 * 1 Year ARM must qualify at 1% above the Note Rate
DOCUMENTATION	* Refer to automated findings, Credit Policy Manual or the 4155.1 Rev-5
RATIOS	<ul style="list-style-type: none"> * Manual underwriting on existing properties over one year the maximum ratio is 31/43% * With automated underwriting these ratios may be exceeded
PROPERTY FLIPPING	<ul style="list-style-type: none"> * 90 days or less since property was last sold - Property is NOT eligible for FHA financing. * 91-180 days since the property was last sold - If the current sales price is the same or higher than the sales price when the seller acquired the property, then need a second appraisal completed by different appraiser, the second appraisal cannot be charged to the borrower (it must be paid by the seller or broker). If the current sales price is less than the sales price when the seller acquired the property, then do not need any additional documentation and one appraisal will be sufficient.
203(h) DISASTER RELIEF	* Up to 100% financing available for qualified borrowers that meet specific requirements as outlined in the Credit Policy Manual.
FHA SECURE INITIATIVE	* These mortgages are addressed in the FHA Secure QRG
FHA 203(k) STREAMLINE	* These mortgages are addressed in the FHA 203(k) Streamline QRG (not available)
FHA JUMBO 2nd APPRAISAL REQUIREMENTS	<p>A second appraisal is required on any FHA loan (where case number is issued on or after April 1, 2008) when the following exists</p> <ul style="list-style-type: none"> * Base Loan amount (excluding UFMIP) will exceed \$417,000; and * LTV (base loan amount) equals or exceeds 95%; and * Property is determined to be in declining market based on appraisal or declining market zip code search * Check with your AE for complete list of declining markets <p>Second Appraisal and Appraiser Requirements</p> <ul style="list-style-type: none"> * Selected from FHA roster and ordered by Lender's FHA/VA liaison Dept. * Underwriter must complete FHA 2nd appraisal Request Form and complete as directed * No second case number is to be requested. * Underwriter is to add the appraisal fee to closing costs to be passed on to borrower * Exterior only appraisal allowed on 1 unit detached only (Form 2055) * If second appraisal has an estimated value more than 5% lower than the original value, then the maximum mortgage is based on the lower of the two appraisals.

REFINANCE	
REFINANCE (RATE AND TERM) THE LOWER OF:	<ul style="list-style-type: none"> * The LTV limitations use for purchase; or * Principal balance on existing first lien + prepayment penalties + up to one month monthly MIP + the Mtg. Pmt (PITI) that was due on the 1st (if not already paid) + up to 30 days interest for the current month + late charges + escrow shortages, subtract MIP refund (if applicable) + borrower paid closing costs + property-related liens for acquisitions, repair or rehab seasoned at least 1 year, + prepaid expenses (per diem interest to end of month on new loan + hazard ins deposits + real estate tax deposits + reasonable discount points.) * May not receive cash back in excess of \$500.00
REFINANCE (CASH OUT)	<ul style="list-style-type: none"> * If the Base Loan Amount Exceeds \$417,000, the max LTV on Cash Out Refinance is 85% (where case number is issued on or after April 1, 2008). * 95 Percent of the appraised value provided the property has been owned by the borrower for at least one year. If the Property was purchased less than one year preceding the loan application, the LTV May not exceed 85% of the original purchase price or appraised value, whichever is less. * Any co-borrower or co-signer being added to the note must be an occupant of the property. Non-occupant owners may not be added order to meet FHA's credit underwriting guidelines for the mortgage. * The following restrictions apply to Cash Out Refinance transactions above 85 percent allowance: <ul style="list-style-type: none"> * The subject property must have been owned by the borrower as their principal residence for at least 12 months preceding the date of the loan application * If the subject property is encumbered by a mortgage, the borrower must have made all mortgage payments within the month due for the previous 12 months (no payment be made more than 30 days late and is current for the month due). * The subject property must be a 1 or 2 unit dwelling. * Subordinate financing may remain in place, but subordinate to the FHA insured first mortgage, regardless of the total indebtedness or combined LTV ratio, provided the homeowner qualifies for making scheduled payments on all liens.
REFINANCE (STREAMLINE W/O APPRAISAL) - THE LOWER OF:	<ul style="list-style-type: none"> * Original principal balance (from the Refinance Authorization screen in the FHA Connection); or * Principal bal on existing first lien + up to one month of monthly MIP + the Mtg. pmt. (PITI) that was due on the 1st (if not already paid) + up to 30 days interest for the current month + late charges + escrow shortages, minus MIP refund (if applicable) + borrower paid closing costs + prepaid expenses (per diem interest to end of month on new loan + hazard ins deposits + real estate tax deposits + reasonable discount pts). * May not receive cash back in excess of \$500.00
REFINANCE (STREAMLINE W/ APPRAISAL) - THE LOWER OF:	<ul style="list-style-type: none"> * The LTV limitations use for purchase; or * Principal balance on existing first lien + up to one month monthly MIP + the Mtg pmt (PITI) that was due on the 1st (if not already paid) in additional up to 30 days interest for the current month + late charges + escrow shortages, minus MIP refund (if applicable) + borrower paid closing costs, + prepaid expenses (per diem interest to end of the month on new loan + hazard ins deposits + real estate tax deposits + reasonable discount points). * May not receive cash back in excess of \$500.00

STANDARD MORTGAGE LIMITS				
Region	1 Unit	2 Units	3 Units	4 Units
Temporary Loan Limit Increase with Credit Approval on or before 31-Dec-08				
Low cost	\$ 271,050.00	\$ 347,000.00	\$ 419,400.00	\$ 521,250.00
High cost	\$ 729,750.00	\$ 934,200.00	\$ 1,129,250.00	\$ 1,403,400.00
HI, GU, VI	\$ 1,094,625.00	\$ 1,401,300.00	\$ 1,693,875.00	\$ 2,105,100.00
LTV LIMITATIONS				
Purchase Transactions only on Proposed and Existing Construction				
Value / Sales Price	<=50K	> 50K - 125K	> 125K	
Low Closing Cost	98.75	97.65	97.15	
High Closing Cost	98.75	97.75	97.75	
UPFRONT AND ANNUAL MIP				
LTV Ratios	Upfront	>15 Years	<= 15 Years	Years
90.0 =>	1.50%	0.50%	0.25%	see note
<90.0	1.50%	0.50%	None	n/a
Notes:				
* Years will be determined when the loan balance equals 78%, provided the borrower has paid the annual MIP for at least 5 years (sched or act)				
* Loan Amount multiplied by Annual premium is divided by 12 months to equal monthly MIP.				
* FHA 203(B) loans, fixed rate and adjustable will have both the monthly and upfront premiums				
* The financed UFMIP is not included in the statutory loan limit. When the UFMIP is financed, the loan amount is to be rounded down to the next dollar				
* Properties in Military Impact Areas (Georgia counties: Bryan, Camden and Liberty) do not have upfront MIP only annual MIP.				
HUD CASE NUMBERS / SUFFIX CODES				
Program	2-4 Unit/single/PUD		Condos	
Fixed Rate	203(b)	703	203©	734
Buydown	203(b)	796	203©	797
Arm	203(b)	729	203©	731