

Primary Residence - Owner Occupied				
TheLender NHF Advantage:				
Transaction	FICO	Number of Units	Maximum LTV	Maximum CLTV
Primary Residence - Owner Occupied				
Purchase	640	1	96.50%	100%
DPA	DPA Amount: <ul style="list-style-type: none"> Up to 3.5% of the Sales Price or Appraised Value (lesser of). Proceeds may be used for down payment and/or closing costs; 6% 10-year community second No cash back to borrower 			
DTI	<ul style="list-style-type: none"> Up to 50% for FICOs 640-679 Up to 55% for FICOs 680+ See "Manual Underwriting" for additional restrictions 			

Upfront Mortgage Insurance Premium (UFMIP)			
All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.			
Mortgage Term of More Than 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	80	11 years
	> 90.00% but ≤ 95.00%	80	Mortgage term
	> 95.00%	85	Mortgage term
Greater than \$625,500	≤ 90.00%	100	11 years
	> 90.00% but ≤ 95.00%	100	Mortgage term
	> 95.00%	105	Mortgage term
Mortgage Term of Less than or Equal to 15 Years			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	45	11 years
	> 90.00%	70	Mortgage term
Greater than \$625,500	≤ 78.00%	45	11 years
	> 78.00% but ≤ 90.00%	70	11 years
	> 90.00%	95	Mortgage term

Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
Loan Limits	FHA Mortgage Limits https://entp.hud.gov/idapp/html/hicostlook.cfm <ul style="list-style-type: none"> High Balance loan amounts are allowed
Maximum Loan Amount	The maximum loan amount, regardless of the county limit, is \$548,250
Minimum Loan Amount	Minimum Loan amount \$50,000
4506 Transcripts	Transcripts are required per income documentation type included in the loan file.
AUS System	DU or LPA
Bankruptcy	<p>All bankruptcies (7 & 13) must be discharged for 24 months preceding the case assignment date During this time, Borrower must have re-established good credit.</p> <p>An elapsed period of less than two years, but not less than 12 months, may be acceptable, if the Borrower:</p> <ul style="list-style-type: none"> can show that the bankruptcy was caused by extenuating circumstances beyond the Borrower's control; and has since exhibited a documented ability to manage their financial affairs in a responsible manner. <p>A borrower with a Chapter 13 bankruptcy may be eligible as a manual underwrite, if at the time of case number assignment.</p> <ul style="list-style-type: none"> at least 12 months of the pay-out period under the bankruptcy has elapsed. the Borrower's payment performance has been satisfactory, and all required payments have been made on time; and the Borrower has received written permission from bankruptcy court to enter into the mortgage transaction.
Borrower Eligibility	<ul style="list-style-type: none"> No first-time homebuyer requirement. Borrower must occupy the residence as their primary residence within (60) days of closing). Borrowers may have ownership in other property at time of closing Non-occupant co-borrowers allowed
Building on Own Land	Not Allowed
Compliance	The loan file must contain a clear compliance cert on both the 1 st and 2 nd mortgages
Condominium	<ul style="list-style-type: none"> Must be in an FHA HRAP approved project Manufactured homes located in Condominium projects - Not Allowed
Credit Score	<ul style="list-style-type: none"> Minimum credit score of: 640 Each borrower must have a minimum of one credit score.
DACA Borrowers	Allowed
Deed Restrictions	Age related restrictions only. All other deed restrictions are ineligible.

Topic	Guideline
Escrow / Impounds	Required: Waivers are not allowed.
Escrow Holdbacks / Repair Escrows	Not Allowed
Gift Funds	Cash on hand is not an acceptable source of donor gift funds.
Homebuyer Education	At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm
Identity-of-Interest Transactions	<p>An Identity-of-Interest transaction is a sale between parties with an existing business relationship or between family members.</p> <ul style="list-style-type: none"> The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%. The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of sales contract execution is restricted to 85%. <p>The 85% LTV restriction may be exceeded if the borrower purchases as their principal residence:</p> <ul style="list-style-type: none"> The principal residence of another family member; or A property owned by a family member where the borrower has been a tenant for at least six months immediately predating the sales contract. An employee of a builder who is not a family member purchases one of the builder's new houses or models as a principal residence; or The current tenant purchases the property where the tenant has rented the property for at least six months immediately predating the sales contract.
Income	<ul style="list-style-type: none"> Up to 160% of AMI https://www.huduser.gov/portal/datasets/il.html Use 1003 qualifying income only. May be less than the total actual household income. Follow agency guidelines.

Topic	Guideline
Ineligible Programs	<p>The following programs are not eligible:</p> <ul style="list-style-type: none"> • 203(h) Disaster Victims • 203(k) Rehabilitation Program • 235 Refinance of Borrowers in Negative Equity Positions • 247 Hawaiian Homelands • 248 Indian Lands • Energy Efficient Mortgage Program (EEM) • FHA Assumption Program • Good Neighbor/Officer Next Door • Graduated Payment Program • Growing Equity Mortgages • Housing Authority Subsidies • Loans to Non-Profit Organizations • Short Refinances
Ineligible Properties	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> • 2-4 Units • Assisted Living Properties • Bed and Breakfast Establishments • Boarding Houses • Commercial Properties • Condotels, Motels or Hotels • Co-ops • Fraternity or Sorority Houses • Hawaii Properties in Lava Zones 1 and 2 • Houseboats • Log or Dome Homes • Manufactured Homes • Mobile Homes • Native American Indian Trust Lands • Newly Constructed Properties Located in Military Airfield Accident Prone Zone 1 • Private Clubs • Properties with Condition/Quality Ratings of C5, C6, or Q6 • Properties Contaminated by Methamphetamine Production or Use • Properties with More than One Accessory Dwelling • Properties Located within 75 Feet of an Operating/Proposed Gas or Oil Well • Properties Located within 10 Feet of a Pipeline Easement or High Pressure Gas Line • Properties Located within 300 Feet of Above/Below Ground Stationary Storage Tanks Containing more than 1000 Gallons of Explosive/Flammable Fuel (Includes Gas Stations) • Properties Located in Coastal Barrier Resources Systems (CBRS) • Properties that do not meet FHA MPR/MPS. • Timeshares • Vacation Homes • Working Farms and Ranches
Land Trusts	Not Eligible
Manufactured Homes	Not Allowed

Topic	Guideline															
Manual Underwriting	Allowed - must meet the following requirements:															
	<table border="1"> <thead> <tr> <th>Lowest Minimum Decision Credit Score</th> <th>Maximum Qualifying Ratios</th> <th>Acceptable Compensating Factors</th> </tr> </thead> <tbody> <tr> <td>640 and Above</td> <td>31/43</td> <td>Compensating factors are not required.</td> </tr> <tr> <td>640 and Above</td> <td>37/47</td> <td>One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> <tr> <td>640 and Above</td> <td>40/40</td> <td>No discretionary debt</td> </tr> <tr> <td>640 and Above</td> <td>40/50</td> <td>Two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> </tbody> </table>	Lowest Minimum Decision Credit Score	Maximum Qualifying Ratios	Acceptable Compensating Factors	640 and Above	31/43	Compensating factors are not required.	640 and Above	37/47	One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income 	640 and Above	40/40	No discretionary debt	640 and Above	40/50	Two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income
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Mixed Use Properties	Not allowed															
Non-Occupant Co-Borrower	<ul style="list-style-type: none"> • 75% Maximum LTV on 1-4 units unless the non-occupant co-borrower is a family member as defined by FHA • Rental income may not be used to qualify • Not allowed for qualifying purposes on cash-out refinance transactions • The non-occupant co-borrower must take title to the property and sign the Note and deed of trust/mortgage • The non-occupant co-borrower must have a principal residence in the United States or be a U.S. citizen 															
Non-Traditional Credit	Not Eligible															
Number of Borrowers	There can be no more than 4 borrowers per loan															
PACE (HERO) Programs	Not Eligible															
Projected Income	Not allowed															
Refinance Seasoning Requirements	<p>Prior to case number assignment:</p> <ul style="list-style-type: none"> • Six (6) consecutive monthly payments must be made on the subject property being refinanced • Six (6) months must have passed since the first payment due date of the subject property • Minimum of 210 days must have passed since the closing date of the subject property. 															
Sales Contracts	Assigned Sales Contracts - Not Allowed															
Section 8 Voucher	Not Allowed															

Topic	Guideline
Tax Returns	<ul style="list-style-type: none"> • Amended tax returns that increase the borrower’s income - Not Allowed • When the tax return reflects monies are owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.
Temporary Buy Downs	Not Allowed
Texas 50(a)(6)	Not Allowed
Unpermitted Additions	<p>Acceptable Unpermitted Property Additions:</p> <ul style="list-style-type: none"> • The addition complies with all FHA guidelines • The addition does not result in a change in the number of units • The appraiser has no reason to believe the addition would not pass inspection for a permit.