

theLender – theNada Matrix

FHA 203 (b)

theNada:

<i>Transaction</i>	<i>FICO</i>	<i>Number of Units</i>	<i>Maximum LTV</i>	<i>Maximum CLTV</i>
Primary Residence – Owner Occupied				
Purchase	680	1-2	96.50%	100%

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

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Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
Loan Limits	FHA Mortgage Limits <ul style="list-style-type: none"> • https://entp.hud.gov/idapp/html/hicostlook.cfm
Maximum Loan Amount	<ul style="list-style-type: none"> • Per FHA County Limits
Minimum Loan Amount	<ul style="list-style-type: none"> • Minimum Loan amount \$50,000
4506 Transcripts	<ul style="list-style-type: none"> • Transcripts are required per income documentation type included in the loan file.
AUS System	<ul style="list-style-type: none"> • DU or LPA • Approve Eligible Only
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	<ul style="list-style-type: none"> • Not Allowed
Compliance	<ul style="list-style-type: none"> • The loan file must contain a clear compliance cert on both the 1st and 2nd 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: 680 • Each borrower must have a minimum of one credit score.
DACA Borrowers	<ul style="list-style-type: none"> • Allowed
Deed Restrictions	<ul style="list-style-type: none"> • Age related restrictions only. All other deed restrictions are ineligible.
DPA	<p>DPA Amount:</p> <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; • 10-year community second – 2% above the note rate • No cash back to borrower
DTI	<ul style="list-style-type: none"> • Per the AUS
Escrow / Impounds	<ul style="list-style-type: none"> • Required: Waivers are not allowed.
Escrow Holdbacks / Repair Escrows	<ul style="list-style-type: none"> • Not Allowed
Gift Funds	<ul style="list-style-type: none"> • Cash on hand is not an acceptable source of donor gift funds.
Geographic Restrictions	<ul style="list-style-type: none"> • Not available in the state of Washington or Massachusetts • South Carolina <ul style="list-style-type: none"> ◦ Minimum \$5,000 loan amount on the 2nd TD
Homebuyer Education	<ul style="list-style-type: none"> • At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency

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	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"> • Follow agency guidelines.
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"> • 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 • 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

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	<ul style="list-style-type: none"> • Vacation Homes • Working Farms and Ranches
Land Trusts	<ul style="list-style-type: none"> • Not Eligible
Manufactured Homes	<ul style="list-style-type: none"> • Eligible – Doublewides only
Manual Underwriting	<ul style="list-style-type: none"> • Not allowed
Mixed Use Properties	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Not Eligible
Number of Borrowers	<ul style="list-style-type: none"> • There can be no more than 4 borrowers per loan
PACE (HERO) Programs	<ul style="list-style-type: none"> • Not Eligible
Projected Income	<ul style="list-style-type: none"> • 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.
Refinance Value Requirements	<p>For properties acquired by the borrower within 12 months of the case number assignment date the appraised value is the lesser of:</p> <ul style="list-style-type: none"> • The borrower's purchase price plus any documented improvements made after the purchase; or • The appraised value. <p>Properties acquired by the borrower within 12 months of the case number assignment by inheritance or through a gift from a family member may use the appraised value.</p>
Sales Contracts	<ul style="list-style-type: none"> • Assigned Sales Contracts - Not Allowed
Section 8 Voucher	<ul style="list-style-type: none"> • Not Allowed
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	<ul style="list-style-type: none"> • Not Allowed
Texas 50(a)(6)	<ul style="list-style-type: none"> • 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.

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