



FHA FIXED RATE AND ADJUSTABLE RATE MORTGAGE

PRIMARY RESIDENCE PURCHASE				
Property Type	Maximum LTV/CLTV	Maximum Loan Amount *	Minimum Credit Score	Underwriting Engine & Response
1 Unit/PUD/condo	96.50%	Varies by County	620	FHA Total Mortgage Scorecard DU Approved or LP Accept
2 Units **	96.50%	Varies by County	620	
3 to 4 Units **	96.50%	Varies by County	620	FHA Total Mortgage Scorecard DU Approved/LP Accept

PRIMARY RESIDENCE RATE/TERM REFINANCE				
Property Type	Maximum LTV	Maximum Loan Amount ***	Minimum Credit Score	Underwriting Engine & Response
1 Unit/PUD/Condo	97.75%	Varies by County	620	FHA Total Mortgage Scorecard DU Approved or LP Accept
2 Unit	97.75%	Varies by County	620	
3 to 4 Unit	97.75%	Varies by County	620	FHA Total Mortgage Scorecard DU Approved or LP Accept

PRIMARY RESIDENCE CASH-OUT REFINANCE				
Property Type	Maximum LTV	Maximum Loan Amount ****	Minimum Credit Score	Underwriting Engine & Response
1 Unit/PUD/Condo	85% *****	Varies by County	640	FHA Total Mortgage Scorecard Du Approved or LP Accept
2 Unit	85% *****	Varies by County	640	
3 to 4 Unit	85% *****	Varies by County	640	FHA Total Mortgage Scorecard DU Approve or LP Accept

*Refer to FHA Mortgage Limit Search Engine

**Purchase transactions with a non-occupant co-borrower secured by 2 to 4 unit property are limited to a maximum 75%

LTV

*** Refer to FHA Rate/Term Refinance Maximum Mortgage Limit Search engine

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**** Refer to FHA Cash-out Refinance Maximum Mortgage Limit Search Engine.

***** Maximum cash-in-hand for 1 to 2 unit properties limited to \$300,000; cash-in-hand for 3-4 unit properties limited to \$200,000.

PROGRAM SUMMARY

The Federal Housing Administration (FHA) provides mortgage insurance on loans made by FHA-approved lenders. FHA mortgage insurance provides lenders with protection against loss as the result of homeowners default on their mortgage loans. FHA offers both fixed and adjustable rate mortgages that accommodate a low down payment from the borrower.

PRODUCTS OFFERED

Fixed Rate Mortgage 10, 15, 20, 25 and 30 year term

Adjustable Rate Mortgage 3/1 and 5/1 30 year term

ELIGIBLE BORROWERS

- U.S. citizens and permanent resident aliens.
- Non-permanent resident aliens may qualify per HUD handbook 4000.1
- Non-occupant co-borrower...
 - Purchase transaction are limited to 75% LTV when secured by 2 to 4 unit properties.
 - Not eligible on cash-out refinance transactions.

ELIGIBLE PROPERTY TYPES

203 (B) LOANS

- 1 to 4 unit property
- PUD

234 (C) LOANS

- Condominium (prior approval by FHA Field Office is required)



INELIGIBLE PROPERTY TYPES

- Manufacture Homes
- Cooperative
- Working farm or ranch (Income producing)
- Leasehold

LOAN AMOUNTS

Minimum Loan Amount

\$35,000

Maximum Loan Amount

Maximum loan amount varies by county. (Refer to the FHA Connection website to determine the geographic mortgage limits).

SELLER CONTRIBUTIONS

Maximum 6% seller contributions

TEMPORARY BUYDOWNS

Not Eligible

CREDIT ALERT INTERACTIVE VOICE RESPONSE SYSTEM (CAIVERS)

All borrowers must be screened using the Credit Alert Interactive Voice Response System (CAIVERS). FHA will not insure a loan if the borrower is currently delinquent on any unpaid federal debt, or has had a claim paid within the previous three years. Prior to accessing CAIVERS you will need each applicant's Social Security Number. CAIVERS must be accessed through FHA Connection. This is a web based system that requires prior approval through HUD. **Note:** MMS will screen borrower(s).

QUALIFYING RATE

Note Rate



QUALIFYING RATIOS

- 31/43
- Total DTI Ratio Less than 55% refer to findings.
- Total DTI greater than 55% requires 2 month reserves from the borrowers own funds for loans that receive an approved/accept response.

UNDERWRITING

- Chapter 7 Bankruptcy needs to be discharged for two years based on the application date.
- Chapter 13 is allowed as long as they have a minimum of 12 months on time payments.
- Foreclosure must be 3 years removed from the transfer date of the property.

MORTGAGE INSURANCE

Upfront and monthly mortgage insurance premiums will be calculated according to the policies outlined in the appropriate HUD Handbook.

ADJUSTABLE RATE DETAILS

Interest Rate Adjustable Caps	Initial: 1% up/down; Periodic: 1% up/down; Lifetime 5% up
Margin	2%
Index	1 year Constant Maturity Treasury (CMT)
Interest Rate Floor	The interest rate floor is equal to the margin
Change Date	3/1 Arm; Initial interest rate change date will occur within 36 to 42 months, depending on the first payment date. Interest rate will change every 12 months thereafter.
	5/1 Arm: Initial interest rate change date will occur within 60 to 66 months, depending on the first payment date. Interest rate will adjust every 12 months thereafter.
Conversion Option	None
Negative Amortization	None



Initial Interest Rate Change Date	
First Payment Date	Initial Change Date *
Jan. 1, Feb. 1, Mar. 1	April 1 st
Apr. 1, May 1, Jun. 1	July 1
July 1, Aug. 1, Sep. 1	October 1
Oct. 1, Nov. 1, Dec. 1	January 1

* The change date is always the first of the month