


# FHA Standard Loan Matrix

## Purchase, Cashout and Rate & Term Transactions (620-659 Fico or 620+ Manual Underwrite)

as of Aug 17, 2010

Product Guidelines						Additional Guidelines					
											
For Case Number Assignments on or after 1/1/2009											
Purchase				Rate & Term Refinance				Cash Out Refinance			
96.50%				97.75%				85%			
CLTV				97.75%				85%			
A complete schedule of FHA mortgage limits for all areas is available at: <a href="https://entp.hud.gov/idapp/html/hicostlook.cfm">https://entp.hud.gov/idapp/html/hicostlook.cfm</a>											
<b>Upfront and Annual MIP</b>											
Greater than 15 year terms						15 year or less terms					
LTV		UFMIP		Annual		LTV		UFMIP		Annual	
> 95%		2.25%		0.55%		> 90%		2.25%		0.25%	
≤ 95%		2.25%		0.50%		≤ 90%		2.25%		N/A	
Streamline Refinance: UFMIP = 2.25%; Annual MIP follows the above grids.											
<b>MIP Notes:</b> <ul style="list-style-type: none"> <li>• The number of years will be determined when the loan balance equals 78% LTV, provided that the borrower has paid the annual MIP for at least 5 years, (scheduled or actual.)</li> <li>• Loan amount multiplied by Annual premium, divided by 12 months equals monthly MIP.</li> <li>• All FHA loans will have upfront and monthly premiums, except as noted above.</li> <li>• Pricing and loan program eligibility are determined using the base loan amount prior to financing UFMIP.</li> <li>• UFMIP must be 100% financed into the mortgage or paid entirely by cash: partial financing not allowed.</li> </ul>											
<b>Loan Program Names and Terms</b>											
Fixed Rate Programs			Terms			ARM Programs			Terms		
FHA 15 Year fixed			15 yrs			5/1 ARM			30 yrs		
FHA 30 Year fixed			30 yrs								
Special Overlays for all AFR Standard Loans:											
<ul style="list-style-type: none"> <li>• 620-659 Fico. Lowest middle score of all borrowers.</li> <li>• No Non Occupant Co-Signers on any transaction.</li> <li>• Gift funds may be used for down payment and or closing costs.</li> <li>• Property Type: 1-4 Unit, PUD, FHA Approved Condos and Manufactured Housing.</li> <li>• Housing History: Follow the AUS Cert; Max 0x30; if a housing history is required, no private VOR's, VOM's or rent supplements are allowed.</li> <li>• No New Subordinate Financing.</li> <li>• Max Loan Amount is FHA's Max County limit. See rate sheet for pricing.</li> <li>• Paying off rev. debt to qualify is not allowed if housing pmt is increasing.</li> <li>• A borrower may not own more than 4 financed properties.</li> <li>• Real estate commission cannot exceed 8%</li> <li>• Short Sales; no mortgage late payments allowed on any loan modification/short refinances or short sale. See mtgee letter 09-52</li> <li>• Streamline Refinances: Full credit qualify only. All Income and employment information must be provided and documented.</li> <li>• Streamline Refinances: Must meet max DTI for the program.</li> <li>• No Section 8 or loans in a Military Zone Impact Area.</li> </ul>											
<b>Rate &amp; Term Transactions:</b> <ul style="list-style-type: none"> <li>• A borrower cannot have more then one FHA loan at a time. The only exception is if they are relocating greater then 100 miles from their original location.</li> <li>• Properties listed for sale: The listing must have been cancelled at least 1 day prior to the application.</li> </ul>											
<b>Streamline Refinance Transactions: See Mortgagee letter 09-32</b> <ul style="list-style-type: none"> <li>• All employment and income information must be listed on the 1003. All income documentation and a full credit report must be with the submission of the file.</li> <li>• All High Balance and Manufactured Housing streamlines are full income qualifying. All employment and income information must be listed on the 1003. All income documentation along with a full credit report with credit scores must be with the submission of the file.</li> <li>• No HPML allowed with any non income qualifying streamline refinance.</li> </ul>											
<b>Cashout Transactions: See Mortgagee letter 09-08</b> <span style="float: right;">N/A in TX</span> <ul style="list-style-type: none"> <li>• Max cash in hand is \$100,000.</li> <li>• Properties listed for sale: The listing must have been cancelled for at least 90 days prior to the application.</li> </ul>											
<b>Manufactured Housing Guidelines (620-659) See Mortgagee Letter 2009-16</b> <ul style="list-style-type: none"> <li>• Must have a floor area of not less than 400 square feet; Must be constructed after June 15, 1976, as evidenced by an affixed certification label; Must be classified as real estate (but need not be treated as real estate for purposes of state taxation); The mortgage must cover both the manufactured unit and its site; Must be built and remain on a permanent chassis and be designed to be used as a dwelling with a permanent foundation built to FHA criteria.</li> <li>• The manufactured home cannot be located in a Manu Home Park or Flood Zone.</li> </ul>											
<b>Inspections:</b> <ul style="list-style-type: none"> <li>• For newly constructed manufactured homes, initial and final inspections must be completed by an FHA Compliance Inspector, licensed engineers registered architect, or other qualified construction industry professional, as determined by the lender.</li> <li>• All files must also contain an Engineer's Certification signed with a raised seal verifying the foundation meets HUD'S guidelines.</li> </ul>											
<b>Cash Investment:</b> <ul style="list-style-type: none"> <li>• The borrower is required to have a minimum 3.5% cash investment of his own funds into the transaction. <b>Land equity is NOT allowed to be used as the cash investment regardless of length of ownership.</b> Investment may have been made any time during ownership i.e. repairs paid for with own funds, home delivery was paid for with own funds, etc. Verification with cancelled checks must be provided.</li> </ul>											
<b>Eligibility:</b> <ul style="list-style-type: none"> <li>• US Citizens, Inter vivos revocable trusts, Permanent and Non-Permanent Resident Aliens.</li> <li>• Owner Occupied Only.</li> </ul>											
<b>Documentation:</b> <ul style="list-style-type: none"> <li>• All borrowers must have valid social security number.</li> <li>• All borrowers must have at least two valid credit scores</li> <li>• No non-traditional credit.</li> <li>• Must have open and active trade lines.</li> </ul>											
<b>DTI Ratios:</b> <ul style="list-style-type: none"> <li>• 31/43% (Can go up to 40/45 with compensating factors as determined by the AFR Underwriter)</li> </ul>											
<b>Underwriting Method:</b> <ul style="list-style-type: none"> <li>• Manual Refer or DU/LP Approval Eligible/Accept</li> </ul>											
<b>AFR fees:</b> <ul style="list-style-type: none"> <li>• Commitment Fee: \$0.00.</li> <li>• Flood Cert: \$13.00.</li> <li>• Doc Prep fee: Manufactured Housing: \$135.00</li> <li>• DOC Prep fee: TX and LA Purchases: \$210.00</li> <li>Refinances: \$135.00</li> <li>*only one fee if Manu and TX or LA*</li> </ul>											
<b>Expiration Dates:</b> <ul style="list-style-type: none"> <li>• Appraisal: 120 days</li> <li>• Appraisal with recert of value: 180 days</li> <li>• Credit: 60 days</li> <li>• Income and Asset docs: 60 days</li> <li>• RESPA docs: 120 days</li> <li>• Verbal VOE within 3 days of closing.</li> </ul> Performed by AFR.											
<b>Desk Reviews:</b> <ul style="list-style-type: none"> <li>• Ordered by AFR on all files other than appraisals performed by the approved AFR AMC company.</li> <li><a href="http://www.streetlinks.com">www.streetlinks.com</a></li> </ul>											
<b>See the other AFR Matrices for additional programs.</b>											
<b>AFR reserves the right to decline a file at any time at it's sole discretion.</b>											