

## FHA Streamline

This matrix is intended as an aid to help determine whether a property/loan qualifies for certain financing. It is not intended as a replacement for FHA guidelines. Users are expected to know and comply with FHA requirements.

**NOTE:** This matrix includes overlays, which may be **more restrictive** than FHA requirements. A thorough reading of this matrix is recommended.

### Program Qualifications

- Existing Endorsed FHA Fixed Rate
- Existing Endorsed FHA ARM
- At time of loan application borrower must have made 6 months consecutive payments on the FHA-insured mortgage being refinanced

### Eligibility Matrix Loan Amount & LTV Limitations

#### FHA – Streamline (non-credit qualifying)

- The new FHA-insured mortgage may not have a term of more than 12 years in excess of the unexpired term of the existing FHA-insured mortgage.
- The loan must provide a net tangible benefit to the borrower. A reduction in the loan term without a net tangible benefit must be processed, underwritten and closed as a credit qualifying rate/ term refinance.
- **Maximum LTV/CLTV is based upon value in FHA Connection**

Statutory County Limits: (<https://entp.hud.gov/idapp/html/hicostlook.cfm>)

#### Secondary financing

New secondary financing simultaneous with streamline refinance is ineligible.

Existing secondary financing may remain in place within certain limits. See *Secondary Financing* below.

Refer to Section Calculating the Mortgage

FHA maximum Mortgage Calculation Worksheet to be completed reviewed and signed by the DE Underwriter

Refer to Section Geographic Locations/Restrictions for additional state specific restrictions or requirements.

### Product Description

- Fixed Rate 15 and 30 year term; fully amortized, including High Balance
- 3/1 and 5/1 ARM, 30 year fully amortized, including High Balance

### Product Codes

Product Code	FHA
FF15SL	FHA 15 Years Streamline
FF15SLHB	FHA 15 Years Streamline High Balance
FF30SL	FHA 30 Years Streamline
FF30SLHB	FHA 30 Years Streamline High Balance
<b>Hybrid ARM</b>	
FA31SL	FHA 3/1 ARM Streamline
FA31SLHB	FHA 3/1 ARM Streamline High Balance
FA51SL	FHA 5/1 ARM Streamline
FA51SLHB	FHA 5/1 ARM Streamline High Balance

### Eligibility Requirements

Adjustable Rate Details	Interest rate adjustment caps	
	Margin*	3/1 and 5/1 ARM = 1/1/5 Initial – 1% up/down; Subsequent – 1% up/down; Lifetime – 5% up
	Index	2.00%
	1-Year Constant Maturity Treasury (CMT), defined as the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year	

## FHA Streamline

Interest rate Floor	Same as Margin
Change dates	3/1 - Initial interest rate change date will occur within 36 to 42 months, depending on disbursement date. Interest rate will adjust every 12 months thereafter. 5/1 - Initial interest rate change date will occur within 60 to 66 months, depending on disbursement date. Interest rate will adjust every 12 months thereafter. Must meet GNMA requirements. FHA initial change dates are the first day of January, April, July, or October, depending on disbursement date.
Conversion Option	None
Assumption	Allowed for qualified borrowers
Temporary Buydowns	Temporary Buydowns may <u>not</u> be used with an ARM product
Qualification	When applicable, borrowers qualify at the Note Rate

\*see [rate sheet](#) to confirm current information, subject to change

ARM Suffix Codes	
Loan Type	ADP Code
203(b) ARM	729
234(c) Condo ARM	731

<b>Application</b>	<p>The Borrower's application must indicate their income source; however, the income is not required to be listed on the application, just the source of the income.</p> <p>The following sections of the loan application are not required to be completed.</p> <ul style="list-style-type: none"> <li>Section IV (only the Monthly Income questions)</li> <li>Section V, VI (must complete assets if funds are required to close)</li> <li>Section VIII a - VIII k</li> </ul>
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<b>Appraisal Requirements</b>	An appraisal is not required
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<b>Assets</b>	<p>If assets are needed to close, <b>verification of the assets</b> is required regardless of the amount needed to close. Documentation required is as follows.</p> <ul style="list-style-type: none"> <li>Verification of Deposit and</li> <li>Most recent bank statement</li> <li><b>OR</b></li> <li>Two months bank statements</li> </ul>
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<b>Borrowers</b>	<p>Borrowers are ineligible from being removed under this program except where deceased and supporting documentation is required.</p> <p><b>Inter Vivos Revocable Trust is allowed (Owner Occupied Only)</b></p> <ul style="list-style-type: none"> <li>Note: A Power of Attorney is not allowed on properties held in a trust</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>Land Trusts</li> <li>Non-Permanent Resident Aliens</li> </ul>
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<b>Calculating the New Mortgage Amount</b>	<p><a href="#">MAXIMUM MORTGAGE CALCULATION WORKSHEETS</a></p> <p>Refer to Section Geographic Locations/Restrictions for additional state specific restrictions or requirements</p> <p><b>NOTE: The Maximum Mortgage Calculation Worksheets do not apply to second homes and investment property. Second homes and investment property may only be refinanced for the <u>outstanding principal balance</u>.</b></p> <p>The maximum base mortgage cannot exceed the:</p> <ul style="list-style-type: none"> <li>Unpaid principal balance (includes 30 days interest charged by servicing lender for the current month)</li> <li>Plus the interest charged by the servicing lender when the payoff will not be received on the first day of the month, but <b>may not include</b> delinquent interest, late charges or escrow shortages.</li> </ul> <p><b>MINUS</b></p> <ul style="list-style-type: none"> <li>The lesser of: <ul style="list-style-type: none"> <li>Unearned UFMIP (from FHA refinance Authorization or appropriate MIP Refund Schedule)</li> </ul> </li> <li><b>OR</b></li> <li>New Estimated UFMIP</li> </ul> <p>Total New Mortgage Amount is calculated as follows:</p> <ul style="list-style-type: none"> <li>Maximum base mortgage</li> <li><b>PLUS</b></li> <li>New UFMIP</li> </ul>
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## FHA Streamline

	<ul style="list-style-type: none"> <li>• Closing costs, pre-paid expenses and discount points, late charges and escrow shortages may not be financed into the new loan.</li> <li>• Principal Curtailment limited to maximum \$1,000 at closing and must be on the HUD-1. If the amount exceeds \$1,000 then the loan must be recalculated and reapproved with new documents drawn and signed by the borrower. The principal curtailment may not be done after closing.</li> <li>• Additional Requirements             <ul style="list-style-type: none"> <li>• Owner Occupied properties only</li> <li>• The original appraised value is obtained using the Case Query Screen in FHA Connection</li> <li>• Term of new mortgage is the lesser of 30 years or the un-expired term of the current mortgage plus 12 years. (This is particularly important when the term of the original loan was 15 years)</li> <li>• See <i>Secondary Financing</i> for CLTV limits.</li> <li>• No cash back to borrower permitted (incidental minor adjustment at closing not exceeding \$500.00 cash back is eligible).</li> <li>• Refinance Authorization information must be obtained at Case Number Assignment directly from FHA Connection</li> </ul> </li> </ul> <p>Premium pricing is eligible</p>						
<b>Credit</b>	<p>This is a non-credit qualifying loan; however, the following is required:</p> <p><b>Minimum Credit Score Requirements</b></p> <ul style="list-style-type: none"> <li>• <b>620</b> – no restrictions</li> <li>• <b>580 – 619</b> see Expanded Credit Score Criteria below</li> </ul> <p><b>Expanded Credit Score Criteria (applies to credit scores 580 – 619)</b></p> <ul style="list-style-type: none"> <li>• 1-2 unit properties only</li> <li>• High Balance loans (base loan amount &gt; \$417,000) not allowed for credit score &lt; 600</li> </ul> <ul style="list-style-type: none"> <li>• A tri-merge credit report</li> <li>• <u>Mortgage payment history requirement for a Streamline Refinance</u> The borrower must exhibit an acceptable payment history as described in the table below:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 50%;">If the outstanding mortgage has...</th> <th style="width: 50%;">Then the borrower must have ...</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Fewer than 12 months payment history</td> <td style="padding: 5px;">Made all mortgage payments within the month due</td> </tr> <tr> <td style="padding: 5px;">12 months payment history or more</td> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>• Experienced no more than one 30 day late payment in the preceding 12 months, and</li> <li>• Made all mortgage payments within the month due for the three months prior to the date of the loan application.</li> </ul> </td> </tr> </tbody> </table>	If the outstanding mortgage has...	Then the borrower must have ...	Fewer than 12 months payment history	Made all mortgage payments within the month due	12 months payment history or more	<ul style="list-style-type: none"> <li>• Experienced no more than one 30 day late payment in the preceding 12 months, and</li> <li>• Made all mortgage payments within the month due for the three months prior to the date of the loan application.</li> </ul>
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<b>Documentation</b>	<p>Document as determined by AUS findings, FHA Manual and Impac guidelines.</p> <p>Impac does not allow electronic signatures on any closing documents. All documents provided at closing for signature must have original signatures.</p>						
<b>Employment / Income</b>	<p>Verification of Employment</p> <ul style="list-style-type: none"> <li>• Salaried – Verbal Verification of Employment</li> <li>• Self-employed – Verification of business through third party source</li> <li>• Retirement and/or Social Security – Award letter or most recent bank</li> </ul> <p>The Borrower's application must indicate their income source; however, the income is not required to be listed on the application, just the source of the income.</p> <p>Form 4506-T is not required</p>						
<b>Escrow Holdback</b>	Ineligible						
<b>Escrow Waivers</b>	Ineligible						
<b>Financing Types</b>	<p><b>Streamline Refinance transactions on properties in Texas</b></p> <p>The following guidelines pertain to owner-occupied <b>Streamline</b> refinance transactions for properties in Texas</p> <ul style="list-style-type: none"> <li>• If the first mortgage is subject to Texas Section 50(a) (6), FHA insured financing is <b>ineligible</b>. Once a cash-out, always a cash-out.             <ul style="list-style-type: none"> <li>• If the property is subject to section 50(a) (6) the title policy will reference the Texas Section 50(a) (6) or Article XVI of the Texas Constitution effective January 1, 1998.</li> </ul> </li> <li>• When FHA insured financing is permitted, Underwriting conditions and closing instructions must indicate "<b>No Cash back to borrower is permitted</b>" (not even one dollar is permitted)</li> </ul> <p>Properties listed for sale in the last 6 months are eligible as follows.</p> <ul style="list-style-type: none"> <li>• Property has been taken off the market on or before the application date.</li> </ul>						

## FHA Streamline

	<ul style="list-style-type: none"> <li>Borrower provides written confirmation of the intent to occupy if a primary residence.</li> <li></li> </ul>						
<b>Geographic Locations/ Restrictions, as applicable</b>	<p>Eligible states are as follows:</p> <ul style="list-style-type: none"> <li><b>Wholesale:</b> AK, AL, AR, AZ, CA, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, MI, MN, MS, MT, NC, ND, NE, NV, OK, OR, SC, SD, TN, TX, UT, VA, WA, WI, WV</li> </ul> <p>Additional restrictions as follows:          Texas Cash-out 50(a)(6) is ineligible          State specific regulatory requirements supersede all underwriting guidelines set forth by Impac.</p>						
<b>High-Cost Mortgage Loans</b>	Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32)						
<b>Internet Links</b>	To access Mortgagee Letters, National HOC Reference Guide, HOC Letters, Handbooks, go to: <a href="http://portal.hud.gov/hudportal/HUD?src=/groups/lenders">http://portal.hud.gov/hudportal/HUD?src=/groups/lenders</a>						
<b>Loan Amount</b>	<u>Expanded Credit Score (580 – 619)</u> High Balance loans (base loan amount > \$417,000) not allowed for credit score < 600						
<b>Manufactured Home Criteria</b>	<p>The following table contains overlays, clarifications, and additions to existing guidelines regarding manufactured homes.</p> <table border="1"> <tr> <td>Credit</td> <td><b>Major Derogatories - Follow FHA and Impac guidelines herein</b></td> </tr> <tr> <td>Documentation</td> <td> <p>Evidence of surrender of certificate of title or that no certificate was issued, refer to individual state requirements.</p> <ul style="list-style-type: none"> <li>Confirm property is legally classified and taxed as real property, on a permanent foundation, and owner owns both land and MFH</li> <li>ALTA Endorsement 7, 7.1, or 7.2 or any other endorsement required for manufactured homes to be treated as real property</li> <li>Deed of Trust (or other security instrument) must include a comprehensive description of the manufactured home and the land in the property description section or on a separate attached rider. The description must include the serial or VIN number for each unit/section; make, model, size, and any other information required by applicable law to definitively identify the manufactured home.</li> <li>Affidavit of Affixture/Affixation – Borrower and Lender must sign and notarize acknowledging their mutual intent that the manufactured home be a permanent part of the real property securing the mortgage.</li> <li>Limited Power of Attorney pertaining to title issues and foreclosure must be signed with closing documents</li> </ul> </td> </tr> <tr> <td>MFH Property Requirements</td> <td> <p>Minimum 400 square feet of gross living area            Multi-width only, no single wide            The land where the manufactured home rests must be fee simple            The MFH must be a one-unit dwelling legally classified as real property            The towing hitch, wheels, and axles must be removed            The MFH must assume the same characteristics of a site-built housing            The MFH must have sufficient square footage and room dimensions to be acceptable to purchasers in the subject market area            The MFH must be located on an all-weather accessible road</p> <p>The MFH must have been built in compliance with Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976 as amended and in force at the time the home is manufactured, and additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280 as evidenced by:</p> <ul style="list-style-type: none"> <li>HUD Data Plate/Compliance Certificate – A paper document located on the interior of the subject property that contains, among other things, the manufacturer’s name and trade/model number. In addition the data plate includes pertinent information about the unit including a list of factory-installed equipment; and</li> <li>HUD Certification Label (sometimes referred to as a HUD “seal” or “tag”) – A metal plate located on the exterior of each section of the home</li> </ul> <p>The appraisal form 1004C must indicate evidence of both the HUD Data Plate/Compliance Certificate and the HUD Certification Label</p> </td> </tr> </table>	Credit	<b>Major Derogatories - Follow FHA and Impac guidelines herein</b>	Documentation	<p>Evidence of surrender of certificate of title or that no certificate was issued, refer to individual state requirements.</p> <ul style="list-style-type: none"> <li>Confirm property is legally classified and taxed as real property, on a permanent foundation, and owner owns both land and MFH</li> <li>ALTA Endorsement 7, 7.1, or 7.2 or any other endorsement required for manufactured homes to be treated as real property</li> <li>Deed of Trust (or other security instrument) must include a comprehensive description of the manufactured home and the land in the property description section or on a separate attached rider. 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		<p>The MFH must be attached to a permanent foundation system  The MFH must be permanently connected to the septic or sewage system  The MFH must be permanently connected to all necessary utilities (water, electricity, gas service, etc.)  The MFH must not have been installed or occupied previously at any other location or site (re-siting)  The MFH must not have any additions or structural modifications to the original structure</p> <ul style="list-style-type: none"> <li>This includes additional room count or additional living area square footage or penetrations through the shell of the property</li> </ul> <p>Typical porches and decks installed at time of siting, as well as adjacent carports and garages are allowed.</p> <p><u>Foundation Certification</u>  File must contain an Engineer's Certification on Foundation Compliance attesting to compliance with the current PFGMH (4930.3), that must be:</p> <ul style="list-style-type: none"> <li>Completed by a licensed professional engineer or registered architect licensed/registered in the state where the manufactured home is located</li> <li>Site-specific, and</li> <li>Included in both the lender's loan file and the insuring binder submitted to FHA</li> </ul> <p>Note: The certification must contain the engineer's or registered architect's signature, seal, and/or state license/certification number. In states where seals are issued, the seal must be on the certification.</p> <p>A copy of the foundation certification, showing that the foundation met the PFGMH guidelines that were in effect at the time of certification, is acceptable for future FHA loans, provided there are no alterations and/or observable damage to the foundation.</p> <p>A copy of the foundation certification is <u>not required</u> in the loan file or insuring binder for any FHA-to-FHA transaction, provided that</p> <ul style="list-style-type: none"> <li>no modifications have been made to the foundation or structure from the date of the effective certification, or</li> <li>FHA/HUD Real Estate Owned (REO) Division sales</li> </ul>
	FHA References	4145.1 3-4; 4150.2 8, & Appendix D-2; 4155.1 3, 4; 4155.2 4.10; 4930.3 – <i>Permanent Foundations Guide for HUD Manufactured Housing</i> FHA FAQ site: <a href="http://portal.hud.gov/hudportal/HUD?src=/FHAFQA">http://portal.hud.gov/hudportal/HUD?src=/FHAFQA</a>
	Restrictions	<ul style="list-style-type: none"> <li>The following are ineligible: <ul style="list-style-type: none"> <li>Non-traditional credit</li> <li>ARMs</li> <li>High Balance loans</li> <li>Re-siting of manufactured home</li> <li>Single Width manufactured home</li> <li>Manufactured home in condominium project</li> <li>Manufactured home on leasehold</li> <li>MFH properties within SFHA (Special Flood Hazard Area) or any property that requires flood insurance</li> </ul> </li> </ul>
	Termite Control	The steel chassis under a newly-constructed manufactured home unit is not an effective termite barrier. Any one, or a combination of the following methods is required for maximum protection against termites, including <ul style="list-style-type: none"> <li>Chemical soil treatment</li> <li>EPA-registered bait treatments</li> <li>Pressure preservative-treated wood, or</li> <li>Naturally termite-resistant wood.</li> </ul> Termite protection policies for existing manufactured homes are handled in the same manner as stick-built homes. State or local requirements are to be followed.
Mortgage Insurance	Mortgage Insurance is required on all loans. <ul style="list-style-type: none"> <li>Refer to the attached matrix for details on UFMIP and monthly MIP</li> <li>The section of the Act under which the loan will be insured determines the mortgage insurance to be used.</li> </ul> <b>Sections 203b, and 234c (Condos)</b> <ul style="list-style-type: none"> <li>Up Front MIP (UFMIP) is required</li> </ul>	

## FHA Streamline

	<ul style="list-style-type: none"> <li>• Monthly MIP is required</li> <li>• Refer to the <i>FHA Mortgage Insurance Premium Matrix</i> for details on UFMIP and monthly MIP</li> <li>•</li> </ul>
<b>Occupancy</b>	<p>Primary Residence Second Home Investment property</p> <p>See <i>Property Types</i> for limitations</p>
<b>Prepayment Penalty</b>	Not permitted. However, if refinancing and the payoff check for the existing loan is not received by the servicing lender by the first day of the month, the lender may collect interest on the existing loan through the end of the month.
<b>Processing</b>	Streamline
<b>Program Exclusions</b>	<p>HUD Section 184 Indian Home Loan Guarantee Program</p> <p>HUD Section 247 Hawaiian Home Lands</p>
<b>Property Types</b>	<p><b>Eligible</b></p> <ul style="list-style-type: none"> <li>• 1 unit <u>owner occupied</u> SFR including: <ul style="list-style-type: none"> <li>• PUDs</li> <li>• Modular Pre-Cut/Panelized housing</li> <li>• Manufactured Housing (see separate <i>Manufactured Home Criteria</i> section)</li> <li>• Condos (including site condos) do not require condominium project approval</li> </ul> </li> <li>• 1 unit <u>not owner occupied</u> (second home or investment property) SFR including: <ul style="list-style-type: none"> <li>• PUDs</li> <li>• Modular Pre-Cut/Panelized housing</li> <li>• Condos (including site condos) <u>require condominium project approval</u>. If the condo is not currently approved, for whatever reason, the loan is ineligible.</li> </ul> </li> <li>• 2 – 4 units <u>owner occupied</u> – A borrower who has <u>re-occupied</u> an investment property within 12 months from the application date is ineligible. <ul style="list-style-type: none"> <li>• Note: 3 – 4 units owner occupied are ineligible with Expanded Credit Score (580-619). Must have minimum 620 score.</li> </ul> </li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• 2 – 4 units that are <u>not owner occupied</u></li> <li>• Condo Hotels</li> <li>• Co-ops</li> <li>• Properties located within designated Coastal Barrier Resource System (CBRS) areas</li> </ul>
<b>Qualifying Rate and Ratios</b>	<p>Ratios are not calculated</p> <p>The Borrower's application must indicate their income source; however, the income is not required to be listed on the application, just the source of the income.</p>
<b>Seasoning</b>	<p>Existing FHA Case Number must be seasoned for 210 days from the closing date of the mortgage being refinanced.</p> <p>On the date of FHA case number assignment</p> <ul style="list-style-type: none"> <li>• The borrower must have made at least six payments</li> <li>• At least six full months must have passed since the first payment due date</li> <li>• At least 210 days have passed from the closing date</li> </ul>
<b>Secondary Financing</b>	<p>New secondary financing simultaneous with streamline refinance is ineligible.</p> <p>Existing secondary financing may remain in place to a maximum combined loan-to-value (CLTV) of 125% of the original appraised value. See below.</p> <p><u>FHA Streamline without appraisal CLTV limits</u></p> <p>If subordinate financing remains in place, the</p> <ul style="list-style-type: none"> <li>• Maximum combined loan-to-value (CLTV) is 125%</li> <li>• CLTV is based on the original appraised value of the property, and</li> <li>• Maximum CLTV is calculated by taking the original FHA base loan amount (the original FHA principal balance excluding financed UFMIP), adding all other financed liens still outstanding, and dividing by the appraised value. This calculation may not exceed 125%.</li> <li>• The maximum accessible credit limit of the existing subordinate lien must be used to calculate the CLTV</li> </ul>

## FHA Streamline

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<b>Special Documentation Requirements or Enhancements</b>	<p>The Loan Application (URLA) plus the HUD Addendum 92900A must be complete and fully executed by all borrowers prior to underwriting. An abbreviated version of the URLA is allowed for non-credit qualifying streamlines (See <i>Underwriting</i>)</p> <p>Evidence of valid Social Security Number is required on all loans Evidence of Refinance Authorization data and New Case Number Assignment obtained from FHA Connection (print screens and place in loan file) Check current deed or title to verify at least one borrower is listed as owner Current mortgage payoff statement must be provided Good Faith Estimate Evidence mortgage is current (mortgage history) URLA and signed HUD Addendum FHA Loan Underwriting and Transmittal Summary, HUD Form 92900-LT signed by DE Underwriter FHA Maximum Mortgage Calculation Worksheet GSA and LDP, Procurement/Non-procurement lists must be checked CAIVRS check <b>is not</b> required Important Notice to Homebuyer (92900B) Informed Consumer Choice Disclosure Notice Flood Certificate Copy of Existing HUD-1 – Determine the amount of Upfront MIP paid, if any, and verify existing FHA case number Copy of Existing Note – Verify the current information from the note: Date of note, FHA case number, loan amount, interest rate, P&amp;I amount, and loan term. Also, verify that borrowers and property are the same on current loan and on new loan application.)</p>																				
<b>Special Requirements/Restrictions</b>	<p><b>Net Tangible Benefit</b> There must be a net tangible benefit as a result of the streamline refinance transaction without an appraisal. Net tangible benefit is defined as follows:</p> <ul style="list-style-type: none"> <li>• 5% reduction to the P &amp; I of the mortgage payment plus the annual MIP</li> </ul> <p style="text-align: center;"><b>OR</b></p> <ul style="list-style-type: none"> <li>• refinancing from an adjustable rate mortgage (ARM) to a fixed rate mortgage</li> </ul> <p>The following table defines the permissible minimum thresholds to define net tangible benefit</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="text-align: center;">To From</th> <th style="text-align: center;">Fixed Rate</th> <th style="text-align: center;">One-Year ARM</th> <th style="text-align: center;">Hybrid ARM</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Fixed Rate</td> <td>Reduction of at least 5% of P&amp;I and MIP</td> <td>New interest rate at least 2% below the current interest rate of the fixed rate mortgage</td> <td>Reduction of at least 5% of P&amp;I and MIP</td> </tr> <tr> <td style="text-align: center;">One-Year ARM</td> <td>New interest rate no greater than 2% above the current interest rate of the ARM</td> <td>Reduction of at least 5% of P&amp;I and MIP</td> <td>New interest rate at least 2% below the current interest rate of the fixed rate mortgage</td> </tr> <tr> <td style="text-align: center;">Hybrid ARM During Fixed Period (e.g. for 3/1 Hybrid ARM, first 3 years is fixed rate period)</td> <td>Reduction of at least 5% of P&amp;I and MIP</td> <td>New interest rate at least 2% below the current interest rate of the fixed rate mortgage</td> <td>Reduction of at least 5% of P&amp;I and MIP</td> </tr> <tr> <td style="text-align: center;">Hybrid ARM During Adjustable Period (Adjustable period is period when rate adjusts annually)</td> <td>New interest rate no greater than 2% above the current interest rate of the ARM</td> <td>Reduction of at least 5% of P&amp;I and MIP</td> <td>New interest rate at least 2% below the current interest rate of the fixed rate mortgage</td> </tr> </tbody> </table> <p><b>Deleting a Borrower</b></p> <ul style="list-style-type: none"> <li>• Deleting a borrower is ineligible, unless borrower is deceased; supporting documentation required.</li> </ul> <p><b>Adding a Borrower</b></p> <ul style="list-style-type: none"> <li>• May be added</li> </ul> <p><b>Adding an Individual to Title</b></p> <ul style="list-style-type: none"> <li>• May be added</li> </ul>	To From	Fixed Rate	One-Year ARM	Hybrid ARM	Fixed Rate	Reduction of at least 5% of P&I and MIP	New interest rate at least 2% below the current interest rate of the fixed rate mortgage	Reduction of at least 5% of P&I and MIP	One-Year ARM	New interest rate no greater than 2% above the current interest rate of the ARM	Reduction of at least 5% of P&I and MIP	New interest rate at least 2% below the current interest rate of the fixed rate mortgage	Hybrid ARM During Fixed Period (e.g. for 3/1 Hybrid ARM, first 3 years is fixed rate period)	Reduction of at least 5% of P&I and MIP	New interest rate at least 2% below the current interest rate of the fixed rate mortgage	Reduction of at least 5% of P&I and MIP	Hybrid ARM During Adjustable Period (Adjustable period is period when rate adjusts annually)	New interest rate no greater than 2% above the current interest rate of the ARM	Reduction of at least 5% of P&I and MIP	New interest rate at least 2% below the current interest rate of the fixed rate mortgage
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<b>Temporary Buydown</b>	Not permitted																				
<b>Underwriting</b>	<p>Loan must be manually underwritten by a DE Underwriter employed by Impac (Do not use TOTAL Scorecard for Streamline refinances.)</p> <p><b>NOTE: The Maximum Mortgage Calculation Worksheets do not apply to second homes and investment property. Second homes and investment property may only be refinanced for the <u>outstanding principal balance</u>.</b></p>																				

## FHA Streamline

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	<p>Loans are ineligible for submission to TOTAL Scorecard.</p> <p>An FHA loan that has been modified is eligible for the Streamline Refinance program as long as it meets the requirements for streamline refinance transactions. The new loan amount may not exceed the <u>lesser</u> of the:</p> <ul style="list-style-type: none"><li>• Original loan amount, or</li><li>• Outstanding principal balance (including up to 2 months interest and MIP plus financed UFMP).</li></ul> <p>The outstanding balance of a modified loan may reflect amounts that were previously added to the loan balance to facilitate loss mitigation. This is acceptable as long as the new loan amount is calculated as required for streamline refinance transactions (may not exceed the lesser of the original loan amount or outstanding principal) and all other streamline refinance criterion is met.</p> <p>The DE must sign and use their CHUMS identification number on page 3 of the HUD Addendum 92900A and Page 1 of the FHA Loan Underwriting and Transmittal Summary. The Loan Application (URLA) plus the HUD Addendum 92900A must be complete and fully executed by all borrowers prior to underwriting.</p> <p>The following sections of the loan application are not required to be completed.</p> <ul style="list-style-type: none"><li>• Section IV (only the Monthly Income questions)</li><li>• Section V, VI (must complete assets if funds are required to close)</li><li>• Section VIII a - VIII k</li></ul>
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## FHA Streamline

### FHA Mortgage Insurance Premium Matrix

Mortgagee Letter 2013-04 announced changes to the Annual (Monthly) Mortgage Insurance Premium (MIP) factors per the effective dates below.

For Case Numbers Assigned on or after 6-3-2013					
Term > 15 Years					
Loan Amount	Base LTV (excludes financed UFMIP)	Purchases & Full Credit Qualifying Refinances (Rate/Term and Cash-Out)		Streamline Refinances	
		UFMIP	Monthly	UFMIP	Monthly
≤ \$625,500	> 95% LTV	1.75%	1.35%	1.75%/.01%*	1.35%/.55%*
≤ \$625,500	≤ 95% LTV	1.75%	1.30%	1.75%/.01%*	1.30%/.55%*
Above \$625,500	> 95% LTV	1.75%	1.55%	1.75%/.01%*	1.55%/.55%*
Above \$625,500	≤ 95% LTV	1.75%	1.50%	1.75%/.01%*	1.50%/.55%*
Term ≤ 15 Years					
≤ \$625,500	> 90% LTV	1.75%	.70%	1.75%/.01%*	.70%/.55%*
≤ \$625,500	78.01% - 90% LTV	1.75%	.45%	1.75%/.01%*	.45%/.55%*
Above \$625,500	> 90% LTV	1.75%	.95%	1.75%/.01%*	.95%/.55%*
Above \$625,500	78.01% - 90% LTV	1.75%	.70%	1.75%/.01%*	.70%/.55%*
Any	≤ 78% LTV	1.75%	.45%	1.75%/.01%*	.45%/.55%

\*For all Streamline Refinance transactions that are refinancing FHA loans endorsed on or before May 31, 2009, the following factors apply:

- The UFMIP will decrease to .01% of the base loan amount
- The Annual (Monthly) MIP will be .55%, regardless of the base loan amount

The endorsement date is on the Case Query screen in FHA Connection.

For loans with FHA case numbers assigned on or after June 3, 2013, FHA will collect the annual MIP for the maximum duration permitted under statute. See 12 U.S.C. Section 1709(c)(2)(B)

- For all mortgages regardless of their amortization terms, any mortgage involving an original principal obligation (excluding financed Up-Front MIP (UFMIP)) **less than or equal to 90% LTV**, the annual MIP will be assessed until the **end of the mortgage term or for the first 11 years of the mortgage term, whichever occurs first.**
- For any mortgage involving an original principal obligation (excluding financed UFMIP) **with an LTV greater than 90 percent**, FHA will assess the annual MIP until **the end of the mortgage term or for the first 30 years of the term, whichever occurs first.**

The table below shows the previous and the new duration of annual MIP by amortization term and LTV ratio at origination.

Term	LTV (%)	Previous	New
≤ 15 yrs	≤ 78	No annual MIP	11 years
≤ 15 yrs	> 78 – 90.00	Cancelled at 78% LTV	11 years
≤ 15 yrs	> 90.00	Cancelled at 78% LTV	Loan term
> 15 yrs	≤ 78	5 years	11 years
> 15 yrs	> 78 – 90.00	Cancelled at 78% LTV & 5 yrs	11 years
> 15 yrs	> 90.00	Cancelled at 78% LTV & 5 yrs	Loan term

**FHA MAXIMUM MORTGAGE CALCULATION WORKSHEET**

**FOR STREAMLINE REFINANCES WITHOUT APPRAISAL**

Borrower Name(s): \_\_\_\_\_ IMPAC Loan #: \_\_\_\_\_ FHA Case #: \_\_\_\_\_

**Maximum Mortgage Calculation – Existing Debt Calculation**

- 1. Unpaid Principal Balance\* (UPB may not include late charges, escrow shortages, delinquent interest, and processing type fees) \$ \_\_\_\_\_
- 2. Plus Interest due on current loan (May not include delinquent interest. Includes only the amount of interest charged by the servicing lender when the payoff will not likely be received on the first day of the month.) \$ \_\_\_\_\_
- 3. Minus UFMIP Refund (The amount of the refund may not exceed the new UFMIP being charged on the new loan transaction.) \$ \_\_\_\_\_

4. **Maximum Base Mortgage\*\*:** \$ \_\_\_\_\_  
 \*\*Discount points may not be included in the new mortgage. If the borrower has agreed to pay discount points, the lender must verify the borrower has assets to pay them along with other financing costs that are not included in the new mortgage amount.

**MAXIMUM BASE MORTGAGE** \$ \_\_\_\_\_

*(Maximum Base mortgage x UFMIP factor based on when case # was ordered – refer to UFMIP chart)*

**Plus UFMIP (if financed)** \$ \_\_\_\_\_

**TOTAL NEW MORTGAGE AMOUNT:** \$ \_\_\_\_\_

\*Note: Lender is not allowed to “net escrows” (i.e. payoff reduced by escrow account balance) on the loan being paid off.

**IMPORTANT:** Watch your payoff details. Nothing other than the existing principal balance and the current interest charged by the servicing lender may be included in the principal balance. NO other fees or charges showing on the payoff may be financed in the loan amount. Therefore, do not included mortgage insurance listed on the payoff statement, delinquent interest, escrow shortages, late fees, fax or courier fees or any other fees.

Please note that escrow shortages may not be paid through premium pricing, so the borrower must bring funds to closing that are equal to or exceed the amount of escrow shortages listed on the payoff statement.

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