



Eligible States:
 AL,AR,AZ,CA,CO,CT,DC,DE,FL,GA,IA,IL,IN,
 KS,KY,LA,MA,ME,MD,MI,MN,MO,NC,NH,NJ,NM,
 OK,OH,OR,PA,RI,SC,TN,TX,UT,VA,VT,WA,WI,WV

FHA High Balance Matrix (Wholesale)

September 14, 2015

Product Codes

Fixed Rate: 30yr=1002

Fixed Period ARM's: 5/1=1006

FHA HIGH BALANCE						
	Purchase		No Cash-Out Refi		Cash Out Refi	
	Max LTV	Min Fico	Max LTV	Min Fico	Max LTV	Min Fico
1 Unit	96.50%	640	97.75%	640	85%	640
2 Units	96.50%	640	97.75%	640	N/A	
3-4 Units	96.50%	640	97.75%	640		

Please check HUD link below for High cost areas (Loan amounts exceeding the below must be priced High Balance)

Loan Limits	1 Unit	2 Unit	3 Unit	4 Unit
48 States (Excluding HI)	\$417,000	\$533,850	\$645,300	\$801,950

Note: Cases issued on or after 01/01/2014, FHA Maximum Loan Limits have changed for 2014 in many counties Nationwide

FHA Mortgage limits for all areas

https://entp.hud.gov/idapp/html/hicostlook.cfm

FHA HIGH BALANCE STREAMLINE
Fixed Rate: 30yr=1204
Fixed Period ARM's: 5/1=1203

	Max LTV	Max CLTV ¹	Min Fico
1 Unit	97.75%	125%	640
2 Units	97.75%	125%	640
3-4 Units	97.75%	125%	640

Note: For all loans with Case Assignment dates On or After Sept. 14th, 2015, reference FHA updates and Handbook 4000.1

¹Max CLTV - Existing subordinate financing on an FHA Streamline may remain in place to a maximum combined loan - to value (CLTV) of 125% of the original appraised value, not to exceed FHA County Loan Limits

* **Texas:** Cash out refinance transactions are not eligible

* **New Jersey:** For 2-4 unit purchase transactions, the Max LTV is 95%. 5% down payment must be their own funds

***West Virginia:** Max LTV/CLTV is 100%. An appraisal (exterior/interior) is required.



FHA High Balance Guidelines (Wholesale)

Loan Terms	<ul style="list-style-type: none"> FHA High Balance- 30 Year Fixed ARM Products : 5/1 ARM 																																																																																															
ARM Information	<ul style="list-style-type: none"> Loan Term: 30 Year Amortization Fixed Period: 5/1 Margin: 2.25 Index: 1 Year Treasury Caps: 1/1/5 Floor: Can never be lower than the margin Qualify: At the Note rate 																																																																																															
Loan Purpose	<ul style="list-style-type: none"> Purchase, No Cash-out Refinance, Cash-out Refinance 																																																																																															
Eligible Property Types	<ul style="list-style-type: none"> SFR, PUD (attached and detached),FHA approved Condominiums, 2-4 units Properties, Modular Homes (subject to 2nd signature), Deed Restricted Properties (subject to the deed showing a clause that Foreclosures are exempt from the restriction). (See full guidelines for specific eligible properties) 																																																																																															
Ineligible Property Type	<ul style="list-style-type: none"> Manufactured homes, Co-ops, Mixed Use, Timeshare, Construction to Permanent, Leasehold Estates, Hobby Farms, Log Homes, Bed & Breakfast, Live/ Work properties, Non-FHA Approved Condo's, SFR properties with 2 kitchens, Properties with individual water purification systems used for safe water, Properties with more than 25 acres, HUD REOs with Repair Escrow 																																																																																															
Ineligible Programs	<ul style="list-style-type: none"> Non-Owner Occupied transactions, MCC, Hope for Homeowners, Indian Land Transactions, Negative Equity Loans, Loans to Non-Profits, Construction to Perm, and Loans where the original loan was modified 																																																																																															
Underwriting Method	<ul style="list-style-type: none"> DU & LP Approve/Accept (Manual Underwrites are not allowed). Note: Cannot run one AUS when the other gives a Refer. If the selected AUS gives a refer, the loan must be "manually downgraded" 																																																																																															
Max DTI Ratio	<ul style="list-style-type: none"> 55% (see rate sheet for price adjustments above 50%) 																																																																																															
MI Premium	<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p style="text-align: center;">MI Premiums Based on Term (See Mortgagee Letter 2013-4)</p> <p style="text-align: center; background-color: #e0e0e0; padding: 5px;">The following tables list the MIP amounts based on the term of the loan for case numbers with the MIP rates depending on if the case number was assigned prior to January 26,2015 or on and after per the ML 2015-01</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th colspan="5">Term > 15 Years</th> </tr> <tr> <th rowspan="2">LTV</th> <th rowspan="2">Base Loan Amount</th> <th colspan="3">Purchases & Refinances</th> </tr> <tr> <th>UFMIP</th> <th>Prior to 01/26/2015</th> <th>On or after 01/26/2015</th> </tr> </thead> <tbody> <tr> <td>≤ 95.00%</td> <td>≤ \$625,500</td> <td>1.75%</td> <td>1.30%</td> <td>0.80%</td> </tr> <tr> <td>> 95.00%</td> <td>≤ \$625,500</td> <td>1.75%</td> <td>1.35%</td> <td>0.85%</td> </tr> <tr> <td>≤ 95.00%</td> <td>> \$625,500</td> <td>1.75%</td> <td>1.50%</td> <td>1.00%</td> </tr> <tr> <td>>95.00%</td> <td>> \$625,500</td> <td>1.75%</td> <td>1.55%</td> <td>1.05%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Term ≤ 15 Years</th> </tr> <tr> <th rowspan="2">LTV</th> <th rowspan="2">Base Loan Amount</th> <th colspan="2">Purchases & Refinances</th> </tr> <tr> <th>UFMIP</th> <th>Previous & Current</th> </tr> </thead> <tbody> <tr> <td>78.01-90%</td> <td>≤ \$625,500</td> <td>1.75%</td> <td>1.75% / 0.45%</td> </tr> <tr> <td>> 90.00%</td> <td>≤ \$625,500</td> <td>1.75%</td> <td>1.75% / 0.70%</td> </tr> <tr> <td>78.01-90%</td> <td>> \$625,500</td> <td>1.75%</td> <td>1.75% / 0.70%</td> </tr> <tr> <td>> 90.00%</td> <td>> \$625,500</td> <td>1.75%</td> <td>1.75% / 0.95%</td> </tr> </tbody> </table> <p><small>*Note- Forward mortgages with a amortization term of 15 years or less and LTV is 78% or less are no longer exempt. See new requirements to the right as per Mortgagee Letter 2013-04*</small></p> </div> <div style="width: 35%;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; color: red; font-weight: bold;">For FHA Case Numbers assigned on or after June 3, 2013, if the LTV is Less than or equal to 78% up to 15 year term</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th>Base Loan Amt.</th> <th>LTV</th> <th>Previous MIP</th> <th>New MIP</th> </tr> </thead> <tbody> <tr> <td>Any Amount</td> <td>≤ 78.00%</td> <td>0 bps</td> <td>45 bps</td> </tr> </tbody> </table> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; color: red; font-weight: bold;">All FHA Case Numbers assigned on or after June 3, 2013 must meet the following MIP table. It reflects the new duration of annual MIP by amortization term and LTV at origination.</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th colspan="3">As per Mortgagee Letter 2012-04</th> </tr> <tr> <th>Term</th> <th>LTV %</th> <th>New Duration Period</th> </tr> </thead> <tbody> <tr> <td>≤ 15 years</td> <td>≤ 78%</td> <td>11 years</td> </tr> <tr> <td>≤ 15 years</td> <td>> 78-90.00%</td> <td>11 years</td> </tr> <tr> <td>≤ 15 years</td> <td>> 90.00%</td> <td>Loan Term</td> </tr> <tr> <td>> 15 years</td> <td>≤ 78%</td> <td>11 years</td> </tr> <tr> <td>> 15 years</td> <td>> 78-90.00%</td> <td>11 years</td> </tr> <tr> <td>> 15 years</td> <td>> 90.00%</td> <td>Loan Term</td> </tr> </tbody> </table> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; color: red; font-weight: bold;">Effective June 11, 2012 the following MIP amount is for Streamline Refinances endorsed on or before May 31, 2009 Up-Front and Annual Mortgage Insurance Premium</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th>LTV</th> <th>Streamline Refi</th> </tr> </thead> <tbody> <tr> <td>All</td> <td>0.01% / .55%</td> </tr> </tbody> </table> </div> </div> </div>	Term > 15 Years					LTV	Base Loan Amount	Purchases & Refinances			UFMIP	Prior to 01/26/2015	On or after 01/26/2015	≤ 95.00%	≤ \$625,500	1.75%	1.30%	0.80%	> 95.00%	≤ \$625,500	1.75%	1.35%	0.85%	≤ 95.00%	> \$625,500	1.75%	1.50%	1.00%	>95.00%	> \$625,500	1.75%	1.55%	1.05%	Term ≤ 15 Years				LTV	Base Loan Amount	Purchases & Refinances		UFMIP	Previous & Current	78.01-90%	≤ \$625,500	1.75%	1.75% / 0.45%	> 90.00%	≤ \$625,500	1.75%	1.75% / 0.70%	78.01-90%	> \$625,500	1.75%	1.75% / 0.70%	> 90.00%	> \$625,500	1.75%	1.75% / 0.95%	Base Loan Amt.	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Age of Credit Documents	<ul style="list-style-type: none"> Credit documents cannot be older than 90 days from the funding date. These documents include credit report, employment, income, and asset. Prelim is good for 90 days. Appraisals are good for 120 days (Note: A recert of value from 90-120 will <u>only</u> be required if the appraiser states the property area is not stable or is declining) 																																																																																															
Credit	<ul style="list-style-type: none"> Credit: <ul style="list-style-type: none"> All borrowers must have a minimum 640 credit scores Tradelines (Authorized Users): Underwriter must compare information from the credit report for the loan data used by DU to evaluate the loan to ensure the DU recommendation was based on complete and accurate information. Mortgage History: 1x30 in the last 12 months with an AUS approval, however must have a 0 x30 in the 6 months prior to the loan application. Judgments: Judgments must be paid off at or prior to closing, regardless of credit score or AUS approval. Collections / Charge-off accounts (Per ML 2013-25) <ul style="list-style-type: none"> If the AUS Total Scorecard indicates an Accept and the cumulative outstanding balance is <u>less than</u> \$2,000, then its NOT required to be considered If the AUS Total Scorecard indicates an Accept and the cumulative outstanding balance is <u>equal to or greater than</u> \$2,000, then the monthly payments must be included in DTI for accounts that will remain open. Note: Collection accounts of a non-purchasing spouse in a community property state are included in the cumulative balance Note: Medical collections and charge offs may be excluded. Revolving Accounts: If being paid off to qualify must be closed prior to the close of escrow (A credit supplement or letter from the creditor is required) Non-Traditional Tradelines: In-Eligible 																																																																																															



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FHA High Balance Guidelines (Wholesale)

Non-Purchasing Spouse *Community Property State*	<ul style="list-style-type: none"> · A credit report is required on a non-purchasing spouse in a community property state. · Non-purchasing spouse must sign SSA form and be processed to verify social security number validity. · Non-purchasing spouse's credit history must be obtained in order to determine the debt-to-income ratio of the borrower. · <u>Judgments/Collections:</u> Judgments must be paid prior to closing, regardless of credit score or AUS approval. Collection & Charge Offs do not need to be satisfied unless total with borrower exceed \$2,000 (see collection guideline). Note: If a collection or charge off is determined to affect title (in a community property state) the underwriter may condition for it to be paid. · <u>Community Property States:</u> Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin.
Disputed Accounts	<ul style="list-style-type: none"> · If the credit report reflects that the borrower is disputing accounts, a Manual Downgrade of the loan is not required as long as the account reflects any of the following: <ul style="list-style-type: none"> * AUS gives an Accept * the total outstanding balance of all disputed derogatory credit accounts (excluding medical) is less than \$1,000 · Note: If the disputed derogatory credit accounts have an aggregate balance equal to or in the excess of \$1,000 then downgrade to a Manual underwrite · *See detailed guides for additional information
Bankruptcy	<ul style="list-style-type: none"> · Extenuating Circumstances are not eligible · Chapter 7 or 11 - 2 years from discharge date · Chapter 13 -Document one year out of the payout period has elapsed and the payment performance has been on time. A letter from the court is also required evidencing the borrower can enter into a new mortgage · Multiple Bankruptcy within 7 years - DE underwriter's discretion. · Bankruptcies: 4 years for High Balance Cash-out Refinance transactions.
Foreclosure	<ul style="list-style-type: none"> · Extenuating Circumstances are not eligible · 3 years from completion, or · 4 years for High Balance Cash-out Refinance transaction
Deed in Lieu, Pre-Foreclosure, Short Sale	<ul style="list-style-type: none"> · Extenuating Circumstances are not eligible · 3 years from completion date or settlement (Note- a borrower is not eligible for a new FHA-insured mortgage if he/she pursued a short sale agreement on his/her principal residence simply to: 1) take advantage of declining market conditions and 2) purchase a similar/superior property within a reasonable commuting distance at a reduced price as compared to current market value.
Income	<ul style="list-style-type: none"> · A signed 4506-T & validated Tax Transcripts are required on all transactions (Note: Transcripts may not be used in lieu of returns for self employed borrowers or borrowers that receive rental income) · <u>Salaried Borrowers:</u> Per DU Findings - however the following is required: Most recent 30 day period with YTD earnings and 2 years W2's · <u>Self Employed Borrowers:</u> 2 Years Tax returns (all schedules) <ul style="list-style-type: none"> · If the most recent signed personal tax return cannot be provided and validated due to a filing of an extension, the following documentation must be provided: *Note- to use 2013 income for a self employed borrower, the income must validate * · Copy of the most recent federal tax extension, proof of payment (Finance of America Mortgage will pull the tax transcript reflecting "No Record Filed") · A copy of the previous year's tax returns (W2 for salaried borrowers) · P & L and balance sheet is required if more than a calendar quarter has elapsed since date of most recent calendar or fiscal-yr. end tax return was filed by borrower
Asset	<ul style="list-style-type: none"> · Bank statements or computer generated VOD's must be provided (handwritten VOD's not allowed). · Stocks, bonds, mutual funds may use 70% of the value for reserves. · Retirement accounts may use 60% of the vested value. · <u>Business Funds:</u> <ul style="list-style-type: none"> · Ownership is verified through a business license or corporate tax returns (Must indicate 100% "full" ownership) · Evidence that the borrower has full use of the funds and no repayment is required. (CPA letter on letterhead) · Evidence that the funds withdrawn are not an advancement against future earnings or future cash distributions. (CPA Letter on letterhead) · *Bank statements must not have any abnormal large deposits (or source of funds will be required to be documented)*
Reserves	<ul style="list-style-type: none"> · 1-2 Unit Properties - per DU (Manual Underwrites require reserves equal to or greater than <u>one</u> total monthly mortgage payment.) PITIA (may not be gift funds) · 3-4 unit properties: 3 months cash reserves PITI required (may not come from gift)
Gift Funds	<ul style="list-style-type: none"> · Allowed for purchase & refinance transaction.(Gift funds in the excess of amount required for cash investment & closing costs may not be used as cash reserves.) · Gift donor must be blood or legal relative, domestic partner, or fiancé. (Note: Cousins & "In-Law's are considered close personal friends. The file needs to document the longstanding relationship) · Gift letter must contain the amount of the gift, donor's name, address, phone number and relationship. The donor should state repayment is not expected · <u>All Gifts must be Documented:</u> <ul style="list-style-type: none"> · If the Gift funds are in the borrowers account: Provide a copy of the w/drawl document showing it was from the donor and a copy of the borrower deposit slip & bank statement showing the deposit · If the Gift funds are provided at closing in the form of a certified check from the donors account: Provide a bank statement showing the w/drawl from the donors account & a copy of the certified check · If the Gift funds are provided at closing in the form of a cashiers check/money order: Provide the w/drawl document or cancelled check for the amount of the gift, showing the funds came from the donors personal account · If the Gift funds are provided at closing and are in the form of an electric wire transfer to the closing agent: Donor to provide documentation of the wire transfer (Finance of America Mortgage must maintain the documentation in the file) · If the Gift funds are being borrowed by the donor and documentation from the bank is not available: Donor to provide written evidence that the funds were borrowed from an acceptable source, not from a party to the transaction including the lender
Interested Party Contribution (IPC)	<ul style="list-style-type: none"> · Maximum allowable contribution from seller, builder, realtor, broker, or an affiliate who may benefit from the sale of the property is 6%.
Property Listed for Sale	<ul style="list-style-type: none"> · <u>Rate & Term:</u> Must be off the market one day prior to the loan application · <u>Cash Out:</u> Must be 3 months off the market prior to the loan application. If less than 3 months- LTV is capped at 80%



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Condo Project	<ul style="list-style-type: none"> All Condo projects must be HUD approved and not expired. (Finance of America Mortgage will not sponsor or obtain approvals for expired/pending condo projects) To check Condo Project Approvals, click on this link: https://entp.hud.gov/idapp/html/condlook.cfm Occupancy rate must be at least 50% Delinquencies may not exceed 15% No single entity may own more than 10% of the total units No more than 20% commercial/non-residential usage Pending or current litigation not eligible in a project. Additional Requirements apply for new projects or Condo conversions. Insurance- Copy of the Master/Blanket Hazard Policy is required (Including fidelity coverage). If the blanket policy does not provide "walls in" coverage (aka- HO6 coverage), the borrower will need to obtain it separately.
Appraisal Requirements	<ul style="list-style-type: none"> All appraisals must be completed by HUD-approved appraisers and must meet all HUD appraisal requirements. When a 2nd appraisal is required, the appraisal must be ordered from a different, HUD-approved appraiser; if the value of the 2nd appraisal is more than 5% below the original appraisal, the lesser value must be used.
Current Principal Residence is a Pending Sale	<ul style="list-style-type: none"> Both the current and proposed mortgage payments must be used to qualify the borrower for the new transaction.
Conversion to 2nd Home	<ul style="list-style-type: none"> Both the current and proposed mortgage payments must be used to qualify the borrower for the new transaction.
Conversion to Investment Property	<ul style="list-style-type: none"> Up to 85% (check HUD jurisdiction) of the rental income may be used to offset the mtg for qualifying including documented > 25% equity in the existing property (appraisal). Note: For all Case Numbers assigned on or after September 14, 2015, ALL areas will use 75% of the rental income and Rental income must be documented with: copy of the fully executed lease agreement and the receipt of a security deposit into the borrowers account. If the 25% equity cannot be documented, rental income may not be used to offset the mortgage payment and both the current and proposed mortgage must be used to 'qualify (reserves may be required). Note: If income is being derived from the property being vacated by the borrower, the borrower must be relocating to an area more than 100 miles from their current principal residence.
Cash Out Refinance	<ul style="list-style-type: none"> 6 month title seasoning and payment history are required. If the property was purchased by the borrower within the 6 months preceding the application for new financing, the borrower is ineligible for a cash-out refinance. The LTV calculation for a Cash-out refinance: 6 to 12 months will use the lesser of the sales price or current value. More than 12 months will use the current appraised value. For Case Numbers Assigned ON or AFTER 9-14-2015, Borrower(S) must have owned & occupied as a primary residence for 12 mos prior to the date of the case number. Occupancy to be verified through employment and/ or utility bills to support. Mortgage History 0 x 30. New or existing subordinate financing is limited to 85% CLTV. Co-borrowers or co-signers added to the note or currently on the note must occupy the subject property. Non-occupant co-borrowers or co-signers may not be added to meet credit underwriting guidelines. Properties owned free and clear may be financed as cash-out transactions.
No Cash-out Refinance	<ul style="list-style-type: none"> No seasoning required. If any portion of the funds of an equity line of credit in excess of \$1,000 was advanced within 12 months and was used for purposes other than repairs and rehabilitation of the property, the line of credit is not eligible for inclusion in a no cash-out refinance. The maximum insurable mortgage is the lesser of 97.75% of the appraised value of the property or the total amount of the applicable items below, any UFMIP refund must then be subtracted. Existing 1st lien, any purchase money 2nd lien, any junior liens over 12 mos. old, borrower paid closing costs, prepaid expenses, borrower paid repairs (if required), discount points The existing 1st lien may include up to 60 days interest, but may not include delinquent interest. Prepaid expenses may include per diem interest, hazard/mortgage insurance, and real estate taxes needed to establish the escrow account. If the property was acquired < 12 months before the loan application and is not currently FHA-insured, original sales price (rather than appraised value) must be used to determine the max. mortgage. Repairs and rehab. Incurred after purchase of the property may be added to the original sales price when calculating the max. mortgage amount. New or existing subordinate financing is limited to 97.75%. \$500 max. cash back allowed for minor adjustments in estimated versus final closing costs. For Case Numbers Assigned ON or AFTER 9-14-2015, LTV of 97.75% still applies if documented that Borrower(S) occupied as a primary residence for 12 mos prior to the date of the case number or the entire period of ownership if acquired less than 12 mos. Max LTV is limited to 85% if borrower has NOT occupied for 12 mos prior to case or owned < 12 mos and not occupied entire time.
Three-Four Unit Properties	<ul style="list-style-type: none"> * The Below is required for Purchase and ALL Refinance Transactions * The maximum mortgage amount is limited so that the ratio of the monthly mortgage payment divided by the monthly net rental income does not exceed 100% regardless of the occupancy status. (i.e.- Must meet FHA's self sufficiency test) * Note: The monthly mortgage calculation for the above requirement includes Principal, Interest, Taxes and Insurance (PITI) (Monthly mtg insurance and hazard insurance and HOA are also included in total payment) * FHA Streamlines-Require an appraisal (Streamlines without an appraisal on a 3-4 unit property are ineligible) The borrower must have personal reserves equivalent to 3 months PITI after closing (Gift funds are not eligible to be used for reserves)



September 14, 2015

FHA High Balance Guidelines (Wholesale)

<p>Streamline Refinances</p>	<ul style="list-style-type: none"> Prelocks are not eligible on the FHA Streamline Product For Cases Assigned ON or AFTER September 14, 2015, Occupancy must be documented by utility bills. FHA Condo's may be approved or expired (On Non-credit qualifying Streamlines only) Streamlines available with or without an appraisal (See 3-4 unit property guidelines for appraisal requirements) Non-Credit qualifying Streamlines that are identified as High Priced Mortgage Loans will be counter offered to Credit qualifying Streamlines and re-underwritten Both Credit qualifying and Non-credit qualifying streamline refinances are eligible. Current employment will be verbally verified. Assets will be verified only when the borrower is required to bring funds to close. (For 3-4 unit properties, see additional guidelines) Copies of all borrowers social security cards or printouts from the Social Security Administration Credit Report: A 3 Fico Mortgage rating only with OFAC and RBPN (Risk Based Pricing Notice) is required On the date of FHA case number assignment, the borrower must have made at least 6 payments on the FHA insured mortgage being refinanced: <ul style="list-style-type: none"> At least six full months must have passed since the first payment due date of the refinanced mortgage, and At least 210 days have passed from the closing date of the mortgage being financed. Mortgage history: 0x30 in the most recent 12 months. Must meet Net Tangible Benefit requirements: (The worksheet can be found on www.Finance of America Mortgagewholesale.com- "resources") <ul style="list-style-type: none"> 5% reduction to the principal and interest of the mortgage payment plus the annual MIP, or Refinancing from an ARM to a Fixed Rate (see ML 2011-11 for examples of acceptable net tangible benefits) Specific Net Tangible Benefit Options: <ul style="list-style-type: none"> Fixed Rate to Fixed Rate or 5/1 Arm requires at least a 5% reduction in PI&I (MIP) payment One Year Arm to a Fixed Rate requires that the new interest rate cannot exceed 2 percentage points above the current interest rate of the ARM One Year Arm to a 5/1 Arm requires the new interest rate be at least 2% points below the current interest rate of the Hybrid Arm Hybrid Arm During a Fixed Period to a Fixed Rate or 5/1 Arm requires at least a 5% reduction in PI & I (MIP) payment Hybrid Arm During a Adjustable Period to a Fixed requires that the new interest rate cannot exceed 2% points above the current interest rate of the ARM Hybrid Arm During a Adjustable Period to a 5/1 Arm requires the new interest rate be at least 2% points below the current interest rate of the Hybrid ARM Existing subordinate financing may remain in place if the CLTV is 125% or less. Streamline Refinance Mortgages without an appraisal are not subject to the County Loan Limits if the subject is located in an area where the limit has decreased, however, all loans are subject to the maximum mortgage amounts allowed by HUD (follow the Streamline Worksheet) \$500 max. cash back allowed for minor adjustments in estimated versus final closing costs. The maximum insurable mortgage may not exceed the outstanding principal balance minus the applicable refund of the UFMIP plus the new UFMIP that will be charged. An appraisal may not be used to increase the insurable mortgage balance beyond the sum of the outstanding principal balance and the new UFMIP.
<p>Non-Permitted Additions and Garage Conversions</p>	<ul style="list-style-type: none"> Appraiser to comment that the addition or conversion was completed in a workmanlike manner Appraiser to comment if there are any health and safety issues Appraiser to comment that the addition conforms to the homes structure Appraiser to comment if there is a second kitchen (If there is an illegal 2nd kitchen, the loan is Not eligible)
<p>Property Re-Sale</p>	<ul style="list-style-type: none"> Time restrictions for Re-Sale properties for all contracts signed on or after January 1, 2015 are as follows: Re-sales occurring 90 days or less following acquisition of the seller: In-eligible to be insured Re-sales occurring between 91-180 days following acquisition of the seller: If the re-sales price is 100% over the purchase price- a 2nd appraisal is required (cannot be paid by the borrower) Addressing Re-sales occurring between 91 days and 12 months following acquisition: HUD may require additional documentation to support the resale of the property if the resale price is 5% or greater than the lowest sales price of the property during the preceding 12 months (as per the contract of sale). Finance of America Mortgage will require the appraiser to support ALL documented improvements exceeding 5% of the last recorded sales price. If it is not supported- a 2nd appraisal will be required. * If the additional value documentation supports a value of the property that is more than 5% lower than the value supported by the first appraisal- the lower value will be used to calculate the maximum mortgage amount *
<p>Funding into the Month</p>	<ul style="list-style-type: none"> Allowed through the 5th calendar day of the following month.
<p>Escrow Hold Backs</p>	<ul style="list-style-type: none"> Not eligible
<p>Power of Attorney</p>	<ul style="list-style-type: none"> A power of attorney is acceptable provided it is "specific" and meets the following: <ul style="list-style-type: none"> Reference the subject property address (in addition to a legal description) Authorize the attorney-in-fact to enter into a real estate transaction and indicates that the mortgagor specifically appoints that specific person Match the legal name(s) on POA to the typed name(s) & signature(s) for the borrower. If legal signature is different from typed, a notarized name affidavit required Borrowers must sign and date the POA and it must be notarized Must be recorded prior to, or concurrent with, the date of the security instrument Must not contain any blank fields and is approved by the title company On ALL transactions, the initial application must contain signatures of all borrowers (Not the POA) to the transaction unless the following occur: <ul style="list-style-type: none"> Military Personnel- Lender needs to obtain the absent borrowers signature on the application by mail or fax Incapacitated Borrowers: The lender must provide evidence the signer has authority to encumber the property and to obligate the borrower. * The incapacitated borrower must occupy thru property. (Evidence Example= A durable power of attorney specifically designed to survive incapacity and avoid the need for court proceedings)
<p>Approved States</p>	<ul style="list-style-type: none"> AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, ME, MD, MI, MN, MO, NC, NH, NJ, NM, OH, OK, OR, PA, RI, SC, TN, TX¹, UT, VA, VT, WA, WI, WV² ¹Texas: Cash out refinance transactions are <u>not</u> eligible ²West Virginia: Max LTV/CLTV is 100%. An appraisal (exterior/interior) is required.