

FHA Matrix

FHA Standard:				
Transaction	FICO	Number of Units	Maximum LTV	Maximum CLTV
Primary Residence – Owner Occupied				
Purchase	620	1-4	96.50	96.50 ¹
No Cash Out	620	1-4	97.75 (3)	97.75 (3)
Cash Out	620	1-4	80	80
Streamline w/out appraisal	620	1-4	1252	Unlimited
Manual Underwrites	620	1-4	Per 4000.1	Per 4000.1

Footnotes:

1. In some cases (i.e. provided by a family member, government agency, etc.) subordinate financing may exceed the maximum CLTV. There is no maximum CLTV for community seconds.
2. Non-Credit Qualifying Streamlines: The new base loan amount may not exceed the original base loan amount.
3. 85% LTV for No Cash Out refinances where the borrower has occupied the subject property fewer than 12 months prior to case number assignment or if owned less than 12 months, has not occupied the property for that entire period of ownership.

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



Streamline Refinance & Simple Refinance			
All Mortgage Terms			
Base Loan Amount	LTV	MIP (bps)	Duration
Greater than \$625,500	90.00%	55	11 years
	> 90.00%	55	Mortgage term

For Mortgages where FHA does not require an appraisal, the value from the previous Mortgage is used to calculate the LTV.

Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
Loan Limits	FHA Mortgage Limits https://entp.hud.gov/idapp/html/hicostlook.cfm
Minimum Loan Amount	Minimum Loan amount \$50,000
4506 Transcripts	Transcripts are required per income documentation type included in the loan file.
AUS System	DU or LPA
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
Building on Own Land	Not Allowed
Condominium	Must be in an FHA HRAP approved project Manufactured homes located in Condominium projects – Not Allowed
Credit Scores	All borrowers must have at least 1 credit score
DACA Borrowers	Allowed
Deed Restrictions	Age related restrictions only. All other deed restrictions are ineligible.
DPA / MCC's	Be In Mortgage, approved DPAs only
Escrow / Impounds	Required: Waivers are not allowed.
Escrow Holdbacks / Repair Escrows	Not Allowed
Gift Funds	Cash on hand is not an acceptable source of donor gift funds.



Topic	Guideline
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 • Condominiums, 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



	<ul style="list-style-type: none"> • Vacation Homes • Working Farms and Ranches 															
Land Trusts	Not Eligible															
Manufactured Homes	<ul style="list-style-type: none"> • Allowed • 640 minimum FICO 															
Manual Underwriting	Allowed – must meet the following requirements:															
	<table border="1"> <thead> <tr> <th>Lowest Minimum Decision Credit Score</th> <th>Maximum Qualifying Ratios</th> <th>Acceptable Compensating Factors</th> </tr> </thead> <tbody> <tr> <td>620 and above</td> <td>31/43</td> <td>Compensating factors are not required.</td> </tr> <tr> <td>620 and above</td> <td>37/47</td> <td>One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> <tr> <td>620 and above</td> <td>40/40</td> <td>No discretionary debt</td> </tr> <tr> <td>620 and above</td> <td>40/50</td> <td>two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> </tbody> </table>	Lowest Minimum Decision Credit Score	Maximum Qualifying Ratios	Acceptable Compensating Factors	620 and above	31/43	Compensating factors are not required.	620 and above	37/47	One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income 	620 and above	40/40	No discretionary debt	620 and above	40/50	two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income
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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	Not Eligible															
Number of Borrowers	There can be no more than 4 borrowers per loan															
PACE (HERO) Programs	Not Eligible															
Projected Income	Not allowed															
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	Assigned Sales Contracts - Not Allowed															
Section 8 Voucher	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 or an established payment plan is required. 															
Temporary Buy Downs	Not allowed															
Texas 50(a)(6)	Not Allowed															



Unpermitted Additions	Acceptable Unpermitted Property Additions: <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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