FHA 203(k) Limited Conforming & High Balance Program

Purchase					Rate/Term Refinance					Cash-Out Refinance
Occupancy	**Units**	**Credit Score**	**Loan Amount[1]**	**LTV/CLTV**	**Occupancy**	**Units**	**Credit Score**	**Loan Amount[1]**	**LTV/CLTV**	**LTV/CLTV**
Primary	1-4	Per AUS	FHA Loan Limits [2]	96.50% [3] / 110%	Primary	1-4	Per AUS	FHA Loan Limit [2]	97.75% /110%	N/A

Reference:
1. Minimum loan amount: [O]**$40,000.**
2. Refer to for FHA Mortgage Limits by County.
3. LTV can exceed 96.50 if borrower is qualified for Sales Incentive for $100 Down on HUD REO.

This matrix is only a guide and does not represent full underwriting guidelines. Additional Requirements may apply. Refer to the FHA 203(k) Limited Guidelines for any item not addressed by this matrix.	
All Planet overlays are notated in bold, light blue text and footnote "O".	
Appraisals	• Purchase transactions require one value: After- Improved • HUD assumes the purchase price is As-Is value and does not require an As-Is value on the appraisal. • Refinance transactions may require two appraisals to establish the As-Is and After-Improved value. • Refer to FHA Handbook 4000.1 for details.
AUS	• All loans must be submitted to FHA Total Scorecard through DU or LPA. • Please note that ARM products may only be submitted through DU. • Manual Underwriting is permitted. • All loans must be QM / Safe Harbor eligible.
CLTV/Secondary Financing	• Maximum 110% CLTV allowed on all subordinate financing transactions. • **[O] Purchase transactions, a maximum of 110% CLTV on all subordinate financing, excluding government entities and HUD approved non-profits.**
Credit Score and DTI	• Per TOTAL Scorecard Findings.

Fees and Charges	• Supplemental origination fee greater of $350 or 1.5% of the total of :
	  • The repairs, Improvement costs and fees
	  • Contingency Reserves, 203(k) Consultant Fee.
	  • Cost and Fees that **may not** be financed are as follows:
	  • Mortgage Payment Reserves
	  • Architectural/engineering professional fees
	  • Feasibility Study.

Hazard Insurance	• Hazard insurance must be in place for the After-Improved value of the property at the time of loan closing.
Identity /Conflict of Interest	• Permitted on sales transactions between family members and tenants/landlords, that meet the requirements for the exception to the maximum LTV.
Improvements	• Per HUD Handbook 4000.1.
Inspections and Draw Disbursements	• A maximum of 4 draws per contractor allowed. Draws disbursed by Seller must be fully documented per HUD Handbook 4000.1.

Products	• Fixed Rate: 30-year only |
	• ARM: 3/1 and 5/1;
	  • 1-Year CMT;
	  • Caps: 1/1/5;
	  • Margin/Floor: 2.00;
	  • Qualified at Note rate

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Program Parameters	• Maximum $75,000.00 total rehabilitation escrow based on the After-Improved value. • **[O] Self-Help Ineligible.** • **[O] All work must be completed by a licensed contractor**
Properties Eligible	• Manufactured /mobile homes titled as real property; REO properties (Property condition report required. • Sales contract or addendum must indicate the property is eligible for 203(k) financing). • Refer to the Planet Seller Guide for additional eligible properties.
Property Flips	• Mortgage must be based on the lowest sales price in the previous year. As-is appraisal is required.
Rehabilitation Escrow Account	• A minimum contingency of 10% is required on all 203(k) loans. • A minimum contingency reserve of 15% is required if utilities are not operable and cannot be tested • The contingency reserve can be increased to a maximum of 20%, as recommended by the 203(k) consultants and/or by the Direct Endorsement Underwriter. • Any unused financed contingency will be applied to the unpaid principal balance upon occupancy or completion of the project.
Rehabilitation Time Frame	• Transactions where the work will require ≤ 9 months to complete.
Temporary Buydown	• **[O] Not Permitted**

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