Planet Home Lending
CORRESPONDENT DIVISION

Renovation Programs Comparison Matrix

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Renovation Programs Comparison Matrix

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	FHA 203(k) Standard	FHA 203(k) Limited	FNMA HomeStyle	Freddie Mac CHOICERenovation	VA Alterations & Repairs
Transaction Type	• Purchase • Refinances for rehabilitation or repair	• Purchase • Refinances for rehabilitation or repair	• Purchase • Limited Cash-Out Refinance	• Purchase • No Cash-Out Refinance	• Purchase • Cash-Out Refinance
Minimum Loan Amount	**º Min Loan Amount $40,000**	**º Min Loan Amount $40,000**	**º Min Loan Amount $40,000**	**º Min Loan Amount $40,000**	**º Min Loan Amount $40,000**
Maximum Loan Amount	**º Per FHA**	**º Per FHA**	**º Per FHFA**	**º Per FHFA**	**º Max Loan Amount $1.5 M** **º Loan amounts > $1M require AUS approval**
Occupancy **see* applicable agency guidelines for additional requirements	• Owner Occupied Primary Residence • HUD Approved Second Homes*	• Owner Occupied Primary Residence • HUD Approved Second Homes*	• Primary Residence • 1-unit Second Home • Single Family Investor	• Owner Occupied Primary Residence • Second Home • Investment (non-owner occupied)*	• Primary Residence
Property Type (eligible) **see* applicable agency guidelines for additional requirements	• 1-4 unit Single Family Residence (attached/detached) • PUDs • Condos* • Manufactured Homes (1-unit **º multi-wide dwelling only** titled as real property) • Mixed use property with 1-4 residential units if: ▪ 51% of the Gross Building Area (GBA) is for residential use, and ▪ The commercial use does not affect the safety of residential occupants	• 1-4 unit Single Family Residence (attached/detached) • PUDs • Condos* • Manufactured Homes (1-unit **º multi-wide dwelling only** titled as real property) • Mixed use property with 1-4 residential units if: ▪ 51% of the Gross Building Area (GBA) is for residential use, and ▪ The commercial use does not affect the safety of residential occupants	• 1-4 unit Single Family Residence (attached/detached) • PUDs • Warrantable Condos* • Manufactured Homes (1-unit **º multi-wide dwelling only** titled as real property)	• 1-4 unit Single Family Residence (attached/detached) • PUDs • Warrantable Condos* • Manufactured Homes (1-unit **º multi-wide dwelling only** titled as real property)	• 1-4 unit Single Family Residence (attached/detached) • PUDs • Condos* • Manufactured Homes (1-unit **º multi-wide dwelling only** titled as real property)
Credit Score	Per AUS	Per AUS	Per DU Findings – Approve/Eligible **º Manual Underwriting is ineligible**	Per LP Findings – Accept **º Manual Underwriting is ineligible**	**º 580 – Cash Out ≤ 90** **º 600 – Cash Out > 90** **º 640 – Manufactured Homes**

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LTV/CLTV – Purchase *Conforming* **see* program matrix for additional requirements	• 1-4 Unit: 96.5% • **º Maximum 110% CLTV allowed on all subordinate financing transactions**	• 1-4 Unit: 96.5% • **º Maximum 110% CLTV allowed on all subordinate financing transactions**	• 1-4 Unit Owner-Occupied: 95%* • 1-Unit Second Home: 90% • 1-Unit Investment: 85% • 1-Unit MH Owner Occupied: 95% • 1-Unit MH Second Home: 90% • *CLTV of 105% is permitted with an Affordable Second that meets Fannie Mae requirements*	• 1-4 Unit Owner-Occupied: 95%* • 1-Unit Second Home: 90% • 1-Unit Investment: 85% • 1-Unit MH Owner Occupied: 95% • *CLTV of 105% is permitted with an Affordable Second that meets Freddie Mac requirements*	• 1-4 Unit Owner-Occupied: 95%* • *CLTV of 100% is permitted on transactions* ***º with a credit score of 580 and above*** *and UW description*
LTV – Refinance *Conforming*	• 1-4 Unit: 97.75%	• 1-4 Unit: 97.75%	• 1-4 Unit Owner-Occupied: 95% • 1-Unit Second Home: 90% • 1-Unit Investment: 85% • 1-Unit MH Owner Occupied: 95% • 1-Unit MH Second Home: 90%	• 1-4 Unit Owner-Occupied: 95% • 1-Unit Second Home: 90% • 1-Unit Investment: 85% • 1-Unit MH Owner Occupied: 95%	• 1-4 Unit Owner-Occupied: 90% with **º580 FICO** • 1-4 Unit Owner-Occupied: 90% with **º600 FICO** • 100% CLTV on Cash-out transactions **º with a credit score of 600 and above**
High Balance	• Yes	• Yes	• Per DU – Refer to FNMA Eligibility Matrix	• Per LP – Refer to FHLMC Eligibility Matrix	• **º Loan Amount's exceeding VA County Loan Limits up to $1,500,000 are coded as "High Balance"** • **º Cash Out > 90% not allowed**
Mortgage Insurance	• Monthly & Up-Front MIP	• Monthly & Up-Front MIP	• Standard Coverage per LPA Approval • Reduced MI coverage not permitted • Borrower paid monthly and single premium, may be financed • Lender paid MI single premium only	• Standard Coverage per LPA Approval • Reduced MI coverage not permitted • Borrower paid monthly and single premium, may be financed • Lender paid MI single premium only	• Yes - VA Guarantee Upon Completion of Work and a 1004D/442
Minimum Repair Amount	• $5,000	• None	• None	• None	• None

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	FHA 203(k) Standard	FHA 203(k) Limited	FNMA HomeStyle	Freddie Mac CHOICERenovation	VA Alterations & Repairs
Maximum Repair Amount	• No Maximum	• Total rehabilitation costs must not exceed $75,000	• Purchase: 75% of the lessor of Purchase Price plus total renovation costs or" as completed" appraised value • Refinance: Must not exceed 75% of the As-Completed Appraised Value • Manufactured Home: 50% of the "as completed" appraised value	• Purchase: 75% of the lessor of Purchase Price plus total renovation costs or "as completed" appraised value • Refinance: must not exceed 75% of the As Completed Appraised Value • Manufactured Home: the lesser of $50,000 or 50% of the "as completed" appraised value	• **º $75,000 plus allowable fees**
Contingency Reserve Required	• A minimum of 10% is required and no more than 20% can be financed • If Utilities are not on at time of inspection, 15% Contingency reserve is required	• A minimum of 10% is required and no more than 20% can be financed • If Utilities are not on at time of inspection, 15% Contingency reserve is required	• **º A minimum of 10% Contingency Reserve is required for all loans** • **º A 15% contingency reserve is required when utilities are not on at the time of inspection**	• A minimum contingency reserve amount must be equal to or greater than 10% of the total renovation costs	• **º A minimum contingency reserve of 10% for the alteration is required for all transactions** • A 15% contingency reserve is required when utilities are not on at the time of inspection.
Allowed to be included in the Renovation Costs	• Hard Costs of Labor & Materials • Architectural/Engineer Fees • 203(k) Consultant Fee • Draw Inspection Fees (5) • Title Update Fees • Permit Fees • Contingency Reserve • Up to 12 months PITI • Supplemental Origination Fee greater of 1.5% of total rehab or $350 • Discount Points on repairs when discount points are charged on loan	• Hard Costs of Labor & Materials • 203(k) Consultant Fee • Draw Inspection Fees (4 per contractor) • Title Update Fees • Permit Fees • Contingency Reserve • Supplemental Origination Fee greater of 1.5% of total rehab or $350 • Discount Points on repairs when discount points are charged on loan	• Hard Costs of Labor & Materials • Architectural/Engineer Fees • 203(k) Consultant Fee or approved 3rd Party Construction Management Company • Draw Inspection Fees (5) • Final Inspection Fee (1004D) • Title Update Fees • Permit Fees • Contingency Reserve • Up to 6 months PITI (if allowed) • Draw Adm./Management Fee greater of 1.5% of total hard costs/repairs or $500.00	• Hard Costs of Labor & Materials • Architectural/Engineer Fees • 203(k) Consultant Fee or approved 3rd Party Construction Management Company • Draw Inspection Fees (5) • Final Inspection Fee (1004D) • Title Update Fees • Permit Fees • Contingency Reserve • Up to 6 months PITI (if allowed) • Draw Adm./Management Fee greater of 1.5% of total hard costs/repairs or $500.00	• Hard Costs of Labor & Materials • Draw Inspection Fees (maximum of 3) • Final Inspection Fee (1004D) • Title Update Fees • Permit Fees • Contingency Reserve • Draw Adm./Management Fee: $350.00

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Escrow Close Out	• Remaining funds applied to the principal • If Contingency paid in cash by the borrower, can be reimbursed to borrower	• Remaining funds applied to the principal • If Contingency paid in cash by the borrower, can be reimbursed to borrower	• Remaining funds applied to the principal • If Contingency paid in cash by borrower, can be reimbursed to the borrower	• Remaining funds applied to the principal • If Contingency paid in cash by borrower can be reimbursed to the borrower	• Remaining funds applied to the principal • If Contingency paid in cash by borrower can be reimbursed to the borrower
Eligible Product	• Fixed Rate: 30 years • ARM: 3/1, 5/1 ▪ Index: 1-Year CMT ▪ Caps: 1/1/5 ▪ Margin: 2.00 ▪ Qualification: Note rate	• Fixed Rate: 30 years • ARM: 3/1, 5/1 ▪ Index: 1-Year CMT ▪ Caps: 1/1/5 ▪ Margin: 2.00 ▪ Qualification: Note rate	• Fixed Rate: 15-, 20-, 25- and 30-year • ARM: The index used must be the SOFR (Secured Overnight Financing Rate). ▪ Caps: ○ 5/6 - 2/1/5 ○ 7/6 and 10/6- 5/1/5 ▪ Margin: 3.00 ▪ Qualification: ○ 5/6 ARMs are qualified at the greater of the Note rate plus 2% or the fully indexed rate ○ 7/6 and 10/6 ARMs are qualified at the Note rate	• Standard Fixed Rate: 10-, 15-, 20-, 25- and 30- year • Super Conforming Fixed Rate: 15-, 20-, and 30- year • Home Possible Fixed Rate: 10-, 15-, 20-, 25- and 30- year	• Fixed Rate: 15-, 20-, 25- or 30-year term ▪ **º Cash Out ≥ 90%: 30- and 25-year fixed rate only** • ARM: 3/1, 5/1 ▪ Index: 1-Year CMT ▪ Caps: 1/1/5 ▪ Margin: 2.00 ▪ Qualification: Note rate
Draw Period from Closing	• 12 months	• 9 months	• 15 months	• 450 days – CHOICERenovation • 180 days – ChoiceReno eXPress	• **º 120 days**
Self-Help (DIY)	• **º No**	• **º No**	• **º No**	• **º No**	• **º No**
Types of Repairs	• Structural and Non-Structural Repairs	• Minor remodeling and Non-Structural repairs	• Structural and Non-Structural repairs	• Structural and Non-Structural repairs	• Non-Structural unless ADA/Handicap Accessibility related repairs
Swimming Pool Construction	• No, but can include repairs to the pool	• No, but can include repairs to the pool	• Yes	• Yes	• No, but can include repairs to the pool
Tear Down/Rebuild	• Yes, when entire existing foundation remains intact	• No	• No	• No	• No
Mold/Lead Paint Removal	• Yes	• Yes	• Yes	• Yes	• Yes

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(NEW) Appliances	• If included in Work Write-Up and/or Specification of Repairs	• If included in Contractor bids	• If included in Work Write-Up and/or Specification of Repairs	• Yes, if included in Work Write-Up and/or Specification of Repairs	• If included in Contractor bids
Foundation Work	• Yes	• No	• Yes	• Yes	• No
Consultant Requirements	• FHA 203(k) Consultant Required	• FHA 203(k) Consultant may be used and can be financed	• **º No, when repairs ≤ $75,000 and no structural repairs. Yes, when repairs are ≥ $75,001 and/or have structural repairs**	• **º No, when repairs ≤ $75,000 and no structural repairs. Yes, when repairs are ≥ $75,001 and/or have structural repairs**	• No
Maximum Number of Contractors	• 1 general; specialty allowed as needed	• 3	• 1 general; specialty allowed as needed	• 1 general; specialty allowed as needed	• 1 general; specialty allowed as needed
Finance PITI Payments	• Limited to uninhabitable period, not to exceed 12 months, and must match the Rehabilitation Loan Agreement timeline	• No	• Up to six months while house is not habitable	• Up to six months while house is not habitable	• No
Maximum Draws	• 4 interim + 1 Final Inspection	• 4 Draws (per contractor)	• 5 interim + Final Inspection	• 5 interim + Final Inspection	• 4 interim + 1 Final Inspection
Draw Holdback	• 10% per draw	• 10% per draw	• 10% per draw	• 10% per draw	• 10% per draw
Fund Disbursement at Loan Closing	• Material costs may be reimbursed if prepaid by the borrower or contractor, or up to 50% may be advanced for items under contract but not yet paid. • Documentation is required • Consultant must be notified of any release.	• Up to 50% of material and labor cost before beginning renovation work only when the contractor is not willing or able to defer receipt of payment	• Initial draw up to 50% of renovation costs allowed at closing • May include materials plus eligible soft costs (consultant, permits, architectural) • Consultant should be notified of the release	• 50% of Material costs with an Initial Material Draw; a portion of this draw may be used for consultant, permit, and architectural fees • Consultant should be notified of the release	• No

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