FHA 203(k) Standard Conforming & High Balance Matrix

DU "Approve/Eligible" or LPA "Accept/Eligible"

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Purchase					Rate/Term					Cash-Out Refinance
Occupancy	Units	FICO	Loan Amount [1]	LTV/CLTV	Occupancy	Units	FICO	Loan Amount [1]	LTV/CLTV	LTV/CLTV
Primary	1-4	Per AUS	FHA Loan Limit [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 the 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. • Refer to FHA Handbook 4000.1 for details.
AUS Decision	• All loans must be submitted through 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 for all subordinate financing transactions. • **ᴼ For Purchase Transactions, a maximum 110% CLTV on all subordinate financing, excluding government entities and HUD approved non-profits.**
Credit Score	• Per **TOTAL** Scorecard Findings.
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
	• Mortgage Payment Reserves.

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 except for repairs of existing swimming pool.
Inspections and Draw Disbursements	• Maximum of 5 draws/disbursement (four intermediate and one final draw). • Draws disbursed by Seller must be fully documented per HUD Handbook 4000.1. • Approved Sellers permitted to manage the draw disbursement process.
Mortgage Payment Reserves	• The number of payments financed cannot exceed the completion time frame required in the rehab agreement and must not exceed 12 months. • Mortgage Payment Reserves remaining in escrow after the Final Release Notice will be applied towards principal balance.
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
Program Parameters	• Minimum repair amount is $5,000. • Mortgage amount based on the After-Improved value. • **ᴼ All work must be completed by a licensed contractor; Self-Help ineligible**.

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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 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 ≤ 12 months to complete.
Temporary Buydown	• **º Not Permitted**

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