

The guidelines below apply specifically to properties located in Alabama, Alaska, Arizona, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, Indiana, Kansas, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Refer to page 3 for all other states.

PURCHASE					RATE/TERM REFINANCE					CASH-OUT REFINANCE
Occupancy	Units	FICO ²	Loan Amount ¹	LTV/CLTV	Occupancy	Units	FICO ²	Loan Amount ¹	LTV/CLTV	LTV/CLTV
Primary	1-4	620	FHA Loan Limit	96.50% / 105% ³	Primary	1-4	620	FHA Loan Limit ⁴	97.75% / 97.75%	N/A Cash-out Ineligible

Reference:

1. Minimum loan amount \$60,000.
2. 2-4 unit high balance min. 660 credit score
3. Max CLTV lesser of 105% or 100% of cost to acquire property (cost = sales price + bwr paid closing costs, discount points, repairs, and prepaid expenses)
4. Refer to <https://entp.hud.gov/idapp/html/hicostlook.cfm> for FHA loan limits by county

Program Parameters	Minimum repair amount \$5k. Work must start within 30 days of closing and be completed within 5 months. Mortgage amount based on the "After-Improved" value. All work must be completed by licensed contractor; self-help ineligible. Loan amounts > 15K require consultant. Maximum of 5 draws allowed. Contingency reserve required. Supplemental origination fee: > \$350 or 1.5% of the rehabilitation portion of the loan. See pg 5 for MIP Factors. Loans must be compliance with HUD QM/Homebridge guidelines, meet the Safe Harbor/Rebuttable Presumption provisions and pass points and fees test.
Doc Type	Full Doc. "Approve/Eligible" No manual underwrites. Escrow/impound account required on all loans.
Credit Score & History	All borrower(s) minimum 620 FICO regardless of DU Findings; 2-4 unit high balance min 660; Borrower(s) w/ insufficient credit history max DTI of 31/43% on occupant borrower only & 2 months reserves reqd (gift funds not allowed). Tri-merged credit report req. all bwr(s); Middle of 3 scores/ lower of 2 scores/ 1 of 1.
Tradeline Requirements	Trade line required per DU Findings;
Mortgage/Rental History	Per DU Findings. Max 1x30 in last 12 months on purchase or rate/term refinance allowed at underwriter discretion for extenuating circumstances.
Bankruptcy	Chapter 7 & 11 discharged 2 years; Chapter 13 discharged 2 years or dismissed 2 years.
Foreclosure & CCC's	None in last 3 years. Letter of exp'l required. No mortgage/rental or installment late payments allowed after foreclosure. CCC's = Must be completed 1 year.
Deed-in-Lieu/Short Sale	None in last 3 years. Letter of explanation required. No mortgage/rental or installment late payments allowed after Deed-in-Lieu/Short Sale.
Collection/Charge-offs/ Judgments	Collections/Charge-offs: Cumulative of all borrowers < \$2,000 no action required; ≥ \$2,000 payoff prior to/ at close, or in payment plan (include pmt in DTI), or 5% of outstanding bal include in DTI calc. Judgments must be paid off or in reprmt plan with a min of 3 mos payments paid as agreed. See FHA Program guides for add rqrmts
Non-Purchasing Spouse	Credit report with debts to be included in bwr's ratios when bwr's reside in community property state or subject property is located in a community property state.
Ratios & Seller Contribution	Ratios determined by DU ≥ 660; 640-659 FICO max 50%; 620-639 max 45% (occupant borrower only) Seller Contributions: Max. 6% on the < of sales price/actual costs
Assets	Bank statements required to document assets; no VODs. All funds used to close must be disclosed on 1003 and input into DU; Cash-on hand is not acceptable; Verification required on all earnest money deposits that exceed 2% of sales price and any large deposit > 2% of purchase price on purchase transactions/appraised value on refi transactions.
Reserves	Per FHA: 1-2 units reserves not required with "Approve/Eligible Finding; 3-4 units 3 months PITIA and must pass self- sufficient test (net rental to PITI). Reserves cannot be from a gift.
Income	Per DU; Wage earners- current 30 paystub with YTD earnings and most recent W-2; Self-employed -tax returns that include min 12 months s/e income.
Employment	Complete 2 year employment history; VVOE 10 days from date of Note (reverse look up or 411 directory as part of VVOE); Self-employed must have valid third party verification (CPA, Business License) and reverse look up or 411 directory.
Identity of Interest/Conflict of Interest	The borrower cannot have any familial or business relationship/affiliation with any party to the 203(k) transactions. No broker owned escrow or title allowed.
Eligible Properties	1-unit SFR, PUDs (attached/detached), condos. Condos maximum mortgage cannot exceed 100% of the "After-Improved" value. Refer to the FHA 203(k) guidelines for additional requirements for condos.

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The guidelines below apply specifically to properties located in Alabama, Alaska, Arizona, California, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, **Indiana**, Kansas, Maine, Michigan, Minnesota, **Missouri**, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Refer to page 3 for all other states.

Improvements	Eligible: Major structural alterations/additions (room/garage additions, finish of attics/basements), bath/kitchen remodel, elimination of health/safety hazards (lead based paint, mold, etc.), window/door replacement, repair/replace flooring/appliances, weatherization, interior/exterior painting, well/septic repair/replacement, repair/replace/upgrade heating, plumbing, air conditioning, electrical systems, repair of existing swimming pool (max. \$1500) Ineligible: Luxury items (e.g. swimming pools, hot tubs, outdoor fireplaces, tennis courts, television satellite dishes, etc.)
Down Payment & Gifts	Min. 3.5% req'd from borrower's own funds or an acceptable gift donor; Gift letter, donor bank statement (source large deposits) and transfer of gift funds. (See Seller Guide).
Multiple FHA Loans	Allowed: bwr relocation to area outside a reasonable distance from current primary residence, evidence of increase in family size, vacating a jointly owned property.
Financed Properties	Owner-Occupied properties unlimited. HomeBridge maximum exposure of 2 loans per borrower.
CAIVRS/LDP/GSA	All borrowers must be checked against the CAIVRS to determine any delinquent federal debt. Borrower(s) identified on CAIVRS are generally ineligible. All parties to the transaction must be checked against HUD's LDP and GSA system (borrower(s), seller, listing & selling agent, loan officer, appraiser, title, escrow, & lender etc.).
Case Numbers	Case number requests must comply with HUD Mortgage Letter 2011-10. To view Mortgagee Letter go to: HUD Mortgagee Letters . Case numbers > 6 months must be cancelled and a new case number obtained when there has been no activity during the 6 months the case number was open. .
Refinance Transactions	Refer to full FHA Program guidelines in the HomeBridge Seller Guide
Appraisals	Loans require full appraisal by licensed FHA approved appraiser. All 203(k) appraisals are completed "Subject to". Purchase transactions require one value: "After-Improved" aka "As-Completed"; HUD does not require an "As-Is" value – HUD assumes the purchase price is the "As-Is" value. Refinance transactions require two values: "As-Is" and "After-Improved"
Property Flips	Eligible on 1-4 unit properties. Properties re-sold ≤ 90 days from acquisition require HBC prior approval; Refer to the HomeBridge Seller Guide Chapter 6 – Loan Eligibility - Property Flips topic and the FHA Program Guidelines for detailed requirements. Illinois: 1-unit only; NJ & NY: 1-2 units only
HPMLs	Refer to the Higher Priced Mortgage Loans topic in Chapter 2 – Compliance of the HomeBridge Seller Guide for detailed requirements regarding HPML transactions.
Secondary Financing	Government Agencies eligible: Max combined loan-to-value is the lesser of 105% or 100% of cost to acquire the property. (Note: The cost to acquire the property is the sales price + borrower paid closing costs, discount points, repairs and prepaid expenses). 105% eligible when using government entity DPA only.

The guidelines below apply specifically to properties located in Arkansas, Connecticut, Delaware, Illinois, Iowa, Kentucky, Louisiana, Maryland, Mississippi, New Jersey, New Mexico, New York, Oklahoma, South Carolina, Tennessee, and Utah.
Refer to page 1 for all other states.

PURCHASE					RATE/TERM REFINANCE					CASH-OUT REFINANCE
Occupancy	Units	FICO	Loan Amount ¹	LTV/CLTV ²	Occupancy	Units	FICO	Loan Amount	LTV/CLTV	LTV/CLTV
Primary	1-4	620	FHA Loan Limit	96.50% / 105% ⁵	Primary	1-4	620	FHA Loan Limit	97.75% / 97.75%	N/A Cash-out Ineligible

Reference:

1. Minimum loan amount \$60,000.
2. 620-639 FICO max. 90% LTV without documented housing history. Additional requirements apply. See Credit Score 620-639 topic below.
3. 2-4 unit high balance min. 660 credit score.
4. Max CLTV lesser of 105% or 100% of cost to acquire property (cost = sales price + bwr paid closing costs, discount points, repairs, and prepaid expenses)
5. Refer to <https://entp.hud.gov/idapp/html/hicostlook.cfm> for FHA loan limits by county

Program Parameters	Minimum repair amount \$5k. Work must start within 30 days of closing and be completed within 5 months. Mortgage amount based on the "After-Improved" value. All work must be completed by licensed contractor; self-help ineligible. Loan amounts > 15K require consultant. Maximum of 5 draws allowed. Contingency reserve required. Supplemental origination fee: > \$350 or 1.5% of the rehabilitation portion of the loan. See pg 5 for MIP Factors. Loans must be compliance with HUD QM/Homebridge guidelines, meet the Safe Harbor/Rebuttable Presumption provisions and pass points and fees test.
Doc Type	Full Doc. "Approve/Eligible" Escrow/Impound account required on all loans.
Credit Score & History	All borrower(s) minimum 620 FICO regardless of DU Findings; 1- unit high balance min 640; 2-4 unit high balance min 660; Tri-merged credit report req. all bwr(s); Middle of 3 scores/ lower of 2 scores/ 1 of 1.
Credit Score 620-639	0x30 in 12 months; no gifts for min down payment requirement; max 45% DTI occ. borrower; Max 90% LTV w/o documented mtg/rent on purchase transactions. Back to Work ineligible < 640 credit score.
Tradeline Requirements	Trade line requirements per DU Findings
Mtg./Rental History	Per DU Findings. Max 1x30 in last 12 months on purchase or rate/term refinance allowed at underwriter discretion for extenuating circumstances.
Bankruptcy	Chapter 7 & 11 discharged 2 years; Chapter 13 discharged 2 years or dismissed 2 years.
Foreclosure & CCC's	None in last 3 years. Letter of exp'l required. No mortgage/rental or installment late payments allowed after foreclosure. CCC's = Must be completed 1 year.
Deed-in-Lieu/Short Sale	None in last 3 years. Letter of explanation required. No mortgage/rental or installment late payments allowed after Deed-in-Lieu/Short Sale.
Collection/Charge-offs/ Judgments	Collections/Charge-offs: Cumulative of all borrowers < \$2,000 no action required; ≥ \$2,000 payoff prior to/ at close, or in payment plan (include pmt in DTI), or 5% of outstanding bal include in DTI calc. Judgments must be paid off or in repmt plan with a min of 3 mos payments paid as agreed. See FHA Program guides for addl rqmnts
Non-Purchasing Spouse	Credit report with debts to be included in bwr's ratios when bwr's reside in community property state or subject property is located in a community property state.
Ratios/Seller Contribution	Ratios determined by DU ≥ 660; 640-659 FICO max 50%; 620-639 max 45% occupant borrower only. Seller Contributions: Max. 6% on the < of sales price/actual costs.
Assets	Bank statements required to document assets; no VODs. All funds used to close must be disclosed on 1003 and input into DU; Cash-on hand is not acceptable; Verification required on all earnest money deposits that exceed 2% of sales price and any large deposit > 2% of purchase price on purchase transactions/appraised value on refi transactions.
Reserves	Per FHA: 1-2 units reserves not required; 3-4 units 3 months PITIA and must pass self- sufficient test (net rental to PITI). Reserves cannot be from a gift.
Income	Per DU; Wage earners- current 30 paystub with YTD earnings and most recent W-2; Self-employed -tax returns that include min 12 months s/e income.
Employment	Complete 2 year employment history; VVOE 10 days from date of note (reverse look- up or 411 directory as part of VVOE); Self-employed must have valid third party verification (CPA, Business License) and reverse look up or 411 directory.
Identity of Interest/Conflict of Interest	The borrower cannot have any familial or business relationship/affiliation with any party to the 203(k) transactions. No broker owned escrow or title allowed.
Eligible Properties	1–unit SFR, PUDs (attached/detached), condos. Condos maximum mortgage cannot exceed 100% of the "After-Improved" value. Refer to the FHA 203(k) guidelines for additional requirements for condos.

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Multiple FHA Loans	Allowed: bwr relocation to area outside a reasonable distance from current primary residence, evidence of increase in family size, vacating a jointly owned property.
Improvements	Eligible: Major structural alterations/additions (room/garage additions, finish of attics/basements), bath/kitchen remodel, elimination of health/safety hazards (lead based paint, mold, etc.), window/door replacement, repair/replace flooring/appliances, weatherization, interior/exterior painting, well/septic repair/replacement, repair/replace/upgrade heating, plumbing, air conditioning, electrical systems, repair of existing swimming pool (max. \$1500) Ineligible: Luxury items (e.g. swimming pools, hot tubs, outdoor fireplaces, tennis courts, television satellite dishes, etc.)
Down Payment & Gifts	Min. 3.5% req'd from borrower's own funds or an acceptable gift donor; Gift ltr, donor bank stmt (source large deposits) and transfer of gift funds. (See Seller Guide).
Financed Properties	Owner-occupied properties unlimited. HomeBridge maximum exposure of 2 loans per borrower.
CAIVRS/LDP/GSA	All borrowers must be checked against the CAIVRS to determine any delinquent federal debt. Borrower(s) identified on CAIVRS are generally ineligible. All parties to the transaction must be checked against HUD's LDP and GSA system (borrower(s), seller, listing & selling agent, loan officer, appraiser, title, escrow, & lender etc.).
Case Numbers	Case number requests must comply with HUD Mortgage Letter 2011-10 To view: HUD 2011 Mortgage Letters , Case numbers > 6 months must be cancelled and a new case number obtained when there has been no activity during the 6 months the case number was open.
Refinance Transactions	Refer to full FHA Program Guidelines in the HomeBridge Seller Guide.
Appraisals	Loans require full appraisal by licensed FHA approved appraiser. Market Condition Addendum req'd. on all Appraisals. Appraisals must meet UAD & AIR requirement.
State Restrictions	IL 2-4 units, NJ & NY 3-4 units: maximum 45% DTI; If LTV > 90% no gifts or grants allowed. See full FHA Program guides for additional restrictions
Secondary Financing	Government Agencies eligible: Max combined loan-to-value is the lesser of 105% or 100% of cost to acquire the property. (Note: The cost to acquire the property is the sales price + borrower paid closing costs, discount points, repairs and prepaid expenses). 105% eligible when using government entity DPA only.
Property Flips	Eligible on 1-4 unit properties. Properties re-sold ≤ 90 days from acquisition require HBC prior approval. Refer to the HomeBridge Seller Guide Chapter 6 – Loan Eligibility - Property Flips topic and the FHA Program Guidelines for detailed requirements. Illinois: 1-unit only; NJ & NY: 1-2 units only
HPMLs	Refer to the Higher Priced Mortgage Loans topic in Chapter 2 – Compliance of the HomeBridge Seller Guide for detailed requirements regarding HPML transactions.

Mortgage Insurance Premium Factors					
Case Numbers Assigned on or after June 3, 2013					
Loan Amount	Loan Term	LTV	Annual MIP	Up-front MIP	Annual MIP Assessment Period
≤ \$625,500	> 15 years	≤ 95%	1.30%	1.75%	≤ 90% LTV: 11 years > 90% LTV: Life of loan
≤ \$625,500	> 15 years	> 95%	1.35%	1.75%	Life of loan
> \$625,500	> 15 years	≤ 95%	1.50%	1.75%	≤ 90% LTV: 11 years > 90% LTV: Life of loan
> \$625,500	> 15 years	> 95%	1.55%	1.75%	Life of loan
≤ \$625,500	≤ 15 years	78.01% - 90%	0.45%	1.75%	11 years
≤ \$625,500	≤ 15 years	> 90%	0.70%	1.75%	Life of loan
> \$625,500	≤ 15 years	78.01% - 90%	0.70%	1.75%	11 years
> \$625,500	≤ 15 years	> 90%	0.95%	1.75%	Life of loan
All	≤ 15 years	≤ 78%	0.45%	1.75%	11 years
Case Numbers Assigned on or after January 26, 2015					
Loan Amount	Loan Term	LTV	Annual MIP	Up-front MIP	Annual MIP Assessment Period
≤ \$625,500	> 15 years	≤ 95%	0.80%	1.75%	≤ 90% LTV: 11 years > 90% LTV: Life of loan
≤ \$625,500	> 15 years	> 95%	0.85%	1.75%	Life of loan
> \$625,500	> 15 years	≤ 95%	1.00%	1.75%	≤ 90% LTV: 11 years > 90% LTV: Life of loan
> \$625,500	> 15 years	> 95%	1.05%	1.75%	Life of loan
≤ \$625,500	≤ 15 years	≤ 90%	0.45%	1.75%	11 years
≤ \$625,500	≤ 15 years	> 90%	0.70%	1.75%	Life of loan
> \$625,500	≤ 15 years	≤ 78%	0.45%	1.75%	11 years
> \$625,500	≤ 15 years	78.01% - 90%	0.70%	1.75%	Life of loan
> \$625,500	≤ 15 years	> 90%	0.95%	1.75%	11 years

Complete HUD guidelines can be found at HUD 4155.1 and 203(k) specific guidelines at HUD 4240.4