

RENOVATION PROGRAM COMPARISON MATRIX

	FHA 203(k) Standard	FHA 203(k) Limited	FNMA HomeStyle & HomeReady HomeStyle (Correspondent only)	Freddie Mac ChoiceRenovation & HomePossible ChoiceRenovation (Correspondent only)	VA Alterations & Repairs
Transaction Type	Purchase and Rate/Term Refinance	Purchase and Rate/Term Refinance	Purchase and *Limited Cash-Out Refinance (No funds to borrower outside of repair escrow funds on a refinance)	Purchase and Rate/Term Refinance	Purchase and Regular Refinance (aka Cash-Out)
Occupancy	Primary Residence	Primary Residence	Primary Residence, 1 unit 2 nd Home, Single Family Investor	Primary Residence, 1 unit 2 nd Home, Single Family Investor	Primary Residence
Property Type Condos; refer to applicable agency guidelines	Attached/detached SFR, PUD, Condo, 2-4 Units, and Manufactured Homes (1-unit multi-wide dwelling), Mixed Use	Attached/detached SFR, PUD, Condo, 2-4 Units, and Manufactured Homes (1-unit multi-wide dwelling), Mixed Use	1-4 units, 1 unit second home, 1 unit investment property, Condo (standard guidelines apply for Florida Condos), PUDs and Manufactured Homes (1-unit multi-wide dwelling)	1-4-unit Primary Residence, 1 Unit Second home, 1 unit Investment Property, Manufactured Homes (Doublewides Only), SFR, PUD, and Warrantable Condo.	1-4-unit, Primary Residence, Manufactured Homes (1-unit multi-wide dwelling)
Credit Score	Delegated Per AUS Non-Delegated per AUS	Delegated Per AUS Non-Delegated Per AUS	Per DU Findings – Approve/Eligible	Per LP Findings - Accept	Delegated Per AUS Non-Delegated Per AUS
LTV/CLTV - Purchase	96.50%/110%, 110% CLTV with eligible DPA	96.50%/110%, 110% CLTV with eligible DPA	95% - 97% 1 st Time Home Buyer and HomeReady Options 95% - 1 - 4 Unit Owner Occupied 90% - 1 Unit 2 nd home 85% - 1 Unit Investor (Purchase) 95% - Manufactured Homes Owner Occupied 90% - Manufactured 2 nd Home	95% - 1 Unit Owner Occupied 85% - 2 Unit Owner Occupied 80% - 3-4 Unit Owner Occupied 90% - 1 Unit 2 nd home 95% Manufactured Home 85% - 1 Unit Investor (Purchase) With Home Possible Conforming: 97%/105%** 1 Unit Owner Occupied 95% - 2 – 4 Unit Owner Occupied	90% - 1 Unit 580-599 FICO 100% - 1-4 Units ≥ 600 FICO

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				**See program matrices for additional requirements.	
LTV/CLTV - Refinance	97.75%/110%	97.75%/110%	Limited Cash Out – No Cash to Borrower 97% HomeReady Options 95% - 1 - 4 Unit Owner Occupied 90% - 1 Unit 2 nd home 75% - 1 Unit Investor 95% - Manufactured Homes Owner Occupied 90% - Manufactured 2 nd Home	No Cash-Out Refinance 95% - 1 Unit Owner Occupied 85% - 2 Unit Owner Occupied 80% - 3-4 Unit Owner Occupied 90% - 1 Unit 2 nd home 95% Manufactured Home 85% - 1 Unit Investor With Home Possible Conforming: 97%/105%** 1 Unit Owner Occupied 95% - 2 – 4 Unit Owner Occupied ** see program matrix for other requirements	90% - Cash Out 1 Unit FICO 580-599 FICO 100% - Cash Out 1-4 Unit ≥ 600 FICO Cash Out > 90% not permitted on High Balance
High Balance	Yes	Yes	Per DU – Refer to FNMA Eligibility Matrix	Per LP – Refer to FHLMC Eligibility Matrix	Refer to VA Loan Limits
Mortgage Insurance	Monthly & Up-Front MIP	Monthly & Up-Front MIP	Required based on applicable LTV & Standard Coverage per DU	Standard Coverage per LPA; Reduced MI not permitted.	Yes - VA Guarantee Upon Completion of work & a 1004D
Minimum Repair Amount	\$5,000	None	None	None	None

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Maximum Repair Amount	No Maximum	\$35,000 including all renovation costs	75% of the lesser of Purchase Price plus total renovation costs or As Improved Value. Manufactured Home: the lesser of \$50,000 or 50% of the “as completed” appraised value.	75% of the lesser of Purchase Price plus total renovation costs or As Improved Value. Manufactured Home: the lesser of \$50,000 or 50% of the “as completed” appraised value.	\$50,000 repair costs
Allowed to be included in the Renovation Costs	<ul style="list-style-type: none"> • Hard Costs of Labor & Materials • Architectural Fees • 203(k) Consultant Fee • Draw Inspection Fees (5) • Title Update Fees • Permit Fees • Contingency Reserve • Up to 6 months PITI • Supplemental Origination • Discount Points on repair cost & fees when discount points charged on loan 	<ul style="list-style-type: none"> • Hard Costs of Labor & Materials • Draw Inspection Fees (2 per contractor) • Title Update Fees • Permit Fees • Contingency Reserve • Supplemental Origination • Discount Points on repair cost & fees when discount points charged on loan 	<ul style="list-style-type: none"> • Hard Costs of Labor & Materials • Architectural Fees • 203(k) Consultant Fee or 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) • Construction Management Fee 	<ul style="list-style-type: none"> • Hard Costs of Labor & Materials • Architectural Fees • 203(k) Consultant Fee or 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) • Construction Management Fee 	<ul style="list-style-type: none"> • Hard Costs of Labor & Materials • Draw Inspection Fees (maximum of 3) • Final Inspection Fee (1004D) • Title Update Fees • Permit Fees • Contingency Reserve • Construction Management Fee

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Contingency Reserve Required	Minimum 10%, 15% if utilities off/not functioning	Minimum 10%, 15% if utilities off/not functioning	Minimum 10%, 15% if utilities off or not functioning	Minimum 10%, 15% if utilities off or not functioning. Maximum 20%.	Minimum 10%, Maximum 15% if utilities off or not functioning
Escrow Close Out	Remaining funds applied to the principal. If Contingency paid in cash can be reimbursed to borrower.	Remaining funds applied to the principal. If Contingency paid in cash 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	30-year Fixed Rate only ARM 3/1 & 5/1: 1-Year CMT; 1/1/5 caps; 2.00 margin; Qualify at Note rate	30-year Fixed Rate only ARM 3/1 & 5/1: 1-Year CMT; 1/1/5 caps; 2.00 margin; Qualify at Note rate	Fixed Rate: 15,20,25 and 30 years ARM: 5/6, 7/6, and 10/6 SOFR (Secured Overnight Financing Rate) index <ul style="list-style-type: none"> • Caps 5/6 Caps are 2/1/5 and 7/6 & 10/6 Caps are 5/1/5 • Margin: 3.00 • Qualification: 5/6 ARMs are qualified at the greater of: Note rate plus 2%; or the fully indexed rate. 7/6 and 10/6 ARMs are qualified at the note rate.	Standard Conforming: Fixed Rate 15, 20, 25, and 30 years Super Conforming: Fixed Rate: 15, 20, and 30 years Home Possible: Fixed Rate 15, 20, 25, and 30 years	Fixed rate: 15,20,25, & 30 year ARM 3/1 & 5/1: 1-Year CMT; 1/1/5 caps; 2.00 margin; Qualify at Note rate
Draw Period from Closing	6 months	6 months	15 months	15 months	4 months
Self-Help (DIY)	No	No	No	No	No

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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
Tear Down/Rebuild	Yes, when entire existing foundation remains intact	No	No	No	No
Mold/Lead Paint Removal	Yes	Yes	Yes	Yes	Yes
Appliances	If included in Work Write-Up/Specification of Repairs	If included in Contractor bids	If included in Work Write-Up/Specification of Repairs	Yes, if included in Work Write-Up/Specification of Repairs	If included in Contractor bids
Foundation Work	Yes	No	Yes	Yes	No
Consultant Requirements	FHA 203(k) Consultant	None	No, when repairs are equal to or less than \$50,000 and no structural repairs. Yes, when repairs are equal to or greater than \$50,001 and/or have structural repairs.	No, when repairs are equal to or less than \$50,000 and no structural repairs. Yes, when repairs are equal to or greater than \$50,001 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	Up to six while house is not habitable	No	Up to six while house is not habitable	Up to six while house is not habitable	No
Maximum Draws	5	2	5 + final inspection (1004D)	5 + final inspection (1004D)	3 + final inspection (1004D)
Draw Holdback	10% per/draw	10% per/draw	10% per/draw	10% per/draw	10% per/draw

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Fund Disbursement at Loan Closing	Material cost for items prepaid by borrower/contractor (Under contract for delivery). Up to 50% of material costs for items ordered but not yet paid for (Under contract for delivery) Documentation Required. Consultant should be notified of the 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.	50% of Material costs with an Initial Material Draw; a portion of this draw maybe used for permit and architectural fees. Consultant should be notified of the release.	50% of Material costs with an Initial Material Draw; a portion of this draw maybe used for permit and architectural fees. Consultant should be notified of the release.	No