



FHA PROGRAM MATRIX

Maximum LTV					Refinance					Guidelines		
Purchase					<p>If the property was acquired more than one year before loan application or is already FHA insured, the maximum insurable mortgage is the lower of the (A) appropriate LTV ratio applied to the Appraiser's estimate of value OR the (B) sum of the existing indebtedness and related closing costs and prepaid expenses for the refinance (see below):</p> <ul style="list-style-type: none"> The principal balance on the existing first lien including the following: <ul style="list-style-type: none"> Payoff interest, (which includes per diem interest) but may not include delinquent interest plus up to one month of interest taken from payoff statement Up to 30 days interest accrued for the current month on the old loan Up to one month monthly MIP Allowable borrower paid closing costs and reasonable discount points Prepaid expenses necessary to establish the escrow account Minus the refund of UFMIP Late charges and escrow shortages May include prepayment penalties assessed on a conventional first or second closed end mortgage or FHA Title I loan. Pay off subordinate property related liens that are more than one year old. <ul style="list-style-type: none"> If the subordinate lien is an equity line, and there have been advances in excess of \$1,000 within the most recent 12 months for purposes other than repairs and rehabilitation of the property, then the line of credit is not eligible for inclusion in the new mortgage. Non-FHA to FHA Refi: Subordinate liens may remain subordinate as long as they meet FHA guidelines on subordinate finance up to a maximum of 97.75% (H)CLTV. SBA loans are not permitted to re-subordinate. Payoff of an ex-spouse's or other co-mortgagor's equity is permitted and not considered cash-out as long as the divorce decree, settlement agreement, or other bona fide equity agreement documents the equity awarded. Payout must be disclosed on the HUD-1. Repairs required by the appraiser. NOT PERMITTED: Delinquent interest and delinquent/past due property taxes. Cash back at closing limited to the lesser of \$500 or as limited by state law (\$0 in Texas) and must be due to minor changes at closing. At time of origination and loan approval, the 1003, GFE and Loan Transmittal must show no cash back. NOTE: Maximum loan limit for the county area may not be exceeded. <p>If the property was acquired less than one year before loan application and not already FHA insured, the maximum insurable mortgage is the lower of the (A) appropriate LTV ratio applied to the Appraiser's estimate of value OR the (B) sum of the existing indebtedness and related closing costs and prepaid expenses for the refinance (see previous section) OR (C) based on the below calculation:</p> <ul style="list-style-type: none"> The appropriate LTV ratio applied to the Original Sales Price, plus any repairs paid after purchase and documented in the file. <ul style="list-style-type: none"> Prepayment penalties, MIP, closing costs, subordinate liens of any nature, equity to ex-spouses, discount points, prepaids, interest, etc. may not be included in the loan amount. NOT PERMITTED: Delinquent/past due property taxes. Cash back at closing limited to the lesser of \$500 or as limited by state law (\$0 in Texas) and must be due to minor changes at closing. At time of origination and loan approval, the 1003, GFE and Loan Transmittal must show no cash back. <p>NOTE: The maximum loan limit for the county area may not be exceeded.</p> <p>Cash Out Refinance: no 0x30 in the most recent 12 months regardless of DU/DO.</p> <ul style="list-style-type: none"> Maximum Base LTV 85.00%; total LTV including UFMIP 86.75% For properties owned one year or more, the LTV is limited to 85% of the appraised value. For properties owned 6 months to a year, from date of loan application, the lesser of the sales price or appraised value must be used to determine the 85% LTV/CLTV maximum loan limit. NOTE: Documented home improvements may NOT be included. 6 month ownership seasoning required; for newly purchased properties, 6 month time frame is from the note date of the current loan to the application date of the new loan. In addition, all Borrowers on the new loan must have been in title for at least 6 months. Owner-occupied principal residences; 1-4 unit dwellings allowed. Borrower who are delinquent or in arrears under the terms of their mortgage are not eligible for cash out. Maximum base loan amount cannot exceed the statutory limits for the area. Non-occupant owners may not be added to meet the underwriting guidelines. New Subordinate Financing: If new subordinate financing is being offered by the mortgagee or other permitted entity, the CLTV is limited to 85%. Existing subordinate financing may remain in place, but must remain subordinate to the FHA insured first mortgage as long as the CLTV does not exceed 85%, provided the borrower qualifies for making scheduled payments on all liens. NOTE: SBA loans are not permitted to re-subordinate. Texas Section 50(a)(6) equity loans are not permitted. 					<p>Eligibility</p> <ul style="list-style-type: none"> US Citizens, Permanent and Non-Permanent Resident Aliens, Non-Occupant Co-Borrowers. Owner Occupied Only <p>Documentation</p> <ul style="list-style-type: none"> All borrowers must have valid social security number. Borrowers using non-traditional credit are not allowed. A completed and signed 4506-T is required for all borrowers on all loans. <p>DTI Ratios</p> <ul style="list-style-type: none"> Ratios to 55.00% are permitted with a DU/DO approval, exceptions for slightly higher ratios may be considered on a case by case basis. <p>Underwriting Method</p> <ul style="list-style-type: none"> All loans must utilize FHA TOTAL scorecard by DU/DO®. Minimum 640 credit score required, regardless of any AUS decision. 660 required for High Balance loans. <p>Appraisal Requirements</p> <p>The appraisals must be completed by an approved FHA appraiser. The information in the report must be accurate, internally consistent, written in clearly understandable language, fully supported, and sufficiently documented to FHA standards.</p> <ul style="list-style-type: none"> The appraisal report must be dated within 120 days of the note date for all appraisals on existing, proposed, and under construction properties. See product summary RE: Anti-Flipping Rule. Operating Income Statement will be required on all 2-4 unit properties Properties appraised in "Fair Condition" are unacceptable. NOTE: Appraiser must analyze the subject sales contract (on all purchase transactions). Must include Market Conditions Addendum (FNMA Form1004MC) <p>NOTE: Reduced appraisal forms, including waivers, and transferred appraisals are not permitted.</p>		
Use lower of Sales Price/Appraised Value		Maximum Base LTV		Total LTV including UFMIP								
ALL		96.50%		100.00%								
Use lower of Sales Price/Appraised Value		Max CLTV w/2nd from Govt Agency/Non-Profit (considered an instrumentality of govt)		Max CLTV w/2nd from non-profit govt Agency (not considered an instrumentality of govt)								
ALL		N/A		N/A								
Rate Term Refinances					<p>NOTE: The maximum loan limit for the county area may not be exceeded.</p>							
Use the value as defined w/in the Mtg Calc section		Maximum Base LTV		Total LTV including UFMIP							Max CLTV	
All		97.75%		100.00%							97.75%	
FHA Mortgage Limits					<p>NOTE: The maximum loan limit for the county area may not be exceeded.</p>							
Limits	1 Unit	2 Units	3 Units	4 Units								
Floor Limits	\$271,050	\$347,000	\$419,400	\$521,250								
Ceiling Limits	\$729,750	\$934,200	\$1,129,250	\$1,403,400								
<p>Maximum loan amounts by MSA/County can be located in the CY2010 FHA Forward limit type at https://entp.hud.gov/idapp/html/hicostlook.cfm. Base loan amounts cannot exceed the limit set for the individual county.</p> <p>Refer to HUD Mortgagee Letter 2009-50, Attachment I and II for additional details at http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/</p> <p>NOTE: Minimum \$50,000 loan amount.</p>												
Upfront and Annual MIP, for case number assigned On or After April 18th, 2011												
Upfront MIP for ALL: 1.00%												
Greater than 15 year terms			15 year or less terms									
LTV	Annual		LTV	Annual								
> 95%	1.15%		> 90%	0.500%								
<= 95%	1.10%		78.01-90%	0.250%								
<p>For Case Numbers Assigned prior to April 18, 2011, refer to FHA Guidelines.</p> <ul style="list-style-type: none"> > 15 years, the annual MIP will be canceled when LTV reaches 78%, if the borrower has paid the annual MIP for at least 5 years. <= 15 years, the annual MIP will be canceled when LTV reaches 78% with no minimum time period required. Annual MIP is determined by multiplying the base loan amount by the appropriate Annual Premium factor Since the Annual MIP is collected in monthly installments, divide the resulting number by 12 to obtain the monthly premium. This figure is included in the proposed monthly housing expense and qualifying ratios. 												
Loan Program		Terms		Loss Payee								
G15, G30		15, 30 yrs		ClearPoint Funding ISAOA/ATIMA 4 Technology Drive, Suite 200 Westborough, MA 01581								
FHA 3/1 & 5/1 Treasury ARMS												
<p>Additional information can be located at the following websites:</p> <p>http://www.FHA.gov http://www.hudclips.org http://www.hud.gov/groups/lenders.cfm</p>												

- *640 minimum FICO required ***
- *Payoff statements are required***
- *If assets are needed to close, verification is required***
- *Abbreviated URLA not permitted***
- *Full Credit History Required***
- *TOTAL Scorecard is not to be used; otherwise, loan will be processed as a rate term refinance***

Maximum CLTV: 100% for 1 unit; 97.75% for 2-4 Units

INCOME: For all streamline refinance, the underwriter must include a signed and dated cover letter certifying that the borrower is employed and has income at the time of loan application. Following additional documentation is required:

- Wage Earner: Most recent YTD pay stub, 2 years W2 & Verbal VOE.
- Self Employed or Other Income: 2 years tax returns or standard FHA documentation for other income.

QUALIFYING RATIOS: 31.00/43.00%; only the back end ratio of 43.00% may be exceeded with significant compensating factors up to a maximum ceiling of 50.00%; under no circumstances may the ratio exceed 50.00%.

CREDIT: Credit underwriting is required for all streamline refinances. The fully completed loan application and form HUD 92900-WS must be submitted.

- Minimum 640 credit score is required for all borrowers and must be entered into FHA connection.
- Only Credit Qualifying loans are permitted.

SEASONING: Mortgages with less than 6 months consecutive payment history are not eligible for streamline refinance and must be processed as a Rate Term Refinance:

NET TANGIBLE BENEFIT: If must be determined that there is a net tangible benefit as a result of the streamline refinance transaction, with or without an appraisal, defined as:

- Reduction in the total mortgage Payment (PITI, HOA fees, ground rents, etc.). The new total mortgage payment is 5% lower than the total mortgage payment for the mortgage being refinanced.
- Refinancing from an ARM to a FRM. The interest rate on the new fixed rate mortgage will be no greater than 2% points above the current rate of the one-year ARM.

BORROWERS: Since all streamline loans are credit qualifying, borrowers may be added or removed.

MORTGAGE CALCULATIONS WITHOUT A NEW APPRAISAL:

- Term of the new mortgage must be the lesser of 30 years or the unexpired term of the existing mortgage plus 12 years. Closing costs, pre-paid expenses and discount points, late charges and escrow shortages may NOT be financed into the new loan.
- Determine the LTV based on the original appraised value of the loan being refinanced.
- The outstanding principal balance minus the applicable refund of the UFMIP, PLUS the new UFMIP that will be charged on the refinance.
- Outstanding principal balance may include interest charged by the servicing lender when the payoff is not received on the first day of the month (up to 30 days maximum <or the number of days as reflected on the payoff>; however, the loan must be current for the month due>, but may not include delinquent interest, late charges or escrow shortages.