

# theLender – theNada Matrix

FHA 203 (b)

**theNada:**

<i>Transaction</i>	<i>FICO</i>	<i>Number of Units</i>	<i>Maximum LTV</i>	<i>Maximum CLTV</i>
<b>Primary Residence – Owner Occupied</b>				
Purchase	680	1-2	96.50%	100%

## Upfront Mortgage Insurance Premium (UFMIP)

All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.

### Mortgage Term of More Than 15 Years

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	80	11 years
	> 90.00% but ≤ 95.00%	80	Mortgage term
	> 95.00%	85	Mortgage term
Greater than \$625,500	≤ 90.00%	100	11 years
	> 90.00% but ≤ 95.00%	100	Mortgage term
	> 95.00%	105	Mortgage term

### Mortgage Term of Less than or Equal to 15 Years

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	45	11 years
	> 90.00%	70	Mortgage term
Greater than \$625,500	≤ 78.00%	45	11 years
	> 78.00% but ≤ 90.00%	70	11 years
	> 90.00%	95	Mortgage term

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Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: <a href="https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1">https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1</a>
Loan Limits	<b>FHA Mortgage Limits</b> <ul style="list-style-type: none"> <li><a href="https://entp.hud.gov/idapp/html/hicostlook.cfm">https://entp.hud.gov/idapp/html/hicostlook.cfm</a></li> </ul>
Maximum Loan Amount	<ul style="list-style-type: none"> <li>Per FHA County Limits</li> </ul>
Minimum Loan Amount	<ul style="list-style-type: none"> <li>Minimum Loan amount \$50,000</li> </ul>
4506 Transcripts	<ul style="list-style-type: none"> <li>Transcripts are required per income documentation type included in the loan file.</li> </ul>
AUS System	<ul style="list-style-type: none"> <li>DU or LPA</li> <li>Approve Eligible Only</li> </ul>
Bankruptcy	<p>All bankruptcies (7 &amp; 13) must be discharged for 24 months preceding the case assignment date. During this time, Borrower must have re-established good credit.</p> <p>An elapsed period of less than two years, but not less than 12 months, may be acceptable, if the Borrower:</p> <ul style="list-style-type: none"> <li>can show that the bankruptcy was caused by extenuating circumstances beyond the Borrower's control; and</li> <li>has since exhibited a documented ability to manage their financial affairs in a responsible manner.</li> </ul> <p>A borrower with a Chapter 13 bankruptcy may be eligible as a manual underwrite, if at the time of case number assignment.</p> <ul style="list-style-type: none"> <li>at least 12 months of the pay-out period under the bankruptcy has elapsed.</li> <li>the Borrower's payment performance has been satisfactory, and all required payments have been made on time; and</li> <li>the Borrower has received written permission from bankruptcy court to enter into the mortgage transaction</li> </ul>
Borrower Eligibility	<ul style="list-style-type: none"> <li>No first-time homebuyer requirement.</li> <li>Borrower must occupy the residence as their primary residence within (60) days of closing).</li> <li>Borrowers may have ownership in other property at time of closing</li> <li>Non-occupant co-borrowers allowed</li> </ul>
Building on Own Land	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>The loan file must contain a clear compliance cert on both the 1<sup>st</sup> and 2<sup>nd</sup> mortgages</li> </ul>
Condominium	<ul style="list-style-type: none"> <li>Must be in an FHA HRAP approved project</li> <li>Manufactured homes located in Condominium projects – Not Allowed</li> </ul>
Credit Score	<ul style="list-style-type: none"> <li>Minimum credit score of: 680</li> <li>Each borrower must have a minimum of one credit score.</li> </ul>
DACA Borrowers	<ul style="list-style-type: none"> <li>Allowed</li> </ul>
Deed Restrictions	<ul style="list-style-type: none"> <li>Age related restrictions only. All other deed restrictions are ineligible.</li> </ul>
DPA	<p>DPA Amount:</p> <ul style="list-style-type: none"> <li>Up to 3.5% of the Sales Price or Appraised Value (lesser of).</li> <li>Proceeds may be used for down payment and/or closing costs;</li> <li>10-year community second – 2% above the note rate</li> <li>No cash back to borrower</li> </ul>
DTI	<ul style="list-style-type: none"> <li>Per the AUS</li> </ul>
Escrow / Impounds	<ul style="list-style-type: none"> <li>Required: Waivers are not allowed.</li> </ul>
Escrow Holdbacks / Repair Escrows	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>
Gift Funds	<ul style="list-style-type: none"> <li>Cash on hand is not an acceptable source of donor gift funds.</li> </ul>
Geographic Restrictions	<ul style="list-style-type: none"> <li>Not available in the states of <b>Kentucky</b>, Washington or Massachusetts</li> <li><b>Arizona &amp;</b> South Carolina <ul style="list-style-type: none"> <li>Minimum \$5,000 loan amount on the 2<sup>nd</sup> TD</li> </ul> </li> </ul>
Homebuyer Education	<ul style="list-style-type: none"> <li>At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency</li> </ul>

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<b>Identity-of-Interest Transactions</b>	<p>An Identity-of-Interest transaction is a sale between parties with an existing business relationship or between family members.</p> <ul style="list-style-type: none"> <li>• The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%.</li> <li>• The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of sales contract execution is restricted to 85%.</li> </ul> <p>The 85% LTV restriction may be exceeded if the borrower purchases as their principal residence:</p> <ul style="list-style-type: none"> <li>• The principal residence of another family member; or</li> <li>• A property owned by a family member where the borrower has been a tenant for at least six months immediately predating the sales contract.</li> <li>• An employee of a builder who is not a family member purchases one of the builder's new houses or models as a principal residence; or</li> <li>• The current tenant purchases the property where the tenant has rented the property for at least six months immediately predating the sales contract.</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>• Follow agency guidelines.</li> </ul>
<b>Ineligible Programs</b>	<p>The following programs are not eligible:</p> <ul style="list-style-type: none"> <li>• 203(h) Disaster Victims</li> <li>• 203(k) Rehabilitation Program</li> <li>• 235 Refinance of Borrowers in Negative Equity Positions</li> <li>• 247 Hawaiian Homelands</li> <li>• 248 Indian Lands</li> <li>• Energy Efficient Mortgage Program (EEM)</li> <li>• FHA Assumption Program</li> <li>• Good Neighbor/Officer Next Door</li> <li>• Graduated Payment Program</li> <li>• Growing Equity Mortgages</li> <li>• Housing Authority Subsidies</li> <li>• Loans to Non-Profit Organizations</li> <li>• Short Refinances</li> </ul>
<b>Ineligible Properties</b>	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> <li>• Assisted Living Properties</li> <li>• Bed and Breakfast Establishments</li> <li>• Boarding Houses</li> <li>• Commercial Properties</li> <li>• Condotels, Motels or Hotels</li> <li>• Co-ops</li> <li>• Fraternity or Sorority Houses</li> <li>• Hawaii Properties in Lava Zones 1 and 2</li> <li>• Houseboats</li> <li>• Log or Dome Homes</li> <li>• Mobile Homes</li> <li>• Native American Indian Trust Lands</li> <li>• Newly Constructed Properties Located in Military Airfield Accident Prone Zone 1</li> <li>• Private Clubs</li> <li>• Properties with Condition/Quality Ratings of C5, C6, or Q6</li> <li>• Properties Contaminated by Methamphetamine Production or Use</li> <li>• Properties with More than One Accessory Dwelling</li> <li>• Properties Located within 75 Feet of an Operating/Proposed Gas or Oil Well</li> <li>• Properties Located within 10 Feet of a Pipeline Easement or High-Pressure Gas Line</li> <li>• Properties Located within 300 Feet of Above/Below Ground Stationary Storage Tanks Containing more than 1000 Gallons of Explosive/Flammable Fuel (Includes Gas Stations)</li> <li>• Properties Located in Coastal Barrier Resources Systems (CBRS)</li> <li>• Properties that do not meet FHA MPR/MPS.</li> <li>• Timeshares</li> </ul>

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	<ul style="list-style-type: none"> <li>• Vacation Homes</li> <li>• Working Farms and Ranches</li> </ul>
<b>Land Trusts</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Manufactured Homes</b>	<ul style="list-style-type: none"> <li>• Eligible – Doublewides only</li> </ul>
<b>Manual Underwriting</b>	<ul style="list-style-type: none"> <li>• Not allowed</li> </ul>
<b>Mixed Use Properties</b>	<ul style="list-style-type: none"> <li>• Not allowed</li> </ul>
<b>Non-Occupant Co-Borrower</b>	<ul style="list-style-type: none"> <li>• 75% Maximum LTV on 1-4 units unless the non-occupant co-borrower is a family member as defined by FHA</li> <li>• Rental income may not be used to qualify</li> <li>• Not allowed for qualifying purposes on cash-out refinance transactions</li> <li>• The non-occupant co-borrower must take title to the property and sign the Note and deed of trust/mortgage</li> <li>• The non-occupant co-borrower must have a principal residence in the United States or be a U.S. citizen</li> </ul>
<b>Non-Traditional Credit</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Number of Borrowers</b>	<ul style="list-style-type: none"> <li>• There can be no more than 4 borrowers per loan</li> </ul>
<b>PACE (HERO) Programs</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Projected Income</b>	<ul style="list-style-type: none"> <li>• Not allowed</li> </ul>
<b>Refinance Seasoning Requirements</b>	<p>Prior to case number assignment:</p> <ul style="list-style-type: none"> <li>• Six (6) consecutive monthly payments must be made on the subject property being refinanced</li> <li>• Six (6) months must have passed since the first payment due date of the subject property</li> <li>• Minimum of 210 days must have passed since the closing date of the subject property.</li> </ul>
<b>Refinance Value Requirements</b>	<p>For properties acquired by the borrower within 12 months of the case number assignment date the appraised value is the lesser of:</p> <ul style="list-style-type: none"> <li>• The borrower's purchase price plus any documented improvements made after the purchase; or</li> <li>• The appraised value.</li> </ul> <p>Properties acquired by the borrower within 12 months of the case number assignment by inheritance or through a gift from a family member may use the appraised value.</p>
<b>Sales Contracts</b>	<ul style="list-style-type: none"> <li>• Assigned Sales Contracts - Not Allowed</li> </ul>
<b>Section 8 Voucher</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Tax Returns</b>	<ul style="list-style-type: none"> <li>• Amended tax returns that increase the borrower's income – Not Allowed</li> <li>• When the tax return reflects monies are owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.</li> </ul>
<b>Temporary Buy Downs</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Texas 50(a)(6)</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Unpermitted Additions</b>	<p>Acceptable Unpermitted Property Additions:</p> <ul style="list-style-type: none"> <li>• The addition complies with all FHA guidelines</li> <li>• The addition does not result in a change in the number of units</li> <li>• The appraiser has no reason to believe the addition would not pass inspection for a permit.</li> </ul>

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