



Bulletin 14-27

FHA 203(k) Full Consultant and Streamlined Programs

HomeBridge is pleased to announce that effective May 12, 2014 HomeBridge will offer both the FHA 203(k) Full Consultant and 203(k) Streamlined programs.

203(k) Overview

The 203(k) programs allow borrower to obtain a single loan to purchase a property or to refinance an existing loan and complete construction/repairs/improvements after loan closing using the "After-Improved" value of the property.

Full Consultant

The 203(k) Full Consultant program is designed for more extensive construction/renovation projects.

- Repairs must be a minimum of \$5,000. The total mortgage amount, including the cost of repairs, is subject to FHA loan limits.
- The mortgage amount is based on the projected value of the property with all work completed.
- A HUD approved consultant is required. The consultant works directly with the borrower and contractors and provides the work write-up, performs work inspections and approves the disbursement of funds to the general contractor.
- Projects may include room additions, major landscaping improvements, new construction, repairs to structural damage, repair/replace flooring, appliances, and windows, weatherization, replace/upgrade electrical, plumbing, heating, and air conditioning, replace roofing, etc.
- Work must be completed within 5 months of loan closing.

203(k) Streamlined

The 203(k) Streamlined program is designed for minor renovation/rehabilitation projects.

- Repairs/renovations/upgrades limited to a maximum of \$35,000. The total mortgage amount, including the cost of repairs, is subject to FHA loan limits.
- The mortgage amount is based on the projected value of the property with all work completed.
- Licensed contractors, accepted by HomeBridge, complete the work; a HUD consultant is not required.
- Projects may include repair/replacement of flooring, appliances, and windows, room remodeling that does not include any structural changes, painting, repair of decks, patios, driveways and fencing, etc.
- Work must be completed within 4 months of loan closing.

General Eligibility

- Purchase and rate/term refinance transactions
- Standard HUD LTV/CLTV limits apply
- Minimum 620 credit score
- Conforming and High Balance loan amounts
- 1-4 unit primary residence Full Consultant program
- 1-unit primary residence Streamlined program
- SFR, PUDs and condos (attached/detached)
- Standard HUD guidelines and HomeBridge overlays apply
- 15 and 30 year fixed rate
- An “Approve/Eligible” Finding is required; manual underwrites are not eligible.

203(k) Broker Resources

HomeBridge has created a variety of resources to assist brokers with the 203(k) programs.

- 203(k) Full Consultant Quick Reference Guide
- 203(k) Streamlined Quick Reference Guide
- 203(k) Maximum Mortgage Worksheet Quick Reference Guide
- 203(k) Final Title Update Fees by State
- 203(k) Full Consultant and Streamlined Comparison Guide
- 203(k) HomeBridge Accepted Contractor List
- Sample Contractor Bid
- Sample Feasibility Site Report
- Sample Work Write-up
- FHA 203(k) Product Offering Training Material

These documents have been posted on the website.

The new 203(k) Full Consultant and Streamlined guidelines and the new 203(k) Submission Forms (one for Full Consultant and one for Streamlined) have also been posted on the HomeBridge website at www.homebridgewholesale.com.

If you have any questions, please contact your Account Executive.