

HomeStyle Renovation Program Overview

Transaction Type	Purchase transactions only
AUS Finding	Approve/Eligible finding required
Occupancy	<ul style="list-style-type: none"> • 1-unit Owner-Occupied • 1-unit Second Home • 1-unit Investment
Property Types	<ul style="list-style-type: none"> • SFR (attached/detached) • PUDs (attached/detached) • Condos (specific requirements apply; refer to Condo Eligibility topic) • Manufactured home (1-unit only)
Eligible Product	<ul style="list-style-type: none"> • Fixed rate only • 15 and 30 year term
Maximum LTV/CLTV Purchase	<ul style="list-style-type: none"> • Standard allowed by Fannie Mae based on loan amount and occupancy with the exception of a 1-unit investment purchase transaction which is limited to 85% LTV NOTE: 95.01% to 97% must meet specific requirements; refer to guidelines • 105% CLTV eligible on owner-occupied with DPA/Community second
Maximum LTV/CLTV Refinance	<p>Standard allowed by Fannie Mae based on loan amount and occupancy</p> <p>NOTE: 95.01% to 97% must meet specific requirements</p>
High Balance	Eligible
Mortgage Insurance Requirement	<ul style="list-style-type: none"> • Required > 80% LTV • Eligible providers: Essent or Radian • The more restrictive of the specific MI company guidelines or Homebridge guidelines apply
Minimum Repair Amount	No minimum
Maximum Repair Amount	<p>Homebridge limits the maximum amount of repairs to \$150,000; the Streamline option allows for a maximum of \$35,000 in repairs</p> <p>75% of the lesser of:</p> <ul style="list-style-type: none"> • The acquisition cost plus renovation costs, or • The after-Improved appraised value <p>Manufactured Home: Cannot exceed the lesser of:</p> <ul style="list-style-type: none"> • 50% of the after-improved value, or • \$50,000

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Credit Score/DTI	Minimum 680
Hazard Insurance	<ul style="list-style-type: none"> • Must meet Standard Coverage Requirements; refer to the Insurance Quick Reference Guide for details. • Projects with direct hard costs \geq \$75,000, evidence must be provided the insurance company insuring the property has reviewed the bid and appraisal and confirms a hazard insurance policy will be issued
Consultant Required	Yes, if renovation costs exceed > \$15K or if required by Homebridge Renovation Department unless Streamline Option selected
Feasibility Study Requirements	<ul style="list-style-type: none"> • Feasibility Study prepared by HUD Consultant required if total rehabilitation cost exceeds \$15,000 or at the recommendation of the Homebridge Renovation Department. Not required on Streamline Option • In certain instances total where total rehabilitation costs exceed \$15,000 but are a single repair item a Feasibility Study may not be required (Homebridge Renovation Department approval required)
Allowed to be Included in Rehabilitation Costs	<ul style="list-style-type: none"> • Total cost of rehabilitation (labor, and materials; Feasibility Study fee, appraisal, architectural/engineering fees, permits as applicable) • Contingency reserve • Inspections • Up to 6 months PITI if property uninhabitable during renovation(requires HUD Consultant approval; owner- occupied only) • Discount points <p>NOTE: When financing 6 months PITI, a Builders Risk insurance policy will be required</p>
Allowable Fees	<ul style="list-style-type: none"> • One Final Title Update fee • Draws (one inspection per draw) • Feasibility Study fee, if applicable • Architect/Engineering, if applicable • Permit fee(s), as required
Appraisal Requirements	<ul style="list-style-type: none"> • After-Improved value is the only required value • Condos: 2 comps outside of subject project required
Maximum Number of Contractors	<ul style="list-style-type: none"> • 1 General Contractor (specialty allowed for technical repairs) • Borrower selects contractor who is accepted by Homebridge
Identity of Interest/Conflict of Interest (Contractor/Borrower and Other Relationships)	<ul style="list-style-type: none"> • Borrower can have a familial relationship, or business relationship or business affiliation with the contractor (s) subject to the restrictions below: <ul style="list-style-type: none"> - Borrower cannot be employed by the contractor - Contractor business cannot be owned by borrower • Contractor(s) cannot have familial or business relationships with the property seller(s) or the real estate agents • Contractor cannot also be the consultant on projects where the total rehabilitation costs exceed \$15,000 (or when required by Homebridge); the consultant must be a HUD Consultant

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Contractor Bid Requirements/ Re-inspection Requirements	<ul style="list-style-type: none"> • No Feasibility Study Required <ul style="list-style-type: none"> - Contractor bid must specify number of draws desired or contractor to confirm in writing number of draws requested <ul style="list-style-type: none"> - If 1 draw the appraiser completes the re-inspection - If > 1 draw the broker confirms in writing who will complete re-inspections (appraiser, HUD Consultant, or independent 3rd party inspection company) • Feasibility Study Required <ul style="list-style-type: none"> - HUD Consultant determines the number of draws and completes the re-inspections
Broker Owned Escrow	Eligible with Homebridge approval
Eligible Renovations/ Repairs	<ul style="list-style-type: none"> • Structural, non-structural, cosmetic (structural ineligible on manufactured homes) • Structural additions may be attached or detached but cannot add another unit (i.e. cannot change a 1-unit to 2-unit). Accessory units eligible subject to Fannie Mae requirements • Kitchen appliances eligible (free-standing or built-in)
Luxury Items	Allowed (e.g. in-ground swimming pools, spas, sauna, barbeque islands, outdoor fireplace, satellite dish, tennis courts, etc.)
Borrower Self-Help (DIY)	Not allowed
Building Additions	Attached/detached eligible subject to requirements under Eligible Renovations/Repairs topic above
Construction of Outbuildings	Eligible (e.g. garage, pool house, etc.)
Construction of In Ground Swimming Pools	Yes
Foundation Work	Yes
Tear Down/Rebuild	Ineligible
Mold/Lead Paint Removal/Remediation	Yes
Ineligible Repairs	Includes, but not limited to, tearing down an existing structure, , purchase of personal property, any improvement not permanently affixed to the property (excludes free-standing appliances), alterations to allow for commercial or business use
Contingency Reserve	<ul style="list-style-type: none"> • 10% of the rehabilitation cost as established by Homebridge Renovation Concierge Department • 15% required for properties when utilities not on at time of appraisal or are not in good working order • 5% is permitted for the installation or renovation of swimming pools <p>NOTE: The contingency may be waived on 1-unit primary residence transactions if the borrower has post-closing reserves equal to or greater than the amount of contingency reserve required for the transaction</p>

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Number of Draws Allowed	<p>Maximum 5 draws (excluding Streamline Option)</p> <p>Streamline Option:</p> <ul style="list-style-type: none"> • With general contractor: Maximum 3 • Without general contractor: Maximum 2
Holdback Amount Per Draw	10% of each draw amount
Funds Disbursed at Closing	<ul style="list-style-type: none"> • None • Soft costs may be allowed to be disbursed within 5-7 days of receipt of documents by Homebridge post-closing • Custom materials may be allowed to be disbursed at closing with Homebridge Renovation Concierge Department approval
Cash-Out/Back Allowed	<ul style="list-style-type: none"> • Not allowed – no cash back to the borrower • Excess funds are applied to principal balance
Time to Complete Rehabilitation	6 months from closing
New Construction	Final non-structural work on a newly built home that was not completed by the original builder when the home is at least 90% complete. Eligible items include flooring, cabinets, kitchen appliances, fixtures, and trim
Financed Properties	<ul style="list-style-type: none"> • Owner-occupied transactions: Unlimited • Second home and investment property transactions are limited to a maximum 10 financed properties including the borrower's primary residence
Condo Eligibility	<ul style="list-style-type: none"> • Full Review required • Two (2) comps outside of the project the subject property is located in are required • Written approval from HOA required acknowledging renovation work • Renovation work is limited to the interior of the unit
Streamline Option	<p>Does not require a consultant. Eligible subject to:</p> <ul style="list-style-type: none"> • 1- unit primary residence or second home • Scope of work is ≤ \$35,000 • The transaction must include a minimum of one (1) energy efficient improvement • Detailed bids provided by contractor; must include costs and scope of work • General contractor not required if contractors are licensed/insured. Maximum 3 contractors without a general contractor • Draw inspections must be completed by a qualified third party inspection company or original appraiser