

Renovation Comparison

	Fannie Mae HomeStyle	FHA 203(k) Standard	FHA 203(k) Limited
Transaction Type	Purchase and Rate/Term Refinance	Purchase and Rate/Term Refinance	Purchase and Rate/Term Refinance
Occupancy	Primary, Second Home, Investment	Primary Residence	Primary Residence
Units	<ul style="list-style-type: none"> 1-unit primary residence 1-unit second home 1-unit investment 	1-4 unit	1-4unit
Property Type Condos have specific requirements; refer to applicable guidelines	Attached/detached SFR, PUD, Condo, manufactured	Attached/detached SFR, PUD, Condo	Attached/detached SFR, PUD, Condo
LTV/CLTV - Purchase	90%	96.50%/105% 105% CLTV with eligible DPA	96.50%/105% 105% CLTV with eligible DPA
LTV/CLTV – Refinance	<ul style="list-style-type: none"> Owner-occupied/second home purchase and rate/term: 90% LTV/CLTV Investment purchase: 85% LTV/CLTV Investment rate/term: 75% LTV/CLTV 	97.75%/97.75% LTV/CLTV	97.75%/97.75% LTV/CLTV
High Balance	Yes	Yes	Yes
Mortgage Insurance	Yes, if LTV > 80%	Yes	Yes
Minimum Repair Amount	None	\$5,000	None
Maximum Repair Amount	<p>Purchase Transactions: Maximum repair costs limited to lesser of \$200,000 OR 50% of sales price</p> <p>Rate/Term Transactions: Maximum repair costs limited to lesser of \$200,000 OR 25% of “after-improved” value</p> <p>Manufactured Home: Cannot exceed the lesser of:</p> <ul style="list-style-type: none"> 50% of the after-improved value, or \$50,000 	No limit; the total mortgage amount, including the costs of repairs, must fall with the FHA mortgage limit for the area where the property is located	\$35,000
Types of Repairs	Structural and non-structural (structural not eligible on manufactured home)	Structural and non-structural	Non-structural
Eligible Product	Fixed 15 and 30 year	Fixed 15 and 30 year 5/1 ARM	Fixed 15 and 30 year 5/1 ARM

*Exception: 1-unit investment purchase is limited to 80% LTV/CLTV with a conforming loan amount

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Allowed to be Included in Rehabilitation Costs Loan amount cannot exceed the county limits established by Fannie Mae, HUD, or VA as applicable	<ul style="list-style-type: none"> • Total cost of rehab (labor and materials; permits, Feasibility Study fee, appraisal, architectural/engineering fees as applicable) • Contingency reserve • Inspections • Up to 6 months PITI (if approved, owner-occupied only) • Discount points 	<ul style="list-style-type: none"> • Total cost of rehab (labor, materials, and consultant fee; permits, appraisal, architectural/engineering fees as applicable) • Contingency reserve • Inspections • Up to 6 months PITI (if approved) • Discount points 	<ul style="list-style-type: none"> • Total cost of rehab (labor and materials; permits, appraisal, architectural/engineering fees, consultant fees as applicable) * • Contingency reserve, if financed • Final Inspections • Discount points *Total rehab costs must allow for contingency reserve requirement as follows: <ul style="list-style-type: none"> • 10% contingency: Max rehab approx. \$31,250 • 15% contingency: Max rehab approx. \$30,000
Contingency Reserve Required	Yes 10% if utilities on at time of appraisal 15% if utilities off/ at Homebridge RCD discretion 5% for installation or renovation of swimming pools NOTE: May be waived on o/o and 2 nd home transactions if borrower has post-closing reserves equal to or greater than required reserve	Yes 10% - 20% as determined by Homebridge RCD Minimum 15% required if utilities off at time of appraisal	Yes Contractor Bid only: <ul style="list-style-type: none"> - Utilities on: 10% contingency reserve - Utilities off: 15% contingency reserve Contractor Bid & Consultant Feasibility Study: <ul style="list-style-type: none"> - Utilities on: 5% contingency reserve - Utilities off: 10% contingency reserve
Maximum Duration of Renovation	6 months from closing All work must start within 30 days of closing and cannot stop for more than 30 days during reno process	6 months from closing All work must start within 30 days of closing and cannot stop for more than 30 days during reno process	6 months from closing Renovation/repair cannot prevent the borrower from occupying the property for more than 15 days during the reno period
Self-Help (DIY) Eligible	No	Yes Maximum 3 sub-contractors	Yes Feasibility study required Maximum 3 sub-contractors
Luxury Items*	Yes	No	No
Swimming Pool Construction	Yes	No Repairs/removal allowed with no \$ limit	No Repairs/removal allowed with no \$ limit
Building Additions	Yes May be attached or detached (accessory units eligible; cannot change a 1-unit to a 2-unit property)	Yes Must be attached to existing structure	No
Tear Down/Rebuild	No	Yes Only if complete existing foundation remains	No

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Mold/Lead Paint Removal	Yes	Yes	Yes Abatement/remediation work must be completed within 15-30 days
Kitchen Appliances	Yes May be free-standing or built-in	Yes Must be included in Work Write-up	Yes Must be included in contractor bids
Foundation Work	Yes	Yes Repairing/reconstructing/elevation of existing foundation provided original structure remains in place	No
Construction of Out Building (e.g. garage, pool house)	Yes	No	No
Borrower/Contractor Relationship	Allowed	Not allowed	Not allowed
Consultant Required	<ul style="list-style-type: none"> • Yes, if renovation costs exceed \$15K or required by Homebridge Renovation Dept. • No, if using Streamline Option and repairs are ≤ \$35,000 and the property is 1-unit primary residence or second home 	Yes	No
Maximum Number of Contractors	1 general and 1 specialty	1 general; specialty allowed as needed for technical repairs	3
Finance PITI Payments	Yes, with consultant approval (owner-occupied only up to 6 months) Builders Risk insurance required if financed	Yes, with Homebridge approval (up to 6 months) Builders Risk insurance required if financed	No
Maximum Draws	5 3 with Streamline Option using general contractor 2 with Streamline Option not using general contractor	5	2
Draw Holdback	Yes 10% from each draw	Yes 10% from each draw	No
Cash to Borrower Allowed	No Any remaining funds are applied as principal reduction	No Any remaining funds are applied as principal reduction	No Any remaining funds are applied as principal reduction
Fund Disbursement at Loan Closing	Yes (up to 50% of the total up-front material costs)	Yes (up to 50% of the total up-front material costs)	None (up to 50% of the total up-front material costs)
Minimum FICO	620	620	620