

FHA Streamline Program Conforming and High Balance

Fixed Rate and ARMs

Non-Credit Qualifying Matrix ⁶

| Primary Residence ³ Investment ⁵ | | | | | |
|---|---------------------------|------------|-------------|-----------------------------------|---------------------|
| <i>Transaction Type</i> | <i>Units</i> ⁴ | <i>LTV</i> | <i>CLTV</i> | <i>Loan Amount</i> ^{1,2} | <i>Credit Score</i> |
| Streamline w/o Appraisal | 1-4 | N/A | N/A | FHA Limit | 580 |

Footnotes:

1. Eligible conforming and high balance loan amounts by county can be found at: [FHA Mortgage Limits](#)
2. Refer to [Maximum Loan Amount](#) topic for maximum mortgage calculations.
3. A utility bill (one month most recent) is required to document borrower is currently occupying the property as their primary residence (required for NCQ primary residence only; N/A on investment properties). Refer to the [Occupancy](#) topic for details.
4. Manufactured home eligible for 1-unit primary residence only; ineligible on investment transactions
5. Investment property with LTV > 100% requires an AVM and investment property limited to fixed rate only
6. Non-credit qualifying transactions are **ineligible** in the state of West Virginia

Credit Qualifying Matrix

| Primary Residence Investment ⁴ | | | | | |
|--|---------------------------|------------|-------------|-----------------------------------|---------------------|
| <i>Transaction Type</i> | <i>Units</i> ³ | <i>LTV</i> | <i>CLTV</i> | <i>Loan Amount</i> ^{1,2} | <i>Credit Score</i> |
| Streamline w/o Appraisal | 1-4 | N/A | N/A | FHA Limit | 580 |

Footnotes:

1. Eligible conforming and high balance loan amounts by county can be found at: [FHA Mortgage Limits](#)
2. Refer to [Maximum Loan Amount](#) topic for maximum mortgage calculations.
3. Manufactured home eligible for 1-unit primary residence only; ineligible on investment transactions
4. Investment property with LTV > 100% requires an AVM and investment property limited to fixed rate only

FHA Streamline Program Guidelines

Homebridge to Homebridge Non-Credit Qualifying Streamline No Overlay/No Credit Option

Homebridge offers a no overlay/no credit option for loans currently owned by Homebridge and serviced by Cenlar/Homebridge. The following applies:

- Credit report/mortgage only report **not required**
- **No** credit score overlays
- Units **eligible**
- Investment property **eligible**

Refer to the [Homebridge to Homebridge NCQ No Overlay/No Credit](#) topic for details.

Credit qualifying Streamlines should follow the Homebridge [FHA Program](#) guidelines for any topic not addressed in the Streamline guidelines.

Complete HUD 4000.1 guidelines can be found at HUD.gov

| Mortgage Insurance Premium Factors | | | | | |
|---|------------|--------------|------------|--------------|--|
| FHA Endorsement on or after June 1, 2009 with a Case Number Assigned on or after January 26, 2015 | | | | | |
| Base Loan Amount | Loan Term | LTV | Annual MIP | Up-front MIP | Annual MIP Assessment Period |
| ≤ \$625,500 | > 15 years | ≤ 95% | 0.80% | 1.75% | ≤ 90% LTV: 11 years > 90% LTV: Life of loan |
| ≤ \$625,500 | > 15 years | > 95% | 0.85% | | Life of loan |
| > \$625,500 | > 15 years | ≤ 95% | 1.00% | | ≤ 90% LTV: 11 years > 90% LTV: Life of loan |
| > \$625,500 | > 15 years | > 95% | 1.05% | | Life of loan |
| ≤ \$625,500 | ≤ 15 years | ≤ 90% | 0.45% | | 11 years |
| ≤ \$625,500 | ≤ 15 years | > 90% | 0.70% | | Life of loan |
| > \$625,500 | ≤ 15 years | ≤ 78% | 0.45% | | 11 years |
| > \$625,500 | ≤ 15 years | 78.01% - 90% | 0.70% | | 11 years |
| > \$625,500 | ≤ 15 years | > 90% | 0.95% | | Life of loan |
| FHA Endorsement on or before May 31, 2009 | | | | | |
| Base Loan Amount | Loan Term | LTV | Annual MIP | Up-front MIP | Annual MIP Assessment Period |
| All | > 15 years | ≤ 90% | 0.55% | 0.01% | 11 years |
| All | > 15 years | > 90% | 0.55% | 0.01% | Life of loan |
| All | ≤ 15 years | ≤ 90% | 0.55% | 0.01% | 11 years |
| All | ≤ 15 years | > 90% | 0.55% | 0.01% | Life of loan |

FHA Streamline Program Guidelines

| Topic | Guideline |
|--------------------------------------|--|
| 4506-C | <p>Credit Qualifying</p> <ul style="list-style-type: none"> Signed 4506-C required prior to loan closing for both personal and business tax returns (if applicable). W-2 transcripts in lieu of 1040 transcripts will be processed per DU Findings for salaried borrowers with base/overtime and borrowers with commission/bonus < 25% of base income. If income from IRS Form 1120/1120S or IRS Form 1065 was used for qualifying and the business income is not reported on the borrower's personal tax return, the 1120/1120S or 1065 tax transcripts (as applicable), in addition to the 1040 transcript, will be required. <p>NOTE: The 1120/1120S/1065 tax transcript not required if the business income was reported on the personal tax return.</p> <ul style="list-style-type: none"> Refer to the FHA Program guidelines at for full 4506-C requirements <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> 4506-C not required. |
| Application (1003) | <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> An abbreviated 1003 is allowed. The following are not required to be completed and may be left blank. <ul style="list-style-type: none"> - Sections 1b-1e – Current Employment/Self-Employment and Income - Section 2 – Financial Information – Assets and Liabilities - Section 3 – Financial Information – Real Estate - Section 5 – Declarations except for 5a, Occupancy, which must be completed <p>Credit Qualifying</p> <ul style="list-style-type: none"> Full 1003 required |
| Appraisal (Investment Property ONLY) | <p>Homebridge requires an AVM on investment property Streamline transactions when the LTV is > 100%. The AVM must be ordered by one of the Homebridge approved AMCs listed on our website at www.HomebridgeWholesale.com :</p> <ul style="list-style-type: none"> A CoreLogic GeoAVM™ must be ordered at www.realquest.com and the standard deviation must be ≤ 18. A 2055 will be required, from any Homebridge approved AMC, if the standard deviation is > 18. Links are provided in the Appraisal Management Companies topic below if a 2055 is required. A minimum of 3 closed comparable sales are required. The source of the closed comparable sales used in the appraisal must be from one of the following or a desk review will be required: <ul style="list-style-type: none"> - MLS, or - Comps Inc., or - GeoData Plus (NY only), or - PropertyShark (NY only), or - StreetEasy (NY only) <p>NOTE: Comparables from a public independent source are only eligible in rural areas of Maine, New Hampshire, and Vermont where MLS is not common</p> <ul style="list-style-type: none"> The appraisal may be charged to the borrower. |
| Assets | <p>Credit Qualifying and Non-Credit Qualifying</p> <ul style="list-style-type: none"> Asset verification not required unless assets are required for closing. If assets required for closing and the funds to close are greater than the total PITI payment 2 months bank statements are required to document assets. If bank statements are required to document funds to close and the bank statements indicate a large deposit, the large deposit must be sourced for all Streamlines (credit and NCQ). A large deposit is defined as a deposit exceeding 1% of the original property value on the Refinance Authorization <p>Reminder: If the funds to close are less than the total PITI payment of the new loan, no documentation is required.</p> |
| AUS | Not applicable. All Streamlines require a manual underwrite. |

FHA Streamline Program Guidelines

| Available Markets | <ul style="list-style-type: none"> All 50 states except as noted below: NOTE: NCQ Streamline ineligible in the state of West Virginia Guam, Puerto Rico and the Virgin Islands are ineligible. | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|----|-----------------------------------|------------|------------|---|------------|------------|---|--|------------|---|--|------------|---|--|------------|--|--|------------|---|
| Borrower Benefit | <p style="text-align: center; background-color: yellow;">Applies to Case Numbers Issued Prior To January 24, 2022 (Refer to next page for case numbers issued on or after January 24, 2022)</p> <p>All Streamline transactions must have a net tangible benefit to the borrower.</p> <ul style="list-style-type: none"> HUD defines a net tangible benefit as any one of the following: <ul style="list-style-type: none"> - A reduced combined interest rate*, and/or - A change from an ARM to a fixed rate mortgage, and/or - A reduced loan term <p>Refer to the Borrower Benefit topics immediately below for detailed requirements to meet eligibility</p> <p>*NOTE: HUD defines the combined rate as the interest rate on the loan plus the monthly MIP rate (Refer to the Case Query on the previous case number)</p> <p style="margin-left: 40px;">This requirement does not apply when the net tangible benefit is a reduced loan term</p> <ul style="list-style-type: none"> Any net tangible benefit must result in a financial benefit to the borrower Homebridge requires a copy of the existing Note and a statement from the current servicer confirming the existing loan type <p><u>Borrower Benefit - Reduced Combined Interest Rate and Conversion from ARM to Fixed Eligibility</u></p> <p>The chart below identifies the reduced combined rate and converting from an ARM to a fixed rate eligibility requirements.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #ADD8E6;"> <th style="text-align: left;">From</th> <th style="text-align: left;">To</th> <th style="text-align: left;">Requirement for New Combined Rate</th> </tr> </thead> <tbody> <tr> <td>Fixed rate</td> <td>Fixed rate</td> <td>New rate must be a minimum 0.5% below the prior combined rate</td> </tr> <tr> <td>Fixed rate</td> <td>Hybrid ARM</td> <td>New rate must be a minimum 2% below the prior combined rate</td> </tr> <tr> <td>Any ARM with < 15 months to next payment change date</td> <td>Fixed rate</td> <td>New rate cannot be > 2% above the prior combined rate</td> </tr> <tr> <td>Any ARM with < 15 months to next payment change date</td> <td>Hybrid ARM</td> <td>New rate must be a minimum 1% below the prior combined rate</td> </tr> <tr> <td>Any ARM with ≥ 15 months to next payment change date</td> <td>Fixed rate</td> <td>New rate cannot be > 2% points above the prior combined rate</td> </tr> <tr> <td>Any ARM with ≥ 15 months to next payment change date</td> <td>Hybrid ARM</td> <td>New rate must be a minimum 1% below the prior combined rate</td> </tr> </tbody> </table> <p><u>Borrower Benefit - Reduction in Term Eligibility</u></p> <p>A reduction in term alone also qualifies as a net tangible benefit if all of the following requirements are met:</p> <ul style="list-style-type: none"> The loan must be going to a fixed rate product (fixed to fixed, ARM to fixed); term reduction is not eligible for a loan going to an ARM product (ARM to ARM, fixed to ARM) The remaining amortization period of the existing mortgage is reduced, and The new interest rate is below the current interest rate on a fixed to fixed; ARM to fixed follow guidance in chart above, and The combined principal, interest, and MIP payment of the new loan does not exceed the combined principal, interest and MIP payment of the refinanced loan by more than \$50. <p>NOTE: The net tangible benefit requirements under a reduced combined interest rate do not apply when utilizing a reduction in term as the NTB</p> | From | To | Requirement for New Combined Rate | Fixed rate | Fixed rate | New rate must be a minimum 0.5% below the prior combined rate | Fixed rate | Hybrid ARM | New rate must be a minimum 2% below the prior combined rate | Any ARM with < 15 months to next payment change date | Fixed rate | New rate cannot be > 2% above the prior combined rate | Any ARM with < 15 months to next payment change date | Hybrid ARM | New rate must be a minimum 1% below the prior combined rate | Any ARM with ≥ 15 months to next payment change date | Fixed rate | New rate cannot be > 2% points above the prior combined rate | Any ARM with ≥ 15 months to next payment change date | Hybrid ARM | New rate must be a minimum 1% below the prior combined rate |
| From | To | Requirement for New Combined Rate | | | | | | | | | | | | | | | | | | | | |
| Fixed rate | Fixed rate | New rate must be a minimum 0.5% below the prior combined rate | | | | | | | | | | | | | | | | | | | | |
| Fixed rate | Hybrid ARM | New rate must be a minimum 2% below the prior combined rate | | | | | | | | | | | | | | | | | | | | |
| Any ARM with < 15 months to next payment change date | Fixed rate | New rate cannot be > 2% above the prior combined rate | | | | | | | | | | | | | | | | | | | | |
| Any ARM with < 15 months to next payment change date | Hybrid ARM | New rate must be a minimum 1% below the prior combined rate | | | | | | | | | | | | | | | | | | | | |
| Any ARM with ≥ 15 months to next payment change date | Fixed rate | New rate cannot be > 2% points above the prior combined rate | | | | | | | | | | | | | | | | | | | | |
| Any ARM with ≥ 15 months to next payment change date | Hybrid ARM | New rate must be a minimum 1% below the prior combined rate | | | | | | | | | | | | | | | | | | | | |

FHA Streamline Program Guidelines

Borrower Benefit

**Applies to Case Numbers Issued On or After January 24, 2022
(Refer to previous page for case numbers issued prior to January 24, 2022)**

All Streamline transactions **must** have a net tangible benefit to the borrower.

- HUD defines a net tangible benefit **as any one of the following:**
 - A reduced combined interest rate*, **and/or**
 - A change from an ARM to a fixed rate mortgage, **and/or**
 - A reduced loan term **of 3 or more years** (measured from the **remaining term**)

Example: If original loan term was 30 years and the remaining term is 26 years, the new loan term **must be 23 years or less** to use the reduced loan term as the NTB

NOTE: A term reduction of < 3 years is not eligible to satisfy NTB requirements and a reduced combined interest rate and/or change from ARM to fixed **required**

Refer to the Borrower Benefit topics immediately below for detailed requirements to meet eligibility

*NOTE: HUD defines the combined rate as the interest rate on the loan **plus** the monthly MIP rate (Refer to the Case Query on the previous case number)

- Any net tangible benefit must result in a financial benefit to the borrower
- Homebridge requires a copy of the existing Note **and** a statement from the current servicer confirming the existing loan type

Borrower Benefit - Reduced Combined Interest Rate and Conversion from ARM to Fixed Eligibility

The chart below identifies the reduced combined rate and converting from an ARM to a fixed rate eligibility requirements

| From | To | Requirement for New Combined Rate |
|--|------------|---|
| Fixed rate | Fixed rate | New rate must be a minimum 0.5% below the prior combined rate |
| Fixed rate | Hybrid ARM | New rate must be a minimum 2% below the prior combined rate |
| Any ARM with < 15 months to next payment change date | Fixed rate | New rate cannot be > 2% above the prior combined rate |
| Any ARM with < 15 months to next payment change date | Hybrid ARM | New rate must be a minimum 1% below the prior combined rate |
| Any ARM with ≥ 15 months to next payment change date | Fixed rate | New rate cannot be > 2% above the prior combined rate |
| Any ARM with ≥ 15 months to next payment change date | Hybrid ARM | New rate must be a minimum 1% below the prior combined rate |

Borrower Benefit - Reduction in Term of Three Years or More Eligibility

A reduction in term, **measured from the remaining term, of ≥ 3 years** also qualifies as a net tangible benefit if **all** of the additional following requirements are met:

- The loan must be going to a fixed rate product (fixed to fixed, ARM to fixed), **and**
NOTE: Term reduction is **not eligible** for a loan going to an ARM product (ARM to ARM, fixed to ARM)
- The remaining amortization period of the existing mortgage is reduced, **and**
- **Fixed to Fixed:** The new interest rate is **below** the combined rate interest rate, **or**
- **ARM to Fixed:** New rate cannot be > 2% above the prior combined rate, **and**
- The combined principal, interest, and MIP payment of the new loan does not exceed the combined principal, interest and MIP payment of the refinanced loan by more than \$50

NOTE: A term reduction of < 3 years is not eligible to satisfy NTB requirements

FHA Streamline Program Guidelines

Borrowers – Eligible

Credit Qualifying Borrower Eligibility (does not apply to NCQ Streamlines)

- **U.S. Citizens**
- **Permanent Residents:**
 - Permanent resident alien borrowers must hold an unexpired “Green Card” issued by the U.S. Citizenship and Immigration Services (USCIS). A copy of both the front and back of the card is required
- **Non-permanent Residents (including DACA status individuals):** Eligible as follows:
 - The property will be the borrower’s primary residence
 - Borrower has a valid Social Security number (cannot be used as evidence of eligible work status)
 - The borrower is eligible to work in the United States as evidenced by one of the following:
 - An unexpired Employment Authorization Document (EAD; USCIS form I-766) showing the work authorization status is current,
 - OR**
 - Arrival/Departure Record (USCIS Form I-94) evidencing H-1B status, and evidence of employment by the authorized H-1B employer **for a minimum of one year,**
 - If the EAD or the evidence of H-1B status will expire within one year and a prior history of residency status renewal exists, continuation may be assumed. If a renewal history does **not exist** the Underwriter must determine the likelihood of renewal based on evidence from the employer or the USCIS
 - OR**
 - Evidence of being granted refugee or asylee status by the USCIS is required. Acceptable evidence includes:
 - USCIS form I-766 (EAD) or I-94 (Arrival/Departure Record) indicating refugee or asylum status, **or**
 - USCIS Notice of Approval (Form I-797) aka “approval notice” indicating the **approval** of the Application for Asylum or Withholding of Removal (Form I-589)
 - OR**
 - Evidence of citizenship in one of the Freely Associated States which include:
 - The Federated States of Micronesia,
 - The Republic of the Marshall Islands, or
 - The Republic Palau,
 - AND**
 - Borrowers meet all other requirements, terms, and conditions, as those for U.S. citizens
- Revocable inter vivos trust that meets FNMA guidelines
- All borrowers are required to have a social security number; an ITIN is not acceptable.

Adding a Borrower

Borrowers may be added to a **non-credit qualifying** Streamline as long as the existing borrower(s) remain on the Note and Deed. Credit qualification is **not** required for the new borrowers.

Deleting a Borrower

- **Credit Qualifying**

Borrowers may be deleted from a credit qualifying Streamline as long as at least one borrower from the existing loan remains on the new loan.

- **Non-Credit Qualifying**

Homebridge **does not allow** borrowers to be removed on a non-credit qualifying Streamline **except** in the event of death or divorce/legal separation and subject to the following:

- A divorce decree or legal separation agreement awarded the property and the responsibility for making the payments to the borrower, or
- A copy of the death certificate is provided, **and**
- The borrower awarded the property can document that they have made the current mortgage payments for a minimum of 6 months prior to case number assignment.

FHA Streamline Program Guidelines

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| Borrowers – Ineligible | <ul style="list-style-type: none"> • Foreign Nationals • Borrowers with diplomatic immunity • Borrowers without a social security number • Non-U.S. citizens with no lawful residency in the U.S. • Borrowers and/or parties to the transaction on HUDs Exclusionary lists • Borrowers previously convicted of mortgage fraud |
| Case Numbers | <ul style="list-style-type: none"> • Case numbers requests must comply with HUD Mortgagee Letter 2011-10. To view the Mortgagee Letter in its entirety go to: HUD Mortgagee Letters • FHA requires certification that there is an active loan application for the subject borrower and property and the time the case number is requested. • Case numbers older than 6 months must be cancelled and a new case number obtained when there has been no activity during the 6 months the case number was open. |
| Credit Qualifying Streamlines | <p>Credit Qualifying Requirements</p> <ul style="list-style-type: none"> • 1003 must be fully completed, including, employment, income, assets and liabilities • Full credit report required • All borrowers must have a credit score • Standard income and asset documentation is required. <p>Refer to the FHA Program guidelines for detailed underwriting requirements.</p> |
| Credit Report | <p>Credit Qualifying</p> <ul style="list-style-type: none"> • Full tri-merge credit report required • Non-borrowing spouse in community property state a full tri-merge credit report is required. <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> • Mortgage only credit report with credit score for the subject property only |
| Credit Score | <p>Credit Qualifying</p> <ul style="list-style-type: none"> • Minimum 580 credit score. • The primary borrower (the borrower with the highest income) must meet the minimum credit score requirement. • The representative credit score for each borrower is determined as follows: <ul style="list-style-type: none"> - If there are three (3) valid scores, the middle score is used. If two of the three scores are a duplicate, the duplicate score is used (i.e. if 660, 660, 640, then 660 is the credit score that is used) - If there are two (2) valid scores, the lower of the two is used - If there is one (1) valid score, that score is used • When there are multiple borrowers on a loan, the lowest representative credit score of all borrowers is the decision credit score. <p><i>Example:</i></p> <ul style="list-style-type: none"> - Borrower 1: Credit scores are 640, 654, 660; representative score is 654 - Borrower 2: Credit scores are 625, 637; representative score is 625 <p>The loan decision score is 625 which is the lowest representative score of all borrowers</p> <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> • Minimum 580 credit score |
| Derogatory Credit | <p>Credit Qualifying</p> <ul style="list-style-type: none"> • Derogatory credit requirements apply to credit qualifying Streamlines only. Refer to the FHA Program guidelines located under Products and Guidelines on the Homebridge website for derogatory credit requirements. <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> • Judgments and/or tax liens can be paid prior to or at closing. Payment must be from borrower own funds |

FHA Streamline Program Guidelines

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| Documentation | <p>Credit Qualifying and Non-Credit Qualifying Streamlines</p> <p>The following documents are mandatory for all Streamline transactions:</p> <ul style="list-style-type: none"> • A copy of the Note for the loan being refinanced • A copy of the Mortgage Statement for the loan being refinanced <p>Manufactured housing only:</p> <ul style="list-style-type: none"> • A copy of the recorded Manufactured Rider to the deed/mortgage on the loan that is being refinanced (required to accurately prepare loan documents for the new loan since appraisal not obtained) |
| DTI | <ul style="list-style-type: none"> • Not applicable on Non-Credit Qualifying Streamlines • Maximum 31%/43% on credit qualifying unless compensating factors required by HUD are met (HUD requirement) <p>Refer to the FHA Program guidelines located under Products and Guidelines on the Homebridge website for acceptable HUD compensating factors as detailed in HUD ML 2014-02</p> |
| Employment – Credit Qualifying | <p>Credit Qualifying Streamlines</p> <ul style="list-style-type: none"> • A verbal verification of employment (VVOE) is required 10 days prior to the Note date for salaried borrower. A VVOE is not required for self-employed borrowers. Employment verification must cover a two year employment history. • Self-employed borrower's require verification through a third party source such as a CPA, Federal Tax ID Certificate, Business License, etc. |
| Escrow/Impound Account | Required on all loans, no exceptions. |
| General Information | <p>Streamline refinance transactions are subject to the following:</p> <ul style="list-style-type: none"> • Owner-occupied Credit Qualifying and Non-Credit Qualifying <ul style="list-style-type: none"> - Closing costs and prepaids cannot be financed in the loan - Two (2) months annual MIP payment may be included in the new mortgage amount - The UPB cannot include delinquent payments/interest, late charges and/or escrow shortages. - A credit qualifying Streamline has the same credit qualification requirements as a regular refinance. <p>NOTE: If a loan is initially submitted as a credit qualifying Streamline and switched to a non-credit qualifying Streamline and a credit report was provided the credit information cannot be ignored.</p> • Investment Credit Qualifying and Non-Credit Qualifying <ul style="list-style-type: none"> - Closing costs and prepaids cannot be financed in the new loan - The UPB cannot include delinquent payments/interest, late charges and/or escrow shortages - The MIP cannot be included in the loan amount - A credit qualifying Streamline has the same credit qualification requirements as a regular refinance. <p>NOTE: If a loan is initially submitted as a credit qualifying Streamline and switched to a non-credit qualifying Streamline and a credit report was provided the credit information cannot be ignored.</p> • All Streamlines <ul style="list-style-type: none"> - FHA county loan limits do not apply - The new base loan amount cannot exceed the current unpaid principal balance • Maximum cash back to the borrower on all Streamline transactions is \$500.00. <p>NOTE: The borrower cannot receive any cash back if the property securing the refinance transaction is located in the state of Texas.</p> |

FHA Streamline Program Guidelines

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| Higher Priced Mortgage Loans | <p>HPML eligible on all Streamlines however credit qualifying are subject to the DTI restrictions detailed in HUD ML 2014-02 dated January 21, 2014</p> |
| HB to HB NCQ No Overlay/No Credit Option | <p>Loans are eligible for the no overlay/no credit option subject to the following:</p> <ul style="list-style-type: none"> • Loan being refinanced must currently be owned by Homebridge and serviced by Cenlar/ Homebridge • Email hbtohbwholesalevalidations@Homebridge.com with the following details: <ul style="list-style-type: none"> - In the "Subject Line" state the borrower name and Homebridge loan number, if available (e.g. Smith #1234567): - The body of the email should include the subject property address and indicate the Brokers method for payment verification. - The Broker may either Request a Payment History from Homebridge or the Broker may provide a Mortgage Only Credit Report <i>without</i> Credit Scores. Homebridge will determine eligibility and obtain the loan information and payment history (if requested). • If eligible, a HB to HB Loan Verification form will be completed and provided by Homebridge. Homebridge will also provide the Current Loan Information and Loan Activity/Pay History for the loan obtained from Homebridge, if the Homebridge provided payment verification option was selected. • The HB to HB Loan Verification, Current Loan Information and Loan Activity/Pay History documents or Broker provided Mortgage Only Credit Report <i>without</i> credit scores must be submitted with the submission package and the HB to HB no overlay/no credit option must be indicated on the Homebridge Submission form. • Do not include a credit report with credit scores in the submission package and do not include the borrower's income on the 1003 when using the no overlay/no credit option. • Eligible loans are not subject to Homebridge overlays (credit score, credit report, property type, units); FHA Streamline guidelines apply. • Short form title policy acceptable (subject to state law) <p>NOTE: Brokers may also submit loans as a HB to HB with overlays and with mortgage only credit report reflecting credit scores.</p> |
| LDP/GSA and Mortgage Fraud | <p><u>LDP / GSA</u></p> <p>All of the following parties to the transaction, as applicable, must be checked against HUD's Limited Denial of Participation list and the General Service Administration's Excluded Parties List System.</p> <ul style="list-style-type: none"> • All of the following parties to the transaction, as applicable, must be checked against HUD's Limited Denial of Participation list and the General Service Administration's Excluded Parties List System. <ul style="list-style-type: none"> - Borrower(s) and Borrower(s) AKA name (if applicable) - Seller(s), - Real Estate Listing and Selling Agent(s), - Appraiser, - Appraisal Company (not the AMC) - Broker - Loan Officer, Loan Officer Assistant - Loan Processor, - Underwriter, - Closing/Settlement Agent, - Title/Settlement Company, and - 203(k) Consultant • Any transaction where any of the interested parties to the transaction have been convicted of mortgage fraud will require review and approval by Homebridge management |

FHA Streamline Program Guidelines

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|---------------------------------|---|
| Maximum Base Loan Amount | <p>Owner-Occupied</p> <p>The maximum base loan amount is the lesser of:</p> <ul style="list-style-type: none"> • The outstanding principal balance of the existing mortgage (as of the month prior to disbursement of the new loan) plus <ul style="list-style-type: none"> - Interest due (up to 60 days) - Late charges, - Escrow shortages - MIP, minus - Any UFMIP refund <p style="text-align: center;">NOTE: If the payoff demand reflects an escrow credit for the MIP premium, the MIP cannot be included in the loan amount</p> <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • The original principal balance of the existing loan (including the financed UFMIP) minus any UFMIP refund <p style="text-align: center;">Reminder: Closing costs, discount points, prepaids cannot be included in the loan amount</p> <p>Investment</p> <p>The maximum base loan amount is the lesser of:</p> <ul style="list-style-type: none"> • The outstanding principal balance of the existing loan (as of the month prior to the disbursement of the new loan) minus UFMIP refund, <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • The original principal balance of the loan (including financed UFMIP) minus UFMIP refund. <p style="text-align: center;">Reminder: Interest, MIP, closing costs, discount points, prepaids cannot be included in the loan amount.</p> |
| Modified Loans | <ul style="list-style-type: none"> • Loans that have previously been modified are eligible for a Streamline refinance as long as it meets all Streamline requirements including seasoning requirements. Refer to the Mortgage Seasoning topic requirements • The new loan amount may not exceed the lesser of: <ul style="list-style-type: none"> - The original loan amount, or - The outstanding principal balance plus up to 2 month's interest, MIP and financed UFMIP. • HUD allows the outstanding balance of a modified loan to reflect amounts that were previously added to the loan balance to facilitate loss mitigation as long as the new loan amount is calculated as required for Streamline refinance transactions (may not exceed the lesser of the original loan amount or outstanding principal balance) and all other Streamline refinance criteria is met. • A minimum of 6 payments are required to have been made under the modification agreement • If payments were made under the modification agreement in the 12 months prior to case number assignment, the following is required: <ul style="list-style-type: none"> - A copy of the modification agreement, and - Evidence documenting the payment amount and date payments were made • Specific seasoning requirements apply; refer to the Mortgage Seasoning topic for requirements |

FHA Streamline Program Guidelines

Mortgage/Housing History

- 0 x 30 in the 6 months prior to case number assignment date for **all** mortgages secured by the subject property, **and**
- No more than 1 x 30 in months 7-12 (as applicable)
- All loans secured by the subject property must be current for the month due (e.g. new loan disbursing in October, the September payment must have been made in September)
 NOTE: If the subject property mortgage is not reported on the credit report **12 months'** pay history documented with a credit supplement or VOM unless private party then cancelled check or bank statements are required
- **Credit qualifying transactions only:** If the borrower owns additional property, the borrower can have no more than 1x30 in the 6 months prior to case number assignment on **all** other mortgages

Forbearance Plan Policy Subject Property and Other REO

In addition to the below, the loan must meet all standard FHA and GNMA seasoning requirements. Refer to the [Mortgage Seasoning](#) topic for requirements

Borrower Currently in Forbearance

• **Credit Qualifying Streamline (Subject and Other REO)**

A borrower who is currently in a forbearance plan at the time of case number assignment is eligible subject to:

- All mortgage payments were made within the month due for the 6 months prior to entering forbearance, **and**
- There has been no more than one 30 day late payment in the previous 6 months

• **Non-Credit Qualifying Streamline (Subject Property Only)**

A borrower who is currently in a forbearance plan at the time of case number assignment is eligible subject to:

- The borrower continued to make regularly scheduled payments during forbearance (i.e. the borrower is **current with no missed/skipped payments**), **and**
- Documentation the forbearance plan has been terminated/cancelled is required

NOTE: If the borrower has missed payments/is **not** current the loan is **ineligible**

Borrower Previously in Forbearance Plan

• **Credit Qualifying Streamline (Subject and Other REO)**

A borrower who has made < 3 consecutive monthly payments within the month due since completing forbearance is eligible provided the following is met:

- The borrower has made all mortgage payments within the month due for the 6 months prior to entering forbearance, **and**
- The borrower has had no more than one (1) 30 day late payment for the previous 6 months

• **Non-Credit Qualifying Streamline (Subject Property Only)**

A borrower with a previous forbearance is eligible and will be considered to have an acceptable payment history provided that at time of case number assignment the borrower has:

- **Completed** the forbearance plan on the subject property, **and**
- The borrower made at least 3 consecutive monthly payments within the month due on the mortgage since completing the forbearance plan

Documentation Requirements

Applies to BOTH Previous and Current Forbearance Credit Qualifying and Non-Credit Qualifying

If payments have been made under a forbearance plan **within the 12 months prior to case number assignment** the following is required:

- A copy of the forbearance plan (**NOT** required if forbearance was due to COVID-19 pandemic), **and**
- Evidence of the payment amount and date of payments made during the plan (**always required**)

FHA Streamline Program Guidelines

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| Mortgage Seasoning | <p>Credit and Non-Credit Qualifying: Transactions must meet both FHA <u>AND</u> Ginnie Mae Seasoning Requirements (seasoning applies to first lien being paid off only)</p> <ul style="list-style-type: none"> • A minimum of 6 payments have been made on the FHA mortgage being refinanced. The borrower cannot prepay the payment to meet the 6 payment requirement and the 6th payment cannot be made at closing, AND • At least 6 full months have passed since the first payment due date on the mortgage being refinanced, AND • A minimum of 210 days have passed from the <u>closing date</u> of the mortgage being refinanced and <u>case number assignment</u> for the new loan, (i.e. the case number cannot be requested until the 211th day from the closing date), AND • A minimum of 210 days have passed between the <u>first payment due date</u> of the original loan (loan being refinanced) and the <u>first payment due date</u> of the new loan (see below for modified loan requirements) • Modified Loans: Seasoning requirements apply to a loan being refinanced that was previously modified and are subject to the following: <ul style="list-style-type: none"> - The 210 day seasoning requirement is measured using the first payment due date of the modified loan (as identified on the modification documents), to the Note date of the new loan (not the first payment due date of the loan before it was modified) i.e. a minimum of 210 days must have passed between the first payment due date of the modified loan and the Note date of the new loan - A minimum of 6 payments have been made under the terms of the modification agreement |
| Occupancy | <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> • 1-4 unit primary residence: Borrower required to provide a utility bill (one month most recent) to document they are currently occupying the property. The hazard insurance policy must reflect the same billing/mailling address as the subject property. Manufactured home 1-unit only) • 1-4 unit investment (manufactured home ineligible) <p>Credit Qualifying</p> <ul style="list-style-type: none"> • 1-4 unit primary residence. Manufactured home 1-unit only • 1-4 unit investment (manufactured home ineligible) |
| Prepayment Penalty | Not permitted |
| Products | <ul style="list-style-type: none"> • Fixed Rate: <ul style="list-style-type: none"> - 15 to 30 years available in one year increments (i.e. 15, 16, 17, 18, etc. up to 30 years) • ARMs: <ul style="list-style-type: none"> - 3/1 and 5/1; Treasury index; Caps: 1/1/5; Margin/floor: 2.000; Qualified at Note rate. <p>NOTE: Investment property transactions and manufactured homes require fixed rate required.</p> |

FHA Streamline Program Guidelines

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| Properties – Eligible | <ul style="list-style-type: none"> • Single family residence • PUDs (attached/detached) • Condominiums <ul style="list-style-type: none"> - Condos no longer on FHA’s approved list are eligible. - Condos without H0-6 insurance are acceptable • 2-4 units • Manufactured home 1-unit only. A home moved from another site (i.e. previously installed at another site) is ineligible. The home must have been delivered directly from the manufacturer/dealer to its current site. • A manufactured home located in a Special Hazard Flood Area (SFHA) is eligible subject to the following: <ul style="list-style-type: none"> - If any portion of the manufactured home, related structures or equipment essential to the property are located within an SHFA the following is required or the home is ineligible: <ul style="list-style-type: none"> - A FEMA issued Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) that removes the property from the SFHA (flood insurance not required), <li style="text-align: center;">or - A FEMA National Flood Insurance Program (NFIP) Elevation Certificate (FEMA Form 81-31) prepared by a licensed engineer or surveyor stating the finished grade beneath the home is at or above the 100 year return frequency flood elevation and flood insurance under the NFIP is required |
| Reserves | <p>Credit Qualifying</p> <ul style="list-style-type: none"> • 1-2 units: 1 month PITI reserves • 3-4 units: 3 months PITI reserves <p>NOTE: Gift funds cannot be used to satisfy reserve requirements</p> <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> • Not required |
| Subordinate Financing | <ul style="list-style-type: none"> • Existing subordinate financing may remain in place but must re-subordinate to the new mortgage. • The CA HERO programs are ineligible subordinate financing |
| Transactions – Ineligible | <ul style="list-style-type: none"> • FHA Secure • Hope for Homeowners • MCC (Mortgage Credit Certificates) – Borrower can do an MCC after closing, but MCC cannot be used to qualify. • FHA Section 8 loans • FHA Energy Efficient Mortgage (EEM) • Second home transactions • No test case loans • Transactions with CA HERO program subordinate financing • Texas Section 50(a)(6) transactions |