

FHA Streamline Quick Reference Comparison Guide

	Credit Qualifying	Non-Credit Qualifying	HB-to-HB Streamline (current loan owned/serviced by Cenlar or HomeBridge)
AUS Required	No	No	No
Credit Report	Full	Mortgage Only	No
Minimum Credit Score	580	580	N/A
Income Documentation	Yes	No	No
Funds to Close	Verification is only required if the funds to close are > the total PITI payment on the new loan; 2 months bank statements required. Large deposits must be sourced (deposit > 1% of the original property value on the Refinance Authorization)	Verification is only required if the funds to close are > the total PITI payment on the new loan; 2 months bank statements required. Large deposits must be sourced. (deposit > 1% of the original property value on the Refinance Authorization)	Verification is only required if the funds to close are > the total PITI payment on the new loan; 2 months bank statements required. Large deposits must be sourced.
Reserves	Not required	Not required	Not required
Employment Verification	2 year history required	Not required	Not required
County Loan Limits Apply	No	No	No
New Loan Amount Refer to guidelines for specific details on what can/cannot be included	Cannot exceed the lesser of: <ul style="list-style-type: none"> Outstanding principal balance, or Original loan amount Specific calculations apply based on occupancy type; refer to guidelines	Cannot exceed the lesser of: <ul style="list-style-type: none"> Outstanding principal balance, or Original loan amount Specific calculations apply based on occupancy type; refer to guidelines	Cannot exceed the lesser of: <ul style="list-style-type: none"> Outstanding principal balance, or Original loan amount Specific calculations apply based on occupancy type; refer to guidelines
Occupancy	<ul style="list-style-type: none"> Owner-Occupied Investment 	<ul style="list-style-type: none"> Owner-Occupied – requires a utility bill (one month) to document borrower currently occupying property. The hazard insurance policy billing/ mailing address must match the subject property address. Investment 	<ul style="list-style-type: none"> Owner-Occupied Investment
Units	1-4 units	1-4 units	1-4 units
Investment Property	<ul style="list-style-type: none"> AVM required if > 100% LTV Minimum credit score 580 if LTV > 100% Fixed rate only 	<ul style="list-style-type: none"> AVM required if > 100% LTV Minimum credit score 580 if LTV > 100% Fixed rate only 	No overlays
Deleting a Borrower	Yes if one borrower on existing loan remains on new loan	No except in case of death, divorce or legal separation. Documentation must be provided and borrower must have made payments for a minimum of 6 months prior to case assignment	No except in case of death, divorce or legal separation. Documentation must be provided and borrower must have made payments for a minimum of 6 months prior to case assignment
HPML Eligible	Yes	Yes	Yes
Closing Costs/Discount Points/ Prepays Allowed in New Loan	No Owner-Occupied: If payoff demand reflects an escrow credit the MIP cannot be included in the new loan Investment: Interest and MIP also ineligible	No Owner-Occupied: If payoff demand reflects an escrow credit the MIP cannot be included in the new loan Investment: Interest and MIP also ineligible	No Owner-Occupied: If payoff demand reflects an escrow credit the MIP cannot be included in the new loan Investment: Interest/ MIP ineligible
Delinquent Payments/Interest/Late Charges/Escrow Shortage Allowed in New Loan	<ul style="list-style-type: none"> Owner-occupied: Late charges and escrow shortages may be included Investment: No 	<ul style="list-style-type: none"> Owner-occupied: Late charges and escrow shortages may be included Investment: No 	<ul style="list-style-type: none"> Owner-occupied: Late charges and escrow shortages may be included Investment: No
Maximum Cash Back	\$500	\$500	\$500
DTI Considered	Yes Cannot exceed 31%/43% unless eligible HUD compensating factors are met	No	No

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

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). This requirement does not apply when the net tangible benefit is a reduced loan term

- 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% 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

Borrower Benefit - Reduction in Term 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