

Bulletin 23-30

Updates to the FHA 203(k) Standard and Limited Programs

Homebridge is making updates to our FHA 203(k) Standard and Limited renovation programs as detailed below.

203(k) Standard Program Updates

- The maximum repair costs will now be limited to \$200,000 (previously repair costs were only subject to the maximum mortgage amount not exceeding the FHA mortgage area where the property is located)
- Repair costs of \$75,001 to \$200,000 will require a 6-month builder risk policy for direct hard costs (previously \geq \$100,000 required 12 month policy)
- The financing of up to 6 months PITI payments when the property will be uninhabitable during renovations is **no longer** allowed

203(k) Limited Program Updates

- Transactions with repair costs > \$15,000 to \$35,000 will now require a HUD Consultant to complete and provide **one** of the following (new; previously only required for self-help or 3-4 unit transactions):
 - A Feasibility Study, **OR**
 - A Work Write-Up (aka Statement of Repairs or Statement of Work)

203(k) Standard and Limited Disclosure Update

- The Homeowner/Contractor Certification disclosure is **no longer** required
NOTE: The disclosure update is effective immediately and may be applied to pipeline transactions

Buydowns: 203(k) Standard and Limited Programs

- Buydowns are now eligible on both Standard and Limited
 - 1/0, 1/1, 1/1/1, 2/1, or 3/2/1 buydown eligible
 - Fixed rate only
 - Seller, Realtor, or Lender funded only

The 203(k) Standard and Limited guidelines have been updated and posted on the Products and Guidelines page on the [Homebridge](#) website.

Except as noted above, these updates are effective for new submissions as of June 26, 2023.

If you have any questions, please contact your Account Executive