

## Renovation Comparison

	Fannie Mae HomeStyle	FHA 203(k) Standard	FHA 203(k) Limited
<b>Transaction Type</b>	Purchase and Rate/Term Refinance	Purchase and Rate/Term Refinance	Purchase and Rate/Term Refinance
<b>Occupancy</b>	Primary Residence	Primary Residence	Primary Residence
<b>Units</b>	1-unit	1-4 unit	1-4 unit
<b>Property Type</b> Condos have specific requirements; refer to applicable guidelines	Attached/detached SFR, PUD, Condo, manufactured	Attached/detached SFR, PUD, Condo	Attached/detached SFR, PUD, Condo
<b>LTV/CLTV - Purchase</b>	90% 90.01% - 95% LTV eligible on an exception basis subject to Homebridge review and approval	96.50%/105% 105% CLTV with eligible DPA	96.50%/105% 105% CLTV with eligible DPA
<b>LTV/CLTV – Refinance</b>	90% 90.01% - 95% LTV eligible on an exception basis subject to Homebridge review and approval	97.75%/97.75% LTV/CLTV	97.75%/97.75% LTV/CLTV
<b>High Balance</b>	Yes	Yes	Yes
<b>Mortgage Insurance</b>	Yes, if LTV > 80%	Yes	Yes
<b>Minimum Repair Amount</b>	None	\$5,000	None
<b>Maximum Repair Amount</b>	<p><b>Purchase Transactions:</b> Maximum repair costs limited to lesser of \$75,000 OR 50% of sales price</p> <p><b>Rate/Term Transactions:</b> Maximum repair costs limited to lesser of \$75,000 OR 25% of “after-improved” value</p> <p><b>NOTE:</b> \$75,001 to \$100,000 may be allowed on an exception basis if the increase in the borrower’s new housing payment is &lt; 30% over their current payment</p> <p><b>Manufactured Home:</b> Cannot exceed the lesser of:</p> <ul style="list-style-type: none"> <li>• 50% of the after-improved value, or</li> <li>• \$50,000</li> </ul>	\$200,000	\$35,000
<b>Types of Repairs</b>	Structural and non-structural (structural not eligible on manufactured home)	Structural and non-structural	Non-structural
<b>Eligible Product</b>	Fixed 15 and 30 year	Fixed 15 and 30 year 5/1 ARM	Fixed 15 and 30 year 5/1 ARM

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

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<b>Mold/Lead Paint Removal</b>	Yes	Yes	Yes Abatement/remediation work must be completed within 15-30 days
<b>Kitchen Appliances</b>	Yes May be free-standing or built-in	Yes Must be included in Work Write-up	Yes Must be included in contractor bids
<b>Foundation Work</b>	Yes	Yes Repairing/reconstructing/elevation of existing foundation provided original structure remains in place	No
<b>Construction of Out Building (e.g. garage, pool house)</b>	Yes	No	No
<b>Borrower/Contractor Relationship</b>	Allowed	Not allowed	Not allowed
<b>Consultant Required</b>	<ul style="list-style-type: none"> <li>• <b>Yes</b>, if renovation costs exceed \$15K or required by Homebridge Renovation Dept.</li> <li>• <b>No</b>, if using Streamline Option and repairs are ≤ \$35,000 and the property is 1-unit primary residence or second home</li> </ul>	Yes	No
<b>Maximum Number of Contractors</b>	1 general and 1 specialty	1 general; specialty allowed as needed for technical repairs	3
<b>Finance PITI Payments</b>	No	No	No
<b>Maximum Draws</b>	5 3 with Streamline Option using general contractor 2 with Streamline Option not using general contractor	5	2
<b>Draw Holdback</b>	Yes 10% from each draw	Yes 10% from each draw	No
<b>Cash to Borrower Allowed</b>	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
<b>Fund Disbursement at Loan Closing</b>	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)
<b>Minimum FICO</b>	700	580 NY transactions ONLY: 600	580 NY transactions ONLY: 600