

FHA 203(h) Mortgage Insurance for Disaster Victims



homebridge
wholesale

- The FHA 203(h) Mortgage Insurance for Disaster Victims program is available to victims of presidentially declared major disasters (commonly known as a FEMA Disaster Declaration) to purchase or rehab/reconstruct a single family owner-occupied residence
- The program is offered in conjunction with the FHA 203(b) program purchase transactions
- To be eligible the borrower's current residence (either owned or rented) must be located within a county identified for **Individual Assistance** under a FEMA Disaster Declaration. Evidence the borrower lived in the impacted area is required (driver's license, utility bill, etc.)

- The FHA case number for the new loan must be assigned within one (1) year from the Disaster Declaration issue date
- The borrower's current residence must have been destroyed or damaged to such an extent that replacement (i.e. purchase of new home) or significant rehab/reconstruction is required. Evidence of the damage to the residence is required. Acceptable evidence includes, but is not limited to:
 - ✓ Copy of the insurance report, or
 - ✓ Inspection report by an independent fee inspector, or
 - ✓ Appraisal report/inspection, or
 - ✓ Photographs showing the destruction/damage

- Program limited to 1-unit owner-occupied single family residence (condos in FHA approved project eligible) only (2-4 **units ineligible**)
- Purchase transactions are eligible up to 100% LTV with no minimum borrower contribution in conjunction with the 203(b) FHA program
- DPA programs eligible for closing costs

- There are no special pricing adjustments for this product
- TOTAL Scorecard will return an “Approve/**Ineligible**” finding on a purchase transaction when the LTV exceeds 96.50%. The loan is **eligible** as long as the **only reason** for the “Approve/**Ineligible**” finding is due to the LTV (> 96.50% LTV to 100% LTV)
- 203(h) transactions are limited to fixed rate with 30 year term

- Standard FHA program 203(b) requirements apply unless noted below
 - ✓ The borrower's current residence (owned or rented) that was destroyed must be located a county identified as eligible for Individual Assistance in the FEMA Disaster Declaration
 - ✓ The subject property (property being purchased) is **NOT** required to be in the disaster area
 - ✓ Up to 100% financing with no down payment allowed
 - ✓ Up to 6% seller concessions allowed
 - ✓ DPA funds for closing costs eligible

- The existing mortgage payment (on the destroyed home) may be excluded from the borrower's DTI calculation when:
 - ✓ Documentation is provided indicating the borrower is currently working with the servicer regarding their current mortgage, **and**
 - ✓ Any property insurance proceeds are applied to the damaged home

- The borrower's overall credit will be reviewed and may be considered satisfactory if:
 - ✓ The borrower's credit report indicates satisfactory credit **prior to** the disaster event, **and**
 - ✓ Any evidence of derogatory credit occurred **after** the date of the disaster and is related to the effects of the disaster, including any late payments of the borrower's mortgage

NOTE: While FHA allows mortgage delinquencies prior to the disaster event Homebridge guidelines apply and the borrower **must have been current on their mortgage/housing prior to the disaster**

- Every effort should be made to obtain traditional documentation however if unavailable alternative documentation may be acceptable on a case-by-case basis
- Income earned from short-term employment obtained following the disaster may be included in the effective income calculation

- The Homebridge FEMA Disaster Declaration Reference Guide, which lists Disaster Declarations and the counties eligible for Individual Assistance (example below) is located on the Homebridge website at www.homebridgewholesale.com on the “Working With Us” page under **Miscellaneous**



FEMA Disaster Declaration Reference Guide

2025 Active Disaster Declarations							
Bulletin	Declaration Date	Incident Start Date	Incident End Date	State	Reinspection Required when Appraisal Completed: ^{1,2}	Appraiser Comment Period Dates ³	County/Parish
25-17	7/22/25	6/14/25	6/15/25	West Virginia	On or before June 14, 2025	June 15, 2025 to September 15, 2025	Marion, Ohio
25-16	7/22/25	6/23/25	8/5/25	New Mexico	On or before August 5, 2025	August 6, 2025 to November 6, 2025	Dona Ana, Lincoln
25-15	7/6/25	7/2/25	7/18/25	Texas	On or before July 18, 2025	July 19, 2025 to October 19, 2025	Burnet, Guadalupe, Kerr, Kimble, McCulloch, Menard, San Saba, Tom Green, Travis, Williamson

- Disaster Declarations may also be viewed on the FEMA website at www.fema.gov/disasters/grid/year by selecting the state and “Disaster Declaration” in the applicable dropdown menus and selecting “Apply”