FHA Premium Loan Matrix - Correspondent

Purchase, Cashout and Rate & Term Transactions (660+ Fico) Approve Eligible/Accept Only

as of Aug 19, 2010

AMERICAN FINANCIAL RESOURCES, INC
CORRESPONDENT LENDING DIVISION

For Case Number Assignments on or after 1/1/2009

Purchase	Rate & Term Refinance	Cash Out Refinance
96.50%	97.75%	85%
CLTV	97.75%	85%

A complete schedule of FHA mortgage limits for all areas is available at:
https://entp.hud.gov/idapp/html/hicostlook.cfm

Upfront and Annual MIP

Greater than 15 year terms			15 year or less terms		
LTV	UFMIP	Annual	LTV	UFMIP	Annual
> 95%	2.25%	0.55%	> 90%	2.25%	0.25%
≤ 95%	2.25%	0.50%	≤ 90%	2.25%	N/A

Streamline Refinance: UFMIP = 2.25%; Annual MIP follows the above grids.

MIP Notes:
- The number of years will be determined when the loan balance equals 78% LTV, provided that the borrower has paid the annual MIP for at least 5 years, (scheduled or actual.)
- Loan amount multiplied by Annual premium, divided by 12 months equals monthly MIP.
- All FHA loans will have upfront and monthly premiums, except as noted above.
- Pricing and loan program eligibility are determined using the base loan amount prior to financing UFMIP.
- UFMIP must be 100% financed into the mortgage or paid entirely by cash: partial financing not allowed.

Loan Program Names and Terms

Fixed Rate Programs	Terms	ARM Programs	Terms
FHA 15 Year fixed	15 yrs	5/1 ARM	30 yrs
FHA 30 Year fixed	30 yrs		

Special Overlays for all AFR Premium Loans:

- **660+ Fico. Lowest middle score of all borrowers.**
- **No Non Occupant Co-Signers on any transaction.**
- **Gift funds may be used for down payment and or closing costs.**
- **Property Type: 1-4 Unit, PUD, FHA Approved Condos and Manufactured housing**
- **Max Loan Amount is FHA's Max County limit.**
- **Housing History: Follow the AUS Cert; Max 1x30**
- **Streamline Refinances: All employment information must be listed on the 1003.**
- **Streamline Refinances: No HPML without income documentation. Mort Hist 0x30**
- **A borrower may not own more than 4 financed properties.**
- **No Section 8 or loans in a Military Zone Impact Area.**
- **No New Subordinate Financing.**
- **Short Sales; no mortgage late payments allowed on any loan modification/ short refinances or short sales. See mtgee letter 09-52**
- **No Non Traditional credit.**

Product Guidelines

Rate & Term Transactions:

•A borrower cannot have more then one FHA loan at a time. The only exception is if they are relocating greater then 100 miles from their original location.

• Properties listed for sale: The listing must have been cancelled at least 1 day prior to the application.

Streamline Refinance Transactions: **See Mortgagee letter 09-32**

• All employment information must be listed on the 1003. A Mortgage only credit report with all credit scores must be with the submission of the file.

• No HPML allowed with any non income qualifying streamline refinance.

• If a borrower on the existing note is not employed, the file must be qualified with credit and income documentation. All employment and income information must be listed on the 1003. All income documentation along with a full credit report with credit scores must be with the submission of the file. Max DTI is max DTI for the program.

• All High Balance and Manufactured Housing streamlines are full income qualifying. All employment and income information must be listed on the 1003. All income documentation along with a full credit report with credit scores must be with the submission of the file.

Cashout Transactions: **See Mortgagee letter 09-08** **N/A in TX**

•Properties listed for sale: The listing must have been cancelled for at least 90 days prior to the application.

•Max cash in hand is $100,000.

Manufactured Housing Guidelines (660+) See Mortgagee Letter 2009-16

•Must have a floor area of not less than 400 square feet; Must be constructed after June 15, 1976, as evidenced by an affixed certification label; Must be classified as real estate (but need not be treated as real estate for purposes of state taxation); The mortgage must cover both the manufactured unit and its site; Must be built and remain on a permanent chassis and be designed to be used as a dwelling with a permanent foundation built to FHA criteria.

•Manufactured Homes cannot be located in a Manu Home Park or Flood Zone.

Inspections:

•For newly constructed manufactured homes, initial and final inspections must be completed by an FHA Compliance Inspector, licensed engineers registered architect, or other qualified construction industry professional, as determined by the lender

•All files must also contain an Engineer's Certification signed with a raised seel verifying the foundation meets HUD'S guidelines

Cash Investment:

•The borrower is required to have a minimum 3.5% cash investment of his own funds into the transaction . **Land equity is NOT allowed to be used as the cash investment regardless of length of ownership.** Investment may have been made any time during ownership i.e. repairs paid for with own funds, home delivery was paid for with own funds, etc. Verification with cancelled checks must be provided.

Additional Guidelines

Eligibility:
• US Citizens, Inter vivos revocable trusts, Permanent and Non-Permanent Resident Aliens.
• Owner Occupied Only.

Documentation:
• All borrowers must have valid social security number.
• All borrowers must have at least one valid credit score
• No non-traditional credit.
• Must have open and active trade lines.

• **DTI Ratios:**
• Follow AUS Cert (Max DTI 49.99 regardless of AUS Cert.)

Underwriting Method:
• DU/LP Approval Eligible or Accept only.

AFR fees:
• Commitment Fee: $0.00.
• Doc Prep fee: Manufactured Housing: $135.00
• DOC Prep fee: TX and LA Purchases: $210.00 Refinances: $135.00
only one fee if Manu and TX or LA

Expiration Dates:
• Appraisal: 120 days
• Appraisal with recert of value: 180 days
• Credit: 60 days
• Income and Asset docs: 60 days
• RESPA docs: 120 days
• Verbal VOE within 3 days of closing. Performed by AFR.

Desk Reviews:
• Ordered by AFR on all files other than appraisals performed by approved AFR HVCC company. www.streetlinks.com

See the other AFR Matrices for additional programs.

AFR reserves the right to deny a file at any time at it's sole discretion.