

theLender – FHA Matrix

FHA 203 (b)

TheLender FHA Standard:

Transaction	FICO	Number of Units	Maximum LTV	Maximum CLTV
Primary Residence – Owner Occupied				
Purchase	580	1-4	96.50	96.50 ¹
	550	1-4	90	90
No Cash Out / Simple Refinance	580	1-4	97.75 ³	97.75 ³
	550	1-4	90	90
Cash Out	550	1-4	80	80
Streamline w/out appraisal	550	1-4	125 ²	Unlimited
Manual Underwrites	580	1-4	Per 4000.1	Per 4000.1

Footnotes:

1. In some cases (i.e. provided by a family member, government agency, etc.) subordinate financing may be as high as 100% CLTV.
2. Non-Credit Qualifying Streamlines: The new base loan amount may not exceed the original base loan amount.
3. 85% LTV for No Cash Out refinances where the borrower has occupied the subject property fewer than 12 months prior to case number assignment or if owned less than 12 months, has not occupied the property for that entire period of ownership.

Upfront Mortgage Insurance Premium (UFMIP)

All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.

Mortgage Term of More Than 15 Years

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	50	11 years
	> 90.00% but ≤ 95.00%	50	Mortgage term
	> 95.00%	55	Mortgage term
Greater than \$726,200	≤ 90.00%	70	11 years
	> 90.00% but ≤ 95.00%	70	Mortgage term
	> 95.00%	75	Mortgage term

Mortgage Term of Less than or Equal to 15 Years

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	15	11 years
	> 90.00%	40	Mortgage term
Greater than \$726,200	≤ 78.00%	15	11 years
	> 78.00% but ≤ 90.00%	40	11 years
	> 90.00%	65	Mortgage term

Streamline Refinance & Simple Refinance

All Mortgage Terms

Base Loan Amount	LTV	Annual MIP (bps)	Duration
All	≤ 90.00%	55	11 years
	> 90.00%	55	Mortgage term

For Mortgages where FHA does not require an appraisal, the value from the previous Mortgage is used to calculate the LTV.

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Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
Loan Limits	FHA Mortgage Limits <ul style="list-style-type: none"> https://entp.hud.gov/idapp/html/hicostlook.cfm
Minimum Loan Amount	<ul style="list-style-type: none"> Minimum Loan amount \$50,000
4506 Transcripts	Transcripts are required per income documentation type included in the loan file.
AUS System	DU or LPA
Bankruptcy	<p>All bankruptcies (7 & 13) must be discharged/dismissed for 24 months preceding the case assignment date During this time, Borrower must have re-established good credit.</p> <p>An elapsed period of less than two years, but not less than 12 months, may be acceptable, if the Borrower:</p> <ul style="list-style-type: none"> can show that the bankruptcy was caused by extenuating circumstances beyond the Borrower's control; and has since exhibited a documented ability to manage their financial affairs in a responsible manner. <p>A borrower with a Chapter 13 bankruptcy may be eligible as a manual underwrite, if at the time of case number assignment.</p> <ul style="list-style-type: none"> at least 12 months of the pay-out period under the bankruptcy has elapsed. the Borrower's payment performance has been satisfactory, and all required payments have been made on time; and the Borrower has received written permission from bankruptcy court to enter into the mortgage transaction
Building on Own Land	<ul style="list-style-type: none"> Allowed
Condominium	<ul style="list-style-type: none"> Must be in an FHA HRAP approved project Single Unit Approval – Not allowed Manufactured homes located in Condominium projects – Not Allowed
DACA Borrowers	<ul style="list-style-type: none"> Not Allowed
Deed Restrictions	<ul style="list-style-type: none"> Age related restrictions only. All other deed restrictions are ineligible.
DPA / MCC's	<ul style="list-style-type: none"> theLender approved DPAs only
Escrow / Impounds	<ul style="list-style-type: none"> Required: Waivers are not allowed.
Escrow Holdbacks / Repair Escrows	<ul style="list-style-type: none"> Not Allowed
Gift Funds	<ul style="list-style-type: none"> Cash on hand is not an acceptable source of donor gift funds.
Identity-of-Interest Transactions	<p>An Identity-of-Interest transaction is a sale between parties with an existing business relationship or between family members.</p> <ul style="list-style-type: none"> The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%. The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of sales contract execution is restricted to 85%. <p>The 85% LTV restriction may be exceeded if the borrower purchases as their principal residence:</p> <ul style="list-style-type: none"> The principal residence of another family member; or A property owned by a family member where the borrower has been a tenant for at least six months immediately predating the sales contract. An employee of a builder who is not a family member purchases one of the builder's new houses or models as a principal residence; or The current tenant purchases the property where the tenant has rented the property for at least six months immediately predating the sales contract.
Ineligible Programs	<p>The following programs are not eligible:</p> <ul style="list-style-type: none"> 203(h) Disaster Victims

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	<ul style="list-style-type: none"> • 203(k) Rehabilitation Program • 235 Refinance of Borrowers in Negative Equity Positions • 247 Hawaiian Homelands • 248 Indian Lands • Energy Efficient Mortgage Program (EEM) • FHA Assumption Program • Good Neighbor/Officer Next Door • Graduated Payment Program • Growing Equity Mortgages • Housing Authority Subsidies • Loans to Non-Profit Organizations • Short Refinances 															
Ineligible Properties	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> • Assisted Living Properties • Bed and Breakfast Establishments • Boarding Houses • Commercial Properties • Condotels, Motels or Hotels • Co-ops • Fraternity or Sorority Houses • Hawaii Properties in Lava Zones 1 and 2 • Houseboats • Log or Dome Homes • Mobile Homes • Native American Indian Trust Lands • Newly Constructed Properties Located in Military Airfield Accident Prone Zone 1 • Private Clubs • Properties with Condition/Quality Ratings of C5, C6, or Q6 • Properties Contaminated by Methamphetamine Production or Use • Properties with More than One Accessory Dwelling • Properties Located within 75 Feet of an Operating/Proposed Gas or Oil Well • Properties Located within 10 Feet of a Pipeline Easement or High Pressure Gas Line • Properties Located within 300 Feet of Above/Below Ground Stationary Storage Tanks Containing more than 1000 Gallons of Explosive/Flammable Fuel (Includes Gas Stations) • Properties Located in Coastal Barrier Resources Systems (CBRS) • Properties that do not meet FHA MPR/MPS. • Timeshares • Vacation Homes • Working Farms and Ranches 															
Land Trusts	<ul style="list-style-type: none"> • Not Eligible 															
Manufactured Homes	<ul style="list-style-type: none"> • Allowed 															
Manual Underwriting	<p>Allowed – must meet the following requirements:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; padding: 2px;">Lowest Minimum Decision Credit Score</th> <th style="text-align: center; padding: 2px;">Maximum Qualifying Ratios</th> <th style="text-align: center; padding: 2px;">Acceptable Compensating Factors</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px;">580 and Above</td> <td style="text-align: center; padding: 2px;">31/43</td> <td style="text-align: center; padding: 2px;">Compensating factors are not required.</td> </tr> <tr> <td style="text-align: center; padding: 2px;">580 and Above</td> <td style="text-align: center; padding: 2px;">37/47</td> <td style="text-align: center; padding: 2px;"> One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> <tr> <td style="text-align: center; padding: 2px;">580 and Above</td> <td style="text-align: center; padding: 2px;">40/40</td> <td style="text-align: center; padding: 2px;">No discretionary debt</td> </tr> <tr> <td style="text-align: center; padding: 2px;">580 and Above</td> <td style="text-align: center; padding: 2px;">40/50</td> <td style="text-align: center; padding: 2px;"> Two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> </tbody> </table>	Lowest Minimum Decision Credit Score	Maximum Qualifying Ratios	Acceptable Compensating Factors	580 and Above	31/43	Compensating factors are not required.	580 and Above	37/47	One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income 	580 and Above	40/40	No discretionary debt	580 and Above	40/50	Two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income
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Mixed Use Properties	<ul style="list-style-type: none"> Not allowed
Non-Occupant Co-Borrower	<ul style="list-style-type: none"> 75% Maximum LTV on 1-4 units <ul style="list-style-type: none"> Maximum LTV allowed if <ul style="list-style-type: none"> the non-occupant co-borrower is a family member the property is 1 unit not a family sale with the seller as the non-occupant Rental income may not be used to qualify Not allowed for qualifying purposes on cash-out refinance transactions The non-occupant co-borrower must take title to the property and sign the Note and deed of trust/mortgage The non-occupant co-borrower must have a principal residence in the United States or be a U.S. citizen
Non-Traditional Credit	<ul style="list-style-type: none"> Not Eligible
Number of Borrowers	<ul style="list-style-type: none"> There can be no more than 4 borrowers per loan
PACE (HERO) Programs	<ul style="list-style-type: none"> Not Eligible
Projected Income	<ul style="list-style-type: none"> Not allowed
Refinance Seasoning Requirements	<p>Prior to Case number assignment: Minimum 12 months ownership and occupancy as primary residence (except inherited and free & clear property, see FHA handbook 4000.1) – Cash-Out.</p> <p><u>Payment History Requirements:</u></p> <p>Borrower must have made a minimum of:</p> <ul style="list-style-type: none"> Six (6) consecutive monthly payments must be made on the subject loan being refinanced, Six (6) months must have passed since the first payment due date of the existing loan, and 210 days must have passed since the closing date of the loan being refinanced or since the first payment due date of the existing loan, whichever is later.
Refinance Value Requirements	<p>For properties acquired by the borrower within 12 months of the case number assignment date the appraised value is the lesser of:</p> <ul style="list-style-type: none"> The borrower's purchase price plus any documented improvements made after the purchase; or The appraised value. <p>Properties acquired by the borrower within 12 months of the case number assignment by inheritance or through a gift from a family member may use the appraised value.</p>
Sales Contracts	<ul style="list-style-type: none"> Assigned Sales Contracts - Not Allowed
Section 8 Voucher	<ul style="list-style-type: none"> Not Allowed
Tax Returns	<ul style="list-style-type: none"> Amended tax returns that increase the borrower's income – Not Allowed When the tax return reflects monies are owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.
Temporary Buy Downs	<ul style="list-style-type: none"> Not Allowed
Texas 50(a)(6)	<ul style="list-style-type: none"> Not Allowed
Unpermitted Additions	<p>Acceptable Unpermitted Property Additions:</p> <ul style="list-style-type: none"> The addition complies with all FHA guidelines The addition does not result in a change in the number of units The appraiser has no reason to believe the addition would not pass inspection for a permit.

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