

FHA No Cash Out Refinance Programs

	Simple Refinance – FHA to FHA	Rate & Term Refinance
Description	<p>Refinance of a Primary Residence with an <u>existing FHA mortgage</u> in which all proceeds are used to pay off the existing mortgage on the Subject Property and costs associated with the transaction. Full Credit qualifying. Cash back not to exceed \$500.</p>	<p>Refinance of a Primary Residence with any <u>mortgage</u> in which all proceeds are used to pay off the existing mortgage on the Subject Property and costs associated with the transaction. Full Credit qualifying. Cash back not to exceed \$500.</p>
MAX LTV/CLTV	97.75	<p>97.75% if owner-occupied for previous 12 months; or owner-occupied since acquisition if acquired within 12 months; at case number assignment 85% for borrower who has occupied the Subject Property as their primary residence <12 months prior to case number assignment date; or if owned <12 months, has not occupied the Subject Property for that entire period of ownership.</p>
Product	<p>FHA Fixed 15 Year 203b or 234c FHA Fixed 30 Year 203b or 234c FHA 3/1 ARM T-BILL FHA 5/1 ARM T-BILL</p>	
Property Eligibility	<p>Single Family, 2-4 Units, Condo, PUD, Site Condo FHA Condo project approval is required</p>	
Appraisal	<p>Required per FHA guidelines</p>	
Borrower Eligibility	<p>Permanent and Non-Permanent Residents per FHA Client Guide eligibility. Adding a Borrower:</p> <ul style="list-style-type: none"> • Co-borrower, co-signer, or non-occupant co-borrower may be added • Must be family as defined by FHA • Must be either a US Citizen or have a primary residence in the US. <p>Removing a Borrower:</p> <ul style="list-style-type: none"> • At least one Borrower must hold title to Subject Property prior to application date & case number assignment date 	
Underwriting	<p>AUS/Manual</p>	

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Credit	Full Tri-Merge. Non-traditional credit NOT allowed. All Borrowers must have credit scores. Min FICO 620
4506T	Required Per FHA Guidelines
Occupancy	Owner Occupied Only
Mortgage Payment History	<p>No more than 1 X 30 Day late payment for the <u>previous</u> 6 months for all mortgages</p> <p>< 6 month mortgage history: Borrower must have made all payments within the month due.</p> <p>> 6 month mortgage history: Borrower must have made all mortgage payments within the month due for the 6 months prior to case number assignment.</p> <p>The Borrower must have made the payments for all mortgages secured by the Subject Property for the month prior to mortgage disbursement.</p> <p>If the mortgage on Subject Property is not reported in the Borrower's credit report, the Mortgagee must obtain a VOM to evidence payment history for the previous 12 months.</p>
Seasoning Requirements	Not Required
Calculating LTV for properties acquired within 12 months of case # assignment	<p>For properties acquired by the Borrower within 12 months of case number assignment, the LTV is based upon the lessor of:</p> <ul style="list-style-type: none"> • Borrower's purchase price, plus any documented improvements made subsequent to the purchase; or • The appraised value. <p>May use the appraised value to determine LTV for properties acquired by Borrower within 12 months of case number assignment by inheritance or through a gift from a Family Member.</p>
Net Tangible Benefit	Not Required
Subordinate Financing	New secondary financing is permitted. Existing junior liens may be subordinated

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<p>Refinancing to Buy Out Title-Holder Equity</p>	<p>Not Allowed</p>	<p>When the purpose of the new mortgage is to refinance an existing mortgage to buy out an existing title-holder's equity, the specified equity to be paid is considered property-related indebtedness and eligible to be included in the new mortgage calculation. The Mortgagee must obtain the divorce decree, settlement agreement, or other legally enforceable equity agreement to document the equity awarded to the title-holder.</p>
<p>Calculating Max Mortgage</p>	<p>Complete a FHA Max Mortgage Worksheet for Simple Refinance To be provided soon</p>	<p>Complete a FHA Max Mortgage Worksheet for Rate and Term Refinance To be provided soon</p>
<p>Reserves</p>	<p>See HUD Handbook 4000.1 - Requirements differ between AUS Accept/Refer/Downgrade, property type, and credit scores (whether needed as compensating factor)</p>	
<p>LDP/SAM</p>	<p>Clear search required</p>	
<p>CAIVRS</p>	<p>Clear search required</p>	
<p>FHA Case Assignment and Refinance Authorization/Query</p>	<p>Prior FHA case number is necessary to obtain FHA Case number and Refinance Authorization/Query.</p> <p>3.2 file to be uploaded into the TPO WebCenter.</p> <p>Email uwanswers@hvfpartners.com with loan number and prior FHA Case number to request.</p>	<p>Prior FHA case number is necessary to obtain FHA Case number and Refinance Authorization/Query if paying off an existing FHA mortgage.</p> <p>3.2 file to be uploaded into the TPO WebCenter.</p> <p>Email uwanswers@hvfpartners.com with loan number and prior FHA Case number to request.</p>

ASSETS

Funds required for closing must be verified from an acceptable source. For loans underwritten manually, full asset documentation is required. (2 month's bank statements)

CASH AT CLOSING IS LIMITED TO \$500

Principal reductions are required when the borrower is receiving more than \$500 cash at closing on a FHA No Cash Out Refinance loan. The principal reduction must include all cash back and not just the portion of cash back that exceeds \$500. For example, if the Closing Disclosure indicates the borrower is receiving \$626 cash back a principal reduction in the amount of \$126 is insufficient. A principal reduction in the amount of \$626 is required.

INITIAL DISCLOSURE

- Obtain the endorsement date of the prior loan in order to disclose the correct MIP to the borrower. (See section on Mortgage Insurance)
- If the prior loan endorsement date is not verified, manually calculate the LTV so that it's above 95% and quote the higher monthly MIP until the case number is pulled and a refinance query is generated by processing.
- UFMIP refunds are only available for 3 years.

MORTGAGE INSURANCE

For the refinance of mortgages endorsed on or before May 31, 2009, UFMIP is 1.0 and Annual MIP is .55 with a duration of 11 years for LTV \leq 90.00% and a duration of the mortgage term for LTV $>$ 90.00%. (See section on Initial Disclosure)

Reducing the term from 30 years to 15 years is acceptable provided the P&I plus monthly MIP is decreasing at least 5% from the existing loan to the new loan.