

Streamline Refinance Without Appraisal Maximum Mortgage Worksheet FHA to FHA

| Existing Debt Calculation (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage) | |
|--|--|
| | Unpaid Principal Balance <ul style="list-style-type: none"> • <i>May include current interest charges, but may NOT include delinquent interest, late charges, or escrow shortages.</i> • <i>Original principal balance should be verified from the Refinance Authorization screen in the FHA Connection since this will reflect any principal reductions for the previous loan.</i> |
| - | MIP Refund, if applicable |
| | Maximum Mortgage BEFORE UFMIP |
| x 1.00% | |
| = \$ | "Estimated" new UFMIP * |

Property Types

- Properties listed for sale in the past six months require a Level 80 approval.
- DW Mobile Homes are not eligible.

Loan Amount / LTV

- **WITHOUT an Appraisal:**
 - Max Loan Amount may not exceed the lesser of
 - The current unpaid principal balance/No LTV limit
 - The maximum insurable mortgage cannot exceed:
 - Outstanding principal balance – UFMIP refund + new UFMIP
 - New loan term may not exceed the remaining term plus 12 years or new appraisal is required.
- The maximum is 125% CLTV with re-subordination of any subordinate financing. No new subordinate financing is allowed.
- CLTV and monthly MIP are based on original appraised value of the property.
- Discount points may NOT be included in the new mortgage. If the borrower has agreed to pay discount points, the lender must verify the borrower has assets to pay them along with any other financing costs that are not included in the new mortgage.
- The outstanding principal balance may include interest charges for the current month, but may not include delinquent interest, late charges, or escrow shortages.

Example: For loans closing in June, the May payment must have been made.

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1003: Complete the required 1003 and 92900A. They must be signed and dated by the borrower and interviewer.

Cash to Borrower: The maximum amount is \$500.

Mortgage History & Seasoning

- Assumed properties are not eligible for six months without credit qualifying.
- At the time of the loan application, the borrower must have made at least six payments on the FHA insured mortgage being refinanced.
- At the time of loan application, the borrower must have made at least six payments on the FHA-insured mortgage being refinanced. On the date that the case number is assigned, all three of the seasoning requirements below must be met:
 - The mortgagor must have made six payments.
 - At least six full months must have passed since the first payment date.
 - At least 210 days must have passed from the closing date of the loan being refinanced.
- For mortgages less than 12 months payment history, the borrower must have made all mortgage payments within the month due.
- For mortgages with 12 months payment history or greater, the borrower must have:
 - Experienced no more than ONE 30 day late payment in the preceding 12 months.
 - Made all mortgage payments within the month due for the three months prior to the date of the loan application.

Reduction in Term must be underwritten as a full rate/term refinance-NOT eligible for streamline.

Net Tangible Benefit

| To/From | Fixed rate | One Year ARM | Hybrid |
|-------------------------------------|--|---|---|
| Fixed Rate | Reduction of at least 5% of P&I and MIP (new guidance) | New interest rate at least two percentage points below the current interest rate of the fixed rate mortgage (existing guidance) | Reduction of at least 5% of P&I and MIP (new guidance) |
| One-Year ARM | New interest rate no greater than two percentage points above the current interest rate of the ARM (existing guidance) | Reduction of at least 5% of P&I and MIP (new guidance) | New interest rate at least two percentage points below the current interest rate of the ARM (existing guidance) |
| Hybrid ARM During Fixed Period | Reduction of at least 5% of P&I and MIP (new guidance) | New interest rate at least two percentage points below the current interest rate of the ARM (existing guidance) | Reduction of at least 5% of P&I and MIP (new guidance) |
| Hybrid ARM During Adjustable Period | New interest rate at least two percentage points below the current interest rate of the ARM (existing guidance) | New interest rate at least two percentage points below the current interest rate of the ARM (existing guidance) | Reduction of at least 5% of P&I and MIP (new guidance) |

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Credit

- Minimum 620 FICO
- Full RMCR tri-merge required
- May not currently be in bankruptcy
- Collections & charge offs not required to be paid off unless they affect lien position
- Outstanding judgments & liens must be paid if they affect title – exceptions for 12 months repayment plan with subordination agreement
- Non-purchasing spouse credit report required for community property states
- CAIVRS not required; GSA/LDP checks are required

Employment, Income, & Assets

- The lender must verify that the borrower is employed and has income at the time of the application.
 - Underwriting is required to complete a certification that the income has been reviewed and that a prudent underwriting decision is being made. Debt ratios will be reviewed and considered in the final underwriting decision.
 - The signed and dated IRS 4506T will be required prior to closing. (Do not order IRS transcripts.)
- If assets are needed to close, the lender must verify and document those assets.

Title: The remaining borrower must prove a minimum of 6 months of making on time payments on his or her own.

Mortgage Insurance

- Upfront premium 1.00%
- Monthly Premium
 - Terms > 15 years
 - LTV > 95% = 115 bps
 - LTV ≤ 95% = 110 bps
 - Terms ≤ 15 years
 - LTV > 90% = 50 bps
 - LTV ≤ 90% = 25 bps
 - LTV ≤ 78% = None

AUS: Do NOT run DU. If a DU finding is obtained; cases previously submitted through DU/LP are still eligible for a streamline refinance even receiving a Refer/Eligible finding.

Funding: FHA Streamline loans are typically funded at the end of the month, regardless of the closing date.

Other:

- Texas Home Equity (a) (6) is not allowed.
- Social Security Numbers must be verified on all borrowers.
- A payoff statement from the previous lender showing the unpaid principal should be included in the endorsement binder.
- A holding period of six months applies when (1) the borrower obtained the loan via non-qualifying assumption, or (2) when a borrower is deleted due to devise or descent of law (e.g. divorce, death, etc.) and a quit-claim deed has been executed. Full credit qualifying is required if held less than six months and/or if the due on sale clause is triggered.