

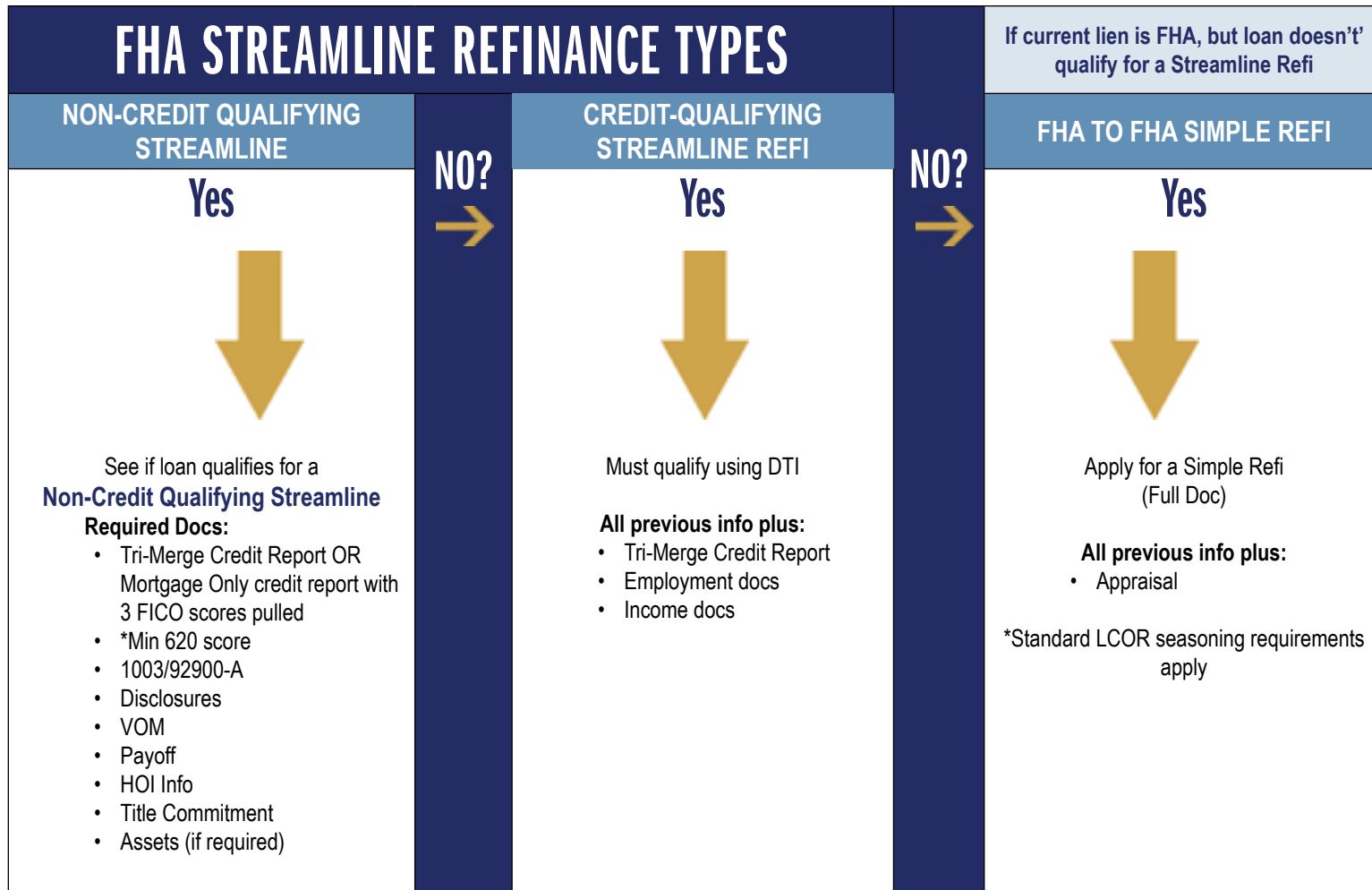


# FHA STREAMLINE OVERVIEW

FHA	Credit Qualifying Streamline	Non-Credit Qualifying Streamline
Occupancy	Employment documentation or 2 different utility bills to be provided to evidence the borrower currently occupies the property as their principal residence. Otherwise, treat as investment property.	
Mortgage Payment History:	1x30 in last 12 months prior to case assignment; <b>AND</b> 0x30 in last 6 months prior to case assignment (no lates allowed after case assignment and current at close)	
Credit:	Full tri-merge required on all borrowers - Min 620 FICO VOM required if not reporting full 12 months	Tri-Merge Credit Report <b>OR</b> Mortgage Only credit report with 3 FICO scores pulled.
Employment/DTI:	Full doc requirements for employment, income. Standard DTI max applies.	No DTI calculated. Employment/income not documented (leave employment/income blank on 1003)
Seasoning Requirement:	On the date of the FHA case number assignment, <b>ALL</b> of the following must be met: <ol style="list-style-type: none"> <li>The borrower must have made at least 6 payments on the fha-insured mortgage being refinanced,</li> <li>At least 6 full months have passed since the first payment due date of the mortgage that is being refinanced,</li> <li>At least 210 days must have passed from the closing date of the mortgage that is being refinanced, and</li> <li>If the mortgage was assumed by the borrower, at least 6 scheduled payments made since the assumption</li> </ol>	
Borrower Eligibility:	At least one borrower from the existing mortgage must remain as a borrower on the new mortgage	All borrowers on the existing mortgage must remain borrowers on the new mortgage, with one exception below: Exception: a borrower may be removed from title and new mortgage in cases of divorce, legal separation or death when: <ol style="list-style-type: none"> <li>The divorce decree or legal separation awarded the property and responsibility for payment to the remaining borrower, and</li> <li>The remaining borrower can demonstrate that they have made the mortgage payments for a minimum of 6 months prior to the case number assignment</li> </ol>
TOTAL Scorecard:	All will be manual underwrites. Running through <b>TOTAL</b> will not affect approval. Findings will be invalid.	
Net Tangible Benefit: (applies to all FHA streamlines)	<ul style="list-style-type: none"> <li>If reducing the remaining term by less than 3 years, then at least a .5 reduction in the combined rate is required from the old rate.</li> <li>If reducing the remaining term by more than 3 years, then the new combined rate must be lower than current combined rate.</li> </ul> <p><i>**If existing loan is an ARM loan, ask about the applicable Net Tangible Benefit on those cases. It varies from the Fixed to Fixed info cited above.</i></p> <p><i>**Reduction in term refers to the reduction of the remaining amortization period of the existing mortgage.</i></p> <p><i>**Combined rate refers to the interest rate on the mortgage plus the MIP rate.</i></p>	
Assets to close:	If the funds to close exceed the total Mortgage Payment of the new Mortgage, must verify the full amount of the Borrower's funds to close according to FHA sources of funds policy.	
Maximum Amortization Period:	The maximum amortization period is limited to the lesser of: 30 years, or the remaining amortization period of the existing mortgage plus 12 years	
Appraisals:	Appraisals are not required on FHA Streamline refinances. The existence of an appraisal does not affect the maximum mortgage calculation	



# FHA STREAMLINE REFI WATERFALL



\*Doc list is “including but not limited to”. Other items may be needed in some cases.