

## FHA Streamline – Non-Credit Qualifying

This matrix is intended as an aid to help determine whether a property/loan qualifies for certain financing. It is not intended as a replacement for FHA guidelines. Users are expected to know and comply with FHA requirements. FHA requirements are found in HUD Handbook 4000.1

**NOTE:** These guidelines include overlays, which may be **more restrictive** than FHA requirements. A thorough reading is recommended.

### Program Qualifications

The FHA Streamline Non-Credit Qualifying Refinance is a refinance of an existing FHA-insured mortgage requiring limited borrower credit documentation and underwriting. There is no credit or capacity analysis or appraisal required.

- Existing Endorsed FHA Fixed Rate
- Existing Endorsed FHA ARM
- At time of loan application borrower **must** have made 6 months consecutive payment on the FHA-insured mortgage being refinanced.
- **GNMA Loan Seasoning Requirements must be met: See GNMA Requirements**

### Eligibility Matrix Loan Amount & LTV Limitations

#### FHA – Streamline (non-credit qualifying)

- The maximum amortization period of a streamline refinance is limited to the lesser of:
  - The remaining amortization period of the existing mortgage plus 12 years; or
  - 30 years
- The loan **must** provide a net tangible benefit to the borrower.

### Secondary financing

Existing secondary financing may remain in place within certain limits.

New secondary financing simultaneous with streamline refinance is eligible, subject to restrictions.

See *Secondary Financing* below.

Refer to Section *Calculating the New Mortgage Amount*

FHA maximum Mortgage Calculation Worksheet to be completed reviewed and signed by the DE Underwriter

Refer to Section *Geographic Locations/Restrictions* for additional state specific restrictions or requirements.

### Product Description

- Fixed Rate 15 and 30 year term; fully amortized, including High Balance
- 3/1 and 5/1 ARM, 30 year fully amortized, including High Balance

### Product Codes

Product Code	FHA
FF15SL	FHA 15 Years Streamline
FF15SLHB	FHA 15 Years Streamline High Balance
FF30SL	FHA 30 Years Streamline
FF30SLHB	FHA 30 Years Streamline High Balance
<b>Hybrid ARM</b>	
FA31SL	FHA 3/1 ARM Streamline
FA31SLHB	FHA 3/1 ARM Streamline High Balance
FA51SL	FHA 5/1 ARM Streamline
FA51SLHB	FHA 5/1 ARM Streamline High Balance

For Product Code and Rate Sheet purposes, “High Balance” refers to loan amounts that exceed the following:

Continental US	
Units	High Balance
1	> \$484,350
2	> \$620,200
3	> \$749,650
4	> \$931,600

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### Eligibility Requirements

<b>Adjustable Rate Details</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Interest rate adjustment caps</td> <td>3/1 and 5/1 ARM = 1/1/5 Initial – 1% up/down; Subsequent – 1% up/down; Lifetime – 5% up</td> </tr> <tr> <td>Margin*</td> <td>2.00%</td> </tr> <tr> <td>Index</td> <td>1-Year Constant Maturity Treasury (CMT), defined as the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year</td> </tr> <tr> <td>Interest rate Floor</td> <td>Same as Margin</td> </tr> <tr> <td>Change dates</td> <td>3/1 - Initial interest rate change date will occur within 36 to 42 months, depending on disbursement date. Interest rate will adjust every 12 months thereafter. 5/1 - Initial interest rate change date will occur within 60 to 66 months, depending on disbursement date. Interest rate will adjust every 12 months thereafter. <b>Must</b> meet GNMA requirements. FHA initial change dates are the first day of January, April, July, or October, depending on disbursement date.</td> </tr> <tr> <td>Conversion Option</td> <td>None</td> </tr> <tr> <td>Assumption</td> <td>Allowed for qualified borrowers</td> </tr> <tr> <td>Temporary Buydowns</td> <td>Temporary Buydowns may <u>not</u> be used with an ARM product</td> </tr> <tr> <td>Qualification</td> <td>When applicable, borrowers qualify at the Note Rate</td> </tr> </table> <p>*see <a href="#">rate sheet</a> to confirm current information, subject to change</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: left;">ARM Suffix Codes</th> </tr> <tr> <th style="width: 50%;">Loan Type</th> <th>ADP Code</th> </tr> </thead> <tbody> <tr> <td>203(b) ARM</td> <td>729</td> </tr> <tr> <td>234(c) Condo ARM</td> <td>731</td> </tr> </tbody> </table>	Interest rate adjustment caps	3/1 and 5/1 ARM = 1/1/5 Initial – 1% up/down; Subsequent – 1% up/down; Lifetime – 5% up	Margin*	2.00%	Index	1-Year Constant Maturity Treasury (CMT), defined as the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year	Interest rate Floor	Same as Margin	Change dates	3/1 - Initial interest rate change date will occur within 36 to 42 months, depending on disbursement date. Interest rate will adjust every 12 months thereafter. 5/1 - Initial interest rate change date will occur within 60 to 66 months, depending on disbursement date. Interest rate will adjust every 12 months thereafter. <b>Must</b> meet GNMA requirements. FHA initial change dates are the first day of January, April, July, or October, depending on disbursement date.	Conversion Option	None	Assumption	Allowed for qualified borrowers	Temporary Buydowns	Temporary Buydowns may <u>not</u> be used with an ARM product	Qualification	When applicable, borrowers qualify at the Note Rate	ARM Suffix Codes		Loan Type	ADP Code	203(b) ARM	729	234(c) Condo ARM	731
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<b>Application</b>	<p>The Borrower's application <b>must</b> indicate their income source; however, the income is not required to be listed on the application, just the source of the income.</p> <p>The following sections of the loan application are not required to be completed.</p> <ul style="list-style-type: none"> <li>• Section IV (only the Monthly Income questions)</li> <li>• Section V, VI (<b>must</b> complete assets if funds are required to close)</li> <li>• Section VIII a - VIII k</li> </ul>																										
<b>Appraisal Requirements</b>	<p>Appraisals are not required on streamline refinances.</p> <p>The receipt or possession of an appraisal by the mortgagee does not affect the eligibility or maximum mortgage amount on streamline refinances.</p>																										
<b>Assets</b>	<p><b>Funds to Close</b> The mortgagee <b>must</b> verify borrower's funds to close, <u>in excess of the total mortgage payment of the new mortgage</u>, in accordance with FHA HUD 4000.1 <i>Sources of Funds</i>.</p> <p>Documentation required is as follows.</p> <ul style="list-style-type: none"> <li>• Verification of Deposit and</li> <li>• Most recent bank statement</li> <li style="text-align: center;"><b>OR</b></li> <li>• Two months bank statements (Impac overlay)</li> </ul> <p>Cryptocurrencies (e.g., Bitcoin, Ethereum) are not allowed as eligible assets for any portion of a mortgage transaction including down payment, closing costs, or reserves.</p>																										
<b>Borrowers</b>	<p><b>Streamline Refinance: Non-Credit Qualifying</b></p> <p>Borrower Eligibility:</p> <ul style="list-style-type: none"> <li>• A borrower is eligible for a streamline refinance without credit qualification if all borrowers on the existing mortgage remain as borrowers on the new mortgage</li> <li>• Mortgages that have been assumed are eligible provided the previous borrower was released from liability</li> </ul> <p>Borrower Eligibility: Exception</p> <ul style="list-style-type: none"> <li>• A borrower on the mortgage to be paid may be removed from title and mortgage on a new loan in cases of divorce, legal separation, or death when:</li> </ul>																										

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	<ul style="list-style-type: none"> <li>○ The divorce decree or legal separation agreement awarded the property and responsibility for payment to the remaining borrower, if applicable; <b>and</b></li> <li>○ The remaining borrower can demonstrate that they have made the mortgage payments for a minimum of six months prior to case number assignment</li> </ul> <p>Inter Vivos Revocable Trust is allowed (<b>Owner Occupied Only</b>)</p> <ul style="list-style-type: none"> <li>• Note: A Power of Attorney is not allowed on properties held in a trust (Impac overlay)</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• Foreign Nationals</li> <li>• Land Trusts</li> <li>• Governmental entities and FHA-approved nonprofit corporations</li> </ul>																								
<b>Calculating the New Mortgage Amount</b>	<p>Refer to Section <i>Geographic Locations/Restrictions</i> for additional state specific restrictions or requirements</p> <p><b>NOTE: The Maximum Mortgage Calculation Worksheets do not apply to second homes and investment property. Second homes and investment property may only be refinanced for the <u>outstanding principal balance</u>.</b></p> <p>For <u>owner-occupied principal residences</u>, the maximum base loan amount for streamline refinances is:</p> <ul style="list-style-type: none"> <li>• The lesser of:             <ul style="list-style-type: none"> <li>○ The outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; plus:                 <ul style="list-style-type: none"> <li>▪ Interest due on the existing mortgage; and</li> <li>▪ MIP due on existing mortgage; or</li> </ul> </li> <li>○ The original principal balance of the existing mortgage (including financed UFMIP);</li> </ul> </li> <li>• Less any refund of UFMIP (if financed in original mortgage).</li> </ul> <p>For investment properties (i.e., all properties that are not primary residence), the maximum base loan amount for streamline refinances is:</p> <ul style="list-style-type: none"> <li>• The lesser of:             <ul style="list-style-type: none"> <li>○ The outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; or</li> <li>○ The original principal balance of the existing mortgage (including financed UFMIP);</li> </ul> </li> <li>• Less any refund of UFMIP (if financed in original mortgage).</li> </ul> <p><b><u>Maximum Mortgage Calculation for Streamline Refinance</u></b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>Step One: Outstanding Current Principal Balance</b></td> </tr> <tr> <td>Unpaid Principal Balance of the First Mortgage as of the month prior to mortgage disbursement</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Interest due on existing mortgage for non-investment properties</td> <td></td> </tr> <tr> <td>Mortgage Insurance Premium (MIP) due on existing mortgage</td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: right;"><b>\$</b></td> </tr> <tr> <td colspan="2"><b>Step Two: Original Principal Balance</b></td> </tr> <tr> <td>Original Principal Balance of the First Mortgage including UFMIP</td> <td style="text-align: right;">\$</td> </tr> <tr> <td colspan="2"><b>Step Three: Maximum Loan Amount</b></td> </tr> <tr> <td>The <u>lesser</u> of Step One or Step Two</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Subtract</td> <td style="text-align: right;">(-)</td> </tr> <tr> <td>Upfront Mortgage Insurance Refund</td> <td style="text-align: right;">\$</td> </tr> <tr> <td><b>Maximum <u>Base Loan Amount</u> Streamline</b></td> <td style="text-align: right;"><b>\$</b></td> </tr> </table> <p>The new FHA streamline mortgage amount may <b>not</b> include closing costs, pre-paid expenses and discount points, late charges and escrow shortages.</p> <p><b>Cash Back to the Borrower: \$500 Limitation</b></p> <p>The mortgagee may utilize estimates of existing debts and costs in calculating the maximum mortgage amount to the extent that the actual debts and costs do not result in the borrower receiving greater than \$500 cash back at</p>	<b>Step One: Outstanding Current Principal Balance</b>		Unpaid Principal Balance of the First Mortgage as of the month prior to mortgage disbursement	\$	Interest due on existing mortgage for non-investment properties		Mortgage Insurance Premium (MIP) due on existing mortgage		<b>TOTAL</b>	<b>\$</b>	<b>Step Two: Original Principal Balance</b>		Original Principal Balance of the First Mortgage including UFMIP	\$	<b>Step Three: Maximum Loan Amount</b>		The <u>lesser</u> of Step One or Step Two	\$	Subtract	(-)	Upfront Mortgage Insurance Refund	\$	<b>Maximum <u>Base Loan Amount</u> Streamline</b>	<b>\$</b>
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	<p>mortgage disbursement</p> <p>The mortgagee <b>must</b> obtain the payoff statement on the existing mortgage.</p> <p><b>Cash Back to the borrower: Excess Cash Back</b> When the estimates utilized in calculating the maximum mortgage amount result in greater than \$500 cash back to the borrower at mortgage disbursement, mortgagees may reduce the borrower’s outstanding principal balance to satisfy the \$500 cash back requirement.</p> <p><b>Cash Back to the Borrower: Unused Escrow Balance</b> Cash to the borrower resulting from the refund of borrower’s unused escrow balance from the previous mortgage <b>must</b> not be considered in the \$500 cash back limit whether received at or subsequent to mortgage disbursement.</p> <p>Term of new mortgage is the lesser of 30 years or the un-expired term of the current mortgage plus 12 years. (This is particularly important when the term of the original loan was 15 years)</p>				
<b>Credit</b>	<p>This is a non-credit qualifying loan; however, the following is required.</p> <p><b>Minimum Credit Score and Requirements</b></p> <ul style="list-style-type: none"> <li>• 580</li> <li>• FHA does not require a credit report on the <u>non-credit qualifying streamline</u> refinance             <ul style="list-style-type: none"> <li>• Note: Impac requires a “mortgage only” credit report with three (3) credit scores (overlay)</li> <li>• If the mortgagee obtains a credit score, the mortgagee <b>must</b> enter it into FHA Connection (FHAC). If more than one credit score is obtained, the mortgagee <b>must</b> enter all available credit scores into FHAC.</li> </ul> </li> <li>• <u>Mortgage payment history requirement for a Streamline Refinance</u> The borrower <b>must</b> exhibit an acceptable payment history as described in the table below:</li> </ul> <table border="1" style="width: 100%; margin: 10px 0;"> <tr> <th style="text-align: center;">Mortgage Payment History – Streamline Refinance (Non-Credit Qualifying)</th> </tr> <tr> <td>0x30 for all mortgages on the subject property for the 6 months prior to case number assignment, <b>and</b> no more than -</td> </tr> <tr> <td style="text-align: center;"> <ul style="list-style-type: none"> <li>• 1x30 for the 6 months previous for all mortgages on the subject property.</li> </ul> </td> </tr> <tr> <td><i>Note: Borrower <b>must</b> have made at least 6 payments on or before Case Number Assignment date.</i></td> </tr> </table> <p>The borrower <b>must</b> have made the payments for all mortgages secured by the subject property within the month due for the month prior to the new mortgage disbursement.</p> <p><b>FHA Mortgage Seasoning Requirements</b> On the <b>date of the FHA case number assignment</b>:</p> <ul style="list-style-type: none"> <li>• The borrower <b>must</b> have made at least six payments on the FHA-insured mortgage that is being refinanced;</li> <li>• At least six full months <b>must</b> have passed since the first payment due date of the mortgage that is being refinanced;</li> <li>• At least 210 days <b>must</b> have passed from the disbursement date of the mortgage that is being refinanced; and</li> <li>• If the borrower assumed the mortgage that is being refinanced, they <b>must</b> have made six payments since the time of assumption</li> </ul> <p>Note: GNMA requires that the <b>first payment due date</b> of the new refinance may occur <u>no earlier</u> than 210 days after the first payment due date of the prior loan.</p>	Mortgage Payment History – Streamline Refinance (Non-Credit Qualifying)	0x30 for all mortgages on the subject property for the 6 months prior to case number assignment, <b>and</b> no more than -	<ul style="list-style-type: none"> <li>• 1x30 for the 6 months previous for all mortgages on the subject property.</li> </ul>	<i>Note: Borrower <b>must</b> have made at least 6 payments on or before Case Number Assignment date.</i>
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<b>Documentation</b>	<p>Document as determined by AUS findings, FHA Manual (4000.1) and Impac guidelines.</p> <p>The Mortgagee <b>must</b> obtain a Refinance Authorization Number from FHA Connections (FHAC) for all FHA-to-FHA refinances.</p> <p>For owner occupied properties, the mortgagee <b>must</b> review the borrower’s employment documentation or obtain utility bills to evidence the borrower currently occupies the property as their principal residence. The mortgagee <b>must</b> process the streamline refinance as a <u>non-owner occupied property</u> if the mortgagee cannot obtain evidence that the borrower occupies the property as a principal residence.</p> <p>Impac does not allow electronic signatures on any closing documents. All documents provided at closing for signature <b>must</b> have original signatures.</p>				
<b>Employment / Income</b>	<p>Verification of Employment</p> <ul style="list-style-type: none"> <li>• Salaried – Verbal Verification of Employment</li> <li>• Self-employed – Verification of business through third party source</li> <li>• Retirement and/or Social Security – Award letter or most recent bank</li> </ul>				

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	<p>The Borrower's application <b>must</b> indicate their income source; however, the income is not required to be listed on the application, just the source of the income.</p> <p>Form 4506-T is not required</p>
<b>Escrow Holdback</b>	Ineligible
<b>Escrow Waivers</b>	Ineligible
<b>Financing Types</b>	<p>An FHA streamline refinance is the refinance of a current FHA Mortgage Lien. The proceeds of the new mortgage are used to extinguish an existing FHA-insured first mortgage lien.</p> <ul style="list-style-type: none"> <li>• <b>Additional GNMA requirements must be met. See <i>GNMA Requirements</i></b></li> </ul> <p>Note: Investment (i.e., non-owner occupied) properties are only eligible for streamline refinancing into a <b><u>fixed rate mortgage</u></b>.</p> <p><b>FHA will not issue a case number for a streamline refinance where the existing mortgage to be paid is a 203(k) mortgage and the rehabilitation escrow closeout has not been completed.</b></p> <p><b>Streamline Refinance transactions on properties in Texas</b></p> <p>The following guidelines pertain to owner-occupied <b>Streamline</b> refinance transactions for properties in Texas</p> <ul style="list-style-type: none"> <li>• If the first mortgage is subject to Texas Section 50(a) (6), FHA insured financing is <b>ineligible</b>. Once a cash-out, always a cash-out. <ul style="list-style-type: none"> <li>• If the property is subject to section 50(a) (6) the title policy will reference the Texas Section 50(a) (6) or Article XVI of the Texas Constitution effective January 1, 1998.</li> </ul> </li> <li>• When FHA insured financing is permitted, Underwriting conditions and closing instructions <b>must</b> indicate <b>"No Cash back to borrower is permitted"</b> (not even one dollar is permitted)</li> </ul> <p>Properties listed for sale in the last 6 months are eligible as follows.</p> <ul style="list-style-type: none"> <li>• Property has been taken off the market on or before the application date.</li> <li>• Borrower provides written confirmation of the intent to occupy if a primary residence.</li> </ul>
<b>Geographic Locations/ Restrictions, as applicable</b>	<p>Eligible states are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Wholesale:</b> All states (including DC) are eligible except: <ul style="list-style-type: none"> <li>◦ DE, ME, MA, MO, RI, WY</li> </ul> </li> <li>• Although Impac is licensed in New York, we are not currently taking applications. Please check back periodically.</li> </ul> <p><u>Additional restrictions as follows:</u></p> <p>Hawaiian Lava-Flow Hazard Zones – The U.S. Geological Survey (USGS) categorizes the <u>island of Hawaii</u> into nine "lava zones" based on each zone's probability of exposure to lava flows caused by volcanic eruption. Properties in lava zones 1 and 2 are not eligible for loans funded or purchased by Impac Mortgage Corp. due to increased risk of property destruction from lava flows within these areas. The Hawaii Lava-Flow Hazard Zone Map can be accessed at: <a href="http://hvo.wr.usgs.gov/hazards/FAQ_LavaFlowHazardZone/">http://hvo.wr.usgs.gov/hazards/FAQ_LavaFlowHazardZone/</a> and <a href="http://pubs.usgs.gov/mf/1992/2193/">http://pubs.usgs.gov/mf/1992/2193/</a></p> <p>Texas Cash-out 50(a)(6) is ineligible</p> <p>State specific regulatory requirements supersede all underwriting guidelines set forth by Impac.</p>
<b>GNMA Requirements</b>	<p><b>For a prior FHA loan that is being refinanced as an FHA Streamline, GNMA requires:</b></p> <ul style="list-style-type: none"> <li>• The borrower made at least six consecutive monthly payments on the loan being refinanced, referred to hereinafter as the Initial Loan, beginning with the payment made on the first payment due date; and</li> <li>• The first payment due date of the new refinance loan occurs no earlier than 210 days after the first payment due date of the initial loan. (APM17-06)</li> <li>• This requirement applies to each subsequent refinance using this program.</li> </ul>
<b>High-Cost Mortgage Loans</b>	Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32)
<b>Internet Links</b>	To access Mortgagee Letters, National HOC Reference Guide, HOC Letters, Handbooks, go to: <a href="http://portal.hud.gov/hudportal/HUD?src=/groups/lenders">http://portal.hud.gov/hudportal/HUD?src=/groups/lenders</a>
<b>Manufactured Home Criteria</b>	<p>For a transaction involving a manufactured house to be considered a refinance, the manufactured house <b>must</b> have been <b>permanently</b> erected on a site for more than twelve months prior to case number assignment.</p> <p>The following table contains overlays, clarifications, and additions to existing guidelines regarding manufactured</p>

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homes.	
Credit	Major Derogatories - Follow FHA and Impac guidelines herein
Documentation	<p>Evidence of surrender of certificate of title or that no certificate was issued, refer to individual state requirements.</p> <ul style="list-style-type: none"> <li>Confirm property is legally classified and taxed as real property, on a permanent foundation, and owner owns both land and MFH</li> <li>ALTA Endorsement 7, 7.1, or 7.2 or any other endorsement required for manufactured homes to be treated as real property</li> <li>Deed of Trust (or other security instrument) <b>must</b> include a comprehensive description of the manufactured home and the land in the property description section or on a separate attached rider. The description <b>must</b> include the serial or VIN number for each unit/section; make, model, size, and any other information required by applicable law to definitively identify the manufactured home.</li> <li>Affidavit of Affixture/Affixation – Borrower and Lender <b>must</b> sign and notarize acknowledging their mutual intent that the manufactured home be a permanent part of the real property securing the mortgage.</li> <li>Limited Power of Attorney pertaining to title issues and foreclosure <b>must</b> be signed with closing documents</li> </ul>
MFH Property Requirements	<p>Minimum 400 square feet of gross living area  Multi-width only, no single wide  The land where the manufactured home rests <b>must</b> be fee simple  The MFH <b>must</b> be a one-unit dwelling legally classified as real property  The towing hitch, wheels, and axles <b>must</b> be removed  The MFH <b>must</b> assume the same characteristics of a site-built housing  The MFH <b>must</b> have sufficient square footage and room dimensions to be acceptable to purchasers in the subject market area  The MFH <b>must</b> be located on an all-weather accessible road</p> <p>The MFH <b>must</b> have been built in compliance with Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976 as amended and in force at the time the home is manufactured, and additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280 as evidenced by:</p> <ul style="list-style-type: none"> <li>HUD Data Plate/Compliance Certificate – A paper document located on the interior of the subject property that contains, among other things, the manufacturer’s name and trade/model number. In addition the data plate includes pertinent information about the unit including a list of factory-installed equipment; and</li> <li>HUD Certification Label (sometimes referred to as a HUD “seal” or “tag”) – A metal plate located on the exterior of each section of the home</li> </ul> <p>The appraisal form 1004C <b>must</b> indicate evidence of both the HUD Data Plate/Compliance Certificate and the HUD Certification Label  The MFH <b>must</b> be attached to a permanent foundation system  The MFH <b>must</b> be permanently connected to the septic or sewage system  The MFH <b>must</b> be permanently connected to all necessary utilities (water, electricity, gas service, etc.)  The MFH <b>must</b> not have been installed or occupied previously at any other location or site (re-siting)  The MFH <b>must</b> not have any additions or structural modifications to the original structure</p> <ul style="list-style-type: none"> <li>This includes additional room count or additional living area square footage or penetrations through the shell of the property</li> </ul> <p>Typical porches and decks installed at time of siting, as well as adjacent carports and garages are allowed.</p> <p><u>Foundation Certification</u>  File <b>must</b> contain an Engineer’s Certification on Foundation Compliance attesting to compliance with the current PFGMH (4930.3), that <b>must</b> be:</p> <ul style="list-style-type: none"> <li>Completed by a licensed professional engineer or registered architect licensed/registered in the state where the manufactured home is located</li> <li>Site-specific, and</li> </ul>

## FHA Streamline – Non-Credit Qualifying

		<ul style="list-style-type: none"> <li>Included in both the lender's loan file and the insuring binder submitted to FHA</li> </ul> <p>Note: The certification <b>must</b> contain the engineer's or registered architect's signature, seal, and/or state license/certification number. In states where seals are issued, the seal <b>must</b> be on the certification.</p> <p>A copy of the foundation certification, showing that the foundation met the PFGMH guidelines that were in effect at the time of certification, is acceptable for future FHA loans, provided there are no alterations and/or observable damage to the foundation.</p> <p>A copy of the foundation certification is <u>not required</u> in the loan file or insuring binder for any FHA-to-FHA transaction, provided that</p> <ul style="list-style-type: none"> <li>no modifications have been made to the foundation or structure from the date of the effective certification, or</li> <li>FHA/HUD Real Estate Owned (REO) Division sales</li> </ul>
FHA References		4145.1 3-4; 4150.2 8, & Appendix D-2; 4155.1 3, 4; 4155.2 4.10; 4930.3 – <i>Permanent Foundations Guide for HUD Manufactured Housing</i> FHA FAQ site: <a href="http://portal.hud.gov/hudportal/HUD?src=/FHFAQ">http://portal.hud.gov/hudportal/HUD?src=/FHFAQ</a>
Restrictions		<ul style="list-style-type: none"> <li>The following are ineligible:               <ul style="list-style-type: none"> <li>Non-traditional credit</li> <li>ARMs</li> <li>High Balance loans</li> <li>Re-siting of manufactured home</li> <li>Single Width manufactured home</li> <li>Manufactured home in condominium project</li> <li>Manufactured home on leasehold</li> <li>MFH properties within SFHA (Special Flood Hazard Area) or any property that requires flood insurance</li> </ul> </li> </ul>
Termite Control		<p>The steel chassis under a newly-constructed manufactured home unit is not an effective termite barrier. Any one, or a combination of the following methods is required for maximum protection against termites, including</p> <ul style="list-style-type: none"> <li>Chemical soil treatment</li> <li>EPA-registered bait treatments</li> <li>Pressure preservative-treated wood, or</li> <li>Naturally termite-resistant wood.</li> </ul> <p>Termite protection policies for existing manufactured homes are handled in the same manner as stick-built homes. State or local requirements are to be followed.</p>
<b>Mortgage Insurance</b>		<p>Mortgage Insurance is required on all loans.</p> <ul style="list-style-type: none"> <li>Refer to the attached matrix for details on UFMIP and monthly MIP</li> <li>The section of the Act under which the loan will be insured determines the mortgage insurance to be used.</li> </ul> <p><b>Sections 203b, and 234c (Condos)</b></p> <ul style="list-style-type: none"> <li>Up Front MIP (UFMIP) is required</li> <li>Monthly MIP is required</li> <li>Refer to the <i>FHA Mortgage Insurance Premium Matrix</i> for details on UFMIP and monthly MIP</li> </ul> <p><b>Calculating the Mortgage Insurance Premium (MIP)</b>            For the purpose of calculating the MIP, FHA uses the original value of the property to calculate the LTV.</p>
<b>Occupancy</b>		<p>Primary Residence            Second Home – (For FHA streamline purposes, this is classified as a 1-unit investment property)            Investment property</p> <p>Note: Investment (i.e., non-owner occupied) properties are only eligible for streamline refinancing into a fixed rate mortgage.</p> <p>See <i>Property Types</i> for limitations</p>
<b>Prepayment Penalty</b>		<p>Not permitted. However, if refinancing and the payoff check for the existing loan is not received by the servicing lender by the first day of the month, the lender may collect interest on the existing loan through the end of the month.</p>
<b>Processing</b>		<p>Streamline</p>

## FHA Streamline – Non-Credit Qualifying

<b>Program Exclusions</b>	HUD Section 184 Indian Home Loan Guarantee Program HUD Section 247 Hawaiian Home Lands
<b>Property Types</b>	<p><b>Eligible</b></p> <ul style="list-style-type: none"> <li>• 1 unit <u>owner occupied</u> SFR including: <ul style="list-style-type: none"> <li>• PUDs</li> <li>• Modular Pre-Cut/Panelized housing</li> <li>• Manufactured Housing (see separate <i>Manufactured Home Criteria</i> section)</li> <li>• Condos (including site condos) do not require condominium project approval</li> </ul> </li> <li>• 1 unit <u>not owner occupied</u> (second home or investment property) SFR including: <ul style="list-style-type: none"> <li>• PUDs</li> <li>• Modular Pre-Cut/Panelized housing</li> <li>• Condos (including site condos) <u>require condominium project approval</u>. If the condo is not currently approved, for whatever reason, the loan is ineligible.</li> </ul> </li> <li>• 2 – 4 units <u>owner occupied</u> – A borrower who has <u>re-occupied</u> an investment property within 12 months from the application date is ineligible.</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• 2 – 4 units that are <u>not owner occupied</u></li> <li>• Condo Hotels</li> <li>• Co-ops</li> <li>• Properties located within designated Coastal Barrier Resource System (CBRS) areas</li> <li>• Properties that require water purification systems are ineligible (Impac overlay)</li> </ul>
<b>Qualifying Rate and Ratios</b>	Ratios are not calculated  The Borrower's application <b>must</b> indicate their income source; however, the income is not required to be listed on the application, just the source of the income.
<b>Seasoning</b>	Existing FHA Case Number <b>must</b> be seasoned for at least 210 days from the closing date of the mortgage being refinanced to the date of the new FHA Case Number. See <i>Credit: Mortgage Seasoning Requirements</i> .
<b>Secondary Financing</b>	<p><b>Existing Subordinate Financing</b></p> <ul style="list-style-type: none"> <li>• Existing subordinate financing, in place at the time of case number assignment, <b>must</b> be resubordinated to the streamline refinance</li> <li>• There is no maximum CLTV</li> </ul> <p><b>New Subordinate Financing</b></p> <ul style="list-style-type: none"> <li>• New subordinate financing is permitted only where the proceeds of the subordinate financing are used to: <ul style="list-style-type: none"> <li>○ Reduce the principal amount of the existing FHA-insured mortgage; or</li> <li>○ Finance the origination fees, other closing costs, or discount points associated with the refinance</li> <li>○ There is no maximum CLTV</li> </ul> </li> </ul>
<b>Special Documentation Requirements or Enhancements</b>	<p>The Loan Application (URLA) plus the HUD Addendum 92900A <b>must</b> be complete and fully executed by all borrowers prior to underwriting. Mortgagees may use an abbreviated URLA (per FHA guidelines) on non-credit qualifying streamlines only. Source of income is required.  Evidence of valid Social Security Number is required on all loans  Evidence of Refinance Authorization data and New Case Number Assignment obtained from FHA Connection (print screens and place in loan file)  Check current deed or title to verify at least one borrower is listed as owner  Current mortgage payoff statement <b>must</b> be provided  Loan Estimate  Evidence mortgage is current (mortgage history)  URLA and signed HUD Addendum  FHA Loan Underwriting and Transmittal Summary, HUD Form 92900-LT signed by DE Underwriter  FHA Maximum Mortgage Calculation Worksheet  GSA and LDP, Procurement/Non-procurement lists <b>must</b> be checked  CAIVRS check <b>is not</b> required  Important Notice to Homebuyer (92900B)  Informed Consumer Choice Disclosure Notice  Flood Certificate  Copy of Existing HUD-1 – Determine the amount of Upfront MIP paid, if any, and verify existing FHA case number  Copy of Existing Note – Verify the current information from the note: Date of note, FHA case number, loan amount, interest rate, P&amp;I amount, and loan term. Also, verify that borrowers and property are the same on current loan and on new loan application.)</p>



## FHA Streamline – Non-Credit Qualifying

<b>Special Requirements/Restrictions</b>	<p><b>Net Tangible Benefit – Streamline Refinances</b></p> <ul style="list-style-type: none"> <li>A Net Tangible Benefit is a reduced Combined Rate, a reduced term, and/or a change from an ARM to a fixed rate mortgage that results in a financial benefit to the borrower.</li> <li>Combined Rate refers to the interest rate on the mortgage plus the Mortgage Insurance Premium (MIP) rate.</li> </ul> <p>The mortgagee <b>must</b> determine that there is a Net Tangible Benefit (NTB) to the borrower meeting the standards in the chart below for all streamline refinance transactions*.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 25%;"></th> <th colspan="3" style="text-align: center;">To:</th> </tr> <tr> <th style="text-align: center;">From:</th> <th style="text-align: center;">Fixed Rate New Combined Rate</th> <th style="text-align: center;">One-Year ARM New Combined Rate</th> <th style="text-align: center;">Hybrid ARM New Combined Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Fixed Rate</td> <td style="text-align: center;">At least 0.5 percentage points below the prior Combined Rate</td> <td style="text-align: center;">At least 2 percentage points below the prior Combined Rate</td> <td style="text-align: center;">At least 2 percentage points below the prior Combined Rate</td> </tr> <tr> <td style="text-align: center;">Any ARM with less than 15 months to next payment change date</td> <td style="text-align: center;">No more than 2 percentage points above the prior Combined Rate</td> <td style="text-align: center;">At least 1 percentage point below the prior Combined Rate</td> <td style="text-align: center;">At least 1 percentage point below the prior Combined Rate</td> </tr> <tr> <td style="text-align: center;">Any ARM with greater than or equal to 15 months to next payment change date</td> <td style="text-align: center;">No more than 2 percentage points above the prior Combined Rate</td> <td style="text-align: center;">At least 2 percentage points below the prior Combined Rate</td> <td style="text-align: center;">At least 1 percentage point below the prior Combined Rate</td> </tr> </tbody> </table> <p>*If the mortgage term is reduced in accordance with the "Reduction in Term" conditions below, this alone will meet the NTB test.</p> <p><b><u>Reduction in Term</u></b> The net tangible benefit test is met if:</p> <ul style="list-style-type: none"> <li>The mortgage term (remaining amortization period) is reduced; and</li> <li>The new interest rate does not exceed the current interest rate, and</li> <li>The combined principal, interest, and MIP payment of the new mortgage does not exceed the combined principal, interest and MIP of the refinanced mortgage by more than \$50.</li> </ul> <p><b>Deleting a Borrower</b></p> <ul style="list-style-type: none"> <li>Deleting a borrower is allowed under certain circumstances. See <i>Borrowers</i>.</li> </ul> <p><b>Adding a Borrower</b></p> <ul style="list-style-type: none"> <li>Individuals may be added to the title and mortgage on a non-credit qualifying streamline refinance without a creditworthiness review</li> </ul>		To:			From:	Fixed Rate New Combined Rate	One-Year ARM New Combined Rate	Hybrid ARM New Combined Rate	Fixed Rate	At least 0.5 percentage points below the prior Combined Rate	At least 2 percentage points below the prior Combined Rate	At least 2 percentage points below the prior Combined Rate	Any ARM with less than 15 months to next payment change date	No more than 2 percentage points above the prior Combined Rate	At least 1 percentage point below the prior Combined Rate	At least 1 percentage point below the prior Combined Rate	Any ARM with greater than or equal to 15 months to next payment change date	No more than 2 percentage points above the prior Combined Rate	At least 2 percentage points below the prior Combined Rate	At least 1 percentage point below the prior Combined Rate
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<b>Temporary Buydown</b>	Temporary interest rate buydowns are not permitted with refinance transactions																				
<b>Underwriting</b>	<p>Loan <b>must</b> be manually underwritten by a DE Underwriter</p> <p>The mortgagee may score the mortgage through TOTAL Mortgage Scorecard but <b><u>the findings are invalid</u></b>.</p> <p>A manual underwriting <u>credit and capacity analysis</u> of the borrower is <u>not</u> required.</p> <p><b><u>HUD Employee Mortgage</u></b> For non-credit qualifying streamline refinances only, any HUD employee may have their mortgage underwritten and approved/denied by the mortgagee.</p> <p><b><u>NOTE: The Maximum Mortgage Calculation Worksheets do not apply to second homes and investment property. Second homes and investment property may only be refinanced for the <u>outstanding principal balance</u>.</u></b></p> <p>FHA Streamline loans that are HPML loans and meet the <u>3% points and fees limit</u> and follow <u>FHA streamline underwriting guidelines</u> are <u>per FHA</u> "rebuttable presumption qualified mortgages." These are acceptable to Impac so long as FHA will insure the mortgage.</p> <p>Loans are ineligible for submission to TOTAL Scorecard.</p> <p>An FHA loan that has been modified is eligible for the Streamline Refinance program as long as it meets the requirements for streamline refinance transactions. The new loan amount may not exceed the <u>lesser</u> of the:</p> <ul style="list-style-type: none"> <li>Original loan amount, or</li> <li>Outstanding principal balance (including up to 2 months interest and MIP plus financed UFMP).</li> </ul>																				

## FHA Streamline – Non-Credit Qualifying

	<p>The outstanding balance of a modified loan may reflect amounts that were previously added to the loan balance to facilitate loss mitigation. This is acceptable as long as the new loan amount is calculated as required for streamline refinance transactions (may not exceed the lesser of the original loan amount or outstanding principal) and all other streamline refinance criterion is met.</p> <p>The DE <b>must</b> sign and use their CHUMS identification number on page 3 of the HUD Addendum 92900A and Page 1 of the FHA Loan Underwriting and Transmittal Summary. The Loan Application (URLA) plus the HUD Addendum 92900A <b>must</b> be complete and fully executed by all borrowers prior to underwriting.</p> <p>The following sections of the loan application are not required to be completed.</p> <ul style="list-style-type: none"><li>• Section IV (only the Monthly Income questions)</li><li>• Section V, VI (<b>must</b> complete assets if funds are required to close)</li><li>• Section VIII a - VIII k</li></ul>
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## FHA Streamline – Non-Credit Qualifying

**HUD Handbook 4000.1**

**Appendix 1.0 – MORTGAGE INSURANCE PREMIUMS (09/14/15)**

<b>Upfront Mortgage Insurance Premium (UFMIP)</b>
All Mortgages: 175 basis points (bps) (1.75% of the Base Loan Amount).
Exceptions: <ul style="list-style-type: none"> <li>• Streamline Refinance and Simple Refinance Mortgages used to refinance a previous FHA-endorsed Mortgage on or before May 31, 2009</li> <li>• Hawaiian Home Lands (Section 247)</li> <li>• Indian Lands (Section 248)</li> </ul>
Indian Lands (Section 248) do not require a UFMIP

<b>Annual Mortgage Insurance Premium (MIP)</b>			
Applies to all Mortgages except:			
<ul style="list-style-type: none"> <li>• Streamline Refinance and Simple Refinance Mortgages used to refinance a previous FHA endorsed Mortgage on or before May 31, 2009</li> <li>• Hawaiian Home Lands (Section 247)</li> </ul>			
Hawaiian Home Lands (Section 247) do not require Annual MIP			
<b>Mortgage Term of More Than 15 Years</b>			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	80	11 years
	> 90.00% but ≤ 95.00%	80	Mortgage term
	> 95.00%	85	Mortgage term
Greater than \$625,500	≤ 90.00%	100	11 years
	> 90.00% but ≤ 95.00%	100	Mortgage term
	> 95.00%	105	Mortgage term
<b>Mortgage Term of Less than or Equal to 15 Years</b>			
Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$625,500	≤ 90.00%	45	11 years
	> 90.00%	70	Mortgage term
Greater than \$625,500	≤ 78.00%	45	11 years
	> 78.00% but ≤ 90.00%	70	11 years
	> 90.00%	95	Mortgage term

**Streamline Refinance, Simple Refinance:**

<b>For refinance of previous Mortgage endorsed on or before May 31, 2009</b>			
UFMIP: 1 (bps) (.01%) All Mortgages			
<b>All Mortgage Terms</b>			
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.			

**Hawaiian Home Lands Section 247:**

<b>Hawaiian Home Lands Upfront MIP (UFMIP)</b>				
<b>Loan Term in Years</b>				
	≤ 18	> 18 and ≤ 22	> 22 and ≤ 25	> 25
MIP Financed	2.400%	3.000%	3.600%	3.800%
MIP not Financed	2.344%	2.913%	3.475%	3.661%
Annual MIP is not assessed on Section 247 Mortgages.				



FHA Streamline – Non-Credit Qualifying

**FHA MAXIMUM MORTGAGE CALCULATION WORKSHEET**

**FOR NON-CREDIT QUALIFYING STREAMLINE REFINANCES - PRIMARY RESIDENCE ONLY**

Borrower Name(s): \_\_\_\_\_ IMPAC Loan #: \_\_\_\_\_ FHA Case #: \_\_\_\_\_

**Step One: Outstanding Current Principal Balance**

1.	Unpaid Principal Balance (UPB may not include late charges, escrow shortages, delinquent interest, and processing type fees, discount points, closing costs)	\$ _____
2.	Plus Interest due on current loan (May not include delinquent interest)	\$ _____
3.	Plus Mortgage Insurance Premium (MIP) due on existing mortgage	\$ _____
4.	<b>TOTAL</b>	\$ _____

**Step Two: Original Principal Balance**

5.	<b>Original Principal Balance of the first mortgage including UFMIP</b>	\$ _____
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**Step Three: Maximum Loan Amount**

6.	The <u>lesser</u> of Step One (#4) or Step Two (#5)	\$ _____
	Subtract ( - )	
7.	Upfront Mortgage Insurance (UFMIP) Refund	\$ _____
8.	Maximum <b>Base Loan Amount</b> Streamline	\$ _____
9.	Plus <u>new</u> UFMIP (if financed)	\$ _____
10.	<b>New Streamline Refinance Loan Amount</b>	\$ _____

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