

# FHA Refinance comparison & Cheat Sheet

|                        | <b>FHA Rate/Term Refinance</b>   | <b>FHA Simple Refinance</b>  | <b>FHA Cash Out Refinance</b>  | <b>FHA Streamline Refinance</b>  |
|------------------------|--|--|--|--|
| Loan Type              | This loan can be used to payoff any first mortgage and junior lien combo as long as both liens are seasoned sufficiently for FHA guidelines. Closing costs can be included in the loan amount.   | This is a no cash out refinance of an existing FHA insured mortgage. Loan proceeds will only be used for paying off the existing FHA loan and costs associated with the loan closing                                   | This loan may be used to pay off any mortgage and does not require the mortgage to be an FHA loan that will be paid off. This loan type may be used to consolidate debt, payoff junior liens and allow the borrower cash in hand. Closing costs can be included in the loan amount | This loan type will only payoff the FHA mortgage balance and the new UFMIP amount. Closing costs may not be included in a Streamline loan. A Streamline worksheet must be used for loan calculation                    |
| Max LTV                | 97.75%   | 97.75%   | 80%  | 97.75%   |
| Minimum Credit Score   | 600<br><br>Scores of 600 – 659 have overlays – see overlay section   | 600<br><br>Scores of 600 – 659 have overlays – see overlay section   | 600<br><br>Scores of 600 – 659 have overlays – see overlay section   | 600<br><br>Overlays will not apply as ratios are not calculated  |
| Minimum Loan Amount    | \$30,000   | \$30,000   | \$30,000   | \$30,000   |
| Max Loan Amount        | May not exceed HUD county limits<br><br>To check these limits, use this website:<br><a href="https://entp.hud.gov/idapp/html/hicostlook.cfm">https://entp.hud.gov/idapp/html/hicostlook.cfm</a>  |  |  |  |
| Seasoning Requirements | Eligible after 6 full months have passed since the first payment due date of the mortgage being refinanced<br><b>AND</b><br>210 days must have passed from the closing date of the mortgage that is being refinanced to the date the new case number is pulled | A minimum of 6 payments on the FHA insured mortgage have been paid<br><b>AND</b><br>210 days must have passed from the closing date of the mortgage that is being refinanced to the date the new case number is pulled | A minimum of 6 payments on the mortgage have been paid<br><b>AND</b><br>210 days must have passed from the closing date of the mortgage that is being refinanced to the date the new case number is pulled   | A minimum of 6 payments on the FHA insured mortgage have been paid<br><b>AND</b><br>210 days must have passed from the closing date of the mortgage that is being refinanced to the date the new case number is pulled |

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| No Score Borrowers Allowed         | Never allowed on a refinance   | Never allowed on a refinance   | Never allowed on a refinance   | Never allowed on a refinance   |
| Contract for Deed Allowed          | Yes, only if recorded<br>If not recorded, loan must be completed as a purchase<br><br>Identity of Interest is applicable on a CFD transaction. Guidelines for this must be satisfied to close the loan                                       | Not allowed<br><br>Only FHA to FHA refi is allowed   | Not allowed  | Not allowed<br><br>Only FHA to FHA refi is allowed   |
| Case Number                        | Standard case number required – if the Mortgage being paid off is not currently an FHA loan<br><br>If loan is currently an FHA loan see other options  | Refinance Authorization Required<br><br>Refinance Credit Query is available prior to case number ordering and will provide the refinance credit amount   | If loan being refinanced is not currently an FHA loan, a new case number is required<br><br>If loan is a current FHA loan, refinance authorization is needed     | Refinance Authorization Required<br><br>Refinance Credit Query is available prior to case number ordering and will provide the refinance credit amount |
| Appraisal                          | Always required with a full interior/exterior inspection and pictures of all rooms, attic access, crawl space and mechanicals<br><br>HUD statement must be on the appraisal: Home meets requirements of HUD 4000.1 (or acceptable variation) | Always required with a full interior/exterior inspection and pictures of all rooms, attic access, crawl space and mechanicals<br><br>HUD statement must be on the appraisal: Home meets requirements of HUD 4000.1 (or acceptable variation) | If property has not been owned for 12 months, loan is not eligible for a C/O refi<br><br>If property has been owned over 12 months, appraised value can be used. | Appraisal is not required  |
| Termite Requirements               | Termite certification is not required unless appraiser notes termite or pest damage  |  |  |  |
| New Construction end loan allowed? | Yes. FHA Specific New Construction documents must be provided to   | No   | No   | No   |

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|   | underwriting. Please follow requirements for homes built in the most recent 12 months as a 10-year builder warranty may be required  |  |  |  |
| Occupancy                                 | Primary Residence Only<br>Borrower must prove property is currently occupied by them through standard loan documentation   | Primary Residence Only<br>Borrower must prove property is currently occupied by them through standard loan documentation   | Primary Residence Only<br>Borrower must prove property is currently occupied by them through standard loan documentation   | Primary Residence Only<br>Borrower must prove property is currently occupied by them through standard loan documentation |
| AUS                                       | DU Only<br>Findings must show an Approve/Eligible or a Refer/Eligible for submission to underwriting.<br><br>Refer/Eligible will require manual guidelines to be met. Please see Manual Requirements Section         | DU Only<br>Findings must show an Approve/Eligible or a Refer/Eligible for submission to underwriting.<br><br>Refer/Eligible will require manual guidelines to be met. Please see Manual Requirements Section | DU Only<br>Findings must show an Approve/Eligible or a Refer/Eligible for submission to underwriting.<br><br>Refer/Eligible will require manual guidelines to be met. Please see Manual Requirements Section | No Findings<br><br>Do Not Run AUS as a Streamline is a Manual Underwrite   |
| Non-Owner Occupant Borrower               | Allowed<br><br>Must be listed as a Borrower in the system and not a Co-Borrower.<br><br>May only be used to improve ratios and assets. FHA will not use this borrower type to improve the credit quality of the file | Allowed  | Not Allowed  | Not Allowed unless already on the current FHA loan.  |
| Removal/Addition of any Current Borrowers | Allowed  | Allowed  | Allowed  | Removal of current borrowers is Not Allowed, must use one of the other   |

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|                | Must receive an Approve/Eligible or Refer/Eligible   | Must receive an Approve/Eligible or Refer/Eligible   | Must receive an Approve/Eligible or Refer/Eligible   | options and complete a full qualification loan type<br><br>Addition of Individuals to title and mortgage are allowed without a creditworthiness review   |
| Application    | Full 1003 is required<br><br>Application must be taken and signed by borrower prior to ordering a new case number or refi authorization  | Full 1003 is required<br><br>Application must be taken and signed by borrower prior to ordering a new case number or refi authorization  | Full 1003 is required<br><br>Application must be taken and signed by borrower prior to ordering a new case number or refi authorization  | Sections that should not be completed are:<br><b>V. Income</b><br>2 years is still required<br><b>VI. Assets</b><br>Only show enough assets to satisfy cash to close, if applicable<br><b>VI. Liabilities</b><br>Only list the mortgages<br><br>Application must be taken and signed by borrower prior to ordering a new case number or refi authorization |
| Ratios         | Approve/Eligible – ratios determined by AUS, not to exceed 55%<br><br>Refer/Eligible – ratios capped at 31/43 for manual underwrite<br><br>See regular FHA Matrix for guidelines on higher ratio allowances on manual underwriting | Approve/Eligible – ratios determined by AUS, not to exceed 55%<br><br>Refer/Eligible – ratios capped at 31/43 for manual underwrite<br><br>See regular FHA Matrix for guidelines on higher ratio allowances on manual underwriting | Approve/Eligible – ratios determined by AUS, not to exceed 55%<br><br>Refer/Eligible – ratios capped at 31/43 for manual underwrite<br><br>See regular FHA Matrix for guidelines on higher ratio allowances on manual underwriting | Ratios not calculated on this product  |
| Credit Reports | Full credit report required  | Full credit report required  | Full credit report required  | Mortgage Only credit report with scores is required  |

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|-------------------------------|---|--|---|---|
|                               | Approve/Eligible – provides credit acceptance<br><br>Refer/Eligible – manual credit guidelines must be met. 0X30 in past 12 months and no more than 2X30 in previous 24 months                        | Approve/Eligible – provides credit acceptance<br><br>Refer/Eligible – manual credit guidelines must be met. 0X30 in past 12 months and no more than 2X30 in previous 24 months | Approve/Eligible – provides credit acceptance<br><br>Refer/Eligible – manual credit guidelines must be met. 0X30 in past 12 months and no more than 2X30 in previous 24 months          | No mortgage delinquencies within the past 12 months   |
| What can be included in loan? | <ul style="list-style-type: none"> <li>• Mortgage(s) &amp; Liens that show on title</li> <li>• Closing costs</li> <li>• Prepays</li> <li>• UFMIP</li> </ul> Cash back to borrower cannot exceed \$500 | <ul style="list-style-type: none"> <li>• FHA Mortgage loan</li> <li>• Closing Costs</li> <li>• Prepays</li> <li>• UFMIP</li> </ul> Cash back to borrower cannot exceed \$500   | <ul style="list-style-type: none"> <li>• Mortgage &amp; Liens</li> <li>• Other Debt</li> <li>• Cash to borrower</li> <li>• UFMIP</li> <li>• Closing Costs</li> <li>• Prepays</li> </ul> | <ul style="list-style-type: none"> <li>• FHA Mortgage loan</li> <li>• UFMIP</li> </ul> Cash back to borrower is not allowed |
| Net Tangible Benefit          | Benefit to the borrower must exist  | Benefit to the borrower must exist   |   | See matrix for specific Net Tangible Benefits located in Refinance Section  |