

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

- 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
Hybrid ARM	
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:

Units	High Balance
1	> \$510,400
2	> \$653,550
3	> \$789,950
4	> \$981,700

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Eligibility Requirements

Adjustable Rate Details	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">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. Must 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 not 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 rate sheet 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: center;">ARM Suffix Codes</th> </tr> <tr> <th style="width: 50%;">Loan Type</th> <th style="width: 50%;">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. Must 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 not 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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Application	<p>The Borrower's application must indicate their income source; however, the income is not required to be listed on the application, just the <u>source</u> 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"> • Section IV (only the Monthly Income questions) • Section V, VI (must complete assets if funds are required to close) • Section VIII a - VIII k 																										
Appraisal Requirements	<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>																										
Assets	<p>Funds to Close</p> <p>The mortgagee must 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"> • Verification of Deposit and • Most recent bank statement <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Two months' bank statements (Impac overlay) <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>																										
Borrowers	<p><u>Streamline Refinance: Non-Credit Qualifying</u></p> <p>Borrower Eligibility:</p> <ul style="list-style-type: none"> • 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 • Mortgages that have been assumed are eligible provided the previous borrower was released from liability <p>Borrower Eligibility: Exception</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ The divorce decree or legal separation agreement awarded the property and responsibility for payment to the remaining borrower, if applicable; and ○ The remaining borrower can demonstrate that they have made the mortgage payments for a minimum of six months prior to case number assignment <p>Inter Vivos Revocable Trust is allowed (Owner Occupied Only)</p> <ul style="list-style-type: none"> • Note: A Power of Attorney is not allowed on properties held in a trust (Impac overlay) <p>Ineligible</p>																										

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	<ul style="list-style-type: none"> Foreign Nationals Land Trusts Governmental entities and FHA-approved nonprofit corporations 																										
Calculating the New Mortgage Amount	<p>Refer to Section <i>Geographic Locations/Restrictions</i> for additional state specific restrictions or requirements</p> <p>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>.</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"> The lesser of: <ul style="list-style-type: none"> The outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; plus: <ul style="list-style-type: none"> Interest due on the existing mortgage; and MIP due on existing mortgage; or The original principal balance of the existing mortgage (including financed UFMIP); Less any refund of UFMIP (if financed in original mortgage). <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"> The lesser of: <ul style="list-style-type: none"> The outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; or The original principal balance of the existing mortgage (including financed UFMIP); Less any refund of UFMIP (if financed in original mortgage). <p><u>Maximum Mortgage Calculation for Streamline Refinance</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="background-color: #e0e0e0;">Step One: Outstanding Current Principal Balance</th> </tr> <tr> <td style="width: 80%;">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>TOTAL</td> <td style="text-align: right;">\$</td> </tr> <tr> <th colspan="2" style="background-color: #e0e0e0;">Step Two: Original Principal Balance</th> </tr> <tr> <td>Original Principal Balance of the First Mortgage including UFMIP</td> <td style="text-align: right;">\$</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <th colspan="2" style="background-color: #e0e0e0;">Step Three: Maximum Loan Amount</th> </tr> <tr> <td>The lesser 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>Maximum Base Loan Amount Streamline</td> <td style="text-align: right;">\$</td> </tr> </table> <p>The new FHA streamline mortgage amount may not include closing costs, pre-paid expenses and discount points, late changes and escrow shortages.</p> <p>Cash Back to the Borrower: \$500 Limitation 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 mortgage disbursement</p> <p>The mortgagee must obtain the payoff statement on the existing mortgage.</p> <p>Cash Back to the borrower: Excess Cash Back 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>Cash Back to the Borrower: Unused Escrow Balance Cash to the borrower resulting from the refund of borrower's unused escrow balance from the previous mortgage must not be considered in the \$500 cash back limit whether received at or subsequent to mortgage disbursement.</p>	Step One: Outstanding Current Principal Balance		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		TOTAL	\$	Step Two: Original Principal Balance		Original Principal Balance of the First Mortgage including UFMIP	\$			Step Three: Maximum Loan Amount		The lesser of Step One or Step Two	\$	Subtract	(-)	Upfront Mortgage Insurance Refund	\$	Maximum Base Loan Amount Streamline	\$
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	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)				
Credit	<p>This is a non-credit qualifying loan; however, the following is required.</p> <p>Minimum Credit Score and Requirements</p> <ul style="list-style-type: none"> • 580 • FHA does not require a credit report on the <u>non-credit qualifying streamline</u> refinance <ul style="list-style-type: none"> • Note: Impac requires a “mortgage only” credit report with three (3) credit scores (overlay) • If the mortgagee obtains a credit score, the mortgagee must enter it into FHA Connection (FHAC). If more than one credit score is obtained, the mortgagee must enter all available credit scores into FHAC. • <u>Mortgage payment history requirement for a Streamline Refinance</u> The borrower must exhibit an acceptable payment history as described in the table below: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Mortgage Payment History – Streamline Refinance (Non-Credit Qualifying)</th> </tr> </thead> <tbody> <tr> <td>0x30 for all mortgages on the subject property for the 6 months prior to case number assignment, and no more than -</td> </tr> <tr> <td>• 1x30 for the 6 months previous for all mortgages on the subject property.</td> </tr> <tr> <td><i>Note: Borrower must have made at least 6 payments on or before Case Number Assignment date.</i></td> </tr> </tbody> </table> <p>The borrower must 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>FHA Mortgage Seasoning Requirements On the date of the FHA case number assignment:</p> <ul style="list-style-type: none"> • The borrower must have made at least six payments on the FHA-insured mortgage that is being refinanced; • At least six full months must have passed since the first payment due date of the mortgage that is being refinanced; • At least 210 days must have passed from the disbursement date of the mortgage that is being refinanced; and • If the borrower assumed the mortgage that is being refinanced, they must have made six payments since the time of assumption <p>Note: GNMA requires that the first payment due date 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, and no more than -	• 1x30 for the 6 months previous for all mortgages on the subject property.	<i>Note: Borrower must have made at least 6 payments on or before Case Number Assignment date.</i>
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<i>Note: Borrower must have made at least 6 payments on or before Case Number Assignment date.</i>					
Documentation	<p>Document as determined by AUS findings, FHA Manual (4000.1) and Impac guidelines.</p> <p>The Mortgagee must obtain a Refinance Authorization Number from FHA Connections (FHAC) for all FHA-to-FHA refinances.</p> <p>For owner occupied properties, the mortgagee must review the borrower’s employment documentation or obtain utility bills to evidence the borrower currently occupies the property as their principal residence. The mortgagee must 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 must have original signatures.</p>				
Employment / Income	<p>Verification of Employment</p> <ul style="list-style-type: none"> • Salaried – Verbal Verification of Employment • Self-employed – Verification of business through third party source • Retirement and/or Social Security – Award letter or most recent bank <p>The Borrower’s application must indicate their income <u>source</u>; 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>				
Escrow Holdback	Ineligible				
Escrow Waivers	Ineligible				
Financing Types	<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"> • Additional GNMA requirements must be met. See GNMA Requirements <p>Note: Investment (i.e., non-owner occupied) properties are only eligible for streamline refinancing into a fixed rate mortgage.</p> <p>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.</p>				

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	<p>Streamline Refinance transactions on properties in Texas</p> <p>The following guidelines pertain to owner-occupied Streamline refinance transactions for properties in Texas</p> <ul style="list-style-type: none"> If the first mortgage is subject to Texas Section 50(a) (6), FHA insured financing is ineligible. Once a cash-out, always a cash-out. <ul style="list-style-type: none"> 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. When FHA insured financing is permitted, Underwriting conditions and closing instructions must indicate "No Cash back to borrower is permitted" (not even one dollar is permitted) <p>Properties listed for sale in the last 6 months are eligible as follows.</p> <ul style="list-style-type: none"> Property has been taken off the market on or before the application date. Borrower provides written confirmation of the intent to occupy if a primary residence. <p><u>New York Consolidation, Extension & Modification Agreement (NY CEMA)</u></p> <p>For all Impac refinance products, property located in the state of New York may be structured as a Consolidation, Extension, and Modification Agreement (CEMA) transaction. The most current version of Fannie Mae/Freddie Mac Uniform Instrument (Form 3172) must be used. The following documentation must be provided:</p> <ul style="list-style-type: none"> NY Consolidation, Extension and Modification Agreement (Form 3172) Original Note(s) – Original documents signed by the borrower Gap Note and Gap Mortgage, if applicable Consolidated Note – Original documents signed by the borrower Exhibit A – Listing of all Notes & Mortgages being consolidated, extended and modified Exhibit B – Legal description of the subject property Exhibit C – Copy of the consolidated Note Exhibit D – Copy of the consolidated Mortgage <p>Lost Note Affidavits are not an acceptable substitute for any of the required documents. If original documentation cannot be provided per above, then a CEMA is not allowed.</p>
<p>Geographic Locations/ Restrictions, as applicable</p>	<p>Eligible states are as follows:</p> <ul style="list-style-type: none"> Correspondent: All states (including DC) are eligible <p>See <u>New York Consolidation, Extension & Modification Agreement (NY CEMA)</u> in <i>Financing Types</i> section above.</p> <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: http://hvo.wr.usgs.gov/hazards/FAQ_LavaFlowHazardZone/ and http://pubs.usgs.gov/mf/1992/2193/</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>
<p>GNMA Requirements</p>	<p><u>For a prior FHA loan that is being refinanced as an FHA Streamline, GNMA requires:</u></p> <ul style="list-style-type: none"> 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 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) This requirement applies to each subsequent refinance using this program.
<p>High-Cost Mortgage Loans</p>	<p>Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32)</p>
<p>Internet Links</p>	<p>To access Mortgagee Letters, National HOC Reference Guide, HOC Letters, Handbooks, go to: http://portal.hud.gov/hudportal/HUD?src=/groups/lenders</p>
<p>Mortgage Insurance</p>	<p>Mortgage Insurance is required on all loans.</p> <ul style="list-style-type: none"> Refer to the attached matrix for details on UFMIP and monthly MIP The section of the Act under which the loan will be insured determines the mortgage insurance to be used. <p>Sections 203b, and 234c (Condos)</p> <ul style="list-style-type: none"> Up Front MIP (UFMIP) is required Monthly MIP is required Refer to the <i>FHA Mortgage Insurance Premium Matrix</i> for details on UFMIP and monthly MIP <p>Calculating the Mortgage Insurance Premium (MIP)</p> <p>For the purpose of calculating the MIP, FHA uses the original value of the property to calculate the LTV.</p>
<p>Occupancy</p>	<p>Primary Residence</p> <p>Second Home – (For FHA streamline purposes, this is classified as a 1-unit investment property)</p>

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	<p>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>
Prepayment Penalty	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.
Processing	Streamline
Program Exclusions	HUD Section 184 Indian Home Loan Guarantee Program HUD Section 247 Hawaiian Home Lands
Property Types	<p><u>Eligible:</u></p> <ul style="list-style-type: none"> • 1-unit <u>owner occupied</u> SFR including: <ul style="list-style-type: none"> PUDs Modular Pre-Cut/Panelized housing Condos (including site condos) do not require condominium project approval • 1-unit <u>not owner occupied</u> (second home or investment property) SFR including: <ul style="list-style-type: none"> PUDs Modular Pre-Cut/Panelized housing Condos (including site condos) <u>require condominium project approval</u>. If the condo is not currently approved, for whatever reason, the loan is ineligible. • 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. <p><u>Ineligible:</u></p> <ul style="list-style-type: none"> • 2–4 units that are <u>not owner occupied</u> • Manufactured Homes • Condo Hotels • Co-ops • Properties located within designated Coastal Barrier Resource System (CBRS) areas • Properties that require water purification systems are ineligible (Impac overlay)
Qualifying Rate and Ratios	<p>Manual Underwrite only is eligible - Ratios are not calculated</p> <p>The Borrower's application must indicate their income source; however, the income is not required to be listed on the application, just the source of the income.</p>
Seasoning	Existing FHA Case Number must 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> .
Secondary / Subordinate Financing	<p>Existing Subordinate Financing</p> <ul style="list-style-type: none"> • Existing subordinate financing, in place at the time of case number assignment, must be resubordinated to the streamline refinance • There is no maximum CLTV <p>New Subordinate Financing</p> <ul style="list-style-type: none"> • New subordinate financing is permitted only where the proceeds of the subordinate financing are used to: <ul style="list-style-type: none"> ○ Reduce the principal amount of the existing FHA-insured mortgage; or ○ Finance the origination fees, other closing costs, or discount points associated with the refinance ○ There is no maximum CLTV
Special Documentation Requirements or Enhancements	<p>The Loan Application (URLA) plus the HUD Addendum 92900A must 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.</p> <p>Evidence of valid Social Security Number is required on all loans</p> <p>Evidence of Refinance Authorization data and New Case Number Assignment obtained from FHA Connection (print screens and place in loan file)</p> <p>Check current deed or title to verify at least one borrower is listed as owner</p> <p>Current mortgage payoff statement must be provided</p> <p>Loan Estimate</p> <p>Evidence mortgage is current (mortgage history)</p> <p>URLA and signed HUD Addendum</p> <p>FHA Loan Underwriting and Transmittal Summary, HUD Form 92900-LT signed by DE Underwriter</p> <p>FHA Maximum Mortgage Calculation Worksheet</p> <p>Reviewing Limited Denial Participation (LDP) and System for Award Management (SAM) Exclusion Lists</p> <ul style="list-style-type: none"> • The mortgagee must check the HUD Limited Denial of Participation (LDP) list to confirm the borrower's eligibility to participate in an FHA-insured mortgage transaction

FHA Streamline – Non-Credit Qualifying

	<ul style="list-style-type: none"> The mortgagee must check the System for Award Management (SAM) and must follow appropriate procedures defined by that system to confirm eligibility for participation. <p>CAIVRS check is not required Important Notice to Homebuyer (92900B) Informed Consumer Choice Disclosure Notice Flood Certificate Copy of Existing settlement statement – 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&I amount, and loan term. Also, verify that borrowers and property are the same on current loan and on new loan application.)</p>																			
Special Requirements/Restrictions	<p>Net Tangible Benefit – Streamline Refinances</p> <ul style="list-style-type: none"> 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. Combined Rate refers to the interest rate on the mortgage plus the Mortgage Insurance Premium (MIP) rate. <p>The mortgagee must 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 rowspan="2" style="text-align: center;">From:</th> <th colspan="3" style="text-align: center;">To:</th> </tr> <tr> <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>Reduction in Term The net tangible benefit test is met if:</p> <ul style="list-style-type: none"> The mortgage term (remaining amortization period) is reduced; and The new interest rate does not exceed the current interest rate, and 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. <p>Deleting a Borrower</p> <ul style="list-style-type: none"> Deleting a borrower is allowed under certain circumstances. See <i>Borrowers</i>. <p>Adding a Borrower</p> <ul style="list-style-type: none"> Individuals may be added to the title and mortgage on a non-credit qualifying streamline refinance without a creditworthiness review 	From:	To:			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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Temporary Buydown	Temporary interest rate buydowns are not permitted with refinance transactions																			
Underwriting	<p>Loan must be manually underwritten by a DE Underwriter</p> <p>The mortgagee may score the mortgage through TOTAL Mortgage Scorecard but <u>the findings are invalid.</u></p> <p>A manual underwriting <u>credit and capacity analysis</u> of the borrower is <u>not</u> required.</p> <p>HUD Employee Mortgage For non-credit qualifying streamline refinances only, any HUD employee may have their mortgage underwritten and approved/denied by the mortgagee.</p> <p>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></p> <p>FHA Streamline loans that are HPML loans and meet the <u>3% points and fees limit</u> and <u>follow 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>																			

FHA Streamline – Non-Credit Qualifying

	<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"> • Original loan amount, or • Outstanding principal balance (including up to 2 months' interest and MIP plus financed UFMP). <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 must 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 must 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"> • Section IV (only the Monthly Income questions) • Section V, VI (must complete assets if funds are required to close) • Section VIII a - VIII k
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HUD Handbook 4000.1

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

Upfront Mortgage Insurance Premium (UFMIP)
All Mortgages: 175 basis points (bps) (1.75% of the Base Loan Amount).

Annual Mortgage Insurance Premium (MIP)			
Applies to all Mortgages except:			
<ul style="list-style-type: none"> • Streamline Refinance and Simple Refinance Mortgages used to refinance a previous FHA endorsed Mortgage on or before May 31, 2009 			
Mortgage Term of More Than 15 Years			
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
Mortgage Term of Less than or Equal to 15 Years			
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:

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



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.	TOTAL	\$	

Step Two: Original Principal Balance

5.	Original Principal Balance of the first mortgage including UFMIP	\$	
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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 Base Loan Amount Streamline	\$	
9.	Plus <u>new</u> UFMIP (if financed)	\$	
10.	New Streamline Refinance Loan Amount	\$	

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