# FHA Streamline Refinance

## Product Matrix

**HUD Handbook:** https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1

**HUD Section of the Act: 203(b)**

**Primary Residence**

| # of Units [1] | LTV / CLTV | Minimum Credit Score [1] |
|---|---|---|
| **1-4** [1] | LTV is based on the original value of the property. There is no CLTV. This information is on the refinance authorization obtained from FHA connection. | **640** [1] |

[1] **2-4 Unit properties located in the state of New Jersey are restricted to 680 credit score and a minimum of 0 x 30 lates in the past 12 months.**

| | |
|---|---|
| **MIP** | • Monthly MIP and LTV is calculated by using the original value of the property and may obtained/verified via FHA connection and refinance authorization |
| **Loan Limits** | • FHA Streamlines are not subject to County Limits |
| **Credit** | • At least 1 credit score for each borrower is required.<br>• A tri merge-credit report or a mortgage only credit report with a credit score |
| **Payment History** | • The borrower may not have more than 1x30 in past 12 months and 0x30 within the preceding 6 months.<br>• 2-4 unit properties located in New Jersey require 0 x 30 for a full 12 months. |
| **AUS** | • Manual underwriting only. An AUS is not to be run. |
| **Maximum Term** | The maximum term is the lesser of:<br>- 30 years, or<br>- 12 years beyond the remaining term of the existing loan |
| **Occupancy** | • Verification of occupancy is required in accordance with FHA guidelines. |
| **Maximum Mortgage** | Maximum mortgage amount the lesser of:<br>• the outstanding principal balance of the existing Mortgage as of the month prior to the mortgage Disbursement; plus<br>- interest due on the existing Mortgage; and<br>- MIP due on the existing Mortgage; **or**<br>• the original principal balance of the existing Mortgage (Including financed UFMIP)<br>Minus any refund of UFMIP. |
| **Seasoning Requirements** | **On the date of the FHA case number assignment:**<br>• the Borrower must have made at least six payments on the Mortgage that is being refinanced;<br>• at least six full months must have passed since the first payment due date of the Mortgage that is being refinanced;<br>• at least 210 Days must have passed from the closing date of the Mortgage that is being refinanced; |
| **Net Tangible Benefit** | 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<br>("Combined rate refers to the interest rate on the Mortgage plus the MIP rate".)<br>• **Fixed Rate to Fixed Rate:** the new combined rate is at least .5% below the prior combined rate<br>• **ARM to Fixed rate:** New combined rate is no more than 2% above the prior combined rate<br>• **Reduction in term:**<br>- the remaining term of the existing loan is reduced; and<br>- the new interest rate does not exceed the current interest rate; and<br>- the new combined principal, interest and MIP payment does not exceed the combined principal, interest and MIP payment of the refinanced mortgage by more than $50.<br>**See Hud Handbook for complete details on the Net Tangible Benefit for Streamline Refinances** |
| **Assets** | • Funds to close must be documented in accordance with FHA Guidelines |
| **Employment / Income** | • 2 year Employment must be reflected on the application. Income should not be included.<br>• Salaried borrower's require a Verbal VOE<br>• Self-employed borrowers require verification from of the business through a 3rd party source<br>• Retirement/social security requires most recent bank statement or award letter. |
| **Cash Back** | • maximum cash back is $500.00 |
| **Borrowers** | • Borrowers can be added without credit qualifying as long as the existing borrowers remain on the note and deed.<br>• Borrowers may be removed from the title and new mortgage as long as:<br>- at least one borrower from the existing mortgage remains as a borrower, and<br>- the mortgage is fully credit qualified in accordance with FHA manual underwriting guidelines with the exception of LTV and appraisal requirements. |
| **Appraisal** | • Not required. |
| **Ratios** | • Not calculated unless credit qualifying |