

Streamline Refinance WITHOUT an Appraisal Worksheet

The maximum insurable mortgage cannot exceed:

- The outstanding principal balance¹ minus the applicable refund of the UFMIP, PLUS
- The new UFMP that will be charged on the refinance.

STEP 1 Base Mortgage Amount

Outstanding Principal Balance¹ = _____
 Minus MIP refund - _____
 Base mortgage amount = _____

STEP 2 ADD MIP

Base Mortgage Amount..... = _____
 Multiplied by the UP FRONT MIP Factor..... X 1.5%
 UP FRONT MIP = _____

STEP 3 Add UFMIP and Base Mortgage Amount to get the loan amount with MIP

New Base Mortgage Amount..... = _____
 New UFMIP + _____
 New MORTGAGE AMOUNT WITH MIP = _____

If the MIP credit exceeds the new MIP then the New MIP will become the refund amount. The refund amount due the borrower will be refunded by HUD directly to the borrower.

CASH BACK CAN NOT EXCEED \$500 AND THE NEW BASE LOAN AMOUNT CAN NOT EXCEED THE STATUTORY LOAN LIMIT FOR THE COUNTY.
 The mortgage being refinanced must be current for the month due, e.g., a refinance of a mortgage anytime in November must have had the October payment made. **The Appraised Value from the Refinance Netting Authorization must be used for LTV for TIL purposes to determine remaining months on monthly MIP term.**

Net Tangible Benefit

Reduction in total mortgage payment: The new total mortgage payment is 5% lower than the total mortgage payment for the mortgage being refinanced. Total mortgage payment includes principal, interest, taxes and insurances, homeowners' association fees, special assessments and all subordinate liens. (This requirement is applicable when refinancing from a Fixed Rate to Fixed Rate, ARM to ARM, 203K to 203B)

_____ less _____ = _____
 Current Total Mortgage Payment New Total Mortgage Payment Reduction (must be ≥ 5%)

One Year (1-Year) Adjustable Rate Mortgage (ARM) to a Fixed Rate Mortgage: The interest rate on the new fixed rate mortgage will be no greater than 2 percentage points (2%) above the current rate of the one-year ARM.

_____ _____ _____
 Current Interest Rate (1 year ARM) New Interest Rate change in new rate (not >2%)

HYBRID Adjustable Rate Mortgages (ARM) to a Fixed Rate Mortgage: For hybrid ARMs (3/1, 5/1, etc.), the total mortgage payment on the new fixed rate mortgage may not increase by more than 20 percent (20%).

_____ X 20% = _____
 Current Total Payment (Hybrid ARM) total new payment is not to exceed this number

 New Total Mortgage Payment

Note: **Reduction in Term:** For transactions that include a reduction in the mortgage term or are a fixed rate to a Hybrid ARM (3/1, 5/1 ARM, etc.), that loan must be underwritten and closed as a FHA to FHA rate & term (no cash-out) refinance transaction. If the above benefit to borrower is not met the loan cannot be streamline refinanced.

¹ The Outstanding principal balance may include interest charged by the servicing lender when the payoff is not received on the first day of the month but may not include delinquent interest, fax fees, late charges or escrow shortages.