

203K Streamline

The Streamline(k) program is intended to assist homeowners with basic repairs costing from \$5,000 up to a maximum of \$35,000.

CREDIT REQUIREMENTS	Minimum 640 FICO – Standard to FHA credit qualifications.
PURPOSE	Purchase Rate-Term Refinance
PRODUCTS	Fixed Rate only
LOAN AMOUNTS	Varies by County. Check HUD website at https://entp.hud.gov/idapp/html/hicostlook.cfm
TERMS	30 year only
LTV	The maximum loan-to-value is based on the lesser of: <ul style="list-style-type: none"> • The sales price “as is” appraised value plus the repairs minus sales concessions; or • 110% of the “as completed” appraised value • For refinances: if the borrower has owned the property for less than a year, the acquisition cost must be used to determine the maximum mortgage amount
APPRAISALS	The appraisal must be ordered as a Streamline 203(k) and all bids/cost estimates, etc. must be provided to the AMC when the appraisal order is placed. The appraisal will be done with both the “as is value” and the estimated value “after repaired”. *for more detailed info on 203K appraisals, please see guidelines.
PROPERTY TYPES	<p>Eligible</p> <ul style="list-style-type: none"> • Single-family dwellings • 2 units • Planned Unit Developments (PUDs) • Site Condominiums • Townhome/Rowhome • Modular Homes • Log; Dome; Berm Homes; Pier Foundations; Auxiliary/Accessory Dwelling Units; Homes with extreme functional obsolescence (one bedroom) – Must be common and typical for the area and have like comparables. • HUD REOs (Real Estate Owned/Property Disposition Sales) are eligible provided the repairs qualify as eligible work items outlined in these guidelines. • Properties located in age-restricted communities – must be common for the area <p>Ineligible</p> <ul style="list-style-type: none"> • 3-4 units • Condominiums (other than site condos)
OCCUPANCY	Owner-occupied only Non-occupying co-borrowers not allowed
ELIGIBLE BORROWERS	Individuals only. There cannot be a relationship in any manner between parties involved. Employee loans are not eligible
QUALIFYING RATIOS	31%/43%. - May exceed guidelines with DU Approve/Eligible recommendation or with compensating factors
BORROWER'S MINIMUM CASH INVESTMENT	Purchase Transactions 3.5% of the sales price which must be all down payment
GIFT FUNDS	YES - The gift fund policy for 203K is standard with FHA gift fund policy
MORTGAGE INSURANCE	Calculated from TOTAL loan amount. * Refer to FHA Mortgage Insurance Chart *
ESCROW WAIVER	NOT permitted
UNDERWRITING	All Streamline(k) loans will be underwritten according to standard FHA guidelines. Loans must be run through Total Scorecard using Fannie Mae's Desktop Originator/Underwriter. The loan must be run through with the after repaired/improved value and the adjusted sales price (sales price plus repairs minus sales concessions).
CONTINGENCY RESERVES	<ul style="list-style-type: none"> • Properties built in 1959 or prior will require 20%. • Properties built between 1960 and 1978 will require 15%. • Properties built in 1979 and forward will require 10%. • Bank owned/HUD owned/Company owned (LLC, etc.) transactions will require a minimum 15%. If plumbing repairs are required and if the transaction is bank owned/HUD owned/Company owned (LLC, etc.), regardless of age of the property, 20% will be required.

FOR FURTHER DETAILS, PLEASE REFER TO GUIDELINES ON MMI'S WEBSITE

203K STREAMLINE WORK ITEMS

Repairs must comply with all local codes and ordinances. The borrower and/or contractor must obtain all required permits prior to the commencement of work. Once the mortgage is approved and closed, the list of repair items cannot be changed unless the servicing lender approves a written change order. Costs related to change orders cannot be used to increase the mortgage amount.

<p>ELIGIBLE</p>	<p>Use of the Streamline(k) Program is limited to properties with the following work items:</p> <ul style="list-style-type: none"> • Repair/replacement roofs, gutters and downspouts; • Repair/replacement/upgrade of existing HVAC systems; • Repair/replacement/upgrade of plumbing and electrical systems; • Repair/replacement of existing flooring; • Minor remodeling, such as kitchens/baths, which does not involve structural repairs; • Painting, both exterior and interior; • Weatherization, including storm windows and doors, insulation, weather stripping, etc.; • Purchase and installation of appliances, including free-standing ranges, refrigerators, washers/dryers, dishwashers and microwave ovens; • Accessibility improvements for persons with disabilities; • Lead-based paint stabilization or abatement of lead-based paint hazards (including the availability to pay for lead-based paint stabilization costs above and beyond that paid for by HUD when it sells real estate owned property (HUD REO). *Contractor must carry certification by the EPA to complete these repairs; • Repair/replacement/addition of exterior decks, patios, porches • Basement finishing and remodeling, which does not involve structural repairs; • Basement waterproofing; • Window and door replacements and exterior wall re-siding; • Septic system and/or well repair or replacement. • Mold abatement/remediation, which must be completed by a qualified professional.
<p>INELIGIBLE</p>	<p>Properties that require the following work items are not eligible for financing under the Streamline(k):</p> <ul style="list-style-type: none"> • Major rehabilitation or major remodeling, such as the tear down/relocation of a wall; • New construction (including room additions); • Repair of structural damage; • Repairs requiring detailed drawings or architectural exhibits; • Landscaping, irrigation, or similar site amenity improvements; • Any repair or improvement requiring a work schedule longer than six (6) months; • Rehabilitation activities that require more than two (2) payments per specialized contractor; • Luxury items are not eligible (such as hot tubs, swimming pools, fountains, etc.) • Driveway repairs *If appraiser notes a trip hazard or safety issue, this must be repaired prior to closing, and cannot be included in 203(k) financing
<p>CONTRACTORS</p>	<p>All contractors must be approved by MMI and must provide</p> <ul style="list-style-type: none"> • Estimates for work • References • License and Certificate of Liability Insurance • Signed and dated W-9 <p style="text-align: center;"><u>NO IDENTITY OF INTEREST WITH ANY PARTY INVOLVED IN THE TRANSACTION</u></p>

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