

Standard FHA Programs

CREDIT REQUIREMENTS	FHA credit standards apply to the entire credit history	
	<p>Minimum 640 FICO – unless using 620-639 product</p> <p>Non-Traditional Credit -can be used to supplement limited trade lines – we do NOT accept non-traditional credit <u>ONLY</u></p> <p>Judgments on credit reports – must be paid or evidence of a payment plan and 12 month satisfactory payments</p> <p style="text-align: center;">Bankruptcy</p> <p>Chapter 7 – requires minimum 2yr period since discharge date</p> <p>Chapter 13 – is permitted if a 1yr payout period has elapsed and performance has been satisfactory and the borrower receives court approval to enter into the mortgage transaction.</p> <p>Foreclosure/Deed in Lieu – require a minimum 3yr period since date of deed transfer.</p>	
PURPOSE	Purchase / Rate-Term Refinance / Cash-Out Refinance	
PRODUCTS	Fixed rate 3/1 ARM 5/1 ARM	
LOAN AMOUNTS	MIN: \$40,000 MAX: \$417,000 – amounts >\$417,000 are subject to high balance loan criteria	
TERMS	15yr 20yr 25yr 30yr	
LTV/CLTV	Purchase	96.5% LTV 100% max CLTV with acceptable subordinate financing 110% max CLTV with subordinate financing from gov agencies
	Rate/Term Refinance	97.75% max LTV 97.75 max CLTV with acceptable subordinate financing
	Cash out Refinance	85% max LTV/CLTV
APPRAISALS	Must meet FHA Appraiser Independence requirements.	
PROPERTY TYPES	<p>Eligible</p> <ul style="list-style-type: none"> • 1-4 Family owner occupied properties, PUDs, FHA approved condos, • Townhome/Rowhome, modular homes, log homes, dome homes, berm homes, and pier foundations. • Homes with extreme functional obsolescence (i.e. 1 bdrm)-Must be common and typical to the area and have comps to be eligible • New construction homes 	
	<p>Ineligible</p> <ul style="list-style-type: none"> • Non FHA approved condos, condotels, condo conversions, new construction condos • New construction properties in a flood zone • Mobile/Manufactured homes, agricultural, commercial, industrial use, income producing properties, mixed use properties, leasehold properties, properties currently listed for sale (refis), non-owner occupied, 2nd homes, time share units, construction financing. • Properties vested in life estates/trust, multiple dwellings on single parcel of land 	
OCCUPANCY	Owner-occupied primary residence only	
QUALIFYING RATIOS	DU approve eligible – Ratios are evaluated by DU	
	DU Refer/Manually UW – 31/43 may be exceeded if strong documented compensating factors exist.	
BORROWER'S MINIMUM CASH INVESTMENT	Purchase Transactions 3.5% of the sales price which must be all down payment	
GIFT FUNDS	<p>Allowed *see guidelines for specifics. Cash gifts are not allowed.</p> <p>The file must also contain an FHA Gift Letter which can be found on the MMI website.</p>	
MORTGAGE INSURANCE	UFMIP is required on ALL loans and must be either entirely financed into the mortgage or paid entirely in cash. The statutory loan amt and LTV limits do NOT include UFMIP. *See chart for Annual MIP	
ESCROW WAIVER	NOT permitted	
UNDERWRITING	<ul style="list-style-type: none"> • AUS / DU – Approve/Eligible Required • Manual UW 	
SETTLEMENT FEES & CLOSING COSTS	MMI UW fee: \$775 IRS tax transcripts: The actual fee will be determined upon receipt of tax transcripts (for up-front TILA/APR disclosure purposes, MMI utilizes \$50 per borrower, if actual fees are not itemized) A schedule of actual fees are provided on MMI's website.	

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