



Attention Please!!

TEMPORARY GUIDANCE DUE TO COVID-19
 This direction supersedes standard guidance on this matrix!

Due to the unprecedented impact of the coronavirus on the industry, temporary guidance has been issued regarding a number of different topics. To ensure your borrower is accurately qualified in this challenging time, please refer to the [Temporary Guidance due to COVID-19 document](#).

FHA \$100 Down Program

The FHA \$100 Down program is a purchase money loan offered in limited geographic areas to purchasers of HUD REOs.
THE \$100 DOWN INCENTIVE IS NOT AVAILABLE UNLESS IT IS ON THE FULLY EXECUTED SALES CONTRACT.

Credit Requirements	Minimum 600 FICO required. Manual underwriting not permitted for loans with < 640 mid scores. Standard FHA credit guidelines apply.
Loan Purpose	Purchases only
Loan Amount	Maximum \$510,400
Loan Terms	15 year and 30 year fixed, and 5/1 ARMs
LTV	Buyers who have been approved by FHA to acquire HUD REO properties under an authorized \$100 minimum cash investment initiative may finance the cost of the UFMIP through their FHA-insured loan, provided the total mortgage amount including the UFMIP does not exceed 100% of the 'as is' appraised value. Approved borrowers acquiring HUD REO properties under any such initiative are not eligible to finance prepaid expenses and/or closing costs through the mortgage.
Appraisals	"As is" appraisal is required (not "as repaired"). The broker must contact HUD's Management and Marketing (M&M) contractor to obtain a copy of the Property Condition Report (PCR). <i>See guidelines for specifics on appraisals over 120 days old</i>
Property Types	<ul style="list-style-type: none"> ● Single family dwellings ● Planned Unit Developments (PUDs) ● Condominiums (must be FHA-approved) ● 2-4 units
Occupancy	Owner occupied, primary residences only. Non-occupant coborrowers not permitted.
Qualifying Ratios	As determined by the AUS for loans with an Approve/Eligible recommendation.
Mortgage Insurance	Upfront MIP is required on all loans, and must be entirely financed into the mortgage amount or paid entirely in cash. See chart in the guidelines for annual MIP factors.
Escrow Waiver	Not permitted.
Underwriting	All HUD REO loans will be underwritten according to standard FHA guidelines. Loans must be run against TOTAL Scorecard using FNMA's DU, or manually underwritten (with a 640+ mid score). Loan may receive an "Ineligible" recommendation due to mortgage amount calculation if utilizing the \$100 Down initiative.
Minimum Cash Investment	All loans require borrowers to make a minimum \$100 downpayment. The standard FHA policy requiring that borrowers make a 3.5% investment is not required for the FHA \$100 Down HUD repo program. Borrowers may not receive any cash back at closing.
Calculating Max Mortgage Amount	To calculate the max mortgage amount for a home being sold under the \$100 incentive, take the Adjusted Value minus the \$100 down payment - this will be the new base loan amount. Calculate the UFMIP accordingly to determine total loan amount. Including a Repair Escrow in the Loan Amount: Take the sum of the Adjusted Value and the estimated cost of repairs (not to exceed \$11,000), and subtract the \$100 downpayment - this will be the new base loan amount. Calculate the UFMIP accordingly. Show loan amount calculation on 92900-LT.

FOR FURTHER DETAILS, PLEASE REFER TO FHA GUIDELINES