

MAXIMUM LTV/CLTV

FHA FIXED – PRIMARY RESIDENCE

LTV Limitations	# of Units	FICO	LTV/CLTV
Streamline – Credit Qualifying (Includes Manufactured Home)	1 - 4	620	97.75%
Streamline – Non-Credit Qualifying (Includes Manufactured Home)	1 - 4	No FICO	N/A*

* Must meet [Net Tangible Benefit "NTB"](#)

FHA STREAMLINE LOAN ADVANTAGES

- Escrow/Impounds may be netted when the current servicer supplies payoff demand reflecting netted escrow account.
- Non-credit qualifying streamline requires no appraisal or income documentation.
- Mortgage rating credit report or mortgage only rating allowed with no credit scores.
- Any occupancy type in accordance with HUD guidelines. Current mortgage has been paid as agreed within the last 6 months.
- Employment is not required to be verified, borrower current contact information is required.
- No maximum CLTV for existing (non-HUD lien) secondary financing subordination.
- Condominium's do not require FHA approval for non-credit qualifying streamlines.
- Maximum mortgage amount for primary residence or second home is the lesser of the outstanding principal balance plus up to (60 days of interest due, 2 months MIP due), plus new UFMIP less any allowable refund, or the original principal balance of the existing mortgage including the UFMIP, less any refund if financed in the original mortgage.
- Maximum mortgage amount for investment properties is the lesser of the outstanding principal balance of the existing mortgage, or the original principal balance of the existing mortgage including the UFMIP, less any refund if financed in the original mortgage.
- Loan limits may exceed current loan limit for non-credit qualifying streamlines.

LHFS Product Names and Codes

Program	Product Code	Product Detail
FHA - Streamline Fixed	WGFCQSLNA30-000	30 Year Fixed Credit Qual Streamline No Appraisal
	WGFNCQSLNA30-000	30 Year Fixed Non-Credit Qual Streamline - No Appraisal
	WGFHBNCQSLNA30-000	30 Year High Balance Fixed Non-Credit Qual Streamline - No Appraisal
	WGFCQSLNA15-000	15 Year Fixed Credit Qual Streamline No Appraisal
	WGFNCQSLNA15-000	15 Year Fixed Non-Credit Qual Streamline
FHA - Streamline Fixed (Manufactured Homes)	WMHFHA30NCQSLNA-000	30 Year Streamline Non-Credit Qual Streamline - No Appraisal
	MHFHA30CQSLNA-000	30 Year Credit Qual Streamline No Appraisal Standard
	WMHFHA15NCQSLNA-000	15 Year Fixed Streamline Non-Credit Qual Streamline - No Appraisal
	WMHFHA15CQSLNA-000	15 Year Fixed Streamline Credit Qual Streamline No Appraisal



WHAT ARE THE NET TANGIBLE BENEFIT REQUIREMENTS FOR AN FHA STREAMLINE REFINANCE?

A Net Tangible Benefit (NTB) is the financial benefit to the Borrower that results from a Streamline Refinance. There are three types of Net Tangible Benefit: Combined Rate Reduction; Changing from an Adjustable to a Fixed Rate Mortgage (ARM to a Fixed); and a Reduction in Term. Combined Rate refers to the interest rate on the mortgage plus the Mortgage Insurance Premium (MIP) rate.

COMBINED RATE REDUCTION NTB

FROM	TO
	Fixed Rate New Combined Rate
Fixed Rate	At least 0.5 percentage points below the prior Combined Rate.
Any ARM with Less Than 15 Months to Next Payment Change Date	No more than 2 percentage points above the prior Combined Rate.
Any ARM with Greater Than or Equal to 15 Months to Next Payment Change Date	No more than 2 percentage points above the prior Combined Rate.

REDUCTION IN TERM NTB (Note: the NTB requirements under Combined Rate Reduction are not applicable for Reduction in Term scenarios)

The net tangible benefit test is met if:

- the remaining amortization period of the existing Mortgage is reduced;
- the new interest rate does not exceed the current interest rate; and
- the combined principal, interest and MIP payment of the new Mortgage does not exceed the combined principal, interest and MIP of the refinanced Mortgage by more than \$50.

HELPFUL LINKS:

- [FHA Handbook](#)
- [FHA FAQ](#)
- [Net Tangible Benefit Form](#)
- [FHA Streamline Submission Checklist](#)



STREAMLINE YOUR BORROWERS FHA MORTGAGE

Streamline refinance refers to the refinance of an existing FHA-insured mortgage requiring limited borrower credit documentation and underwriting. Streamline refinances are available under credit qualifying and non-credit qualifying options. "Streamline refinance" refers only to the amount of documentation and underwriting that the lender must perform, and does not mean that there are no costs involved in the transaction. The basic requirements of a streamline refinance are:

- The mortgage to be refinanced must already be FHA insured.
- The mortgage to be refinanced must be current (not delinquent).
- The refinance results in a net tangible benefit to the borrower. The definition of net tangible benefit varies based on the type of loan being refinanced, and the interest rate and/or term of the new loan.
- Must involve no cash back to the borrower except for minor adjustments at closing not to exceed \$500 or as limited by state law.

Investment properties (properties which the borrower does not occupy as his or her principal residence) may only be refinanced without an appraisal.

LHFS must determine that there is a net tangible benefit to the Borrower for all Streamline Refinance transactions.



GENERAL REQUIREMENTS Refer to HUD's 4000.1 Guide and Client Select's FHA Overlays for complete guidelines	
Appraisal	<ul style="list-style-type: none"> Appraisal is not required "Original Property Value" reflected in FHA Connection Refinance Credit Query Results
Assets	<ul style="list-style-type: none"> If cash to close exceeds new PITIA, validation of assets are required (in accordance with FHA HUD 4000.1 Sources of Funds). <ul style="list-style-type: none"> Gift funds Allowed Documentation required is as follows. <ul style="list-style-type: none"> Verification of Deposit and Most recent bank statement
Borrower Eligibility	<ul style="list-style-type: none"> Existing mortgage must be FHA insured and must be current (not delinquent) US citizens Permanent resident aliens with documentation Non-permanent Resident Aliens with acceptable Visas per HUD guidelines and MUST have an EAD card All borrowers MUST have a valid social security number Borrower(s) can be added as long as the existing borrower(s) remain on the note and deed. Credit qualifying is not required to add a borrower <p><u>Addition / Deletion of Borrowers</u></p> <ul style="list-style-type: none"> Addition of a Borrower: Permitted Deletion of a Borrower(s): Permitted without credit qualifying if the borrower being deleted is due to divorce or death; if a borrower is being deleted due to other circumstance, the streamline refinance must be Credit Qualifying
Credit Requirements (Credit Qualifying)	<p><u>Credit Qualifying</u></p> <p>A credit qualifying streamline refinance is required</p> <ul style="list-style-type: none"> When loan does not meet Net Tangible Benefits When a change in the mortgage term will result in an increase in the mortgage payment of more than 20% When deleting a borrower or borrowers from title that occurred less than 6 months previously Following the assumption of a mortgage that occurred less than six months previously such as in a property transfer resulting from a divorce or death <p>For Credit Qualifying loans:</p> <ul style="list-style-type: none"> A credit report and capacity analysis are required 31%/43%. Housing ratios exceeding 31% may be acceptable only if there are significant compensating factors as defined by FHA in the FHA Single Family Handbook. Determine that the borrower will continue to make mortgage payments At least 1 borrower from the existing mortgage must remain as a borrower on the new mortgage
Credit Requirements (Non-Credit Qualifying)	<p><u>Non-Credit Qualifying</u></p> <ul style="list-style-type: none"> Credit report or capacity analysis – Not Applicable Appraisal – Not Applicable
Documentation Requirements	<ul style="list-style-type: none"> Refer to LHFS FHA Streamline Submission Checklist



GENERAL REQUIREMENTS - CONTINUED Refer to HUD's 4000.1 Guide and Client Select's FHA Overlays for complete guidelines	
Eligible Property Types	<ul style="list-style-type: none"> FHA Insured property (including Manufactured Homes)
Income (Applicable to Credit Qualifying)	<ul style="list-style-type: none"> Salaried borrowers require a Verbal VOE prior to closing Self-employed borrowers require verification of the business through a 3rd party source Retirement and/or social security income requires the most recent bank statement or award letter Validated IRS Transcripts are not required
Ineligible States	<ul style="list-style-type: none"> Texas (a)(6) - Refinance
Maximum Loan Amount	<p>For owner-occupied Principal Residences and HUD-approved Secondary Residences, the maximum Base Loan Amount for Streamline Refinances is:</p> <ul style="list-style-type: none"> The lesser of: <ul style="list-style-type: none"> The outstanding principal balance of the existing Mortgage as of the month prior to mortgage Disbursement; plus; Interest due on the existing Mortgage; and MIP due on existing Mortgage; or The original principal balance of the existing Mortgage (including financed UFMIP); Less any refund of UFMIP (if financed in original Mortgage).
Maximum Cash Back to Borrower(s)	<ul style="list-style-type: none"> Streamline refinances are designed to lower the monthly principal and interest (P&I) on a current FHA mortgage and must involve no cash back to the borrower except for minor adjustments at closing not to exceed \$500 or as limited by state law.
Mortgage History	<ul style="list-style-type: none"> 0x30 in the past 6 months prior to new case assignment, max 1x30 in the past 12 months
Occupancy	<ul style="list-style-type: none"> Owner Occupied (current utility bills needed) Secondary Residences only allowed with Hardship Exception submitted in writing and approval from appropriate HOC. If doing a Streamline Refinance MUST be a Streamline Without Appraisal ONLY. Additional restrictions may apply, please contact lender for further details. Investment properties only allowed on FHA Streamline refinance without an appraisal. Additional restrictions may apply. Please contact lender for further details.
Seasoning	<ul style="list-style-type: none"> On the date of the FHA case number assignment: <ul style="list-style-type: none"> The Borrower must have made at least six payments PRIOR to the case # assignment date on the FHA-insured Mortgage that is being refinanced; At least six full months must have passed since the first payment due date of the Mortgage that is being refinanced; At least 210 Days must have passed from disbursement date; and If the Borrower assumed the Mortgage that is being refinanced, they must have made six payments since the time of assumption.
Subordinate Financing	<ul style="list-style-type: none"> Loans with Subordinate Financing: The maximum HCLTV is based on the Total Loan Amount plus subordinate financing divided by the "Original Property Value" reflected in FHA Connection Refinance Credit Query Results. In addition, all loans with subordinate financing must comply with FHA maximum New subordinate financing is not permitted
Underwriting	<ul style="list-style-type: none"> AUS is not applicable on FHA Streamline Refinance loans. All loans are manually underwritten.

Any item not covered in the guidelines can be accessed by referring to [HUD's 4000.1 Guide](#).

Each loan files layers of risk (i.e., payment shock; gift funds; assets/reserves not verified; multiple layers of risk, etc.) may require additional documentation or explanations above and beyond the AUS requirements (i.e., rental history; budget letters; excessive commute detail, etc.).

For specific scenario requests, please go to the eScenarios tab located in eXPRESS - www.LHFSWholesale.com, and post your scenario.

Guidelines are for use by mortgage professionals only and subject to change without notice.

