



## FHA Product Matrix

This overlay summary is provided as a resource to be used in conjunction with FHA/HUD SF [HB 4000.1](#), and to identify areas in which HomeXpress Mortgage Corp. has additional requirements or restrictions in addition to standard FHA guidelines. **This matrix does not replace the full requirements in FHA [HB 4000.1](#).**

	Credit Score	LTV	CLTV	DTI	Housing Rating
Purchase	580	96.5%	100% <sup>1</sup>	Per AUS <sup>2</sup>	Per AUS <sup>3</sup>
Cash Out Refinance	580	80%	80%	Per AUS <sup>4</sup>	0 X 30 for 12 months <sup>4</sup>
Rate/Term or Simple Refinance	580	97.75% <sup>5</sup>	97.75% <sup>7</sup>	Per AUS <sup>4</sup>	Per AUS <sup>5</sup>
Streamline Refinance	580	N/A	N/A	N/A <sup>6</sup>	0 X 30 for 6 months <sup>6</sup>

Topic	Overlay
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>• The following are ineligible borrowers               <ul style="list-style-type: none"> <li>○ Partnerships</li> <li>○ Corporations</li> <li>○ Guardianships</li> <li>○ Life Estates</li> <li>○ LLCs</li> <li>○ Non-Revocable Inter Vivos Trusts</li> <li>○ Foreign nationals</li> <li>○ Borrowers with diplomatic immunity</li> <li>○ Charitable organizations</li> <li>○ Non-profit agencies</li> <li>○ State or local government agencies</li> </ul> </li> <li>• Each borrower on the loan transaction must have a valid Social Security number; ITIN (IRS Tax Identification Numbers) are not allowed.</li> <li>• DACA program recipients are NOT eligible:</li> </ul>
<b>Citizenship</b>	<p>US Citizens, and Permanent Residents only. Non-Permanent Residents, Foreign Nationals or individuals with diplomatic immunity are not eligible for financing. Verification the borrower does not have diplomatic immunity can be determined by reviewing the visa, passport, or the U.S. Department of State's Diplomatic List at <a href="http://www.state.gov/s/cpr/rls/">http://www.state.gov/s/cpr/rls/</a>.</p> <p><b>Note:</b> Deferred Action for Childhood Arrivals (DACA) program recipients are NOT eligible for FHA programs.</p>
<b>Credit</b>	<p><b>Qualifying Credit Score:</b></p> <ul style="list-style-type: none"> <li>• A tri-merge credit report is required on all loans.</li> <li>• The qualifying score is the lower of two or the middle of three scores.</li> <li>• The lowest qualifying score of all applicants is used to qualify.</li> <li>• Borrowers with no credit score are acceptable per <a href="#">HB 4000.1</a> <ul style="list-style-type: none"> <li>○ Must have 3 non-traditional credit references positively rated for 12 months</li> <li>○ Maximum DTI 31/43%, no exceptions or compensating factors considered</li> <li>○ All borrowers must occupy if any borrower does not have a credit score</li> <li>○ Bwr with no score cannot have a prior history of derogatory credit</li> </ul> </li> </ul>

<sup>1</sup> On Conforming balance purchase transactions there is no maximum CLTV for secondary financing provided by Government Entities, HOPE Grantees, or HUD Approved Non-Profits. Refer to HB 4000.1 II.A. Secondary Financing for full details

<sup>2</sup> DTI limited to 31/43% for manually underwritten transactions but may be exceeded up to 40/50% with approved compensating factors per HB 4000.1 II.A.5 Approvable Ratios

<sup>3</sup> AUS approval accepted where housing history is accurately reported on credit and analyzed by TOTAL Scorecard. Refer to the housing history section of this matrix, and [HB 4000.1](#) for limitations and restrictions

<sup>4</sup> Measured from case number assignment, and must remain current through closing

<sup>5</sup> LTV limited to 85% if the property has not been owned and occupied by the borrower for at least 12 months unless the property has been owned less than 12 months but occupied as primary residence since acquisition. Adjusted value calculations will apply to determine LTV when property has been owned less than 12 months.

<sup>6</sup> See footnote 4 regarding DTI limitations for Credit Qualifying Streamline transactions

	<p><b>Minimum Credit Score:</b></p> <ul style="list-style-type: none"> <li>• 580</li> </ul> <p><b>Credit Report Requirements:</b></p> <ul style="list-style-type: none"> <li>• Follow <a href="#">HB 4000.1</a> for full requirements</li> <li>• Full Tri-Merged Credit Report (TRMCR) is required (for full doc)</li> <li>• HomeXpress Mortgage will reissue brokers credit where available and if it meets requirements of 4000.1. Otherwise a new credit report will be pulled by HomeXpress. (Not applicable on Non-Credit Qualifying Streamline.)</li> <li>• A Tri-Merge Mortgage Only credit report (with scores) is permitted for Non-Credit Qualifying Streamlines</li> </ul>
<b>DTI</b>	<ul style="list-style-type: none"> <li>• DTI limited to 31/43% for manually underwritten transactions but may be exceeded up to 40/50% with approved compensating factors per HB 4000.1 II.A.5 Approvable Ratios</li> <li>•</li> </ul>
<b>Escrow Accounts</b>	<ul style="list-style-type: none"> <li>• Escrow accounts are required for the collection of property taxes, hazard insurance and flood insurance where applicable</li> </ul>
<b>Geographic Restrictions</b>	<ul style="list-style-type: none"> <li>• <b>Texas:</b> Cash out (A6) transactions are not permitted</li> </ul> <p>See the <a href="#">HomeXpress Website</a> for state licensing information</p>
<b>Housing History</b>	<ul style="list-style-type: none"> <li>• Where the mortgage is reporting on credit and analyzed by TOTAL Scorecard the housing payment is deemed acceptable</li> <li>• When the housing payment history is not evaluated by an AUS, or for Refer/manually underwritten loans: <ul style="list-style-type: none"> <li>• There may be no history of any 30-day late mortgage or rental payments within the last 12 months.</li> <li>• There may be no more than two 30-day late mortgage or rental payments in the previous 24 months.</li> <li>• The housing payment history must be documented by: <ul style="list-style-type: none"> <li>• The credit report; or</li> <li>• VOR received directly from the landlord (for landlords with no Identity of Interest with the borrower); or</li> <li>• VOM received directly from an institutional mortgage servicer; or</li> <li>• Canceled checks that cover the most recent 24-month period.</li> </ul> </li> </ul> </li> <li>• Borrowers who are living rent free are eligible provided the Mortgagee obtains verification directly from the property owner that the borrower has been living rent-free and the amount of time the borrower has been living rent free.</li> </ul>
<b>Ineligible Transactions</b>	<p>HomeXpress will not accept transactions including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Cash-out refinances or Streamline Refinances where six payments have not been made on the loan being refinanced</li> <li>• Cash-out refinances or Streamline Refinances less than 210 days from the first monthly payment on the loan being refinanced</li> <li>• FHA 203(k) Rehab loans</li> <li>• FHA 203(h)</li> <li>• HOPE for Homeowner's Program</li> <li>• HUD 184 Program - Indian Home Loan Guarantee Program</li> <li>• Hawaiian Homelands</li> <li>• FHA Solar and Wind</li> <li>• FHA Military Impact Area Loans</li> <li>• FHA loans to non-profit organization borrowers</li> <li>• Buydowns</li> <li>• Energy Efficient Mortgages</li> <li>• Good Neighbor Next Door</li> <li>• Single Unit Condo Approval</li> <li>• Adjustable-Rate Mortgages (ARM)</li> <li>• Loans closed in conjunction with any Housing Finance Agency (HFA) down payment assistance or grant programs</li> <li>• One-time close construction</li> <li>• Borrower may not act as an interested party to a sales transaction for the subject if the builder and/or property seller is a company owned by the borrower or where the borrower is a principal agent, sales agent, loan originator, mortgage broker or partner for the builder or property seller.</li> <li>• Realtor/loan broker acting as the listing agent as well as the mortgage originator/broker.</li> <li>• Borrower is a principal of the title company and/or settlement agent for the subject transaction.</li> </ul>

<b>Loan Limits</b>	<p>For most single-family mortgage insurance programs, the maximum insurable amount is the lesser of:</p> <ul style="list-style-type: none"> <li>• The Nationwide Mortgage Limit for the area, usually a county or metropolitan statistical area (MSA), or</li> <li>• The applicable LTV limit, determined by a fixed percentage of the lesser of the sales price or the appraised value.</li> <li>• Manufactured Housing is not eligible for High Balance loan limits.</li> </ul> <p>Maximum base loan amounts are county specific and may be lower in a particular county.</p>
<b>Manufactured Housing</b>	<ul style="list-style-type: none"> <li>• Conforming Loan Limits only</li> <li>• CLTV may not exceed 96.5% for purchase transactions</li> <li>• Owner occupied properties only</li> <li>• Must be classified as Real Property</li> <li>• The Manufactured Home must have been built on or after June 15, 1976</li> <li>• Double-wide minimum width</li> <li>• Leasehold properties are ineligible</li> <li>• Condo projects comprised of manufactured homes are ineligible</li> <li>• The manufactured home may not have been previously installed or occupied at another location</li> <li>• All manufactured housing must meet FHA guidelines, and any restrictions in these Program Guidelines</li> <li>• Manufactured housing not eligible in states of Hawaii and Rhode Island.</li> <li>• Manufactured Homes located within a Special Flood Hazard Area are not eligible unless a FEMA National Flood Insurance Program (NFIP) Elevation Certificate (<b>FEMA Form 086-0-33</b>) prepared by a licensed engineer or surveyor stating that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation is provided, and flood insurance under the NFIP is obtained.</li> </ul>
<b>Max # loans</b>	<ul style="list-style-type: none"> <li>• A maximum of four Government or GSE loans are permitted to one borrower with HomeXpress.</li> <li>• Non-QM or Jumbo programs are not included in this restriction</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Owner occupied properties only</li> <li>• Non-Owner (investment) properties permitted for Streamline Refinance only (loan amount subject to limitations described in <a href="#">HB 4000.1</a>)</li> </ul>
<b>PACE Obligations</b>	<ul style="list-style-type: none"> <li>• Loan transactions secured by properties with PACE obligations or PACE-like assessments are not eligible. The obligation must be satisfied prior to or at closing in accordance with <a href="#">HB 4000.1</a>.</li> </ul>
<b>Property Eligibility</b>	<p><b>Ineligible Properties:</b></p> <ul style="list-style-type: none"> <li>• Commercial property</li> <li>• Cooperatives</li> <li>• Condotels</li> <li>• Geothermal homes</li> <li>• Geodesic Domes</li> <li>• Mobile homes</li> <li>• Non-warrantable condos</li> <li>• Timeshares</li> <li>• Working farms, ranches, orchards</li> <li>• Properties with C6 quality rating</li> <li>• Properties with C5 or C6 condition rating</li> <li>• Properties secured with PACE obligations or PACE like assessments</li> </ul>
<b>Property Flipping</b>	<ul style="list-style-type: none"> <li>• <b>Properties acquired by the seller within 90 days of the purchase contract date are not eligible for FHA financing</b></li> <li>• Properties acquired by the seller between 91 – 180 days prior to the purchase contract will require a second appraisal if the value appreciates more than 100% from sellers' acquisition</li> <li>• Properties acquired by the seller within 12 months of the purchase contract, but not falling within the above-referenced requirements may be subject to additional review and conditions by the DE Underwriter</li> </ul>
<b>Seasoning</b>	<p><b>Requirements measured to the case number assignment date unless otherwise noted.</b></p> <p><b>Cash Out seasoning Requirements:</b></p> <ul style="list-style-type: none"> <li>• The property has been owned and occupied by the borrower for at least 12 months preceding the case number assignment date</li> <li>• At least 6 payments have been made on the existing mortgage</li> <li>• The first payment due date of the new loan is at least 210 days after the first payment due date of the existing mortgage</li> </ul>

- If the borrower was granted a forbearance, they must have 12 consecutive months payments since completion of the forbearance
- Streamline seasoning Requirements:**
- At least 6 payments have been made
  - At least 6 full months have passed since the 1st payment due date of the existing mortgage
  - At least 210 Days must have passed from the closing date (from FHAC) of the existing mortgage
  - The first payment due date of the new loan is at least 210 days after the first payment due date of the existing mortgage

**Streamline Refinances**

- Appraisal is not required, and may not be used if obtained
- Follow [HB 4000.1](#) for any topics not specified in this matrix
- Existing subordinate financing may remain; new subordinate financing is not permitted
- LTV/CLTV calculated based on the original appraised value
- Non-Credit Qualifying transactions that are deemed to be Higher Priced Mortgages may be eligible provided the following requirements are met:
  - Borrower is not 30 days or more past due on the prior existing residential mortgage loan, and
  - The loan does not increase the original principal balance, and
  - The points and fees do not exceed 3%, and
  - The new interest rate on the refinanced loan is lower than the current rate. If refinancing an ARM to a fixed rate, the FHA net tangible benefit as per HUD HB 4000.1.II.A.8.C(4)(c) applies.

If all the previous requirements are not met, then the loan must be processed and closed as a Credit Qualifying Streamline Refinance or as a Simple Refinance.
- Non-Credit Qualifying transactions do not require income to be verified, however employment must be verified within 10 days of the note date
- Maximum term is the lessor of
  - The remaining amortization period of the existing mortgage plus 12 years, or
  - 30 years
- Discount points may not be financed into the new loan; see [HB 4000.1](#) for maximum mortgage calculations
- All Streamline refinances must meet FHA's Net Tangible Benefit requirements:
 

**No Reduction in term:** Transactions that do NOT include a reduction in the mortgage term must have a reduction in the combined rate according to the chart below. **Note:** HomeXpress does not offer FHA ARM.

From	To		
	Fixed Rate New Combined Rate	One-Year ARM New Combined Rate	Hybrid ARM New Combined Rate
Fixed Rate	At least 0.5 percentage points below the prior Combined Rate.	At least 2 percentage points below the prior Combined Rate.	At least 2 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.	At least 1 percentage point below the prior Combined Rate.	At least 1 percentage point below 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.	At least 2 percentage points below the prior Combined Rate.	At least 1 percentage point below the prior Combined Rate.

- Reduction in term:** Transactions that include a reduction in the mortgage term are acceptable provided.
- The new interest rate does not exceed the current interest rate. **AND**
  - The combined (P&I and MIP) payment does not exceed the combined payment of the loan being refinanced by more than \$50.

From	To		
	Fixed Rate New Combined Rate	One-Year ARM New Combined Rate	Hybrid ARM New Combined Rate
Fixed Rate	Below the prior Combined Rate.	N/A	N/A
Any ARM With Less Than 15 Months to Next Payment Change Date	No more than 2 percentage points above the prior Combined Rate.	N/A	N/A
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.	N/A	N/A

**The combined rate refers to the interest rate plus the MIP rate**

**Tax Transcripts**

- IRS tax transcripts are required in the following circumstances listed below:
- Handwritten paystubs are used as verification of income

	<ul style="list-style-type: none"> <li>• Borrower(s) is employed by a family member</li> <li>• Tax returns are required documentation based on the borrower's source of income</li> </ul> <p>IRS tax transcripts are NOT required for non-credit qualifying streamline refinances</p>
<b>Underwriting Method</b>	<ul style="list-style-type: none"> <li>• All transactions must be scored by TOTAL except for Streamline Refinances</li> <li>• Manual Underwriting is permitted except as otherwise mentioned in this matrix</li> </ul>