

FHA STREAMLINE REFINANCE

Transaction Type	Occupancy ²	Units	Loan Amount ¹	LTV	LTV	CLTV	Credit Score
Streamline Refinance	Owner-occupied	1-4	FHA Limit	N/A	N/A	N/A	580
Streamline Refinance	Second Home						

Reference:

1. Refer to FHA Mortgage Limits by county.
2. HUD approved Secondary Residence

	Non-Credit Qualifying	Credit Qualifying
4506C	• Not Required	Required
Appraisals	• Not required on Streamline mortgages	
Assets	• Not required unless assets required for closing.	Standard Asset Documentation per 4000.1
AUS	• Not applicable. All Streamlines are manually underwritten.	
Bankruptcy	• Not applicable	Chapter 7 & 11 discharged 2 years; Chapter 13 discharged 2 years or dismissed 2 years; Borrower must have re-established and/or re-affirmed credit in all cases; Letter of explanation required.
CCC's	• Not applicable.	Must be completed 1year
Case Numbers	• Case numbers > 6 months must be canceled, and a new case number obtained when there has been no activity during the 6 months the case number was open.	
Cash to Borrower	• Maximum cashback to the borrower is \$500.00 (\$0.00 in Texas)	
Collections / Chargeoffs / Judgments	• Not applicable.	Collections/Charge-offs: Cumulative of all borrowers; < \$2,000 no action required; ≥ \$2,000 payoff prior to/ at close, or in payment plan (include payment DTI), or 5% of outstanding balance include in DTI calc. Judgments must be paid off or in a repayment plan with a min of 3 months payments paid as agreed. Refer to the Planet Seller Guide for additional requirements.
Credit Score/Report	• Mortgage only credit report with FICO scores required on the subject property only. Minimum 580	All borrowers must have a minimum 580 credit score
DTI	• DTI is not calculated	Must meet Max Ratios for Manual Underwrite
Employment	• VVOE 10 days from date of note (reverse look up or 411 Directory as part of VVOE); Self-employed must have valid third-party verification (CPA, Business License) and reverse lookup or 411 Directory.	Complete 2 years employment history; VVOE 10 days from date of note (reverse look up or 411 Directory as part of VVOE); Self-employed must have valid third-party verification (CPA, Business License) and reverse lookup or 411 Directory.

		Non-Credit Qualifying	Credit Qualifying
Escrow/Impounds	•	Escrow/Impound account required on all loans.	
Financed Properties	•	Unlimited.	
Foreclosure	•	Not Required	None in last 3 years. Letter of explanation required. No mortgage/rental or installment late payments allowed after foreclosure.
Income	•	Not applicable.	Wage Earners = current 30 days paystub with YTD earnings and most recent 2 years W-2's; Selfemployed = Tax returns that include minimum 2 years self-employed income. IRS Transcripts required.
LDP/SAM	•	All borrowers, loan officers, processors, underwriters, Sellers, settlement/escrow officer, closing attorney, title/title officer, appraisal company/appraiser (if applicable) and the lender must be checked against HUD's LDP and SAM Exclusionary lists.	
Maximum Mortgage Calculation	•	Primary Residence & Secondary Residences: the lesser of unpaid principal balance of the existing mortgage as of the month prior to mortgage disbursement; plus, interest and MIP due on the existing mortgage; or the original principal balance of the existing mortgage (including financed, UFMIP) less any refund of UFMIP. Investment Properties: the outstanding principal balance of the existing Mortgage as of the month prior to mortgage Disbursement; or the original principal balance of the existing Mortgage (including financed UFMIP); less any refund of UFMIP.	
Mortgage Payment History	•	All payments must have been made within the month due for six (6) months prior to case number assignment date.	Payments for properties with < 6 months payment history must be paid within the month due; Properties with > 6 months payment history must be paid for 6 months prior to case assignment date.
	•	1x30 allowed in a 12-month period. Must have a 3 month 0X30 prior to application date. All secured mortgage payments must have been made within the month due for the month prior to mortgage disbursement for most recent 6 months. Refer to the HUD Handbook 4000.1 for complete refinance details.	
Mortgage Seasoning	•	<p>On the date of the FHA case number assignment:</p> <p>The Borrower must have made at least six payments on the FHA insured Mortgage that is being refinanced (where the FHA insured Mortgage has been modified, the Borrower must have made at least six payments under the modification agreement);</p> <p>At least six full months must have passed since the first payment due date of the Mortgage that is being refinanced;</p> <p>At least 210 Days must have passed from the Closing Date of the Mortgage that is being refinanced; and</p> <p>If the Borrower assumed the Mortgage that is being refinanced, they must have made six payments since the time of assumption.</p> <p>In addition, the following GNMA mortgage seasoning requirements must be met:</p> <p>The borrower made at least six consecutive monthly payments on the loan being refinanced, referred to hereinafter as the Initial Loan, beginning with the payment made on the first payment due date; and</p> <p>The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the Initial Loan</p>	
Net Tangible Benefit	•	A Net Tangible Benefit is a reduced Combined Rate, a change from an ARM to a fixed rate Mortgage, and/or a reduced term that results in a financial benefit to the Borrower.	
	•	<p><i>Combined Rate refers to the interest rate on the Mortgage plus the Mortgage Insurance Premium (MIP) rate.Reduction in Term refers to the reduction of the remaining amortization period of the existing Mortgage.</i></p> <p>Minimum .500 Requirement Rate Improvement on Fixed or 2 points (< 15 Months), 2 point (> 15 months) for ARM to Fixed to meet Net Tangible Benefit</p>	

		Non-Credit Qualifying	Credit Qualifying
Products	<ul style="list-style-type: none"> Fixed Rate: 15, 30-year term ARM: 3/1 and 5/1 1-Year CMT index • Caps: 1/1/5 • Margin: 2.00% • Floor: 2.00% <p>Loans must be compliance with HUD QM guidelines meet the Safe Harbor/Rebuttable Presumption provisions and pass points and fees test, as applicable. HUDApproved Secondary Residences and Investment properties:</p>		
DTI	<ul style="list-style-type: none"> Not applicable. 		1-2 units require 1-month PITI; 3-4 units require 3 months PITI
Subordinate Financing	<ul style="list-style-type: none"> Existing subordinate financing may remain in place but must re-subordinate to the new mortgage 		
URLA	<ul style="list-style-type: none"> An Abbreviated URLA: The Following are not required to be completed and maybe left blank. 		1-2 units require 1-month PITI; 3-4 units require 3 months PITI
	<ul style="list-style-type: none"> Section 1e — Related to Income 		Full URLA required
	<ul style="list-style-type: none"> Section 2 — Financial Information - Assets and Liabilities 		
	<ul style="list-style-type: none"> Section 3 — Financial Information - Real Estate 		
	<ul style="list-style-type: none"> Section 5 — Declarations, except for 5a.A (Occupancy), which must be answered 		

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