

FHA Plus Matrix

FHA Parameters for Credit 640+

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As of 2/1/12

Minimum Credit Score Limitations				Refinance			
Product/Term		FHA Plus Min Fico 640	Mid-Island Advantage Fico 540-639	No Cash Out Refinance:			
30 Yr Standard Loan Limit		640	540	Maximum loan amount is the lesser of the LTV in the Maximum LTV table or the existing debt calculation as described below: To calculate existing debt, add together the amount of the applicable items listed below, any refund of UFMIP must then be subtracted from the total:			
30 Yr High Balance		640	620	<ul style="list-style-type: none"> Existing 1st lien, any purchase money 2nd lien, any junior liens over 12 mos. old, borrower paid closing costs, prepaid expenses, borrower paid repairs required by the appraisal, discount points Other fees acceptable by the appropriate Homeownership Center (HOC) The amount of the existing first mortgage may include up to 30 days interest maximum, but may not include delinquent interest. Prepaid expenses may include the per diem interest, hazard insurance, mortgage insurance, and any real estate tax deposits needed to establish the escrow account. 			
15 Yr Standard Loan Limit		640	620	If the property was acquired less than one year before the loan application and is not already FHA-insured, the original sales price of the property (rather than appraised value) must be used in determining the maximum mortgage. Expenditures for repairs and rehabilitation incurred after the purchase of the property may be added to the original sales price when calculating the mortgage amount.			
5/1 Treasury ARM		640	Not Available	Subordinate financing may remain in place (max cltv and combined loan limits apply) if the homeowner qualifies with scheduled payments on all liens. NOTE: \$500 cash back is allowed for minor adjustments in estimated versus final closing costs.			
Maximum LTV / CLTV - see attached for Advantage Loans							
Purchase		No Cash Out Refinance		Cash Out Refinance			
96.50%		97.75%		85%			
Maximum CLTV on ALL loans are shown above and all mortgages are limited to the Geographical Maximum.							
2012 FHA Mortgage Limits - see FHA High Balance Notes below							
Region		1 Unit	2 Units	3 Units	4 Units		
Low Cost Areas		\$271,050	\$347,000	\$419,400	\$521,250		
High Cost Areas		\$729,750	\$934,200	\$1,129,250	\$1,403,400		
A complete schedule of FHA mortgage limits for all areas is available at: https://entp.hud.gov/idapp/html/hicostlook.cfm							
Upfront and Annual MIP (case numbers assigned on or after 4/18/11)							
Greater than 15 year terms			15 year or less terms				
LTV	UFMIP	Annual	LTV	UFMIP	Annual		
≤ 95%	1.00%	1.10%	≤ 78%	1.00%	0.00%		
> 95%	1.00%	1.15%	78.01% - 90%	1.00%	0.25%		
			> 90%	1.00%	0.50%		
Streamline Refinance: UFMIP = 1.00%; Annual MIP follows the above grids.							
<p>MIP Notes:</p> <ul style="list-style-type: none"> The number of years will be determined when the loan balance equals 78% LTV, provided that the borrower has paid the annual MIP for at least 5 years, (scheduled or actual.) Base loan amount multiplied by Annual premium, divided by 12 months equals monthly MIP. All FHA loans will have upfront and monthly premiums, except as noted above. Pricing and loan program eligibility are determined using the base loan amount prior to financing UFMIP. UFMIP must be 100% financed into the mortgage or paid entirely by cash: partial financing not allowed. 							
Streamline Refinance:							
<ul style="list-style-type: none"> Must result in an immediate 5% payment reduction Minimum 640 FICO for all Non Mid-Island streamlines and minimum 580 for all Mid-Island to Mid-Island streamlines At time of application at least 6 payments must have been made on the current FHA Insured mortgage being refinanced Mortgages less than 12 months payment history - all payments must have been made within the month due Mortgages with 12 months or more payment history - Max 0x30 in the last 12 months Must include current proof of income Max CLTV 97.75% <ul style="list-style-type: none"> Without an appraisal – based on original application value With an appraisal based on the new appraisal amount Assets needed to close must be verified Designed to lower the monthly principal and interest payments on a current FHA – insured mortgage; however, it does not allow for cash back to the borrower, except for minor adjustments at closing, not to exceed \$500. No payment history required on a Non Mid-Island streamline with 700+ FICO, mortgage tradeline on credit used. 							
Guidelines							
Eligibility							
<ul style="list-style-type: none"> US Citizens, Inter vivos revocable trusts, Permanent and Non-Permanent Resident Aliens, Non-Occupant Co-Borrowers. Owner Occupied Primary Residence Only. (except streamline refinance.) 15- to 30-year fixed rate 5/1 ARMs with 30-year terms. 							
Documentation							
<ul style="list-style-type: none"> All borrowers must have valid social security number. Borrowers using non-traditional credit are subject to Mortgagee Letter 2008-11 							
DTI Ratios							
<ul style="list-style-type: none"> For manual underwriting: 31/43% Ratios may be exceeded only when significant compensating factors exist. Loans using an AUS may exceed the ratios above. First time homebuyers – max 45% DTI regardless of AUS. May exceed 45% DTI with 720+ credit 							
Property Flipping							
<ul style="list-style-type: none"> If 90 days or less since property was last sold: Permitted under certain conditions. Refer to FHA Single Family updates/ 76FR6149. 91 to 180 days since property was last sold: If the resale price is > 100% over the seller's acquisition price, a second FHA appraisal (from a different appraiser) is required: second appraisal must be paid for by seller or broker. Time restrictions don't apply to: FHA REO, relo agency props, prop inherited by seller and sales by gov't agencies. 							
Special Requirements on 3-4 Unit Properties							
<ul style="list-style-type: none"> Purchase and refinance transactions must have 3 mos PITI reserves which may not be derived from gift or proceeds from cash out refinance. The property must be self-sufficient (including the owner occupant unit) - 85% of gross rents (based on HOC) less the proposed PITI. 							
Additional Restrictions for Loan Amounts > \$417,000							
<ul style="list-style-type: none"> 1-4 Unit properties located in appraiser or DU designated soft markets, with loan amounts > \$417,000 (excluding UFMIP) will require a second appraisal; appraisal must be ordered from a different, FHA approved appraiser. Max. 85% LTV on Cash out refinance 							
Eligibility: minimum credit score 620							
Loan Program Names and Terms							
Fixed Rate Programs		Terms	ARM Programs		Terms		
Gov 15 Product 1591		15 yrs	Gov ARM 5/1 w/1-1-5 Caps Treasury Index 2.250 Margin Product 0591		30 yrs		
Gov 30 Product 3091		30 yrs					
FHA High Balance Notes							
1 Unit		2 Unit		3 Unit		4 Unit	
>\$417,000		>\$533,850		>\$645,300		> \$801,950	

For additional information:

fha.gov or hud.gov

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As of 6/27/11

			Maximum LTV / CLTV				
			70.01-75%	75.01-80%	80.01-90%	90.01-95%	95.01-96.50%
Purchase	600-639*	Max DTI ¹	45% FTHB 50% All Else	45% FTHB 50% All Else	45% FTHB 50% All Else	45% FTHB 50% All Else	45%
		Rent Checks Required	none required	none required	none required	underwriters discretion	underwriters discretion
		Borrowers Own Funds	0%	0%	0%	0%	0%
		Mortgage/Rent Lates	1x30-12 mos	1x30-12 mos	1x30-12 mos	1x30-24 mos	1x30-24 mos
		Reserves	none required	none required	none required	2 mos when gift funds used	2 mos when gift funds used
		Seller Concession	6%	6%	6%	6%	6% no gift; 3% with gift
		Bankruptcy	2 yrs	2 yrs	2 yrs	3 yrs	3 yrs
	Foreclosure	5 yrs	none permitted	none permitted	none permitted	none permitted	
	540-599	Max DTI ¹	45%	45%	45%		
		Rent Checks Required	none required	none required	underwriters discretion		
		Borrowers Own Funds	0%	5%	5%		
		Mortgage/Rent Lates	1x30-12 mos	1x30-12 mos	1x30-12 mos		
		Reserves	2 mos	2 mos	3 mos		
		Seller Concession	6%	6%	6%		
Bankruptcy		2 yrs	2 yrs	3 yrs			
Foreclosure or 120+	5 yrs	none permitted	none permitted				

			Maximum LTV / CLTV				
			70.01-75%	75.01-80%	80.01-90%	90.01-95%	95.01-97.75%
Rate and Term Refinance	600-639	Max DTI ¹	50%	50%	50%	45%	45%
		Seasoning	6 months	6 months	6 months	6 months	6 months
		Mortgage Lates	1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 mos	1x30 - 36 mos none last 18 mos
		Bankruptcy	2 yrs	2 yrs	2 yrs	2 Yrs	2 Yrs
		Foreclosure or 120+	5 yrs	5 Yrs	5 Yrs	none permitted	none permitted
	540-599	Max DTI ¹	45%	45%	45%		
		Seasoning	12 Month	18 months	18 months		
		Mortgage Lates	1x30 - 24 mos none last 12 mos	1x30 - 24 mos none last 12 mos	1x30 - 36 mos none last 12 mos		
		Bankruptcy	2 yrs	3 yrs	5 yrs		
		Foreclosure or 120+	5 yrs	none permitted	none permitted		

			Maximum LTV / CLTV				
			70.01-75%	75.01-80%	80.01-90%	90.01-95%	95.01-97.75%
Cash Out Refinance	600-639	Max DTI ¹	45%				
		PITI to PITI Increase	0x30 - 24 mos				
		Seasoning	12 months				
		Mortgage Lates	1x30 - 24 mos none last 12 mos	ineligible	ineligible	ineligible	ineligible
		Bankruptcy	5 yrs				
	Foreclosure or 120+	none permitted					
	540-599	Max DTI ¹					
		PITI to PITI Increase					
		Seasoning					
		Mortgage Lates		ineligible	ineligible	ineligible	ineligible
Bankruptcy							
Foreclosure or 120+							

* Qualifying ratios in excess of 31/43 must demonstrate strong compensating factors and the borrowers ability to repay mortgage must always be present. 31/43 qualifying ratios are the maximum regardless of AUS decision should no compensating factors exist on the loan application. Compensating factors may require supporting documentation.

For additional information:
fha.gov or hud.gov