

Hometown Equity Mortgage – theNada Matrix

FHA 203 (b)

theNada:

Transaction	FICO	Number of Units	Maximum LTV	Maximum CLTV
Primary Residence – Owner Occupied				
Purchase	680	1-2	96.50%	100%

Upfront Mortgage Insurance Premium (UFMIP)

All Mortgages: 175 Basis Points (bps) (1.75%) of the Base Loan Amount.

Mortgage Term of More Than 15 Years

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	50	11 years
	> 90.00% but ≤ 95.00%	50	Mortgage term
	> 95.00%	55	Mortgage term
Greater than \$726,200	≤ 90.00%	70	11 years
	> 90.00% but ≤ 95.00%	70	Mortgage term
	> 95.00%	75	Mortgage term

Mortgage Term of Less than or Equal to 15 Years

Base Loan Amount	LTV	MIP (bps)	Duration
Less than or equal to \$726,200	≤ 90.00%	15	11 years
	> 90.00%	40	Mortgage term
Greater than \$726,200	≤ 78.00%	15	11 years
	> 78.00% but ≤ 90.00%	40	11 years
	> 90.00%	65	Mortgage term

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Topic	Guideline
Guidelines	HUD 4000.1 Guidelines: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
Loan Limits	FHA Mortgage Limits <ul style="list-style-type: none"> https://entp.hud.gov/idapp/html/hicostlook.cfm
Maximum Loan Amount	<ul style="list-style-type: none"> Per FHA County Limits
Minimum Loan Amount	<ul style="list-style-type: none"> Minimum Loan amount \$50,000
4506 Transcripts	<ul style="list-style-type: none"> Transcripts are required per income documentation type included in the loan file.
AUS System	<ul style="list-style-type: none"> DU or LPA Approve Eligible Only
Bankruptcy	All bankruptcies (7 & 13) must be discharged for 24 months preceding the case assignment date During this time, Borrower must have re-established good credit.
Borrower Eligibility	<ul style="list-style-type: none"> No first-time homebuyer requirement. Borrower must occupy the residence as their primary residence within (60) days of closing). Borrowers may have ownership in other property at time of closing Non-occupant co-borrowers allowed
Building on Own Land	<ul style="list-style-type: none"> Not Allowed
Compliance	<ul style="list-style-type: none"> The loan file must contain a clear compliance cert on both the 1st and 2nd mortgages
Condominium	<ul style="list-style-type: none"> Must be in an FHA HRAP approved project Manufactured homes located in Condominium projects – Not Allowed
Credit Score	<ul style="list-style-type: none"> Minimum credit score of: 680 Each borrower must have a minimum of one credit score.
DACA Borrowers	<ul style="list-style-type: none"> Allowed
Deed Restrictions	<ul style="list-style-type: none"> Age related restrictions only. All other deed restrictions are ineligible.
DPA	DPA Amount: <ul style="list-style-type: none"> Up to 3.5% of the Sales Price or Appraised Value (lesser of). Proceeds may be used for down payment and/or closing costs; 10-year community second – 2% above the note rate No cash back to borrower
DTI	<ul style="list-style-type: none"> Per the AUS
Escrow / Impounds	<ul style="list-style-type: none"> Required: Waivers are not allowed.
Escrow Holdbacks / Repair Escrows	<ul style="list-style-type: none"> Not Allowed
Gift Funds	<ul style="list-style-type: none"> Cash on hand is not an acceptable source of donor gift funds.
Geographic Restrictions	<ul style="list-style-type: none"> Not available in the state of Washington or Massachusetts South Carolina <ul style="list-style-type: none"> Minimum \$5,000 loan amount on the 2nd TD
Homebuyer Education	<ul style="list-style-type: none"> At least one borrower must receive housing counseling from a HUD approved non-profit housing counseling agency https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm
Identity-of-Interest Transactions	An Identity-of-Interest transaction is a sale between parties with an existing business relationship or between family members. <ul style="list-style-type: none"> The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%.

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	<ul style="list-style-type: none"> The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of sales contract execution is restricted to 85%. <p>The 85% LTV restriction may be exceeded if the borrower purchases as their principal residence:</p> <ul style="list-style-type: none"> The principal residence of another family member; or A property owned by a family member where the borrower has been a tenant for at least six months immediately predating the sales contract. An employee of a builder who is not a family member purchases one of the builder's new houses or models as a principal residence; or The current tenant purchases the property where the tenant has rented the property for at least six months immediately predating the sales contract.
Income	<ul style="list-style-type: none"> Follow agency guidelines.
Ineligible Programs	<p>The following programs are not eligible:</p> <ul style="list-style-type: none"> 203(h) Disaster Victims 203(k) Rehabilitation Program 235 Refinance of Borrowers in Negative Equity Positions 247 Hawaiian Homelands 248 Indian Lands Energy Efficient Mortgage Program (EEM) FHA Assumption Program Good Neighbor/Officer Next Door Graduated Payment Program Growing Equity Mortgages Housing Authority Subsidies Loans to Non-Profit Organizations Short Refinances
Ineligible Properties	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> Assisted Living Properties Bed and Breakfast Establishments Boarding Houses Commercial Properties Condotels, Motels or Hotels Co-ops Fraternity or Sorority Houses Hawaii Properties in Lava Zones 1 and 2 Houseboats Log or Dome Homes Mobile Homes Native American Indian Trust Lands Newly Constructed Properties Located in Military Airfield Accident Prone Zone 1 Private Clubs Properties with Condition/Quality Ratings of C5, C6, or Q6 Properties Contaminated by Methamphetamine Production or Use Properties with More than One Accessory Dwelling Properties Located within 75 Feet of an Operating/Proposed Gas or Oil Well Properties Located within 10 Feet of a Pipeline Easement or High-Pressure Gas Line Properties Located within 300 Feet of Above/Below Ground Stationary Storage Tanks Containing more than 1000 Gallons of Explosive/Flammable Fuel (Includes Gas Stations) Properties Located in Coastal Barrier Resources Systems (CBRS) Properties that do not meet FHA MPR/MPS. Timeshares Vacation Homes Working Farms and Ranches
Land Trusts	<ul style="list-style-type: none"> Not Eligible
Manufactured Homes	<ul style="list-style-type: none"> Eligible – Doublewides only
Manual Underwriting	<ul style="list-style-type: none"> Not allowed

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Mixed Use Properties	<ul style="list-style-type: none"> • Not allowed
Non-Occupant Co-Borrower	<ul style="list-style-type: none"> • 75% Maximum LTV on 1-4 units unless the non-occupant co-borrower is a family member as defined by FHA • Rental income may not be used to qualify • Not allowed for qualifying purposes on cash-out refinance transactions • The non-occupant co-borrower must take title to the property and sign the Note and deed of trust/mortgage • The non-occupant co-borrower must have a principal residence in the United States or be a U.S. citizen
Non-Traditional Credit	<ul style="list-style-type: none"> • Not Eligible
Number of Borrowers	<ul style="list-style-type: none"> • There can be no more than 4 borrowers per loan
PACE (HERO) Programs	<ul style="list-style-type: none"> • Not Eligible
Projected Income	<ul style="list-style-type: none"> • Not allowed
Refinance Seasoning Requirements	<p>Prior to case number assignment:</p> <ul style="list-style-type: none"> • Six (6) consecutive monthly payments must be made on the subject property being refinanced • Six (6) months must have passed since the first payment due date of the subject property • Minimum of 210 days must have passed since the closing date of the subject property.
Refinance Value Requirements	<p>For properties acquired by the borrower within 12 months of the case number assignment date the appraised value is the lesser of:</p> <ul style="list-style-type: none"> • The borrower's purchase price plus any documented improvements made after the purchase; or • The appraised value. <p>Properties acquired by the borrower within 12 months of the case number assignment by inheritance or through a gift from a family member may use the appraised value.</p>
Sales Contracts	<ul style="list-style-type: none"> • Assigned Sales Contracts - Not Allowed
Section 8 Voucher	<ul style="list-style-type: none"> • Not Allowed
Tax Returns	<ul style="list-style-type: none"> • Amended tax returns that increase the borrower's income – Not Allowed • When the tax return reflects monies are owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.
Temporary Buy Downs	<ul style="list-style-type: none"> • Not Allowed
Texas 50(a)(6)	<ul style="list-style-type: none"> • Not Allowed
Unpermitted Additions	<p>Acceptable Unpermitted Property Additions:</p> <ul style="list-style-type: none"> • The addition complies with all FHA guidelines • The addition does not result in a change in the number of units • The appraiser has no reason to believe the addition would not pass inspection for a permit.

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