



# FHA Streamline Quick Reference Guide

## FHA Streamline Quick Reference Comparison Guide

	Credit Qualifying	Non-Credit Qualifying
<b>AUS Required</b>	No	No
<b>Credit Report</b>	Full	Mortgage only
<b>Minimum Credit Score</b>	600	600
<b>Income Documentation</b>	Yes	No
<b>Funds to Close</b>	Verification is only required if the funds to close are > the total PITIAS payment on the new loan; 2 months bank statements required. Large deposits must be sourced (deposit > 1% of the original property value on the Refinance Authorization)	Verification is only required if the funds to close are > the total PITIAS payment on the new loan; 2 months bank statements required. Large deposits must be sourced (deposit >1% of the original property value on the Refinance Authorization)
<b>Reserves</b>	Not required	Not required
<b>Employment Verification</b>	2 years history required	Not required
<b>County Loan Limits Apply</b>	No	No
<b>New Loan Amount Refer to guidelines for specific details on what can/cannot be included</b>	Cannot exceed the lesser of: <ul style="list-style-type: none"> <li>Outstanding principal balance, or</li> <li>Original loan amount</li> </ul> Specific calculations apply based on occupancy type; refer to guidelines	Cannot exceed the lesser of: <ul style="list-style-type: none"> <li>Outstanding principal balance, or</li> <li>Original loan amount</li> </ul> Specific calculations apply based on occupancy type; refer to guidelines
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Owner-Occupied</li> <li>Investment</li> </ul>	<ul style="list-style-type: none"> <li>Owner-Occupied: requires a utility bill (one month) to document borrower currently occupying the property. The hazard insurance policy billing/ mailing address must match the subject property address.</li> <li>Investment</li> </ul>
<b>Units</b>	1-4 Units	1-4 Units
<b>Investment Property</b>	<ul style="list-style-type: none"> <li>AVM required if &gt; 100% LTV</li> <li>Minimum credit score 640 if LTV &gt;100%</li> <li>Fixed rate only</li> </ul>	<ul style="list-style-type: none"> <li>AVM required if &gt; 100% LTV</li> <li>Minimum credit score 640 if LTV &gt;100%</li> <li>Fixed rate only</li> </ul>
<b>Deleting a Borrower</b>	Yes if one borrower on existing loan remains on new loan	No except in case of death, divorce, or legal separation.
<b>HPML Eligible</b>	Yes	Yes
<b>Closing Costs/Discount Points/Prepays Allowed in New Loan</b>	No <b>Owner-Occupied:</b> If payoff demand reflects an escrow credit the MIP cannot be included in the new loan <b>Investment:</b> Interest and MIP also ineligible	No <b>Owner-Occupied:</b> If payoff demand reflects an escrow credit the MIP cannot be included in the new loan <b>Investment:</b> Interest and MIP also ineligible
<b>Delinquent Payments/Interest/Late Charges/Escrow Shortage Allowed in New Loan</b>	<ul style="list-style-type: none"> <li><b>Owner-Occupied:</b> Late charges and escrow shortages may be included</li> <li><b>Investment:</b> No</li> </ul>	<ul style="list-style-type: none"> <li><b>Owner-Occupied:</b> Late charges and escrow shortages may be included</li> <li><b>Investment:</b> No</li> </ul>
<b>Maximum Cash Back</b>	\$500	\$500
<b>DTI Considered</b>	Yes Cannot exceed 31%/43% unless eligible HUD compensating Factors are met	No

**Maximum Loan Amount Calculation:**

For owner-occupied Principal Residences and HUD-approved Secondary Residences (see definition in Occupancy Section below), the maximum Base Loan Amount for Streamline Refinances is:

- the lesser of:

-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;
- late charges;
- escrow shortages 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).

For Investment Properties, the maximum Base Loan Amount for Streamline Refinances is:

- the lesser of:

-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 (if financed in original mortgage).

**Seasoning Requirements:**

On the date of the FHA case number assignment:

- the Borrower must have made at least six payments on the Mortgage that is being refinanced; and
- at least six full months must have passed since the first payment due date of the Mortgage that is being refinanced; and
- at least 210 Days must have passed from the closing date of the Mortgage that is being refinanced; and
- If the Borrower assumed the Mortgage that is being refinanced, they must have made six payments since the time of assumption.

**Additional Loan Parameter Considerations:**

-All mortgage payments must have been made on time for the most recent 6 months prior to case assignment. Borrower may not be more than 1x30 for months 7-12 prior to case assignment.

-Adding a borrower does not require credit qualifying

-Employment verification: VVOE for W2 or third party VOE for self-employed required prior to close. Retired borrowers over 60 do not require proof of income. Retired borrowers under 60 require a bank statement confirming benefit receipt.

-Current TX A(6) loans are ineligible

**Manufactured Homes:**

-One unit, doublewide, primary residence only

-2055 required with a max LTV of 100% based on current value

-Foundation certificate or inspection required

-Ineligible: Leaseholds, ARM transactions

**All Streamline transactions must have a net tangible benefit to the borrower.**

- HUD defines a net tangible benefit as any one of the following:

- A reduced combined interest rate\*, and/or

- A change from an ARM to a fixed rate mortgage, and/or

- A reduced loan term

Refer to the Borrower Benefit topics immediately below for detailed requirements to meet eligibility

\*NOTE: HUD defines the combined rate as the interest rate on the loan plus the monthly MIP rate (Refer to the Case Query on the previous case number). This requirement does not apply when the net tangible benefit is a reduced loan term

- Any net tangible benefit must result in a financial benefit to the borrower

- Principle Lending requires a copy of the existing Note and a statement from the current servicer confirming the existing loan type

**Borrower Benefit - Reduced Combined Interest Rate and Conversion from ARM to Fixed Eligibility**

The chart below identifies the reduced combined rate and converting from an ARM to a fixed rate eligibility requirements.

From	To	Requirement for New Combined Rate
Fixed Rate	Fixed Rate	New rate must be a minimum 0.5% below the prior combined rate
Any ARM with < 15 months to next payment change date	Fixed Rate	New rate cannot be > 2% above the prior combined rate
Any ARM with >= 15 months to next payment change date	Fixed Rate	New rate cannot be > 2% above the prior combined rate

**Borrower Benefit - Reduction in Term Eligibility**

A *reduction in term, measured from the remaining term, of ≥ 3 years* also qualifies as a net tangible benefit if all of the additional following requirements are met:

- The loan must be going to a fixed rate product (fixed to fixed, ARM to fixed), and
- \*NOTE: Term reduction is not eligible for a loan going to an ARM product (ARM to ARM, fixed to ARM)
- The remaining amortization period of the existing mortgage is reduced, and
- Fixed to Fixed: The new interest rate is below the combined rate interest rate, or
- ARM to Fixed: New rate cannot be > 2% above the prior combined rate, and
- The combined principal, interest, and MIP payment of the new loan does not exceed the combined principal, interest and MIP payment of the refinanced loan by more than \$50

**NOTE: A term reduction of < 3 years is not eligible to satisfy NTB requirements**