

FHA Streamline Refi

Amended 12/22/2017

Purpose	Credit Score	Max LTV	Max CLTV
Streamline	550 (600 High Balance)	97.75%	Unlimited
General	<ul style="list-style-type: none"> Purpose - Streamline Refinance (Non-Credit Qualifying and Credit Qualifying) Terms Available - 15 and 30 Year Fixed Rate and 5/1 ARM High Balance Terms Available 15 and 30 Year Fixed and 5/1 ARM Maximum term is the lesser of 30 years or 12 years beyond the remaining term of the existing loan. Occupancy - Primary Residence and Investment AUS - Manual UW Only Minimum Credit Score - 550 Minimum Loan Amount \$75,000 		
CREDIT			
Credit	Mortgage Only credit accepted (Tri-merge required) (Also, see note for Credit-Qualifying Streamline)		
Mortgage Lates	<ul style="list-style-type: none"> 0x30 last 6 months prior to case number assignment. 1x30 max in prior months 7-12 		
Mortgage Seasoning Requirements	<p>On the date of the FHA case number assignment:</p> <ul style="list-style-type: none"> the Borrower must have made at least six payments on the FHA-insured Mortgage that is being refinanced; at least six full months must have passed since the first payment due date of the Mortgage that is being refinanced; 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. 		
No Credit Score Spouse	<p>Royal Pacific Funding will consider loans where the coborrowing spouse has no credit score. Note that No Score loans will price from the lower of the primary borrower Credit Score or the 600-619 bucket</p>		
CREDIT QUALIFYING STREAMLINE			
Credit-Qualifying	<ul style="list-style-type: none"> When a borrower is being removed from the current loan, remaining borrower must credit qualify 		
Bankruptcy	<ul style="list-style-type: none"> 2 years must have elapsed since completion or discharge of Chapter 7 Bankruptcy. 2 years must have elapsed from the discharge date of a Chapter 13 Bankruptcy. Seasoning period begins from the date of discharge to the date of the case assignment 		
Credit	Full Tri-merge credit report required; Borrowers must provide a signed LOE for all delinquent credit in the past 24 mos.		
Collection Accounts / Judgment Accounts	<ul style="list-style-type: none"> All judgments must be paid Payment of Collection Accounts are at the discretion of the underwriter If the cumulative outstanding balance of all collections of all borrowers (including a non-purchasing / non-borrowing spouse) is equal to or greater than \$2,000 and the collection accounts will remain open after closing. The monthly payment must be included in the DTI using the payment arrangement or 5% of the outstanding balance of each collection <div style="background-color: yellow; padding: 5px;"> <ul style="list-style-type: none"> Charge Off Accounts must meet the requirements per 4000.1 HUD handbook Charge Off (Manual) <ul style="list-style-type: none"> Underwriter must document reasons for approving a Mortgage when the Borrower has any Charge Off Accounts. The Borrower must provide a letter of explanation, which is supported by documentation, for each outstanding Charge Off Account. The explanation and supporting documentation must be consistent with other credit information in the file. </div> <ul style="list-style-type: none"> A letter of explanation will be required for each collection account. <p>Borrower may not be late, delinquent, or in default of any federal debt.</p>		
Documentation Requirements	<ul style="list-style-type: none"> 30 days worth of paystubs - W-2 borrower 2 years tax returns - self employed 2 years W-2's - W-2 borrower Credit refresh is required prior to preparation of loan documents Mortgage statement with breakdown of PITI (must have MI broken out) and copy of current Note Most recent bank statement - fixed income borrower 		

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Documentation Requirements (con't)	<ul style="list-style-type: none"> • Award letters - fixed income borrower • Processed 4506-T • Must follow manual underwriting guidelines
Foreclosure	<ul style="list-style-type: none"> • 3 years must have elapsed since completion of a Foreclosure or Deed-in- Lieu. • Seasoning period begins on the date the property transferred ownership to the foreclosing lender through the date of the case assignment.
Mortgage Lates	<ul style="list-style-type: none"> • 0x30 last 6 months prior to case number assignment. • 1x30 max in prior months 7-12
Short Sale	<ul style="list-style-type: none"> • If the borrower was not in default at the time of the Short Sale, 3 years must have elapsed since completion of Short Sale. • If the borrower was in default at the time of the Short Sale, 3 years must have elapsed since the completion of the Short Sale; the wait period can be waived if the default was due to circumstances beyond the borrower's control and the borrower's credit was satisfactory prior to the circumstances beyond the borrower's control that caused the default. • If the borrower pursued a Short Sale to take advantage of declining market conditions and is purchasing a similar or superior property within a reasonable commuting distance, the 3 year waiting period may not be waived • Seasoning period begins on the date the property was sold through the date of the case assignment.
DTI/INCOME/ASSETS	
Maximum DTI Ratios	No DTI calculated for Non-Credit Qualifying Streamline DTI for Credit-Qualifying Streamline per HUD Handbook 4000.1 (manual underwriting guidelines)
PROPERTY	
AVM/Appraisal	Not required
Eligible Properties	<ul style="list-style-type: none"> • Attached/Detached SFRs • PUDs • HUD-approved Condos (project review not required) • 2-4 Units • 1 unit manufactured (primary residence only, max loan amount \$424,100k, double-wide only)
Investment Properties	<ul style="list-style-type: none"> • Manufactured properties are ineligible • Fixed rate only • Max 7 unit limitation
Notes on Streamline Manufactured	<ul style="list-style-type: none"> • Minimum 620 Qualifying Credit Score • Fixed rate only • Fee simple only • 1 unit only
Termite Inspection	Not Required
Utility Bill	<ul style="list-style-type: none"> • One monthly bill required to document occupancy.
MISCELLANEOUS	
Documentation Requirements	<ul style="list-style-type: none"> • No income or debts on the 1003 or LT for non credit qualifying streamline • Employment info and mortgage lien needs to be on the 1003 • Salaried borrowers require a verbal VOE • Mortgage statement with breakdown of PITI and copy of current Note • Signed but not processed 4506T form is required • Self-employed borrowers require verification of the business through a 3rd party source
Max Fees Included in Loan Amount Calculation	The loan amount calculation may include up to 60 days of interest and 2 months prorated MIP when it shows on the pay off demand. The lender credit may pay all closing costs including fees on the pay off that are not included in the loan amount calculations. If the payoff shows interest as a daily per diem 60 days of interest may not be included.

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Maximum Loan Amount Calculation	<p>The maximum Base Loan Amount is:</p> <ul style="list-style-type: none"> • The lesser of: <ul style="list-style-type: none"> • The outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; PLUS <ul style="list-style-type: none"> • Interest due on the existing mortgage; AND • MIP due on existing; OR • The original principal balance of the existing mortgage (including financed UFMIP) <ul style="list-style-type: none"> • Less any refund of UFMIP (if financed in the original mortgage) <p>For Investment the maximum Base Loan Amount is:</p> <ul style="list-style-type: none"> • The lesser of: <ul style="list-style-type: none"> • 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) <ul style="list-style-type: none"> • Less any refund of UFMIP (if financed in the original mortgage) 																				
Net Tangible Benefit	<ul style="list-style-type: none"> • A Net Tangible Benefit is a reduced Combined Rate, a reduced term, and/or a change from an ARM to a Fixed rate • Combined Rate refers to the interest rate on the mortgage plus Mortgage Insurance Premium (MIP) rate. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 25%;"></th> <th colspan="3" style="background-color: #0056b3; color: white; text-align: center;">TO:</th> </tr> <tr> <th style="background-color: #d9e1f2;">FROM:</th> <th style="background-color: #d9e1f2;">Fixed Rate New Combined Rate</th> <th style="background-color: #d9e1f2;">1-Year ARM New Combined Rate</th> <th style="background-color: #d9e1f2;">Hybrid ARM New Combined Rate</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate</td> <td>At least 0.5 percentage points below the prior</td> <td>At least 2 percentage points below the prior Combined Rate.</td> <td>At least 2 percentage points below the prior Combined Rate.</td> </tr> <tr> <td>Any ARM With < 15 Months to Next Payment Change</td> <td>No more than 2 percentage points above the prior</td> <td>At least 1 percentage points below the prior Combined Rate.</td> <td>At least 1 percentage points below the prior Combined Rate.</td> </tr> <tr> <td>Any ARM With > 15 Months to Next Payment Change</td> <td>No more than 2 percentage points above the prior</td> <td>At least 2 percentage points below the prior Combined Rate.</td> <td>At least 1 percentage points below the prior Combined Rate.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • If the mortgage term is reduced the net tangible benefit test is met if: the new interest rate does not exceed the current interest and the combined principle, interest and MIP payment does not increase by more than \$50. 		TO:			FROM:	Fixed Rate New Combined Rate	1-Year ARM New Combined Rate	Hybrid ARM New Combined Rate	Fixed Rate	At least 0.5 percentage points below the prior	At least 2 percentage points below the prior Combined Rate.	At least 2 percentage points below the prior Combined Rate.	Any ARM With < 15 Months to Next Payment Change	No more than 2 percentage points above the prior	At least 1 percentage points below the prior Combined Rate.	At least 1 percentage points below the prior Combined Rate.	Any ARM With > 15 Months to Next Payment Change	No more than 2 percentage points above the prior	At least 2 percentage points below the prior Combined Rate.	At least 1 percentage points below the prior Combined Rate.
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POA (Power of Attorney)	<p>Power of Attorney closings will be accepted with the following criteria:</p> <ul style="list-style-type: none"> • Absent party must sign the initial 1003 (must be face to face interview) and the purchase contract • POA must be a specific to the transaction (cannot be used on Cash Out Refinance or TX 50a6) • POA must include the borrower name, property address and loan amount • POA must be fully executed and notarized prior to the Note date • POA must be approved by Royal Pacific Funding prior to loan closing • POA must be recorded along with the deed of trust / mortgage • POA signatures on docs must clearly reflect Attorney-in-fact <p>For military personnel: when the service member is on overseas duty or on an unaccompanied tour; where the attorney-in-fact has specific authority to encumber the property and to obligate the borrower Acceptable evidence includes a durable POA specifically designed to survive incapacity and avoid the need for court proceedings.</p>																				
PACE / HERO Obligations	PACE/HERO obligations must be paid and cannot remain in tax assessments.																				
State Restrictions	Streamlines are not allowed on TX 50 (a)(6) loans																				

***Additional standard FHA guidelines apply.**