

SECTION 1

MATRIX:

Platinum FHA Standard:

Transaction	FICO	Number of Units	Maximum LTV	Maximum CLTV
Primary Residence – Owner Occupied				
Purchase	580	1-4	96.50	96.50 ¹
No Cash Out / Simple Refinance	580	1-4	97.75 ⁴	97.75 ⁴
Cash Out	580	1-4	85	85
Streamline w/out appraisal	580	1-4	100 ^{2,3}	125 ²

Footnotes:

1. In some cases (i.e. provided by a family member, government agency, etc.) subordinate financing may be as high as 100% CLTV.
2. LTVs/CLTVs for Streamline refinances W/O appraisals are based on the original loan amount.
3. Non-Credit Qualifying Streamlines: The new base loan amount may not exceed the original base loan amount.
4. 85% LTV for No Cash Out refinances where the borrower has occupied the subject property fewer than 12 months prior to case number assignment or if owned less than 12 months, has not occupied the property for that entire period of ownership.

SECTION 2

Products:

Program Codes

FHA Standard Conforming Programs				
30 Year Fixed	8000-99		30 Year Fixed Streamline	8037-99
25 Year Fixed	8100-99		25 Year Fixed Streamline	8137-99
20 Year Fixed	8200-99		20 Year Fixed Streamline	8237-99
15 Year Fixed	8300-99		15 Year Fixed Streamline	8337-99
FHA Standard High Balance Programs				
30 Year Fixed High Balance	8033-99		30 Year Fixed High Balance Streamline	8038-99
15 Year Fixed High Balance	8333-99		15 Year Fixed High Balance Streamline	8338-99

SECTION 3

Highlights:

Platinum FHA Highlight Table

4506 Transcripts	Transcripts are required per income documentation type included in the loan file.
Assets	Cryptocurrency, such as Bitcoin and Ethereum, may NOT be used for down payment funds or closing funds. These types of funds must be backed out of the borrower's assets.
AUS System	DU only. LP is not eligible.
Borrower Eligibility	<p>Maximum four borrowers per transaction.</p> <p>All borrowers must have a valid Social Security number.</p> <p>The following are eligible:</p> <ul style="list-style-type: none"> • Permanent Resident Aliens with proof of lawful residence. • Non-Permanent Resident Aliens who are eligible to work in the U.S. as evidenced by an Employment Authorization Document (EAD Card) issued by the USCIS. <ul style="list-style-type: none"> ▪ The Employment authorization Document is required to substantiate work status. ▪ If the Employment Authorization Document will expire within one year and a prior history of residency status renewals exists, determine the likelihood or renewal based on information from the USCIS.

	<p>The following are ineligible:</p> <ul style="list-style-type: none"> • Borrowers with Diplomatic Immunity • Borrowers with Temporary Protected Status • Borrowers with Deferred Enforced Departure or Humanitarian Parole Status • Corporations • Foreign Nationals • Foreign Politically Exposed Persons • LLCs or Other Business Entities • Non-Resident Aliens • Partnerships or Other Business Entities
Building on Own Land	Not Allowed
Cash on Hand	Not Allowed
Co-borrower or Co-Signer	<ul style="list-style-type: none"> • Must be either a U.S. citizen or have a permanent residence in the U.S. • May not be the seller, builder, real estate agent, etc. unless the co-borrower/co-signer is a family member.
Community Property States	<ul style="list-style-type: none"> • Arizona • California • Idaho • Louisiana • Nevada • New Mexico • Texas • Washington • Wisconsin
Condominium	Must be in an FHA HRAP approved project
Construction to Permanent	Not Allowed
Credit Report	<ul style="list-style-type: none"> • A new credit report may not be pulled once the file has been submitted for underwriting. <ul style="list-style-type: none"> ▪ Underwriters may require a new credit report due to erroneous or disputed information that needs to be deleted at the credit bureau level. • Otherwise, a new credit report is allowed only after the existing credit report has expired.
Deed Restrictions	Age related restrictions only. All other deed restrictions are ineligible.
DAP/MCC	Not Allowed
Escrow Holdbacks / Repair Escrows	Not Allowed
E-Signatures	<p>The following loan documents may not be signed using E-Signature:</p> <ul style="list-style-type: none"> • Note and Riders to the Note; • Security Instruments and Riders; • Notice of Right to Cancel; and • Powers of Attorney.
Family Member Defined	<p>Family member is defined as follows regardless of actual or perceived sexual orientation, gender identity, or legal marital status:</p> <ul style="list-style-type: none"> • Child, parent, or grandparent; <ul style="list-style-type: none"> ▪ A child is defined as a son, stepson, daughter, or stepdaughter; ▪ A parent or grandparent includes a step-parent/grandparent or foster parent/grandparent; • Spouse or domestic partner;

	<ul style="list-style-type: none"> • Legally adopted son or daughter including a child who is placed with the borrower by an authorized agency for legal adoption; • Foster child; • Brother, stepbrother; • Sister, stepsister; • Uncle; • Aunt; or • Son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the borrower.
<p>Gift Funds</p>	<p>Cash on hand is not an acceptable source of donor gift funds.</p> <ul style="list-style-type: none"> • Obtain a gift letter signed and dated by the donor and the borrower that includes the following: <ul style="list-style-type: none"> ▪ The donor’s name, address and telephone number; ▪ The donor’s relationship to the borrower; ▪ The dollar amount of the gift; and ▪ A statement that no repayment is required. • Verify and document the transfer of the gift funds from the donor to the borrower by providing the following: <ul style="list-style-type: none"> ▪ If the gift funds have been verified in the borrower’s account, obtain the donor’s bank statement showing the withdrawal and evidence of deposit into the borrower’s account. ▪ If the gift funds are not verified in the borrower’s account, obtain the certified check, money order, cashier’s check, wire transfer or other official check, and a bank statement showing the withdrawal from the donor’s account. • If the gift funds are paid directly to the settlement agent verify that: <ul style="list-style-type: none"> ▪ The settlement agent received the funds from the donor for the amount of the gift; and ▪ A bank statement showing the withdrawal from the donor’s account. • Only family members may provide equity credit as a gift on property being sold to other family members.
<p>Identity-of-Interest Transactions</p>	<p>An Identity-of-Interest transaction is a sale between parties with an existing business relationship or between family members.</p> <ul style="list-style-type: none"> • The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%. • 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.
<p>Ineligible Programs</p>	<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 • \$100 Down Program • Energy Efficient Mortgage Program (EEM) • FHA Assumption Program • Good Neighbor/Officer Next Door • Graduated Payment Program

	<ul style="list-style-type: none"> • Growing Equity Mortgages • Housing Authority Subsidies • HUD REO Program • Loans to Non-Profit Organizations • Loans with Private Water Purification System • 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	Not Eligible															
Leasehold	Not Eligible															
Loan Limits	<p>FHA Mortgage Limits</p> <ul style="list-style-type: none"> • https://entp.hud.gov/idapp/html/hicostlook.cfm 															
Manufactured Homes	Not Allowed															
Manual Underwriting	<p>Allowed – must meet the following requirements:</p> <table border="1"> <thead> <tr> <th>Lowest Minimum Decision Credit Score</th> <th>Maximum Qualifying Ratios</th> <th>Acceptable Compensating Factors</th> </tr> </thead> <tbody> <tr> <td>580 and Above</td> <td>31/43</td> <td>Compensating factors are not required.</td> </tr> <tr> <td>580 and Above</td> <td>37/47</td> <td> One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> <tr> <td>580 and Above</td> <td>40/40</td> <td>No discretionary debt</td> </tr> <tr> <td>580 and Above</td> <td>40/50</td> <td> Two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income </td> </tr> </tbody> </table>	Lowest Minimum Decision Credit Score	Maximum Qualifying Ratios	Acceptable Compensating Factors	580 and Above	31/43	Compensating factors are not required.	580 and Above	37/47	One of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income 	580 and Above	40/40	No discretionary debt	580 and Above	40/50	Two of the following: <ul style="list-style-type: none"> • Verified and documented cash reserves; • Minimal increase in housing payment; or • Residual income
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Marijuana Related Business/Employment	Income from Marijuana related business or employment is ineligible for qualifying purposes
Mixed Use Properties	Allowed per FHA requirements.
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	Not Eligible
PACE (HERO) Programs	Not Eligible
Power of Attorney	<p>Must meet FHA requirements. Powers of Attorney may not be used for the following transaction types:</p> <ul style="list-style-type: none"> • Cash-Out Refinances • Identity-of-Interest Transactions • Non-Occupant Co-Borrowers • Title in Trust
Refinance Seasoning Requirements	<p>Cash-Out Refinances must meet the following seasoning requirements:</p> <ul style="list-style-type: none"> • The property securing the cash-out refinance must have been owned and occupied by the borrower as their principal residence for the 12 months prior to the date of the case number assignment. <ul style="list-style-type: none"> ▪ For a streamline refinance or a cash-out refinance, the borrower must have made at least six consecutive monthly payments on the loan being refinanced beginning with the payment made on the first payment due date; and • The first payment due date of the new loan must occur no earlier than 210 days after the first payment due date of the loan being refinanced.
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>
Rental Income from a Departure Residence	<p>If rental income is being derived from the property being vacated by the borrower, the borrower must be relocating to an area more than 100 miles from the borrower's current principal residence. Obtain the following documentation:</p> <ul style="list-style-type: none"> • A lease agreement of at least one year's duration after the loan closing date; • Evidence of the tenant's payment to the borrower of the security deposit and/or the first month's rent; and • An appraisal evidencing market rent and that the borrower has at least <u>25% equity in the departure property</u>.
Sales Contracts	Assigned Sales Contracts - Not Allowed
Section 8 Voucher	Not Allowed
State Restrictions	<p>The following state restrictions apply</p> <ul style="list-style-type: none"> • 2-4 units in New Jersey – Not Allowed

	<ul style="list-style-type: none"> • Properties in West Virginia – Not Allowed • Properties in U.S. Territories or Possessions – Not Allowed • Texas 50(a)(6) transactions - 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	Not Allowed
Three and Four Unit Properties	<ul style="list-style-type: none"> • Three months’ PITIA reserves required from borrower’s own funds. Reserves may not be from a gift. • Three and four unit properties must be self-sufficient. <ul style="list-style-type: none"> ▪ Net self-sufficient rental income is the rental income produced by the subject property over and above the PITIA. ▪ Net self-sufficiency rental income is calculated by using the appraiser’s estimate of fair market rent from all units, including the unit the borrower chooses for occupancy, and subtracting the greater of the appraiser’s estimate for vacancies and maintenance, or 25% of the fair market value. <p>The PITIA divided by the monthly net self-sufficiency rental income may not exceed 100%.</p>
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.
Verification of Employment/Verification of Deposit/Verification of Mortgage/Rent	<ul style="list-style-type: none"> • The use of a Verification of Employment (VOE) and/or a Verification of Deposit (VOD) only is not allowed. <ul style="list-style-type: none"> ▪ At a minimum paystubs and bank statements are required. • When the borrower’s current mortgagee or landlord is a private party, the use of a Verification of Mortgage (VOM) or Verification of Rent (VOR) only is not allowed. <ul style="list-style-type: none"> ▪ Copies of the borrower’s most recent, consecutive 12 months cancelled checks will be required.