

Property Eligibility	<p>Eligible</p> <ul style="list-style-type: none"> ➤ 1-2 Units ➤ 3-4 Units <ul style="list-style-type: none"> • <u>Self-Sufficiency Rental Income Eligibility</u> Net self-sufficiency rental income refers to the rental income produced by the subject property over and above the Principal, Interest, Taxes and Insurance (PITI) • The PITI divided by the monthly New Self-Sufficiency Rental Income may not exceed 100% for three- to four-unit properties • 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 rent ➤ PUD's ➤ Condos – Must be on FHA approved list <ul style="list-style-type: none"> • If the condo project has been withdrawn from FHA's approved list or does not comply with FHA's condominium project eligibility guidelines as determined by the loan level certification for Individual Unit Financing process is ineligible. • Site condos do not require condominium project approval. ➤ Modular pre-Cut/Panelized Housing ➤ Manufactured Housing <p>Ineligible</p> <ul style="list-style-type: none"> ➤ Condo Hotels ➤ Co-ops ➤ Properties located within designated Coastal Barrier Resource system (CBRS) areas ➤ Properties with greater than 25 acres ➤ Uniquely designed properties such as dome homes, log cabins, earth berms, and underground homes. <p>Shared Well Shared wells are allowed only when lender evidences:</p> <ul style="list-style-type: none"> • Connection to public or community water system is not feasible and • Property is not located in an area where local officials have determined public connection to be feasible • Shared wells must have a maintenance agreement on file in the courthouse between all parties sharing the well. If one is not available, a fully executed agreement will be needed prior to clear to close. <p><u>Share Roads/Private Roads</u> Shared or Private Roads will require a Road Maintenance Agreement to be on file identifying how the road will be maintained. All parties that live on the road and have use of the road must be part of the agreement. The agreement must be filed with the courthouse and if one is not available a fully executed agreement will be needed prior to clear to close. The recording may occur with the closing of the file.</p>
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<p>203(h) Disaster Victims Program – suspended as of 3/16/2020 until further notice</p>	<p>203(h) works in conjunction with the HUD 203(b) program. The primary difference is the cash investment. 203(h) allows for 100% financing. The program covers <u>displaced owners</u> or <u>displaced renters</u> in federally (Presidential) declared disaster areas.</p> <p>Original home must have been located in an area that has been designated by the President as a federally declared disaster area (http://www.fema.gov/disasters). <u>A copy of the applicable declaration indicating individual assistance must accompany the file.</u></p> <p>Home must have been destroyed or damaged to such an extent that reconstruction or replacement is necessary. (You cannot use the 203(h) program to rehabilitate a home.) Home may be rebuilt on existing property or a new home residence may be purchased anywhere.</p> <p>Borrower (can be a prior owner or renter):</p> <ul style="list-style-type: none"> • Prior permanent residence documentation includes valid driver's license, voter registration card, or utility bills. Must have been permanent resident of a destroyed or substantially damaged residence in the Presidentially declared major disaster area. • Damage documentation includes an insurance report, an inspection report by an independent fee inspector or government agency, or conclusive photographs showing the destruction or damage. <p><u>Borrower must apply (1003 application submitted to lender) for 203(h) disaster program within one year of the Major Disaster Declaration by the President.</u></p> <p>Properties eligible to be purchased with 203(h):</p> <ul style="list-style-type: none"> • One-unit detached homes (Two-, three-, and four-unit properties may not be purchased under this program) • One-unit detached home in a PUD • Units in FHA approved condominium projects • Property must meet HUD's Minimum Property Standards and Minimum Property Requirements. <p>Ineligible properties with 203(h):</p> <p>2-4 unit properties Co-ops Attached PUDs Second Homes Investment Property</p> <p>Maximum Mortgage – subject to statutory loan limits (county loan limits for base loan amount apply) The total LTV may exceed 100% by the amount of the financed Upfront Mortgage Insurance Premium (UFMIP).</p> <p>Down Payment, Closing Costs, Prepaid Expenses</p> <ul style="list-style-type: none"> • No down payment is required • Closing costs and prepaid expenses must paid by borrower in cash or lender premium pricing. Closing costs and prepaid expenses may not be financed with a 203(h) loan.
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	<p>o Seller may contribute to closing costs and prepaid expenses up to 6% of sales price</p> <p>Borrower must meet all other requirements for FHA qualification. 203(h) is run through TOTAL scorecard. An “approve/ineligible” is acceptable if the ineligibility is for loan amount/LTV and calculations are made in accordance with 203(h) program. A “refer” loan may be manually underwritten per FHA guidelines.</p> <p>Borrowers with existing mortgages on substantially damaged or destroyed property within the disaster area must show those mortgages are paid off. Borrower is qualified with all debt as with normal FHA mortgage.</p> <p>Borrower may relocate anywhere. Borrower does not have to purchase within the same area. Borrower must qualify with income and employment per FHA guidelines regardless of the location of the new property.</p> <p>See HUD Handbook 4000.1 for certain credit and documentation flexibilities and underwriting guidance.</p>
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