



FHA Fixed Rate

Product Matrix

HUD Housing Handbooks: https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsgf

Transaction Type	# of Units ⁶	Maximum LTV/CLTV/HCLTV	Minimum Credit Score ^{1,2}
Purchase	1-4	96.50% ³	580 (all loan amounts) ^{1,2}
Rate/Term Refinance	1-4	97.75%/97.75%	
Cash Out Refi ^{1,4,5}	1-4	80.00%/80.00%	

¹ Minimum credit score for manufactured homes is 620 for a Purchase or Rate/Term refinance & 640 for a cash-out refinance.

² Each borrower must have at least one credit score.

³ No Maximum CLTV if second mortgage is through a government entity Down Payment Assistance Program (DAP)

⁴ Borrower must occupy the subject property as their Principal Residence for the past 12 months prior to case number assignment

⁵ Texas 50 (a)(6) are ineligible

⁶ 3-4 unit properties require a separate and specific Net Self-Sufficiency test. The Net-Sufficiency Rental Income must be equal to or greater than the PITI of the subject property.

MIP Chart

Upfront MIP for ALL: 1.75%

Annual MIP for Loan Amount Less than or equal to \$766,550

Greater than 15 year terms			15 year or less terms		
LTV	MIP	Duration	LTV	MIP	Duration
> 95.00%	55	Mortgage term	> 90%	40	Mortgage term
> 90.0% but ≤ 95.0%	50	Mortgage term	≤ 90.0%	15	11 years
≤ 90.0%	50	11 years			

Annual MIP for loan amounts greater than \$766,550

Greater than 15 year terms			15 year or less terms		
LTV	MIP	Duration	LTV	MIP	Duration
> 95.00%	75	Mortgage term	> 90.0%	65	Mortgage term
> 90.0% but ≤ 95.0%	70	Mortgage term	> 78.0% but ≤ 90.0%	40	11 years
≤ 90.0%	70	11 years	≤ 78.0%	15	11 years

Maximum Loan Amounts (Continental US)

Units	Low Cost Area "Floor"	Maximum High Balance Loan limits
1	\$541,287	\$1,249,125
2	\$693,050	\$1,599,375
3	\$837,700	\$1,933,200
4	\$1,041,125	\$2,402,625

**** All MIP and Loan Amount information is based on case #'s assigned on or after January 1, 2026.**

Terms	- Standard Loan Amounts: 10, 15, 20, 25, 30 year terms. - High Balance Loan Amounts: 15 and 30 year terms.
Temporary Interest Rate Buydowns	- Maximum allowable interest rate reduction is 2%. ► Available as 2/1 or 1/0 - Minimum credit score 660 30 Year Fixed only - Owner occupied - Purchase Only. - Qualify at Note rate (not the bought down rate)
Ineligible Program Types	- Energy Efficient programs, EEM, EEH; Weatherization, Solar and Wind - PACE: Loans secured by properties with Property Assessed Clean Energy (PACE) obligations or PACE-like clean energy program assessments - Construction to Permanent, One-time close - Texas (a)(6)
Borrower Eligibility	- U.S. Citizens - Permanent resident aliens, with proof of lawful residence Non-permanent resident alien immigrants are ineligible.
Maximum DTI	Per AUS.
Age of Documents	- Credit Documents must be within 120 days of Note date. - Appraisal is valid for 180 days from the effective date.
Credit	- Each borrower must have at least 1 credit score. - Frozen Credit: No credit bureaus may be frozen. Borrowers must unfreeze all bureaus, update the credit report and rerun the AUS with the updated credit.

Student Loans	Regardless of the payment status, the Mortgagee must use either: - the monthly payment reported on the Borrower's credit report or the actual documented payment, when the payment amount is above zero; OR 0.5 percent of the outstanding loan balance, when the monthly payment reported on the Borrower's credit report is zero.													
Derogatory Credit	Foreclosure, Deed in Lieu or Short Sale: 3 years from completion to case number assignment date													
	Chapter 7 Bankruptcy: 2 years from completion/discharge to case number assignment date													
	Chapter 13 bankruptcy: - Borrower may qualify as a manual underwrite if at the time of the FHA case number assignment at least 12 months of the payout period under the bankruptcy has elapsed. - The Mortgagee must determine that during this time, the Borrower’s payment performance has been satisfactory and all required payments have been made on time; and the Borrower has received written permission from bankruptcy court to enter into the mortgage transaction.													
	Judgments: - Judgments must be paid off prior to or at closing. - An exception to the payoff of a court ordered judgment may be made if the Borrower has a written agreement with the creditor to make regular and timely payments. The Borrower must have made at least 3 timely payments and the Judgment will not supersede the FHA mortgage lien.													
	Collections: - If total outstanding balance for all borrowers is less than \$2,000, a capacity analysis is not required - If total outstanding balance for all borrowers is equal to or greater than \$2,000, a capacity analysis is required. Capacity analysis includes: - Payment in full of collection accounts, prior to or at closing, along with documentation of acceptable source of funds, - Borrower makes payment arrangements, and provides proof of arrangement with payment included in DTI, or 5% of the outstanding balance of each collection account is included as monthly payment in DTI - Non-borrowing spouse collection accounts ARE included in cumulative balance. - Medical collections and charge offs are excluded.													
Derogatory Credit	Disputed Account: - Loans with a cumulative outstanding balance of \$1,000 or more in Disputed Derogatory Credit Accounts must be manually down graded to a refer. - Disputed medical accounts and disputed accounts resulting from identity theft may be excluded from the \$1,000 limit. - The following disputed non-derogatory accounts are not included in the \$1,000 limit: - Disputed accounts with \$0 balance, - Disputed accounts with late payments 24 months or older, or - Disputed accounts that are current and paid as agreed.													
	Non-Borrowing Spouse	Non-Borrowing Spouse Credit Reports: If the subject property is located in a community property state or the Non-borrowing spouse resides in a community property state then their debt must be included in the qualifying ratio's. - Social Security number must be verified - Must have non-borrowing spouse authorization to pull credit. - Inquiries within 90 days must be addressed/explained. - UDN (LQI) is required within 10 days of closing and any new debt must be included in the DTI. - States requiring non-borrowing spouse credit reports: <table><tr><td>Arizona</td><td>Louisiana</td><td>Texas</td><td>Alaska</td></tr><tr><td>California</td><td>Nevada</td><td>Washington</td><td></td></tr><tr><td>Idaho</td><td>New Mexico</td><td>Wisconsin</td><td></td></tr></table>	Arizona	Louisiana	Texas	Alaska	California	Nevada	Washington		Idaho	New Mexico	Wisconsin	
		Arizona	Louisiana	Texas	Alaska									
		California	Nevada	Washington										
		Idaho	New Mexico	Wisconsin										

Federal Debt

- **Borrowers with delinquent Federal Tax Debt are ineligible.**
- Tax liens may remain unpaid if the Borrower has entered into a valid repayment agreement with the federal agency owed to make regular payments on the debt and the Borrower has made timely payments for at least three (3) months of scheduled payments. The borrower cannot "prepay" scheduled payments in order to meet the required minimum of three months of payments.
- The Mortgagee must include the monthly payment amount in the agreement in the calculation of the Borrower's Debt-to-Income (DTI) ratio.

Manual Underwriting

- Satisfactory Credit:**
- Manual underwritten loans require the underwriter to evaluate the Borrower's payment histories in the following order: (1) previous housing expenses and related expenses, including utilities; (2) installment debts; and (3) Revolving Charge Accounts.
 - ▶ The underwriter may consider a Borrower to have an acceptable payment history if the Borrower has made all housing and installment debt payments on time for the previous 12 months and has no more than two 30-Day late Mortgage Payments or installment payments in the previous 24 months.
 - ▶ The underwriter may approve the Borrower with an acceptable payment history if the Borrower has no major derogatory credit on Revolving Charge Accounts in the previous 12 months.
 - ▶ Major derogatory credit on Revolving Charge Accounts must include any payments made more than 90 Days after the due date, or three or more payments more than 60 Days after the due date.

- All loans must be run through AUS FHA Total Scorecard
- Purchase, Rate & Term and Cash-out

Credit Score	Maximum Qualifying Ratios	Acceptable Compensating factors:
600 and above	31/43	No compensating factors required. ¹
	37/47	One of the following: • Verified and documented cash reserves ^{1,2} • Minimal increase in housing payment ³ or • Residual Income
	40/40	No discretionary debt. ⁵
	40/50	Two of the following: • Verified and documented cash reserves ² • Minimal increase in housing payment ³ • Significant additional income not reflected in Effective income ⁴; and/or • Residual Income

¹ All manual underwrites require 1 month reserves for 1-2 unit properties and 3 months reserves for 3-4 unit properties.

² Reserves are equal to or exceed three months Mortgage Payments for 1-2 units and 6 months for 3-4 units. (Gift funds may not used for reserve requirements).

³ The new total monthly Mortgage Payment does not exceed the current total monthly housing payment by more than \$100 or 5 percent, whichever is less.

⁴ Income from non-borrowing spouses or other parties not obligated for the Mortgage may not be counted.

⁵ No Discretionary Debt may be cited as a compensating factor subject to the following:

- ▶ the Borrower's housing payment is the only open account with an outstanding balance that is not paid off monthly;
- ▶ the credit report shows established credit lines in the Borrower's name open for at least six months; and
- ▶ the Borrower can document that these accounts have been paid off in full monthly for at least the past six month.

Borrowers who have no established credit other than their housing payment, no other credit lines in their own name open for six months, or who cannot document that all other accounts are paid off in full monthly for at least the past six months, do not qualify under this criteria. Credit lines not in the Borrower's name but for which they are an authorized user do not qualify under this criterion.

Refer to HUD handbook 4000.1 for complete details on compensating factors.

HUD REO's	• Approve/Ineligible due to LTV/CLTV is acceptable for owner-occupied • EMM Loans LLC allows HUD's \$100 Down program
Down Payment Assistance	• Down Payment Assistance programs from government entities are permitted in accordance with FHA's guidelines. ▶ Non Profits, Trade Unions, etc. are not permitted ▶ No maximum CLTV when the second is provided by a government entity. <i>(See 4000.1 II.A.4.d.iii (J) for FHA secondary financing requirements.)</i>
Non-Occupying Co-borrowers	• Not eligible on 15 year loan term. • Not eligible on cash out refinance transactions • The non-occupant co-borrower must be a family member as defined by HUD • The non-occupant co-borrower must be a family member or an individual who has documented a longstanding substantial family-type relationship not arising out of the loan transaction with the occupying borrower. • The maximum LTV is 75% but the LTV can be increased to a maximum of 96.5% if the Borrowers are Family Members, provided the transaction does not involve: ▶ a Family Member selling to a Family Member who will be a non-occupying co-Borrower; or ▶ transaction is for a two- to four-unit Property.
Refinance Transactions	• For Properties acquired by the Borrower within 12 months of the case number assignment date, the Adjusted Value is the lesser of: ▶ the Borrower’s purchase price, plus any documented improvements made subsequent to the purchase; or ▶ the Property Value. • Properties acquired by the Borrower within 12 months of case number assignment by inheritance, through a Gift from a Family Member, or through a non-monetary transaction may utilize the calculation of Adjusted Value for Properties purchased 12 months or greater. • For Properties acquired by the Borrower greater than or equal to 12 months prior to the case number assignment date, the Adjusted Value is the Property Value.
Refinance Seasoning	<u>Rate & Term Refinance:</u> • the borrower has 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 occurs no earlier than 210 days after the first payment due date of the loan paid off through the transaction. • where a mortgage has been modified, the borrower must have made at least six payments under the modification agreement to be eligible for a no-cash refinance.
	<u>Cash-Out Refinance:</u> • the borrower has 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 occurs no earlier than 210 days after the first payment due date of the loan paid off through the transaction. • Borrower must occupy the subject property as their Principal Residence for the past 12 months prior to case number assignment on a cash-out refinance • Borrower must have made 12 payments on a cash-out refinance. • Non-occupant co-borrowers may not be added in a cash out refinance transaction. • Income from a non-occupant co-borrower may not be used to qualify for a cash-out refinance.
3-4 Unit Property Self-Sufficiency Requirement	FHA requires a Net Self-Sufficiency test for all 3-4 unit properties. The PITI divided by the monthly Net Self-Sufficiency Rental Income may not exceed 100%. (the Net Self-Sufficiency Rental Income must be equal to or greater than the PITI of the subject property.)
	1) Determine the Gross Fair Market Rent: Obtain the Appraiser's estimate of fair market rent from all units, including the specific unit that the Borrower chooses to occupy.
	2) Apply the Vacancy and Maintenance Factor: Subtract the greater of the following from the total gross fair market rent: ▶ The Appraiser's estimate for vacancies and maintenance. ▶ 25 percent of the total fair market rent.
	3) Calculate the Net Self-Sufficiency Rental Income: The resulting amount after subtracting the vacancy and maintenance factor is the Net Self-Sufficiency Rental Income.
	4) Perform the Self-Sufficiency Test: Divide the total monthly Mortgage Payment—consisting of Principal, Interest, Taxes, and Insurance (PITI)—by the monthly Net Self-Sufficiency Rental Income
	• The PITI divided by the monthly Net Self-Sufficiency Rental Income may not exceed 100%.

Property Flipping Policy	- Properties resold 90 days or fewer following the date of acquisition by the seller are not eligible for FHA financing unless the loan meets the exceptions set forth in 4000.1 II.A.1.b.iv (A)(3). - Properties resold between 91 and 180 days after acquisition require a second appraisal by a different appraiser if the resale price is 100% or more over the price paid by the seller when the property was acquired.	
Identity of Interest	- An Identity-of-Interest Transaction is a sale between parties with an existing Business Relationship or between Family Members. - Maximum LTV is 85% - The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of contract execution is restricted to 85 percent.	
Identity of Interest	Exceptions to the Maximum LTV: ▶ The borrower purchases the principal residence of another family member; or ▶ a Property owned by another Family Member in which the Borrower has been a tenant for at least six months immediately predating the sales contract. Written evidence to verify occupancy and rental payments is required; or ▶ if 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 ▶ exceeded if a corporation transfers an employee to another location, purchases the employee's house, and sells the house to another employee.; or ▶ if the current tenant purchases the Property where the tenant has rented the Property for at least six months immediately predating the sales contract. A lease or other written evidence to verify tenancy and occupancy is required.	
Property Flipping Policy	- Properties resold 90 days or fewer following the date of acquisition by the seller are not eligible for FHA financing unless the loan meets the exceptions set forth in 4000.1 II.A.1.b.iv (A)(3). - Properties resold between 91 and 180 days after acquisition require a second appraisal by a different appraiser if the resale price is 100% or more over the price paid by the seller when the property was acquired.	
Ineligible Property Types	- Cooperatives - Mobile Homes - Working Farms - Condotels / Hotel Condominium	- Properties without full utilities installed to meet all local health and safety standards - Multi-family dwellings containing more than four units

Manufactured Homes

All Manufactured Homes must meet agency guidelines.

Property Eligibility:

- Multi-width, single family with a minimum of 700 square feet.
- Must be attached to a permanent foundation and legally classified as real property
- Fee simple ownership only
- The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer's lot as a new unit

Ineligible Property Types:

- Single-width Manufactured Homes
- Leaseholds / co-ops
- 2-4 Units
- Properties located in a mobile home park or other area where the borrower does not own the land
- Manufactured homes that were/are moved from its original location

Foundation Certification:

- Obtain a certification from an engineer licensed/registered in the subject property's state that the foundation is in compliance with the Permanent Foundation Guide for Manufactured Housing (PFGMH)
- PFGMH can be found at: https://www.hud.gov/program_offices/administration/hudclips/guidebooks/4930.3G.
- The Mortgagee may obtain a copy of the foundation certification from a previous FHA-insured Mortgage, showing that the foundation met the guidelines published in the PFGMH that were in effect at the time of certification, provided there are no alterations and/or observable damage to the foundation since the original certification.
- If the additions or alterations were not addressed in the foundation certification, the Mortgagee must obtain:
 - ▶ an inspection by the state administrative agency that inspects Manufactured Housing for compliance; or
 - ▶ certification of the structural integrity from a licensed structural engineer if the state does not employ inspectors

Manufactured Homes

Flood Zone:

- The finished grade level beneath the Manufactured Home **must be at or above the 100-year return frequency flood elevation.** If any portion of the dwelling, related Structures, or equipment essential to the Property Value and subject to flood damage for both new and existing Manufactured Homes are located within an SFHA, the Property is not eligible for FHA mortgage insurance unless the Mortgagee obtains:
 - ▶ a FEMA issued LOMA or LOMR that removes the Property from the SFHA; or
 - ▶ a FEMA National Flood Insurance Program (NFIP) Elevation Certificate (FEMA Form 086-0-33) prepared by a licensed engineer or surveyor stating that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation, and insurance under the NFIP is obtained.
 - ▶ ensures that Flood Insurance is obtained.

Appraisals:

- Full 1004C/70B appraisal required. The property condition rating should be C4 or better.
- Cost approach not required for manufactured housing over a year old or title has been re-conveyed after initial sale.
- Minimum of 2 similar manufactured home comparables
- Third comparable may be site built or modular home
- Photos required, in addition to standard photos:
 - ▶ HUD Data Plate (paper document located on the interior),
 - ▶ HUD Certification label affixed or have obtained a letter of label verification issued on behalf of HUD, evidencing the house was constructed on or after June 15, 1976, in compliance with the Federal Manufactured Home Construction and Safety Standards. *
** (If the appraisal indicates the HUD certification label is missing from the manufactured housing unit, the mortgagee must obtain label verification from the Institute for building technology and safety (IBTS): www.ibts.org.)*
- When structural modifications, additions or alteration are noted:
 - ▶ Inspection by a state agency to approve modifications is required, if the state requires such inspection.
 - ▶ If there is no state requirement, then the structural modification must be inspected and be deemed structurally sound by a third party who is regulated by the state and is qualified to make the determination