



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>UNDERWRITING</b>		
<p><b>TOTAL Scorecard Manual Downgrade Requirements</b> (Topic continued on next page)</p>	<p>Manual downgrades are required when:</p> <p>Delinquent federal debt is present. CAIVRS claim is present unless erroneous or qualifies for exception listed below:</p> <ul style="list-style-type: none"> <li>• Assumption: loan was current prior to the assumption</li> <li>• Divorce: home and debt assigned to ex-spouse and mortgage was not in default at the time</li> <li>• Bankruptcy: mortgage was included in a bankruptcy due to extenuating circumstances</li> </ul> <p>Borrower is named on excluded party list. Foreclosure or DIL within 3 years. BK discharged within 2 years</p> <p>Late mortgage payments on purchase or r/t refi:</p> <ul style="list-style-type: none"> <li>• 3 or more &gt; 30 days or</li> <li>• 1 or more 60 days plus 1 or more 30 day</li> <li>• or 1 &gt;90 days</li> </ul> <p>Any mortgage tradeline (incl. 2nd liens) that has less than 6 months history.</p> <p>&gt;\$1000 in disputed derogatory accounts.</p> <p>Cash-out refinance reflects:</p> <ul style="list-style-type: none"> <li>• Delinquent payment in last 12 months or</li> <li>• Currently delinquent or</li> <li>• Non-occupant co-borrower is present</li> </ul> <p>AUS conditions cannot be met.</p> <p>Derogatory or any other credit information has not been considered by TOTAL (includes multiple NSF checks on bank statement).</p> <p>A borrower or co-borrower has no credit score.</p>	<p>Manual downgrades are required when:</p> <p>Delinquent federal debt is present. CAIVRS claim is present unless erroneous or qualifies for exception listed below:</p> <ul style="list-style-type: none"> <li>• Assumption: loan was current prior to the assumption</li> <li>• Divorce: home and debt assigned to ex-spouse and mortgage was not in default at the time</li> <li>• Bankruptcy: mortgage was included in a bankruptcy due to extenuating circumstances</li> </ul> <p>Borrower is named on excluded party list.</p> <p>Foreclosure, short sale, or DIL within 3 years.</p> <p>BK discharged within 2 years.</p> <p>Late mortgage payments on purchase or r/t refi:</p> <ul style="list-style-type: none"> <li>• 3 or more &gt; 30 days or</li> <li>• 1 or more 60 days plus 1 or more 30 day</li> <li>• or 1 &gt;90 days</li> </ul> <p>Any mortgage tradeline (incl. 2nd liens) that has less than 6 months history.</p> <p>&gt;\$1000 in disputed derogatory accounts.</p> <p>Cash-out refinance reflects:</p> <ul style="list-style-type: none"> <li>• Delinquent payment in last 12 months or</li> <li>• Currently delinquent or</li> <li>• Non-occupant co-borrower is present</li> </ul> <p>AUS conditions cannot be met.</p>



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>TOTAL Scorecard Manual Downgrade Requirements</b> (Continued)	Decision score is <620 and DTI is >43%.	Derogatory or any other credit information has not been considered by TOTAL (includes multiple NSF checks on bank statement).  A borrower or co-borrower has no credit score.  Undisclosed mortgage debt is discovered.  Business Income shows a >20% decline over the analysis period.
<b>LIABILITIES</b>		
<b>Deferred Loans</b>	Loans deferred more than 12 months from closing do not have to be counted in ratios (no mention of loans in forbearance).	All deferred obligations (including loans in forbearance), regardless of when they will commence, must be included in the qualifying ratios. The lender must obtain evidence of: <ul style="list-style-type: none"> <li>The deferral</li> <li>The outstanding balance</li> <li>The terms of liability and</li> <li>The anticipated monthly payment</li> </ul> For installment debt, the lender must use The actual monthly payment, or If the actual payment is unknown, <ul style="list-style-type: none"> <li>The terms of the debt, or</li> <li>5% of the outstanding balance</li> </ul> For student loan, lender must use actual monthly payment <i>or</i> if actual monthly payment is zero or not available, use 2% of outstanding balance.
<b>Installment Debt &lt;10 Mos. Payments</b>	TOTAL Scorecard: May be excluded from ratios. Manual UW: May be excluded from ratios if debt will not affect ability to pay mortgage.	TOTAL Scorecard and Manual UW: May be excluded from ratios only if: <ul style="list-style-type: none"> <li>They have remaining cumulative payments of less than, or equal to, 5% of the borrower's gross monthly income and</li> <li>The borrower may not pay the debts down to achieve this percentage</li> </ul>



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Alimony and Child Support</b>	May be treated as reduction from gross income or as a monthly obligation.	<p>May be treated either as reduction from gross income or as a monthly obligation.</p> <p>Obtain pay stubs covering at least 28 consecutive days to verify whether the borrower is subject to any order of garnishment.</p> <p>Calculate the monthly obligation from the greater of:</p> <ul style="list-style-type: none"> <li>• The amount shown on the most recent decree or agreement establishing the obligation, or</li> <li>• The monthly amount of the garnishment</li> </ul>
<b>Revolving Accounts – Monthly Payment Calculation</b>	<ul style="list-style-type: none"> <li>• Greater of 5% of the balance or \$10, or</li> <li>• The actual monthly payment</li> </ul>	<ul style="list-style-type: none"> <li>• 5% of the outstanding balance, or</li> <li>• Payment shown on credit report or statement</li> </ul>
<b>30-Day Account (Accounts requiring payment in full each month)</b>	No guidance.	<ul style="list-style-type: none"> <li>• Not included in ratios if borrower has paid in full every month for past 12 months</li> <li>• If there were late payments in the last 12 months, include 5% of the balance in the ratios</li> <li>• Lender must document sufficient funds to pay off the balance and close the loan</li> </ul>
<b>Authorized User Accounts</b>	No guidance.	If the primary account holder has made all required payments on the account for the previous 12 months, debt does not have to be included in borrower’s ratios. If less than 3 payments have been required on the account in the previous 12 months, the payment must be included in ratios.



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Satisfactory Credit</b>	Borrower has acceptable credit if: <ul style="list-style-type: none"> <li>• No late housing or installment debt, and</li> <li>• No major derogatory credit on revolving accounts</li> </ul>	Lender may approve a borrower if: <ul style="list-style-type: none"> <li>• Acceptable payment history, and</li> <li>• No major derogatory credit on revolving accounts in the last 12 months</li> </ul> <p>“Acceptable payment history” means:</p> <ul style="list-style-type: none"> <li>• The borrower made all housing, and installment debt payments on time for the previous 12 months, and</li> <li>• There are no more than two 30-day late mortgage or installment payments in the last 24 months</li> </ul> <p>“Major derogatory credit” means:</p> <ul style="list-style-type: none"> <li>• Payments made &gt; 90 days after due date, or</li> <li>• 3 or more payments made &gt; 60days after the due date</li> </ul>
<b>Derogatory Event Wait Period Definition</b>	No definition. (Some HOCs had verbally defined as ‘from event date to the new DE loan approval date.)	Defined as ‘from event date to the new loan case number order date.’
<b>Medical Collections</b>	Can be disregarded.	Specifically designated as obligation; not considered debt and can be disregarded.
<b>Charge-Offs</b>	No detailed guidance.	Defined as loans or debts written off by the creditor. The lender must: <ul style="list-style-type: none"> <li>• Determine why they exist,</li> <li>• Document reasons for approving the loan and</li> <li>• Obtain a letter of explanation from the borrower and supporting documentation</li> </ul>
<b>Federal Tax Liens</b>	Tax liens may remain unpaid if the borrower has entered into a valid repayment agreement. Payments may not be prepaid. Any liens on title require a subordination agreement.	Tax liens may remain unpaid if the borrower has entered into a valid repayment agreement and has made at least 3 months of timely payments. Payments may not be prepaid. Any liens on title require a subordination agreement.



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Judgments</b>	<p>Court-ordered judgments must be paid off before the mortgage loan is eligible for FHA insurance endorsement.</p> <p>Exception: An exception to the payoff of a court-ordered judgment may be made if borrower has</p> <ul style="list-style-type: none"> <li>• an agreement with the creditor to make regular and timely payments, and</li> <li>• provided documentation indicating that payments have been made according to the agreement</li> </ul>	<p>Court-ordered judgments must be paid off before the mortgage loan is eligible for FHA insurance endorsement.</p> <p>Exception: An exception to the payoff of a court-ordered judgment may be made if borrower has</p> <ul style="list-style-type: none"> <li>• an agreement with the creditor to make regular and timely payments, and</li> <li>• provided documentation indicating that 3 payments have been made according to the agreement.</li> </ul> <p>The Spouse's judgment(s) in a community property state must be considered in the guidance for judgments.</p>
<b>INCOME/EMPLOYMENT</b>		
<b>Part-Time Employment Income</b>	Underwriter discretion allowed when received less than 2 years and likely to continue.	<ul style="list-style-type: none"> <li>• Two years of uninterrupted part-time income is required</li> <li>• Average the income over the prior 2 years, or</li> <li>• Use a 12-month average of hours at the current pay rate if the lender documents an increase in pay rate</li> </ul>
<b>Self-Employed – Declining Income</b>	<p>The lender must establish the borrower's earnings trend from the prior two years, using tax returns.</p> <ul style="list-style-type: none"> <li>• Stable or increasing annual earnings are acceptable</li> <li>• Businesses showing a significant decline in income are not acceptable, even if the current income and ratios meet FHA guidelines</li> <li>• If the borrower's earnings trend for the previous two years is downward and the most recent tax return or P&amp;L is less than the prior year's tax return, the borrower's most recent year's tax return or P&amp;L must be used to calculate income</li> </ul>	<p>Income from a business with a greater than 20% decline in income over the analysis period is not acceptable.</p> <ul style="list-style-type: none"> <li>• If using an AUS, the lender must downgrade to manual underwriting</li> </ul> <p>If there has been a 20% or greater decline, the income is still deemed stable if:</p> <ul style="list-style-type: none"> <li>• The reduction was the result of documented extenuating circumstances,</li> <li>• The income has been stable or increasing for at least 12 months, and</li> <li>• The borrower qualifies using the reduced income</li> </ul>



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Frequent Job Changes</b>	No guidance.	<ul style="list-style-type: none"> <li>• If the hours do not vary, use the hourly rate</li> <li>• If the hours vary, use a two-year average</li> <li>• If the hours vary and there is a documented increase in pay rate, use a 12-month average of hours at the current pay rate</li> </ul>
<b>Hourly Earnings Calculation</b>	No guidance.	<ul style="list-style-type: none"> <li>• If the hours do not vary, use the hourly rate</li> <li>• If the hours vary, use a two-year average</li> <li>• If the hours vary and there is a documented increase in pay rate, use a 12-month average of hours at the current pay rate</li> </ul>
<b>Overtime and Bonus Income Calculation</b>	<p>General Rule – Overtime or bonus income must have been received for the past 2 years.</p> <p>Exception – Periods of less than 2 years may be acceptable if the lender can justify and document in writing why its use is acceptable.</p> <p>How to calculate the income:</p> <ul style="list-style-type: none"> <li>• Average over 2 years</li> <li>• Average over more than 2 years if the income varies significantly from year to year</li> </ul>	<p>General Rule – Overtime or bonus income must have been received for the past 2 years.</p> <p>Exception – Periods between 1 and 2 years may be acceptable if consistently earned for at least 1 year and likely to continue.</p> <p>How to calculate the income:</p> <ul style="list-style-type: none"> <li>• Average over 2 years</li> <li>• If the income from the current year decreases by 20% or more from the prior year, use the current year's income</li> </ul>
<b>Commission Income</b>	<p>Earned for 1-2 years okay, if likely to continue.</p> <p>Earned less than 1 year okay if:</p> <ul style="list-style-type: none"> <li>• Pay change from salary to commission for similar position with same employer or,</li> <li>• Borrower would qualify if commission income was not used</li> </ul> <p>Calculate using two-year average.</p> <ul style="list-style-type: none"> <li>• If income has decreased, compensating factors are required</li> </ul>	<p>Earned for at least 1 year in same or similar line of work and likely to continue.</p> <p>Calculate by subtracting unreimbursed business expenses from the lesser of:</p> <ul style="list-style-type: none"> <li>• The average net commission earned over the past 2 years (or however long it's been earned) and</li> <li>• The average income earned over the prior 1 year</li> </ul>



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Voluntary Alimony or Child Support Payments</b>	<p>No guidance.</p> <ul style="list-style-type: none"> <li>• Average over 2 years</li> <li>• If the income from the current year decreases by 20% or more from the prior year, use the current year's income</li> </ul>	<p>Allowed if using a voluntary payment agreement, the lender:</p> <ul style="list-style-type: none"> <li>• Obtains 12 months canceled checks, deposit slips, or tax returns,</li> <li>• If there is evidence of receipt for the most recent 6 months, may use the current payment to calculate income,</li> <li>• If there are not 6 months of consistent payments, may average the income received over the prior 2 years, or less if the income has not been received that long</li> </ul>
<b>Rental Income on Retained Primary Residence</b>	Rental income may be counted when relocating outside or reasonable commute distance for job and borrower has 25% equity.	<ul style="list-style-type: none"> <li>• Rental income may be counted when relocating and new residence is located at least 100 miles from previous residence</li> <li>• If no history of rental income since the last tax filing, borrower must have 25% equity</li> </ul>
<b>Non-taxable Income</b>	Gross up using tax rate evidenced on last return. If borrower did not file a return, use tax rate of 25%.	Gross up using greater of 15% or actual tax rate. If borrower did not file a return, use tax rate of 15%.
<b>Pension Income Calculation</b>	No guidance.	<p>Use current amount, if consistent.</p> <p>Fluctuating amounts require use of 2-year (or time of receipt, if less) average.</p>
<b>401K Income Calculation</b>	No guidance.	<p>Use current amount, if consistent.</p> <p>Fluctuating amounts require use of 2-year (or time of receipt, if less) average.</p>
<b>Gaps in Employment</b>	<ul style="list-style-type: none"> <li>• Manual underwriting: Gaps of more than 1 month must be explained</li> <li>• TOTAL Scorecard: Gaps of less than 6 months require no explanation</li> </ul>	Manual underwriting and TOTAL Scorecard: Gaps of less than 6 months require no explanation.
<b>Temporary Income Reduction</b> (Topic continued on next page)	No guidance.	For borrowers with a temporary reduction of income due to a short-term disability or similar temporary leave, lenders may consider the Borrower's current income as effective Income, if it can verify and document that:



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Temporary Income Reduction</b> (Continued)	No guidance.	<ul style="list-style-type: none"> <li>• The Borrower intends to return to work;</li> <li>• The Borrower has the right to return to work;</li> <li>• The Borrower qualifies for the mortgage, taking into account any reduction of income due to the circumstance</li> </ul> <p>For Borrowers returning to work before, or at the time of, the first Mortgage Payment due date, the mortgagee may use the Borrower's pre-leave income. For Borrowers returning to work after the first Mortgage Payment due date, the mortgagee may use the Borrower's current income plus available surplus liquid asset Reserves, above and beyond any required Reserves, as an income supplement up to the amount of the Borrower's pre-leave income. The amount of the monthly income supplement is the total amount of surplus Reserves divided by the number of months between the first payment due date and the Borrower's intended date of return to work.</p>
<b>ASSETS</b>		
<b>Gift Funds – Documenting Transfer</b>	Not clear about requiring donor's bank statement in all instances.	Requires donor's bank statement, showing withdrawal of funds.
<b>Earnest Money</b>	Document source of funds if amount exceeds 2% of sales price or appears excessive based on borrower's savings history.	Document source of funds if amount exceeds 1% of sales price, or appears excessive based on borrower's savings history.
<b>Large Deposit Definition</b>	No definition.	For recently opened accounts and recent individual deposits of more than 1 percent of the Adjusted Value (lesser of purchase price minus inducements or the appraised value), the mortgagee must obtain documentation of the deposits. The mortgagee must also verify that no debts were incurred to obtain part, or all, of the minimum required investment.



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Joint Funds Access</b>	<ul style="list-style-type: none"> <li>Manual underwriting: No guidance.</li> <li>TOTAL Scorecard: If the Borrower does not hold the deposit account solely, all non-Borrower parties on the account must provide a written statement that the Borrower has full access and use of the funds.</li> </ul>	<ul style="list-style-type: none"> <li>Manual underwriting and TOTAL Scorecard: If the Borrower does not hold the deposit account solely, all non-Borrower parties on the account must provide a written statement that the Borrower has full access and use of the funds.</li> </ul>
<b>Retirement Accounts</b>	<ul style="list-style-type: none"> <li>Most recent account statement</li> <li>Evidence of liquidation is not required unless the lender is using more than 60%</li> </ul>	<ul style="list-style-type: none"> <li>Most recent monthly or quarterly account statement</li> <li>Use 60% and deduct existing loans unless there is "conclusive" evidence that a higher percentage may be withdrawn</li> <li>Evidence of liquidation is required if any portion is required for funds to close</li> </ul>
<b>MISCELLANEOUS</b>		
<b>Interested Party Credits/ Costs Paid Outside Closing/ Minimum Required Investment</b>	No guidance.	The lender may apply interested party credits to the closing costs and prepaid items, including any items paid outside closing (POC). The refund of the borrower's POCs may be used toward the borrower's minimum required investment (MRI) if the lender documents that the POCs were paid with the borrower's own funds.
<b>Real Estate Tax Credits/ Minimum Required Investment</b>	No guidance.	Where real estate taxes are paid in arrears, the seller's real estate tax credit may be used to meet the MRI if the Mortgagee documents that the Borrower had sufficient assets to meet the MRI and the Borrower paid closing costs at the time of underwriting. This permits the Borrower to bring a portion of their MRI to the closing and combine that portion with the real estate tax credit for their total MRI.
<b>Multiple FHA Loans</b>	Borrower may obtain second FHA loan for new principal residence when relocating for employment and current residence is more than reasonable commute to new residence.	Borrower may obtain second FHA loan for new principal residence when relocating for employment and current residence is more than 100 miles from new residence area.



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE		NEW FHA HANDBOOK GUIDELINE
<b>Flood Insurance</b>	No calculation details for coverage requirements.		Amount at least equal to the lesser of either: <ul style="list-style-type: none"> <li>• The outstanding balance of the mortgage, less estimated land costs, and</li> <li>• The maximum amount of the NFIP insurance available with response to the property improvements</li> </ul>
<b>Per Diem Interest and Interest Credits</b>	No guidance.		<ul style="list-style-type: none"> <li>• Per Diem Interest – May collect from disbursement date to date amortization begins</li> <li>• Interest Credit – Lender may begin amortization up to 7 days prior to the disbursement date and provide an interest credit. Per diem interest credit may not be used to meet the borrower’s MRI.</li> </ul>
<b>Family Member</b>	<b>Identity of Interest</b>	<b>All Other</b>	<b>All Transactions</b>
	<p>The definition of family member includes:</p> <ul style="list-style-type: none"> <li>• Child, parent or grandparent</li> <li>• Spouse</li> <li>• Legally adopted son or daughter, including child placed with the borrower by an authorized agency for legal adoption</li> <li>• Foster child</li> <li>• Brother, stepbrother</li> <li>• Sister, stepsister</li> <li>• Uncle/Aunt</li> </ul> <p>Note: A child is defined as a son, stepson, daughter, or step-daughter. A parent or grandparent includes a stepparent/grandparent or foster parent/grandparent.</p>	<p>Defined as a borrower’s</p> <ul style="list-style-type: none"> <li>• Child, parent or grandparent</li> <li>• Spouse</li> <li>• Legally adopted son or daughter, including child placed with the borrower by an authorized agency for legal adoption and</li> <li>• Foster child.</li> </ul> <p>Note: A child is defined as a son, stepson, daughter or stepdaughter.</p>	<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"> <li>• Child, parent, or grandparent</li> <li>• A child is defined as a son, stepson, daughter, or stepdaughter</li> <li>• A parent or grandparent includes a stepparent/grandparent or a foster parent/grandparent</li> <li>• Spouse or domestic partner</li> <li>• Legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption</li> <li>• Foster child</li> <li>• Brother, stepbrother</li> <li>• Sister, stepsister</li> <li>• Uncle</li> <li>• Aunt</li> <li>• Son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the Borrower</li> </ul>



## HUD/FHA POLICY CHANGES EFFECTIVE 09/14/2015 WITH FHA SINGLE FAMILY HOUSING POLICY HANDBOOK 4000.1

TOPIC	CURRENT FHA HANDBOOK GUIDELINE	NEW FHA HANDBOOK GUIDELINE
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>Existing construction: 120 days</li> <li>New construction: 180 days</li> </ul>	<ul style="list-style-type: none"> <li>Existing and new construction: 120 days</li> </ul>
<b>Rate and Term Refinance Types</b>	<ul style="list-style-type: none"> <li>Rate and Term (refinance any mortgage – requires appraisal)</li> <li>Streamline Refinance with appraisal</li> <li>Streamline Refinance with appraisal – Credit Qualifying</li> <li>Streamline Refinance without appraisal</li> <li>Streamline Refinance without appraisal –Credit Qualifying</li> </ul>	<ul style="list-style-type: none"> <li>Rate and Term (refinance any mortgage – requires appraisal)</li> <li>Simple Refinance (refinance FHA-insured mortgage–requires appraisal)</li> <li>Streamline Refinance (no appraisal)</li> <li>Streamline Refinance – Credit Qualifying (no appraisal)</li> </ul>
<b>Rate and Term Maximum LTV</b>	<ul style="list-style-type: none"> <li>97.75%</li> </ul>	<ul style="list-style-type: none"> <li>97.75% if owner-occupied for previous 12 months, or owner-occupied since acquisition if acquired within the last 12 months, at case number date</li> <li>85% if borrower has not occupied as principal residence for &lt;12 months prior to case number date, or if owned less than 12 months and has not occupied the property for the entire period of ownership</li> <li>85% for all HUD-approved secondary residences</li> </ul>
<b>Cash-Out LTV</b>	<ul style="list-style-type: none"> <li>Owned 12 months or more: 85% of appraised value</li> <li>Owned less than 12 months: lesser of 85%of appraised value or original sales price</li> </ul>	<ul style="list-style-type: none"> <li>Owned and occupied as principal residence for 12 months prior to case number assignment date: 85% of appraised value</li> <li>*exceptions allowed for inheritance</li> </ul>
<b>Rate and Term – Short Payoffs</b>	Permits new subordinate lien in short payoff scenario.	Existing note holder must write off remaining debt in short payoff scenario.
<b>Skipped Payments</b>	Borrower must be current on the loan being refinanced for the month due, prior to the month in which he/she closes the refinancing and for the month in which he/she closes. (Did not allow for a skipped payment.)	Payments for all mortgages secured by the subject property must have been paid within the month due for the month prior to mortgage disbursement. (This would allow for a skipped payment.)
<b>Streamline Refinance Net Tangible Benefit-Term Reduction</b>	Reduction in term alone does not constitute net tangible benefit.	Reduction in term alone constitutes net tangible benefit if the new rate does not exceed the current rate and payment (Principal + Interest + Monthly-Paid Annual MI) does not increase by more than \$50).