

FHA STREAMLINE REFINANCE GUIDELINES

STREAMLINE / RATE REDUCTION WITHOUT APPRAISAL:



The base Mortgage Amount may not exceed the lesser of the following two calculations and may never exceed the statutory limit for the area.

- Calc 1 – Maximum Base Mortgage Using the Original Loan Amount (Including MIP).
- Calc 2 – Maximum Base Mortgage Using Cost of Payoff (existing Debt). Less MIP Credit & allowable closing costs.

GUIDELINES:

1. **Seasoning** – None – Must be insured by HUD.
2. **Cash to Close** – Need not be verified.
3. **Withdrawn Condo & Subdivision** – Done without appraisal only.
4. **30 Year to Shorter Term** – P & I payment must not increase by more than 20%.
5. **30 Year to 30 Year** – New interest rate must be lower than current rate by (.50).
6. **15 Year to 30 Year** – Not allowed. New loan term can't exceed 10 years beyond original term.
7. **Fixed to ARM** – New start rate must be 2% below current fixed rate Owner-Occ only.
8. **Fixed to Hybrid ARM** – Owner-Occ only, must have payment reduction.
9. **Hybrid 3/5 to Fixed** – P & I payment of new fixed rate is not greater than 20% above the existing P & I payment. (No lates)
10. **ARM to Fixed** – New fixed rate can't be lower than 2% above current ARM rate – All mortgage payment for last 12 months must be made within month due.
11. **203k to 203b** – Allowed provided all escrow funds have been exhausted as evidenced by a copy of the signed completion certificate.
12. **Title** – Adding O.K./Deleting only if remaining borrower can show 6 months canceled checks for mortgage and execute Quick Claim Deed dated over 6 months ago – joint accounts not available.
13. **Subordinations** – Allowed without regard to total indebtedness.

DOCUMENTATION REQUIRED:

1. *HUD 92900LT, 92900-A, Typed & HW 1003 completed (income, asset, Liability blank).
2. Evidence of Social Security Number – SS card/Credit alert on added borrower only.
3. Photo ID.
4. Streamline refinance worksheet.
5. MIP netting authorization / case # transmittal – Computerized.
6. Current Payoff Demand.
7. Estimated HUD-1.
8. Subordination agreement if applicable.
9. Evidence of old case number (recorded deed of trust/ HUD 1), evidence of old MIP amount.
10. Copy of note on old loan to evidence old interest rate and max cap.
11. Credit Report with Mortgage Rating.
12. Escrow instructions and prelim report.
13. Drive by appraisal with no value.
14. New MIP 1.50% per monthly .55% with LTV > 95% & >15 Year term.

*Note: Employment information required – will be verified at closing.



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