

Correspondent Lending FHA Streamline Refinance Product Profile

Most recent updates in red font

Government **ELIGIBILITY MATRIX & SUMMARY GUIDELINES**

Occupancy	10, 15, 20, 25, 30 YR Fixed Rates					
	High Balance 15 & 30 YR Fixed Rates					
	Primary Residence					
	Property Type	Maximum LTV¹	Maximum CLTV/HCLTV	Maximum Loan Amount¹	Minimum Credit Score	Underwriting Method
	1 Unit, PUD & Condo	Per HUD	125%	Per HUD	620	Manual Underwrite
	2 Units	Per HUD	125%	Per HUD	620	Manual Underwrite
	3 to 4 Units	Per HUD	125%	Per HUD	620	Manual Underwrite
	Second Home²					
	Property Type	Maximum LTV¹	Maximum CLTV/HCLTV	Maximum Loan Amount¹	Minimum Credit Score	Underwriting Method
	1 Unit, PUD & Condo	Per HUD	125%	Per HUD	620	Manual Underwrite
	Investment Property²					
	Property Type	Maximum LTV¹	Maximum CLTV/HCLTV	Maximum Loan Amount¹	Minimum Credit Score	Underwriting Method
	1 Unit, PUD & Condo	Per HUD	125%	Per HUD	620	Manual Underwrite
	2 Units	Per HUD	125%	Per HUD	620	Manual Underwrite
	3 to 4 Units	Per HUD	125%	Per HUD	620	Manual Underwrite

¹ Refer to HUD Handbook [4155.1, 3.C - Maximum Mortgage Amounts on Streamline Refinances](#)

² Second Home & Investment Property permitted for Credit & Non-Credit Qualifying Refinance Transactions *without* Appraisal only

Eligibility Requirements*

Appraisals	<ul style="list-style-type: none"> Loan may be originated with or without appraisal Appraisals are not required. The receipt or possession of an appraisal by the Mortgagee does not effect the eligibility or maximum mortgage amount See Loan Purpose & Maximum Loan Amount sections for additional information
Assignment of Mortgages	<ul style="list-style-type: none"> All loans must be registered with MERS at time of delivery to LenderLive and a MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller, to LenderLive (MERS ORG ID # 1010320), within 24-hours of purchase
Borrowers: Eligible	<ul style="list-style-type: none"> U.S. Citizens Permanent resident aliens, with proof of lawful permanent residence Nonpermanent resident alien immigrants, with proof of lawful nonpermanent residence All borrowers must have a valid Social Security Number Refer to 'Borrower Eligibility' and 'Citizenship, Residency and Immigration Status' sections of the Seller Guide regarding requirements for each Borrower's citizenship, residency and immigration status; including documentation necessary for lawful proof of residency <u>Inter Vivos Revocable Trust and Power of Attorney: Refer to Seller Guide for eligibility requirements</u>

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Adding / Removing Borrowers	<p>Adding Borrower(s)</p> <ul style="list-style-type: none"> Borrowers may be added to the loan without credit qualification, provided the original borrower(s) also remain on the loan <p>Removing Borrower(s)</p> <ul style="list-style-type: none"> Non-Credit Qualifying transactions: Borrowers may only be removed from title and the new mortgage in cases of divorce, legal separation or death when; <ul style="list-style-type: none"> the divorce decree or legal separation agreement awarded the Property and responsibility for payment to the remaining Borrower, if applicable; and the remaining Borrower can demonstrate that they have made the mortgage Payments for a minimum of six months prior to case number assignment. In cases of divorce, the payment must be from the remaining borrower's sole account.
CAIVRS	<ul style="list-style-type: none"> Credit Alert Interactive Voice Response System (CAIVRS) does not need to be checked for Streamline refinances, but the Seller must review, for all borrowers, the: <ul style="list-style-type: none"> HUD Limited Denial of Participation (LDP) List, and General Services Administration (GSA) List of Parties Excluded from Federal Procurement or Non-procurement Programs
Closing	<ul style="list-style-type: none"> Disbursed cash to borrower may not exceed \$500 FHA does not permit discount points to be included in the maximum mortgage calculation for any Streamline Refinance
Credit	<ul style="list-style-type: none"> <u>At least one borrower must have a minimum of one credit score to be eligible</u> Borrower letter of explanation is required for recent credit report inquiries made within in the previous 90 days For Credit Qualifying transactions: <ul style="list-style-type: none"> Must meet all requirements of manual underwriting except for any appraisal requirements or LTV/CLTV calculations 0x30 for the 6 months prior to the case number assignment on subject property and no more than 1x30 for previous 6 months on all mortgages Correspondents are responsible for determining that all debts incurred or closed by the borrower, up to and concurrent with settlement on the subject mortgage loan, are disclosed on the final loan application that is signed by the borrower at closing. These debts must be evaluated and included in the qualification for the subject mortgage loan; pursuant to FHA requirements Gap Report is highly recommended within 10 days of mortgage Note date; prior to closing/funding of the transaction <ul style="list-style-type: none"> New debts, liabilities, inquiries and/or public records must be addressed pursuant to FHA requirements Material discrepancies from the prior credit report must be addressed pursuant to FHA requirements Note: A Gap Report is also known as a LQI Report, Undisclosed Debt Monitoring Report or Credit Refresh Report). It is intended to identify any changes in a borrower's credit report (excluding credit scores) between original credit report pull date and pre-funding. It is not intended to pull new credit scores <u>Residential Mortgage Credit Report, Tri-merge Credit Report or mortgage account(s) rating is required</u> Loan payment history, for existing FHA loan being refinanced, must meet following requirements: <ul style="list-style-type: none"> If the loan has been open less than 12 months history, it must have no 30 day lates during the life of the loan For loans with more than 12 months history, the borrower may have no more than 1x30 in the past 12 months AND 0X30 for the 3 months prior to loan application Seasoning Requirements <ul style="list-style-type: none"> FHA will not assign a Streamline refinance case number until the loan being refinanced meets all of the following seasoning requirements: <ul style="list-style-type: none"> 210 days have passed since the closing date of the FHA loan being refinanced, and The borrower must have made at least six consecutive monthly payments on the FHA loan being refinanced, and At least 6 full months have passed since the first payment due date of the FHA loan being refinanced If the borrower assumed the mortgage that is being refinanced, they must have 6 payments since the time of assumption
Disaster Policy	<ul style="list-style-type: none"> <u>See LenderLive Disaster Policy in Seller Guide for details</u>
Eligible Mortgage Products - Existing Loan	<ul style="list-style-type: none"> Existing FHA-Insured to FHA-Insured refinance

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Ineligible Mortgage Products and Features	<ul style="list-style-type: none"> Loans with <u>PACE or PACE-like Assessments</u> are not eligible for sale to LenderLive
Eligible Mortgage Products - New Loan	<ul style="list-style-type: none"> Fixed Rate: 10, 15, 20, 25 & 30 yr terms (FHA High Balance is only permitted for 15 & 30 yr terms) The maximum term is the lesser of: <ul style="list-style-type: none"> 30 years, or 12 years beyond the remaining term of the existing loan
Escrow Accounts	<ul style="list-style-type: none"> Escrow Impounds Accounts must be established for taxes and insurance premiums in accordance with FHA Guidelines Escrow Waivers not allowed
Escrow Holdback	<ul style="list-style-type: none"> Not eligible
High Cost / Higher Priced Mortgage Loans	<ul style="list-style-type: none"> <u>LenderLive will not purchase High Cost Loans</u> <u>LenderLive will not purchase High Priced Mortgage Loans (HPMLs)</u>

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Income / Employment Verification	<p>Credit Qualifying Streamline Refinance Income / Employment Requirements</p> <ul style="list-style-type: none"> Verify the borrower's income and credit report per FHA manual underwriting requirements Compute DTI <p>Non-Credit Qualifying Streamline Refinance Income / Employment Requirements</p> <ul style="list-style-type: none"> Although ratios are not calculated, LenderLive does not approve Streamline loans if none of the borrowers have income. The 1003 must include current employer's name, address, phone number, borrower's job title and length of time on job. The following documentation requirements apply: <ul style="list-style-type: none"> Loans having no borrowers who receive income - Ineligible Salary, hourly or commission income – Verbal VOE Active-duty military income – Verbal VOE Seasonal profession but is currently receiving unemployment income – Proof the borrower is currently receiving unemployment income and verbal VOE evidencing borrower has been employed in a seasonal position at least 2 years. If the climate in which the borrower works indicates the borrower should be currently employed in his/her seasonal position, but borrower is currently receiving unemployment, the loan is not acceptable Self-employed or partnership income – Provide current valid business license or evidence of the business' existence through 3rd party source (i.e., CPA letter) Rental income as the borrower's only source of income – Copy of current lease(s) required Social Security Income and borrower is \geq 62 years old – No verification required Social Security income and borrower is \leq 62 years old – Provide bank statement documenting direct deposit or award letter Pension income – Provide a bank statement documenting direct deposit or award letter IRA or 401k distribution income – Provide borrower's written distribution plan from the investment company or 3 months' bank statements identifying consistent monthly deposit Child support or alimony income – Provide a current friend of the court letter or borrower's divorce decree or support order and most recent 3 months' bank statements showing consistent deposits in the amount of the support or alimony Disability income – Provide bank statement documenting direct deposit or award letter Loans that have 2 borrowers who were both employed on the application for loan being refinanced but one is no longer employed – As long as acceptable income verification as described above is obtained for the employed or income-receiving borrower, no further verification is needed
Loan Purpose & Maximum Loan Amount: Credit Qualifying	<p>Credit Qualifying is allowed at the discretion of the DE</p> <ul style="list-style-type: none"> For owner-occupied Principal Residences and HUD-approved Secondary Residences (see definition in Occupancy Section below), the maximum Base Loan Amount for Streamline Refinances is: <ul style="list-style-type: none"> the lesser of: <ul style="list-style-type: none"> the outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; plus: <ul style="list-style-type: none"> interest due on the existing mortgage and MIP due on existing Mortgage; or the original principal balance of the existing mortgage (including financed UFMP); less any refund of UFMP (if financed in original mortgage) For Investment Properties, the maximum Base Loan Amount for Streamline Refinances is: <ul style="list-style-type: none"> the lesser of: <ul style="list-style-type: none"> the outstanding principal balance of the existing mortgage as of the month prior to mortgage Disbursement; or the original principal balance of the existing mortgage (including financed UFMP); <ul style="list-style-type: none"> less any refund of UFMP (if financed in original mortgage)
Loan Limits	<ul style="list-style-type: none"> Maximum loan amount varies by State and County. Refer to the FHA Connection or FHA Loan Limits link below to determine the geographic mortgage limits. <u>However, in no case will LenderLive Network lend more than \$650,000 on a 3 or 4-unit property, regardless of the applicable FHA county limit</u>
Minimum Loan Amount	<ul style="list-style-type: none"> <u>\$50,000</u>

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Occupancy	<ul style="list-style-type: none"> Occupancy is determined by the current use of the subject property, not the use at origination of the existing loan Primary Residence - Must review borrower's employment documentation or obtain utility bills to evidence that the borrower occupies property as Primary Residence Second Home <ul style="list-style-type: none"> Secondary Residences are only permitted with written approval from the Jurisdictional HOC. See 4000.1 II.A.1.b.iii (B) for additional information on Secondary Residences Investment Property
Eligible Properties	<p>203(b)</p> <ul style="list-style-type: none"> 1 to 4-unit property PUD Modular Home (see definition in this document) <p>234(c)</p> <ul style="list-style-type: none"> Low-rise and High-rise Condominiums Condominiums allowed in accordance with FHA Streamline Refinance guidelines
Principal Reductions (Curtailments)	<ul style="list-style-type: none"> Principal reductions permitted in accordance with applicable FHA guidelines
Property: Eligible Title to Property and Estate Type & Resale Deed Restrictions	<ul style="list-style-type: none"> <u>Title to property must be held in Fee Simple only</u> <u>Other forms of property ownership, including but not limited to Life Estates, Leasehold Estates, Fee Tail Estates, Cooperatives, etc. are not eligible for sale to LenderLive</u> Resale Deed Restrictions: <ul style="list-style-type: none"> <u>LenderLive does not purchase Mortgage Loans subject to resale deed restrictions, other than an acceptable Age Deed Restriction on a one-unit property for Borrower's principal residence that meets FHA guidelines. Refer to Seller Guide for additional information regarding Resale Deed Restrictions</u>
Property: Ineligible Types	<p>In addition to ineligible property types identified in FHA Handbook, the following property types are ineligible:</p> <ul style="list-style-type: none"> <u>Condominium Conversions that were converted within the last three years</u> Condotels <u>Cooperatives</u> Geodesic Domes <u>Hawaii properties in lava zones 1 and 2</u> Hotel Condominiums <u>Land Trusts, including Illinois Land Trusts</u> <u>Leaseholds</u> <u>Manufactured Homes</u> Property currently in litigation (for condominiums, refer to Condominium Litigation section of this Guide for allowances and restrictions) <u>Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same</u> Timeshares Unimproved Land Working Farms and Ranches Refer to LenderLive Seller Guide for complete list of ineligible property types
Maximum Number of FHA Insured Properties	<ul style="list-style-type: none"> Only 1 FHA insured allowed unless FHA exceptions are met

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Modular Home Definition	<p>The property must meet all of the following criteria to be a modular home:</p> <ul style="list-style-type: none"> • Modular homes are build in sections at factory • Modular homes are built to conform to state, local or regional building codes at their destinations. • Local building inspectors check to make sure a modular home's structure meets requirements and that all finish work is done properly. • These structures are not titled until installed onsite and become part of the real property • Taxed as real estate (not taxed as personal property)
Mortgage Insurance	<ul style="list-style-type: none"> • Refer to FHA Appendix 1.0 Mortgage Insurance Premiums in FHA Handbook 4000.1
Net Tangible Benefit	<ul style="list-style-type: none"> • There must be a net tangible benefit to the borrower that meets the requirements of the Net Tangible Benefit section found in 4000.1 II.A.8.d.vi (C)(4)(c)
Pre Payment Penalty	<ul style="list-style-type: none"> • Not permitted
Property: Maximum Number of Financed Properties	<ul style="list-style-type: none"> • <u>Borrowers can have up to four LenderLive serviced properties (including the subject transaction), regardless of occupancy. LenderLive reserves the right to limit the number and/or aggregate dollar amount of serviced transactions to \$1,500,000</u>
Qualifying Rate	<ul style="list-style-type: none"> • Credit Qualifying: <ul style="list-style-type: none"> ▪ Fixed Rates qualify at Note rate • Non-Credit Qualifying Streamlines - Not applicable
Ratios / DTI	<ul style="list-style-type: none"> • Credit qualifying transactions <ul style="list-style-type: none"> ▪ DTI is 31/43%; however; front end ratio of 31% may be exceeded up to a maximum of 40% and the back end ratio of 43% may be exceeded up to a maximum of 50% with acceptable compensating factors per FHA Handbook 4000.1; under no circumstances may DTI exceed 35/50% • Non-credit qualifying transactions <ul style="list-style-type: none"> ▪ Not calculated; Income & Liabilities are not required to be listed on the 1003 application
Reserves / Funds to Close	<ul style="list-style-type: none"> • Reserves are not required • Funds to close in excess of the total mortgage payment of the new mortgage must be documented in accordance with FHA Guidelines, Source of Funds (Manual) 4000.1 II.A.5.c.iii • <u>Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</u>
Secondary / Subordinate Financing	<ul style="list-style-type: none"> • <u>Existing secondary financing may remain in place to a maximum CLTV/HCLTV of 125%</u> • <u>New secondary financing, simultaneous with Streamline Refinance, is ineligible</u>

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State Restrictions	<ul style="list-style-type: none"> • <u>Illinois Land Trust vestings - not eligible</u> • <u>Texas 50(a)(6) refinances - not eligible</u> • <u>U.S. Territories and Possessions , including but not limited to American Samoa, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands - not eligible</u> 		
New York CEMA	<ul style="list-style-type: none"> • LenderLive permits Refinance and Purchase Consolidation and Extension Modification Agreement (CEMA) loans • Refer to LenderLive Correspondent Seller Guide for requirements and applicable fees 		
Tax Transcripts & 4506-T	<ul style="list-style-type: none"> • Tax Transcripts and 4506-T are not required under the FHA Streamline Refinance Non Credit Qualifying option 		
Temporary Buydowns	<ul style="list-style-type: none"> • Not permitted 		
Underwriting Method	<ul style="list-style-type: none"> • Manual underwriting only • FHA loans must be underwritten to FHA Single Family Housing Policy Handbook 4000.1 and applicable LenderLive overlays (underlined in this Product Profile) 		
<p><i>*Seller shall deliver loans originated in accordance with the Federal Housing Administration Handbook, unless otherwise noted in the LenderLive Product Profile or Seller Guide. Product Profile is as an aid to help determine whether a property/loan qualifies for certain financing. It is not intended as a replacement for FHA guidelines.</i></p> <p><u>Overlays to FHA guidelines are underlined</u></p>			
Resources	HUD.GOV - FHA Mortgage Limits	<i>Link to website</i>	https://entp.hud.gov/idapp/html/hicostlook.cfm
	HUD.GOV - FHA Lenders	<i>Link to website</i>	http://portal.hud.gov/hudportal/HUD?src=/groups/lenders
	Handbook 4000.1, FHA Single Family Housing Policy Handbook	<i>Link to PDF</i>	http://portal.hud.gov/hudportal/documents/huddoc?id=40001HSGH.pdf