## FHA STREAMLINE REFINANCE PROGRAM

### Facts Sheet:

#### 30-YEAR PURCHASE LOANS

| **Interest Rate** | Fixed interest rate for the entire term, subject to change daily or more frequently to reflect market changes (go to mmp.maryland.gov/Pages/Interest-Rates.aspx for current rates) |
| **Reservations** | Must have a fully ratified contract of sale before loan is reserved. If transaction is a short sale transaction, third party [lender] approval is also required before loan is reserved. |
| **Origination / Discount Fees** | Zero point only |
| **Income Limits** | Visit mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx to get current Income Limits |
| **Maximum Acquisition Costs** | Visit mmp.maryland.gov/Lenders/Pages/Income-and-Purchase-Limits.aspx to get current Max. Acquisition Costs |
| **Maximum Loan Amount** | $453,100, with the following exceptions: |
| | For FHA loans, the lesser of $453,100 or the FHA Maximum Mortgage Amount, plus the FHA Up Front Mortgage Insurance Premium (UFMIP) |
| | For VA, RHS and conventional loans, base loan amount plus VA funding fee, RHS guarantee fee or conventional single premium mortgage insurance may not exceed $453,100 |
| **Maximum Assets** | If assets exceed 20% of the purchase price, an Asset Test Worksheet (Attachment F) must be completed to determine the eligibility of the borrower |
| **Term** | 30-year amortizing mortgage |
| **Maximum Loan to Value (LTV)** | For FHA loans, base loan amount may not exceed 96.5% of the lesser of appraised value or purchase price + FHA UFMIP; For VA loans, base loan amount may not exceed 100% of the lesser of appraised value or purchase price + VA Funding fee; For RHS loans, base loan amount may not exceed 100% of lesser of appraised value or purchase price + RHS guarantee fee. |
| **Maximum Debt to Income (DTI) Ratio** | 45.00% for automated underwrite |

**FHA, VA and RHS loans:**
- FHA: 660
- VA & RHS: 640
- Manual underwriting is not allowed for FHA loans.

**Conventional loans:**
- Automated underwrite:
  - For loans with LTV’s up to 97%: 640
  - Must be run through Desktop Underwriter (DU) and receive an Approve/Eligible
- Manual underwrite:
  - For loans with LTV’s up to 95%:
    - 680 with two months of reserves and DTI less than or equal to 36%
  - For loans with LTV’s between 95.01% and 97%: NOT PERMITTED

**Minimum Representative Credit Score**

For more information, please visit:

mmp.Maryland.gov
**FACT SHEET: 30-YEAR PURCHASE LOANS**

**MORTGAGE INSURER/ GUARANTOR**

- FHA, VA, RHS or private mortgage insurer

**SUBORDINATE LIEN ASSISTANCE**

- Must be a first-time home buyer or one of the borrowers must be a veteran as evidenced by a copy of their DD-214 (exercising their one-time exemption to the first time home buyer requirement) unless buying a home in a Targeted Area (see mmp.maryland.gov/Pages/Targeted-Areas.aspx);
- Must occupy the property as their principal residence; non-occupant co-borrowers (co-signers) are not permitted;
- Total annual household income may not exceed Income Limit (see mmp.maryland.gov/incomePurchaseLimits.aspx);
- Interest in real property (whether or not it is principal residence) must be sold or transferred prior to settlement on MMP loan;
- Non-borrowing spouse must meet first-time homebuyer, income, and other guidelines.

**ELIGIBLE PROPERTIES**

- Purchase Price:
  - Purchase price (plus capitalized ground rent (200 times the monthly ground rent), if applicable) may not exceed the Maximum Acquisition Cost;

- Type of Property:
  - Existing homes;
  - New construction, only if located in a Priority Funding Area (PFA) → Municipalities, Baltimore City and areas inside the Baltimore and Washington beltways are PFA’s. For new construction, confirm that the property is located in a PFA by using DHCD’s mapping tool at www.dhcd.state.md.us/Website/DHCDmapper.aspx or by contacting abutler@mdp.state.md.us;
  - Single-family, one-unit residences, including townhouses; detached and semi-detached homes; condominiums units; and modular homes.

**Property Restrictions**

Any land appurtenant to the residence which is not necessary to maintain the basic livability of the residence may not be financed with the proceeds of the Mortgage Loan. The lot size cannot exceed four acres, however, exceptions may be requested from SFH, Through the Lender, for properties with septic and/or zoning considerations that require additional acreage. The maximum exception will not exceed ten acres. The Lender is to request an exception from the SFH Operations Manager listing the reason(s) why the exception should be made. The borrower’s name, address and loan number along with any pertinent documentation is to be included with your written request. These requests are to be submitted to SFH as soon as the Lender is aware of the situation.

**HOME INSPECTION**

A Home Inspection is required (unless home is newly constructed or substantially rehabbed); Lender must certify in Home Inspection Certificate that Home Inspection was completed and borrower reviewed it.

**HOMEBUYER EDUCATION**

Mandatory for all borrowers

- For conventional loans, Borrower’s Authorization for Counseling form required (to be included in US Bank’s purchase submission);
- If borrower also applying for a Down Payment Assistance [DPA] loan (previously known as DSELP), some jurisdictions have unique requirements that must be met (see mmp.maryland.gov/Pages/Homebuyer-Education.aspx)

**DOWN PAYMENT & CLOSING COST ASSISTANCE**

See mmp.maryland.gov/Pages/downpayment.aspx for information.

**SUBORDINATE LIEN**

- Permitted if it complies with insurer/guarantor requirements;
- No shared lien or tacking/attaching secondary financing liens, conditions or riders to MMP Deed of Trust (must be an entirely separate second lien recorded after the MMP Deed of Trust);
- No deed covenants related to the secondary financing may be in Deed incorporating requirements of the secondary financing;
- Terms of repayment must be incorporated into the underwriting of the MMP loan;
- For conventional loans, secondary financing must meet Fannie Mae’s guidelines for “Community Seconds” and the CLTV may not exceed the lesser of 105% or the limit imposed by the mortgage insurer.

For more information, please visit:

mmp.Maryland.gov

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