



# MARYLAND MORTGAGE PROGRAM

## FHA Streamline Refinance Program for existing MMP borrowers

### FACT SHEET

<b><u>OPENING DATE:</u></b>	Thursday, February 12, 2015
<b><u>DESCRIPTION:</u></b>	This program provides existing Maryland Mortgage Program (MMP) borrowers with a fully amortizing, no cash-out FHA Streamline Refinance loan with a term of 30 years.
<b><u>INTEREST RATE:</u></b>	Rates published daily; two rates available: one with and one without a 2% Lender Credit (above par interest rate).
<b><u>LENDER CREDIT FOR CLOSING COSTS:</u></b>	Lender Credit gives the borrower 2% credit to fund closing costs.
<b><u>CLOSING COSTS AND FEES :</u></b>	Only normal and customary closing costs and recording fees permitted. Closing costs/fees may not be included in new loan.
<b><u>MAXIMUM LOAN AMOUNT:</u></b>	Unpaid principal balance of loan + the Up Front Mortgage Insurance Premium (UFMIP*). No cash back to the borrower, except for minor adjustments at closing that are not to exceed \$500. Excess funds, if any, must be applied as a principal curtailment to the MMP loan.
<b><u>TERM:</u></b>	30 years
<b><u>MORTGAGE INSURANCE COVERAGE:</u></b>	FHA

\* **UFMIP:** for Streamline Refinance transactions that are refinancing existing FHA loans that were endorsed **on or before May 31, 2009**, the UFMIP will decrease from 1 percent to 0.01 percent of the base loan amount (per HUD Mortgagee Letter 12-4).

**Annual MIP:** for Streamline Refinance transactions that are refinancing existing FHA loans that were endorsed **after May 31, 2009**, annual MIP reduced .5% from 1.3% to .8% for loans with an LTV less than or equal to 95% and from 1.35% to .85% for loans with an LTV greater than 95% (per HUD Mortgagee Letter 2015-01).

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## FACT SHEET

### **MORTGAGE**

#### **PAYMENT HISTORY REQUIREMENT:**

A credit report is required to determine if the borrower's mortgage payment history is acceptable (under standard FHA Streamline guidelines):

- if the outstanding mortgage has at least six months payment history but fewer than 12 months payment history, the borrower must have made all mortgage payments within the month due.
- If the outstanding mortgage has 12 months payment history or more, the borrower must have experienced no more than one 30 day late payment in the preceding 12 months, and made all mortgage payments within the month due for the three months prior to the date of the loan application.

#### **MINIMUM CREDIT SCORE:**

A mortgage credit report is also required to determine the borrower's representative credit score (a US Bank requirement). The representative (middle of three or lowest of two) credit score must be 660 for existing US Bank loans and 680 or above for new loans entering US Bank's portfolio. Please also refer to the Annex for US Bank's overlays and refer to Directive 2015-05 for explanations. The lender must enter all available credit scores into FHA Connection.

#### **VERIFICATION OF ASSETS TO CLOSE:**

If assets are needed to close, lender must verify, document, and determine the acceptability of the assets to be utilized (under standard FHA Streamline guidelines)

#### **INCOME LIMIT\* (eligibility requirement, not underwriting requirement):**

\$116,900 Statewide. Borrower certifies this by completing the **Income and Asset Certification for MMP Refinance Programs (Attachment E)**.

#### **MAXIMUM ASSETS (eligibility requirement, not underwriting requirement):**

May not exceed 20% of original purchase price. Borrower certifies this by completing the **Income and Asset Certification for MMP Refinance Programs**.

#### **ELIGIBLE BORROWER:**

- Must complete an **Income and Asset Certification for MMP Refinance Programs**. The Income and Asset Certification for MMP Refinance Programs is a new CDA form and it is attached to Directive 2015-04 which is available on the MMP website at <http://mmp.maryland.gov/Lenders/Pages/Directives.aspx>. It is also available on Lender Online under Program Documents [go to Maryland Mortgage Program (MMP)/Forms and select Attachment E in the drop down box].
- Must occupy the property as their principal residence
- Non-occupant co-borrowers (co-signers) are not permitted.

# FHA Streamline Refinance Program

## FACT SHEET

### ELIGIBLE PROPERTY:

- A single-family, one-unit residence, including townhouses, condominiums and detached or semi-detached homes.
- No second homes, rental properties or manufactured houses.

### APPRAISAL:

Not required

### HOME INSPECTION:

Not required

### HOME BUYER EDUCATION:

Not required

### DPA/PARTNER MATCH ASSISTANCE:

Not available

### SUBORDINATE LIEN:

- DPA/Partner Match Program loans may be subordinated and retain the 0% deferred term. The lender will include the **Subordination Authorization (Attachment G)** in the Pre-closing Compliance submission. The Subordination Authorization is a new CDA form available on Lender Online under Program Documents (go to Maryland Mortgage Program (MMP)/Forms and select Attachment G in the drop down box).  
Please refer to Directive 2015-04 for more details on DPA subordination documents.
- All other liens must be subordinated in the same positions. A subordinate lien, including HELOC (Home Equity Line of Credit), regardless of when taken, may remain outstanding but the entire lien must be subordinated at refinance.

### MORTGAGE CREDIT CERTIFICATE (MCC):

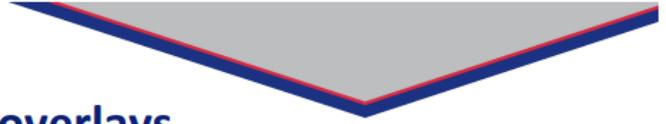
An existing MCC may be reissued and the reissued certificate must meet all the conditions listed in IRS Form 8396 Mortgage Interest Credit. No new MCCs will be issued under this program.

**No additional representations and warranties for the lenders**

02/12/15 (updated on 11/3/16)

#### *Disclaimer:*

*The terms and conditions are subject to change until a borrower qualifies for the loan and locks in the interest rate. A borrower should contact CDA for further information concerning a loan and applying for a loan (see [www.mmp.maryland.gov](http://www.mmp.maryland.gov)). In connection with the Maryland Mortgage Program (MMP), the Maryland Department of Housing & Community Development makes no promises, representations or warranties to any party, including any borrower, about the actual benefit an MMP loan might provide to a specific homeowner. Each homeowner's situation is different, and homeowners should seek the advice of a financial advisor, attorney or housing counselor before entering into any loan transaction.*



## FHA Streamline Refinance overlays

### USB serviced to USB

- Minimum Fico: 660

### Other Servicer to USB

- Minimum Fico 680
- Verbal VOE
- Verification of funds (if needed to close)
- No Bankruptcy, Short Sales or Foreclosure in the last 7 years