FHA STREAMLINE

PROGRAM CODES: F30FSR, F25FSR, F20FSR, F15FSR, F10FSR H30FSR, H25FSR, H20FSR, H15FSR, H10FSR

Version 7.1 - 01/01/22



	NON CREDIT QUALIFYING, STANDARD & HIGH BALANCE, FIXED						
Occupancy	Maximum LTV/CLTV	# of Units	Max Base Loan**	High Balance MIN Base**	Min FICO	Max Ratios	Mortgage History
Primary		1 UNIT	\$647,200	\$647,201		N/A	1 X 30 PAST 12 MONTHS AND 0 X 30 FOR 6 MONTHS PRIOR TO CASE # ASSIGNMENT
	N/A	2 UNITS	\$828,700	\$828,701	No Minimum* Standard & High Balance		
		3 UNITS	\$1,001,650	\$1,001,651			
		4 UNITS	\$1,244,850	\$1,244,851			
Non-Owner	N/A -	1 UNIT	\$647,200	\$647,201	No Minimum* Standard & High Balance	N/A	1 X 30 PAST 12 MONTHS AND 0 X 30
		2 UNITS	\$828,700	\$828,701			
		3 UNITS	\$1,001,650	\$1,001,651			FOR 6 MONTHS PRIOR TO CASE # ASSIGNMENT
		4 UNITS	\$1,244,850	\$1,244,851			ASSIGNMENT

^{*}A FICO score is not required. Tri merge credit report with mortgage rating only for all mortgages on all properties, subject property mortgage(s) must be current through closing.

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^{**}Subject to HUD maximum in area

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	CREDIT QUALIFYING, STANDARD & HIGH BALANCE, FIXED						
Occupancy	Maximum LTV/CLTV	# of Units	Max Base Loan*	High Balance MIN Base*	Min FICO	Max Ratios	Mortgage History
		1 UNIT	\$647,200	\$647,201		31/43**	1 X 30 PAST 12 MONTHS AND 0 X 30 FOR 6 MONTHS PRIOR TO CASE # ASSIGNMENT
D	N/A	2 UNITS	\$828,700	\$828,701	500 31/43**		
Primary		3 UNITS	\$1,001,650	\$1,001,651			
		4 UNITS	\$1,244,850	\$1,244,851			
		1 UNIT	\$647,200	\$647,201	500 31/43**		1 X 30 PAST 12 MONTHS AND 0 X 30 FOR 6 MONTHS
Non-Owner	N/A	2 UNITS	\$828,700	\$828,701		31//3**	
		3 UNITS	\$1,001,650	\$1,001,651		31/40	PRIOR TO CASE #
		4 UNITS	\$1,244,850	\$1,244,851		ASSIGNMENT	

^{*}Subject to HUD maximum in area

Underwriting Guidelines Requirements

MAXIMUM LOAN AMOUNT

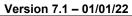
- Cannot exceed the outstanding principal balance minus the applicable refund of the UFMIP plus the new UFMIP.
- Outstanding Principal Balance may include up to 60 days interest charged by existing lender when the payoff is not received on the first day of the month, up to 2 months MIP due on the existing mortgage, late charges, and escrow shortages.
- The maximum base loan amount must not exceed the original principal amount of the existing FHA insured mortgage less any Up-Front MIP refund. For additional considerations, see the Additional Consideration for Maximum Mortgage section.
- The Case Number must reflect Streamline without an appraisal
- For inclusion of closing costs see Simple Refi.

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^{**}May exceed with comp factors

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	Maximum Loan Term and Mortgage
Maximum Loan Term	 30 years or the remaining term of the existing Mortgage plus 12 years. Investment properties may only be refinanced for the outstanding principal balance.
Additional Consideration for Maximum Mortgage	 Mortgages that meet the requirements for streamline refinance transactions without an appraisal are not subject to the standard county loan limits. Investment properties may only be refinanced for the outstanding principal balance and may not exceed county limits.
	If existing loan being refinanced has been modified and the current balance exceeds the original principal amount, the borrower must come in with the difference at closing.
Modifications	Can never exceed the Original Principal Balance (OPB).
	Note: if the restructured loan being refinanced has a Servicemember's Civil Relief Act (SCRA) reduced interest rate, CMS must use the SCRA reduced interest rate to calculate the NTB for the Borrower.
	Credit
Credit Documentation	Manual underwriting only, do not run AUS/Total Scorecard.
	Evidence of valid Social Security Number is required on all loans. See Social Security Verification below.
	Evidence of Refinance Authorization data and new case number assignment must be obtained from FHA Connection.
	Title Report to verify at least one borrower is listed as owner.
	CAIVRS is not required. CMS to review all parties for LDP and GSA exclusion lists.

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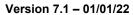


	Credit, continued
Credit Report	
Non-Credit Qualifying	A 12 month current "mortgage only" credit report for all mortgages on the subject property is required. A FICO score is not required; but will be used for pricing purposes.
Mortgage Rating	On all mortgages:
	1) Evidence that the loan has not had any 30 day lates in the 6 months prior to Case # Assignment, and
	2) No more than one 30 day late in the previous 12 months.
	 Servicing system screen prints (for example: FISERV) are not acceptable to use to support the mortgage payment history.
	Either a credit report and/or credit supplement is required.
	 Loans with a modification, pre-foreclosure/foreclosure, or NOD on the subject property must follow the mortgage history requirements listed above.
	Subject property mortgage must stay current through closing.
Payoff Statements	Current payoff statements for all liens to be satisfied must be provided. Mortgage payments must be current and paid within the month due.
Bankruptcy	Active Chapter 7 Bankruptcy not permitted. Bankruptcy must be discharged.
	Chapter 13 Bankruptcy permitted with court approval and satisfactory trustee payment history.
	Non-Credit Qualifying.
Funds Required to Close	For non-credit qualifying Streamlines when funds to close exceed the proposed Principal, Interest, Tax, Insurance, and Association dues (PITIA), funds must be sourced and seasoned with a statement showing the previous month's ending balance for the most recent month. If the previous month's balance is not shown, CMS must obtain statement(s) for the most recent two months.
	Credit qualifying streamlines must be documented in accordance with standard manual underwriting guidelines regardless of the amount of funds to close required.

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	Credit, continued
Credit Qualifying Streamline	Credit Qualifying Streamline transactions must meet the following requirements:
	For all mortgages on all properties with less than six (6) months of Mortgage Payment history, the Borrower must have made all payments within the month due.
	For all mortgages on all properties with greater than six (6) months history, the Borrower must have made all Mortgage Payments within the month due for the six (6) months prior to case number assignment and have no more than one 30-Day late payment for the previous six (6) months for all mortgages.
	The Borrower must have made the payments for all Mortgages for the month prior to mortgage Disbursement.
	Required Documentation: If the Mortgage on the subject Property is not reported in the Borrower's credit report, CMS must obtain a verification of Mortgage to evidence payment history for the previous 12 months.
	Credit qualifying streamlines must meet all standard FHA credit requirements per CMS guidelines.
	Borrower's income must be verified.
	Borrower's credit report must be obtained and all debts verified.
	It is acceptable for a borrower to have only 1 credit score or no credit score.
	Debt-to-income ratios must be computed.
	 Requires a statement showing the previous month's ending balance for the most recent month and at least 1 month PITIA reserves (1-2 Units) or 3 months PITIA reserves (3-4 Units). If the previous month's balance is not shown, CMS must obtain statement(s) for the most recent two months.
	 Must ensure that a repayment plan is in place if there is an IRS tax lien on credit or title. Must include the payment in the debt-to-income ratio.
	Credit qualifying streamline refinance must be considered when:
	1) A deletion of a borrower not due to divorce, legal separation or death.
	 An original borrower is being removed due to divorce, legal separation or death, but the remaining borrower has not made at least 6 payments after the event and prior to FHA Case Number Assignment date.

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Credit, continued						
Credit Qualifying Streamline	Payment History for debts other than the subject property mortgage:					
(continued)			12 Months	24 Months		
		Housing and Installment	0 x 30	2 x 30		
		Revolving	2 x 60, 0 x 90			
Non-Credit Qualifying Streamline	 Income In the current computing Evidential 	e in Part 3. e documentation is not requevent the initial URLA revert income, the loan must be sted. ace of a valid Social Securit its are needed to close in exable: A statement showing the part of the statement showing the statement showing the part of the statement showing showing the statement showing the statement showing showing the statement showing	uired and the loan file CANNO als income or the loan file do converted to a credit qualifying ty Number must be confirmed excess of the new PITIA paym previous month's ending bala	or contain paystubs, W-2, tax recumentation contains evidence ng streamline and qualifying ration without providing income document, funds must be verified and three for the most recent month in	eturns, etc. of the borrower's os will be mentation. determined s required. If the	
	previous month's balance is not shown, CMS must obtain statement(s) for the most recent two months. O All large deposits and/or questionable deposits need to be sourced and seasoned.					
	Closing costs may not be financed into the new mortgage on a Streamline.					
	Neither Form 4506-C / Modelo SC 2907 or Tax Return Transcripts are required on non-credit qualifying streamlines.					
		nsure that a repayment pla an is in place.	an is in place if there is an IR	S tax lien on credit or title. Must	document in file	

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	Cre	dit, continued				
Mortgage Payment History	Credit Qualifying Streamline and	Credit Qualifying Streamline and Non-Credit Qualifying Streamline loans:				
	 Must be 0X30 for the most recent 6 months prior to Case Number Assignment. May be no more than 1X30 in months 7 through 12 prior to Case Number Assignment. Must be 0X30 after Case Number Assignment through closing. 					
	Example:					
	Case Number Assignment date Funding date: 3/29/18	Case Number Assignment date: 11/21/17				
	Mortgage payment history	From 5/2017 to 11/2017	Must be 0 x 30 (this is the most recent 6 months prior to Case Number Assignment)			
	Mortgage payment history	From 4/2017 to 11/2016	No more than 1 x 30 (this is months 7 through 12 prior to Case Number Assignment)			
	Mortgage payment history	From 12/2017-2/2018	Must be 0X30 (mortgage payments after Case Number Assignment)			
IRS Lien Subordination	Not required subject to the following requirements:					
	Borrower(s) must have a payment plan in place with the IRS,					
	The payment plan will be paid off within 12 months,					
	The payment plan must show at least three (3) consecutive monthly payments have been made for the month due; prepayments are not acceptable, and					
	The borrower(s) must be current on their payments.					
			amline refinances only. No exceptions utlined above an IRS lien subordination agreement			
Assuming borrower Borrower is eligible without credit qualifying if he/she has made 6 payments since the assumption at the Case number assignment, and the previous borrower received a release of liability at the time of assumption at the case number assignment, and the previous borrower received a release of liability at the time of assumption at the case number assignment, and the previous borrower received a release of liability at the time of assumption at the case number assignment, and the previous borrower received a release of liability at the time of assumption at the case number assignment, and the previous borrower received a release of liability at the time of assumption at the case number assignment.						
	The rule applies to mortgages th	The rule applies to mortgages that do not contain restrictions limiting assumptions only to credit worthy borrowers.				

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	Credit, continued
Adding borrower	Individuals may be added to the loan without credit qualifying.
Deleting borrower	A Borrower is eligible for a Streamline Refinance without credit qualification if all Borrowers on the existing Mortgage remain as Borrowers on the new Mortgage. Mortgages that have been assumed are eligible provided the previous Borrower was released from liability.
	Exception
	A Borrower on the Mortgage to be paid may be removed from title and new Mortgage in cases of divorce, legal separation or death when:
	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.
	Net Tangible Benefit
Net Tangible Benefit	Net Tangible Benefit (NTB) must be met. Refer to the CMS FHA Guidelines for detailed NTB requirements.
	Note: For the streamline refinance of a restructured loan that has a Servicemember's Civil Relief Act (SCRA) reduced interest rate, CMS must use the SCRA reduced interest rate to calculate the NTB for the Borrower.
	General
Appraisal Requirements	Not required. Receipt or possession of an appraisal does not affect the maximum mortgage amount.
Loan Types	An existing 203(k) rehabilitation mortgage may be refinanced into a 203(b) after all work is complete and the previous lender has completed the 203(k) closeout process in FHAC. 203(B) ONLY

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	General, continued
Maximum Cash Out/Principal Curtailments	Minor Adjustment at closing not to exceed \$500 cash back. Principal curtailments are not permitted on Borrower Paid Transactions. If cash back exceeds the maximum \$500, the excess funds will be applied to principal only if repricing the loan would require the borrower to pay closing costs out of pocket and the borrower rejects option to reduce the loan amount and redraw loan documents. CMS does not permit the borrower to receive cash back from excess lender credit.
Occupancy	Investment or secondary residences may be only made without an appraisal.
	 Investment properties may only be refinanced for the outstanding principal balance and may not exceed county limits.
	One recent utility bill to document occupancy on an owner occupied streamline refinance.
	Verifying occupancy using Employer Documentation - CMS permits employer documentation to verify the borrower's current address. This can be done by written VOE with the borrower's address in the comment section or a letter from the employer on letterhead.
	Note: if any mention of income is reflected, the loan must be underwritten as credit qualifying.
Seasoning	GNMA seasoning requirements for all Streamlines and Cash-Out Refinances:
	At least 6 full monthly payments must have been made AND
	 210 Days must have elapsed between the first payment DUE date of the original loan and the first payment DUE date of the new loan.
	FHA Streamlines have additional HUD seasoning requirements based on the date of FHA Case Number Assignment:
	The borrower must have made at least six payments on the FHA insured mortgage being refinanced
	At least 6 full months must have passed since the first payment due date of the refinanced mortgage, and
	210 Days must have passed from the closing date of the original mortgage that is being refinanced
	If assumed, borrower must have made 6 payments since the assumption.

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	General, continued
Streamlines with PACE/HERO Liens	Streamlines with PACE/HERO liens must be converted to a rate/term or cash –out refinance. The PACE/HERO liens can no longer be subordinated.
	ML 17-18 no longer permits FHA refinances with PACE/HERO liens.
	https://www.hud.gov/sites/dfiles/OCHCO/documents/17-18ml.pdf
Unacceptable Sources of Income	The following income sources are not acceptable for purposes of qualifying the borrower: • Any unverified source of income, • Income determined to be temporary or one-time in nature,
	 Retained earnings in a company, Stock options, Trailing spouse income,
	VA education benefits (GI Bill),
	Income derived from State approved marijuana dispensary
Unacceptable Sources of Assets	Retained earnings in a company, stock options, assets derived from State approved marijuana dispensary, VA education benefits (GI Bill), student loans and/or grant funds, employer tuition reimbursements, unsecured borrowed funds, cash on hand, welfare benefits and Section 8 Voucher Assistance.
Eligible Property Types	• 1-4 units
Eligible Condos	• PUDs
<u> </u>	• Condos
	 Double or triple wide Manufactured Homes permanently affixed to the foundation, built on or after June 15, 1976, and meet all HUD requirements.
	Single wide manufactured homes must be currently serviced by CMS.
	Condo ID must be completed on FHA Connection (FHAC).
	Project approval not required.
Manufactured Homes	The manufactured home and site must be converted to real estate prior to closing. Proof of the conversion must be documented.

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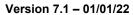


	General, continued
Ineligible Properties	 CO-OPS Mobile Homes Single wide manufactured homes not currently serviced by CMS Homes for Heroes FHA secondary residences State-approved medical marijuana producing properties Working Farms Properties located within designated Coastal Barrier Resource System (CBRS) Properties located on Tribal Lands which include section 248, Hawaiian properties in Lava Zones 1 and 2, Section Native Hawaiian Housing Loan Guarantee Program (Section 184A) Properties with sink holes
Maximum # Financed Properties	There is no maximum number of financed properties; however, the maximum number of CMS loans to one borrower is 4.
Subordinate/Secondary Financing	Existing Secondary Financing: Notes and Deeds are not required. The subordination agreement is always required. This applies for all FHA Refinances. Please note: the Secondary Financing amount should not be listed on HUD-92900-LT, FHA Loan Underwriting and Transmittal Summary (LT). New Secondary Financing: Notes and Deeds are required. No exceptions. Refer to the CMS FHA Underwriting Guidelines for additional requirements.
Non-Purchasing Spouse	Non-purchasing spouse may be added to title on a purchase transaction or may remain on title when refinancing. No other party other than the borrower or their spouse may be permitted to have a vested interest to the property.
Eligible Borrowers	Permanent Resident & Non-Permanent Resident
Ineligible Borrowers	Loans to non-profit organization borrowers, individuals convicted of previous financial crimes, borrowers with delinquent Federal non-tax debt, and all non-individual legal entities such as Corporations, General Partnerships, Limited Partnerships, Real Estate Syndications, Investment Trusts, Trusts (including Inter-vivos and Living Trusts) and Limited Liability Company (LLC).
Vesting	Documents should be drawn to match the names confirmed through FHA Connection. Vesting should match what is currently on title and Note.

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	General, continued
Qualifying Fixed Products	Qualify at Note Rate
HPML Rules	FHA streamline transactions that exceed the Higher Priced APR threshold are permitted. The Higher Priced APR Threshold calculation is the FHA Standard, which is the APOR plus 1.15% plus the monthly MI percent.
Prepayment Penalty	Not permitted
Kansas	All owner occupied properties with LTV exceeding 100% require an appraisal.
Maine	FHA streamline transactions that exceed the Higher Priced APR threshold are not permitted in Maine. For these transactions, the rate or APR fees must be reduced to bring the APR below the threshold OR the loan may be converted to a credit qualifying transaction (Full Documentation or FHA Credit Qualifying).
Minnesota	Qualify at Note Rate
Oklahoma	FHA streamline transactions that exceed the Higher Priced APR threshold are not permitted in Oklahoma. For these transactions, the rate or APR fees must be reduced to bring the APR below the threshold OR the loan may be converted to a credit qualifying transaction (Full Documentation or FHA Credit Qualifying).
Texas	If the 1st Mortgage is subject to Texas Section 50(a)(6), FHA insured financing is not permitted. Once cash-out, always cash-out.
	The Title Policy will reference Texas Section 50(a)(6) or Article XVI of the Texas Constitution effective 01/01/1998. Underwriting conditions and closing instructions must indicate: "No cash back to borrower is permitted. Not even \$1."
West Virginia	The maximum LTV/CLTV is 100%, excluding UFMIP. All FHA Streamline transactions require credit qualifying.

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