

FHA Cash Out Refinance Program

	Cash Out Refinance
Description	Refinance of a Principle Residence in which proceeds are used to pay off the existing Conventional, VA, or FHA mortgage (excluding loans closed under the Good Neighbor Next Door programs within the last 3 years) on the Subject Property including costs associated with the transaction and cash back in excess of \$500. Land Contract payoff is not allowed.
MAX LTV/CLTV	85%
Product	FHA Fixed 15 Year 203b or 234c FHA Fixed 30 Year 203b or 234c FHA 3/1 ARM T-BILL FHA 5/1 ARM T-BILL
Property Eligibility	Single Family, 2-4 Units, Condo, PUD, Site Condo FHA Condo project approval is required
Appraisal	Required per FHA guidelines
Borrower Eligibility	Permanent and Non-Permanent Residents per FHA Client Guide eligibility. Adding a Borrower: <ul style="list-style-type: none"> • Must be a family member (as defined by FHA) Co-borrower, Co-signer or non-occupant Co-borrower may be added • Non-occupant Co-borrower income may NOT be used to qualify (even if they were on the original note and income was used at time of previous transaction) • Must be either a US Citizen or have a primary residence in the US. Removing a Borrower: <ul style="list-style-type: none"> • At least one Borrower must have owned and occupied the Subject Property as their Primary Residence for the 12 months prior to case number assignment.
Underwriting	AUS/Manual
Credit	Full Tri-Merge. Non-traditional credit NOT allowed. All Borrowers must have credit scores. Min FICO 620.

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4506T	Required per FHA guidelines
Occupancy	Owner Occupied Only
Mortgage Payment History	<ul style="list-style-type: none"> • Must have 0 x 30-Day late housing payments in last 12 months prior to case assignment. • < 6 months history: Borrower must have made all payments within the month due with a minimum 6 month history. • The Borrower must have made the payments for all Mortgages secured by the Subject Property for the month prior to mortgage disbursement. • If the mortgage on Subject Property is not reported in the Borrower's credit report or is not in Borrower's name, provide evidence all payments in last 12 months have been paid by the Borrower.
Seasoning Requirements	<ul style="list-style-type: none"> • Subject property must have been owned and occupied by the Borrower as their Principal Residence for the 12 months prior to the date of case number assignment. • In the case of inheritance, a Borrower is not required to occupy the Property for a minimum period of time before applying for a cash-out refinance, provided the Borrower has not treated the subject Property as an Investment Property at any point since inheritance of the Property. • If the Borrower rents the Property following inheritance, the Borrower is not eligible for cash-out refinance until the Borrower has occupied the Property as a Principal Residence for at least 12 months • The borrower must have made at least six consecutive monthly payments on the loan being refinanced beginning with the payment made on the first payment due date; and • The first payment due date of the finance loan occurs no earlier than 210 days after the first payment due date of the loan being refinanced.
Net Tangible Benefit	Not Required
Subordinate Financing	New secondary financing is permitted. Existing junior liens must be subordinated
Calculating Maximum Mortgage	Complete a FHA Maximum Mortgage Worksheet Cash Out Refinance

2-12-18

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Reserves	See HUD Handbook 4000.1 – Requirements differ between AUS Accept/Refer/Downgrade, property type, and credit scores (whether needed as compensating factor)
LDP/SAM	Clear search required
CAIVRS	Clear search required
FHA Case Assignment and Refinance Authorization/Query	<p>Prior FHA case number is necessary to obtain FHA Case number and Refinance Authorization/Query if paying off an existing FHA mortgage.</p> <p>3.2 file to be uploaded into the TPO WebCenter.</p> <p>Email uwanswers@hvfpartners.com with loan number and prior FHA Case number to request.</p>