

FHA Streamline Refinance Options

	Non-Credit Qualifying Refinance (NPF Portfolio Loans*)	Non-Credit Qualifying Refinance (Non-Portfolio)	Credit Qualifying Refinance
Epic/Destiny Data Entry	<ul style="list-style-type: none"> • Loan Purpose: FHA Streamline Refinance • Purpose of Refinance: Portfolio Streamline Refi • The Streamline Checkbox must be checked • The Credit Qualifying Checkbox should remain unchecked 	<ul style="list-style-type: none"> • Loan Purpose: FHA Streamline Refinance • Purpose of Refinance: Streamline Refinance • The Streamline Checkbox must be checked • The Credit Qualifying Checkbox should remain unchecked 	<ul style="list-style-type: none"> • Loan Purpose: FHA Streamline Refinance • Purpose of Refinance: Streamline Refinance • The Streamline Checkbox must be checked • The Credit Qualifying Checkbox must be manually checked
Mortgage Seasoning	<p>Mortgages must be seasoned a minimum of 6 months as described in the FHA Handbook 4000.1 Page 406 Mortgage Seasoning Requirement for a Streamline Refinance for additional details; a case number cannot be assigned if these requirements have not been met.</p> <p>On the date of FHA case number assignment,</p> <ul style="list-style-type: none"> • the borrower must have made at least six payments on the FHA-insured mortgage being refinanced • at least six full months must have passed since the first payment due date of the refinanced mortgage, and • At least 210 days must have passed from the closing date of the mortgage being refinanced. <p>If 6 months seasoning is not met, must follow FHA rate/term or simple refinance guidelines.</p>	<p>Mortgages must be seasoned a minimum of 6 months as described in the FHA Handbook 4000.1 Page 406 Mortgage Seasoning Requirement for a Streamline Refinance for additional details; a case number cannot be assigned if these requirements have not been met.</p> <p>On the date of FHA case number assignment,</p> <ul style="list-style-type: none"> • the borrower must have made at least six payments on the FHA-insured mortgage being refinanced • at least six full months must have passed since the first payment due date of the refinanced mortgage, and • At least 210 days must have passed from the closing date of the mortgage being refinanced. <p>If 6 months seasoning is not met, must follow FHA rate/term or simple refinance guidelines</p>	<p>Mortgages must be seasoned a minimum of 6 months as described in the FHA Handbook 4000.1 Page 406 Mortgage Seasoning Requirement for a Streamline Refinance for additional details; a case number cannot be assigned if these requirements have not been met.</p> <p>On the date of FHA case number assignment,</p> <ul style="list-style-type: none"> • the borrower must have made at least six payments on the FHA-insured mortgage being refinanced • at least six full months must have passed since the first payment due date of the refinanced mortgage, and • At least 210 days must have passed from the closing date of the mortgage being refinanced. <p>If 6 months seasoning is not met, must follow FHA rate/term or simple refinance guidelines.</p>

Credit History	<p>Full Credit History required; only the mortgage history will be reviewed in accordance with HUD Guidelines</p> <p>Any liabilities transmitted to Epic/Destiny will not be reviewed.</p>	<p>Full Credit History required; no mortgage only credit report required.</p> <p>Note: If non-mortgage debt shows multiple 60+ day derogatory delinquencies in most the recent 12 months, loan must be originated as a Credit Qualifying Streamline Refinance</p>	<p>Full Credit History Required and must comply with FHA Manual Underwriting guidelines 4000.1 5</p>
FICO	<p>No Minimum FICO Requirement</p>	<p>640 minimum FICO required</p>	<p>580 minimum FICO required</p>
Mortgage History	<p>See 4000.1 406 Mortgage Payment History Requirement for a Streamline Refinance – note the additional guidance in italics within the table below.</p> <p>0x30x6 prior to case number assignment date; 1x30x6 previous six month for all mortgages</p> <p>If not reported on credit report, must obtain a verification of mortgage to evidence payment history for the previous 12 months.</p>	<p>See 4000.1 406 Mortgage Payment History Requirement for a Streamline Refinance – note the additional guidance in italics within the table below.</p> <p>0x30x6 prior to case number assignment date; 1x30x6 previous six month for all mortgages</p> <p>If not reported on credit report, must obtain a verification of mortgage to evidence payment history for the previous 12 months</p>	<p>FICO ≥ 640 follow FHA guidelines FICO 620-639 0x30x12 on the subject property FICO 580-619 0x30x24 on the subject property</p> <p>Note: When minimum seasoning requirements are met, a combined rental and mortgage history may be utilized to meet this requirement.</p> <p>If less than 12 months seasoning, follow FHA guidelines.</p>
Income Documentation	<p>None required</p>	<p>Wage Earner: Verbal VOE with 1- year at current employer; or < 1- year at current employer must be in similar, comparable field of work and same industry. If not, the loan must be underwritten as a Credit Qualifying Streamline Refinance.</p> <p>Self-Employed: Proof of the business for one-year. (The most recent quarterly tax payment, CPA letter, current unexpired business license, etc.)</p> <p>Retired Borrowers: The credit report or other alternative documentation must verify the borrower’s status as retired for one or more years.</p>	<p>FHA Income as outlined in 4000.1 A.5.b Manual Underwriting.</p>

Qualifying Ratios	Not calculated	Not calculated	31/43 – unless compensating factors are met in accordance with FHA 4000.1 Manual Underwriting Requirements One HUD Compensating Factor: 37%/47% Two HUD Compensating Factor: 40%/50%
Assets/Reserves	<p>The funds to close, in excess of the total Mortgage Payment of the new mortgage, must be verified in accordance with 4000.1 Manual Source of Funds.</p> <p>If the borrower elects to use their retirement account (IRA, Thrift Savings, 401k, Keogh) as cash reserves, only 60% of vested amount of the account, less any outstanding loans, may be used. In addition, evidence must be provided that the retirement account allows for withdrawals under conditions other than in connection with the borrower’s employment termination, retirement or death. If any portion is required for funds to close, evidence of liquidation is required.</p>	<p>The funds to close, in excess of the total Mortgage Payment of the new mortgage, must be verified in accordance with 4000.1 Manual Source of Funds.</p> <p>If the borrower elects to use their retirement account (IRA, Thrift Savings, 401k, Keogh) as cash reserves, only 60% of vested amount of the account, less any outstanding loans, may be used. In addition, evidence must be provided that the retirement account allows for withdrawals under conditions other than in connection with the borrower’s employment termination, retirement or death. If any portion is required for funds to close, evidence of liquidation is required.</p>	<p>If assets are needed to close they must be verified. Reserves must equal or exceed one total monthly mortgage payment (1 and 2 unit properties) or three total mortgage payments (3 and 4 unit properties) as defined in 4000.1 Assets for Manual Underwriting.</p> <p>If the borrower elects to use their retirement account (IRA, Thrift Savings, 401k, Keogh) as cash reserves, only 60% of vested amount of the account, less any outstanding loans, may be used. In addition, evidence must be provided that the retirement account allows for withdrawals under conditions other than in connection with the borrower’s employment termination, retirement or death. If any portion is required for funds to close, evidence of liquidation is required.</p>
Appraisal and LTV/CLTV	<p>Appraisal is not required</p> <p>100% LTV / 125% CLTV * Not to exceed Maximum Mortgage Calculation</p>	<p>Appraisal is not required</p> <p>100% LTV / 125% CLTV * Not to exceed Maximum Mortgage Calculation</p>	<p>Appraisal is not required</p> <p>100% LTV / 125% CLTV *Not to exceed Maximum Mortgage Calculation</p>
Adding or Removing Borrowers	New borrowers may be added to all Streamline Refinance types; if a borrower wishes to be removed/deleted, the file must meet the exception as outlined in the 4000.1 8.d.vi or be originated as a Credit Qualifying Streamline Refinance.		
Net Tangible Benefit (NTB) Requirement	Must meet NTB with one of the two options: 1) Reduction in combined rate (Interest rate plus the Mortgage Insurance Premium (MIP). Refer to the NTB Table; or 2) Reduction in term that includes all of the following to be met: 1) the mortgage term is reduced; the new interest rate does not exceed the current interest rate; AND the combined principal, interest and MIP of the refinance Mortgage by more than \$50.00. If the combined rate option is met, the rate reduction option is <i>not</i> required and vice versa.		

References:
HUD Handbook

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1

*NPF Portfolio loans include any loan that has passed through the Destiny/Epic system and are currently being serviced by Shellpoint Mortgage Servicing. Loans originated by NPF or its subsidiaries are not eligible for the NCQ Streamline Refinance program if the servicing rights are held by someone other than Shellpoint Mortgage Servicing.