



## FHA Purchase Product Profile: Wholesale

NewRez overlays are identified with yellow highlighting

FHA ELIGIBILITY MATRIX					
Excludes Manufactured Housing					
Units	Transaction Type	Credit Score	LTV	CLTV	DTI
1-4	Purchase	620	96.5%	100%	Per AUS <sup>1</sup>
		600	96.5%	100%	50%
		580	96.5%	100%	43%
<sup>1</sup> West Virginia: Maximum DTI 50%					

FHA MANUFACTURED HOME ELIGIBILITY MATRIX					
Units	Transaction Type	Credit Score	LTV	CLTV	DTI
1	Purchase	640	96.5%	96.5%	Per AUS <sup>1</sup>
<sup>1</sup> West Virginia: Maximum DTI 50%					

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<b>1. Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed Rate: 10- to 30-year terms in annual increments</li> <li>ARMs: 30-year terms               <ul style="list-style-type: none"> <li>Not permitted for manufactured housing</li> </ul> </li> </ul>			
<b>2. Loan Products</b>	<b>Product</b>	<b>Product Description</b>		
	4000FHA10FRM	4000 FHA 10 Yr Fixed		
	4000FHA15FRM	4000 FHA 15 Yr Fixed		
	4000FHA20FRM	4000 FHA 20 Yr Fixed		
	4000FHA25FRM	4000 FHA 25 Yr Fixed		
	4000FHA30FRM	4000 FHA 30 Yr Fixed		
	4000FHA10FRMHB	4000 FHA 10 Yr Fixed High-Balance		
	4000FHA15FRMHB	4000 FHA 15 Yr Fixed High-Balance		
	4000FHA20FRMHB	4000 FHA 20 Yr Fixed High-Balance		
	4000FHA25FRMHB	4000 FHA 25 Yr Fixed High-Balance		
	4000FHA30FRMHB	4000 FHA 30 Yr Fixed High-Balance		
	4000FHA5/1ARM	4000 FHA 5/1ARM		
	4000FHA5/1ARMHB	4000 FHA 5/1 ARM High-Balance		
<b>3. Eligible Programs</b>	203(b) 1-4 Family Home Mortgage Insurance program			
<b>4. ARM Information</b>	Index	One Year Treasury Bill per the Wall Street Journal		
	Margin	2.00%		
	Life Floor	5% below the start rate		
	Interest Rate Caps	<b>Product</b>	<b>First</b>	<b>Subsequent</b>
		5/1	1%	1%
	Change Date	5/1	The first Change Date is the 61 <sup>st</sup> payment due date. Subsequent Change Dates are every twelve months thereafter	
	Conversion Option	Not available		
<b>5. Temporary Buydown</b>	Not permitted			
<b>6. QM Rebuttable Presumption/ HPML</b>	Refer to <a href="#">QM, Non-QM and Ability to Repay Policy &amp; Procedure</a>			
<b>7. Net Tangible Benefit (NTB)</b>	<ul style="list-style-type: none"> <li>NTB test is required for CO               <ul style="list-style-type: none"> <li>Refer to <a href="#">Refinances: Net Tangible Benefit Policy &amp; Procedure</a></li> </ul> </li> </ul>			
<b>8. Loan Amount</b>	<ul style="list-style-type: none"> <li>Base Loan Amount cannot exceed the <a href="#">FHA Statutory Mortgage Limits</a> for each county</li> <li>Total Loan Amount with financed UFMIP may exceed the maximum statutory loan amounts</li> <li>Min loan amounts for the FHA High-Balance products will be based on the Base Loan Amount and not the Total Loan Amount that includes financed UFMIP</li> <li>Total Loan Amount must be rounded down to the nearest \$1.00</li> <li>Max Base Loan Amount is calculated as the Adjusted Value multiplied by the appropriate LTV factor</li> </ul>			
<b>9. Eligible AUS Decision</b>	<ul style="list-style-type: none"> <li>Accept/Eligible</li> </ul>			

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	<ul style="list-style-type: none"> <li>• Approve/Eligible</li> </ul>
<b>10. Ineligible AUS Decisions</b>	<ul style="list-style-type: none"> <li>• Approve/Ineligible</li> <li>• Refer</li> <li>• Caution</li> </ul>
<b>11. Manual Underwrite</b>	Not permitted
<b>12. Qualifying Rate</b>	Note rate
<b>13. Types of Financing</b>	Purchase mortgage
<b>14. Subordinate Financing</b>	New subordinate financing is not permitted
<b>15. Occupancy</b>	Primary residence
<b>16. Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• Condos <ul style="list-style-type: none"> <li>◦ Must be reviewed by PRD</li> <li>◦ Must be unexpired on FHA's approved list</li> <li>◦ Site condos do not require project approval</li> <li>◦ NewRez will not issue a DELRAP approval</li> </ul> </li> <li>• Leasehold estates</li> <li>• Manufactured housing <ul style="list-style-type: none"> <li>◦ Multi-wide</li> </ul> </li> <li>• Modular homes</li> <li>• PUDs</li> </ul>
<b>17. Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• Condo hotels</li> <li>• Co-ops</li> <li>• Hobby farms</li> <li>• Leasehold estate condo projects</li> <li>• The following manufactured housing <ul style="list-style-type: none"> <li>◦ Leasehold estate</li> <li>◦ Newly constructed units</li> <li>◦ Singlewide units</li> <li>◦ Units in a condo project</li> <li>◦ Units in a mobile home park</li> <li>◦ Unit less than 600 square feet</li> <li>◦ Units located in HI</li> <li>◦ Units on a property with a hobby farm</li> <li>◦ Units with mixed-use</li> </ul> </li> </ul>
<b>18. Ineligible States</b>	<ul style="list-style-type: none"> <li>• Alaska</li> </ul>
<b>19. Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• U.S. citizens</li> <li>• Permanent resident alien</li> </ul>

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	<ul style="list-style-type: none"> <li>• Non-permanent resident alien</li> <li>• Inter vivos revocable trust: Trust must be reviewed by NewRez legal</li> </ul> <p>NewRez will not purchase loans from Principal/Owners of NewRez Third Party Originators</p>
<b>20. Co-Borrower</b>	<ul style="list-style-type: none"> <li>• Cannot be the seller, builder, real estate agent, etc., unless the co-borrower is a family member</li> <li>• Income, assets, and debts from all borrowers are used in qualifying</li> </ul>
<b>21. Non-Occupant Co-Borrower</b>	<ul style="list-style-type: none"> <li>• Must be either a U.S. citizen or have a primary residence in the U.S.</li> <li>• Max 75% LTV if             <ul style="list-style-type: none"> <li>◦ Not a family member</li> <li>◦ Parent is seller and non-occupant co-borrower</li> </ul> </li> <li>• If a family member with an LTV greater than 75% the property must be single family</li> </ul>
<b>22. Housing Payment History</b>	<ul style="list-style-type: none"> <li>• Inclusive of all liens regardless of position</li> <li>• Applies to all mortgages on all financed properties</li> <li>• Follow Approve/Accept             <ul style="list-style-type: none"> <li>◦ <b>Manufactured housing: 0x30x12</b></li> </ul> </li> <li>• <b>If a manual downgrade is required for any of the following, the loan is ineligible:</b> <ul style="list-style-type: none"> <li>◦ Any mortgage trade line on the credit report in the 12 months prior to case number assignment date reflects any of the following:                 <ul style="list-style-type: none"> <li>▪ 3x30 or</li> <li>▪ 1x60 plus 1x30 or</li> <li>▪ 1x90</li> <li>▪ Fewer than three consecutive payments since completion of a forbearance plan</li> </ul> </li> <li>◦ Undisclosed mortgage debt during the number of months since case number assignment date reflect any of the following:                 <ul style="list-style-type: none"> <li>▪ A current delinquency</li> <li>▪ 1x30 in months 1-12</li> <li>▪ More than 2x30 in months 13-24</li> </ul> </li> </ul> </li> <li>• <b>Manual downgrade/manual underwrite is not permitted</b></li> <li>• Rental payment history is not required</li> </ul>
<b>23. Borrower Contribution</b>	<ul style="list-style-type: none"> <li>• Minimum down payment is 3.5% of the sale price or appraised value, whichever is less             <ul style="list-style-type: none"> <li>◦ <b>Manufactured housing: must have 3.5% own funds into transaction and cannot use gift funds</b></li> </ul> </li> <li>• The down payment requirement cannot be met by borrower paid closing costs, prepaid expense, commitment fees or discount points or premium pricing</li> </ul>
<b>24. Down Payment Assistance</b>	<b>Not permitted</b>
<b>25. Seller Contributions</b>	6% of the purchase price
<b>26. Reserves</b>	<ul style="list-style-type: none"> <li>• 1-2 units: None</li> <li>• 3-4 units: Three months PITI</li> <li>• Gifts: permitted</li> </ul>

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<b>27. Rental Income</b>	<ul style="list-style-type: none"> <li>• Rental Income from Other Real Estate Owned (REO)             <ul style="list-style-type: none"> <li>◦ If rental income is used to qualify:                 <ul style="list-style-type: none"> <li>▪ the most recent two months receipt of rental income for each rental property owned</li> <li>▪ three months reserves required for each rental property owned in addition to standard reserve requirements</li> </ul> </li> </ul> </li> </ul>
<b>28. IRS Form 4506-C</b>	<ul style="list-style-type: none"> <li>• Prior to Underwriting             <ul style="list-style-type: none"> <li>◦ Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.)</li> </ul> </li> <li>• Prior to Closing             <ul style="list-style-type: none"> <li>◦ 4506-C for the business tax return transcript(s) must be signed prior to closing when the business returns are used for qualification</li> </ul> </li> <li>• At Closing             <ul style="list-style-type: none"> <li>◦ 4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing</li> </ul> </li> </ul>
<b>29. Tax Transcripts</b>	<p>Tax return and W-2 transcripts, as applicable, must be obtained when:</p> <ul style="list-style-type: none"> <li>• Handwritten paystubs are used as verification of income</li> <li>• There is a non-arm's length transaction</li> <li>• Income is documented with tax returns (self-employment, rental income, dividend/interest, etc.)</li> <li>• At the underwriter's discretion</li> </ul>
<b>30. Number of Financed Properties</b>	<p>Borrower may own no more than one FHA-insured primary residence</p>
<b>31. Appraisals</b>	<p>A new appraisal completed by an appraiser on the FHA Appraiser Roster</p>
<b>32. Power of Attorney</b>	<p>Permitted</p>
<b>33. Principal Curtailment</b>	<ul style="list-style-type: none"> <li>• Permitted if the Premium Pricing Credit exceeds the closing costs, the excess credit may be applied as a principal reduction, limited to the lesser of \$2500 or 2% of the original loan amount for the subject loan.</li> <li>• Exceptions over this amount must be approved by legal or compliance.</li> </ul>
<b>34. Escrow Waivers</b>	<p>Not permitted</p>
<b>35. Mortgage Insurance Premium</b>	<p>Required for all loans – Section 38 Mortgage Insurance Premiums</p>
<b>36. Resources</b>	<p>Access Mortgagee Letters, National HOC Reference Guide, HOC Letters, Handbooks</p> <ul style="list-style-type: none"> <li>• <a href="#">HOC National Reference Guide</a></li> <li>• <a href="#">FHA Maximum County Limits</a></li> <li>• <a href="#">FHA Connection</a></li> <li>• <a href="#">HUD Forms, Handbook &amp; Mortgagee Letters</a></li> </ul>
<b>37. Ineligible Programs</b>	<ul style="list-style-type: none"> <li>• 203(k) Rehabilitation Mortgage</li> <li>• Building on Own Land</li> <li>• Energy Efficient Mortgages (EEM)</li> <li>• Good Neighbor Next Door</li> </ul>

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	<ul style="list-style-type: none"> <li>• Graduated Payment Mortgage (GPM)</li> <li>• Growing Equity Mortgage (GEM)</li> <li>• Hope for Homeowners</li> <li>• Housing Choice Voucher Homeownership Program (Section 8)</li> <li>• HFA Programs</li> <li>• HUD REO Program</li> <li>• Indian Reservations (Section 184)</li> <li>• Section 247 Hawaiian Home Lands</li> </ul>
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38. Mortgage Insurance Premiums				
Case Numbers Assigned on or After January 26, 2015				
LTV Loan Term	Base Loan Amount <=\$625,500		Base Loan Amount >\$625,500	
	UFMIP	Monthly	UFMIP	Monthly
>95% LTV >15 years	1.75%	85 bps	1.75%	105 bps
<=95% LTV >15 years	1.75%	80 bps	1.75%	100 bps
> 90% LTV <=15 years	1.75%	70 bps	1.75%	95 bps
> 78% & <=90% LTV <=15 years	1.75%	45 bps	1.75%	70 bps
<=78% LTV <=15 years	1.75%	45 bps	1.75%	45 bps

Duration of Annual MIP based upon amortization term and LTV ratio at origination

- LTV <= 90% 11 years
- LTV > 90% loan term

39. Version History		
Section	Update	Date
Ineligible Property Types	Manufactured Housing not permitted in Hawaii	February 1, 2021
19. Ineligible States	Removed Hawaii from Ineligible state. Hawaii lending now permitted	February 1, 2021
37. Ineligible Programs	Add Section 247 Hawaiian Home Lands to Ineligible Programs List	February 1, 2021
Eligibility Matrices	Revised minimum credit scores and maximum DTI requirements	March 1, 2021
Loan Terms	<ul style="list-style-type: none"> <li>• Fixed Rate: 10- to 30-year terms in annual increments</li> <li>• Removed Custom Loan Term information</li> </ul>	April 15, 2021

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