

No Cash-Out/Non Streamline – Refinance Maximum Mortgage Worksheet #1

Use the Refinance Maximum Mortgage Worksheet HUD-92900-WS

(Full Credit Qualifying)

1-A. APPRAISED VALUE	
\$	Appraised Value (MCAW #4)
	(LTV Factor) (Appendix II)
	<u>Low Closing Cost States</u>
	98.75% - Property Value \$50,000 or less
	97.65% - Property Value > \$50,000-125,000
	97.15% - Property Value over \$125,000
	<u>High Closing Cost States</u>
	98.75% - Property Value \$50,000 or less
	97.75% - Property value over \$50,000
X	LTV Factor
	% or Less
=	Maximum Mortgage BEFORE UFMIP
	MCAW 10f(2)

1-B. EXISTING DEBT PLUS ALLOWABLE ADDITIONAL ITEMS	
\$	Principal balance on existing first lien + prepayment penalties + up to one month monthly MIP + the Mortgage Pmt. (PITI) that was due on the 1 st (if not already paid) in addition up to 30 days interest for the current month + <u>late charges + escrow shortages (ML 2005-43)</u> (MCAW 10a)
-	MIP Refund, if applicable (MCAW 10d)
+	Allowable borrower-paid closing costs (MCAW 10c)
+	Property-related liens for acquisition, repair or rehabilitation or any other property liens that are seasoned at least 1 year.
+	Repairs required by the appraiser on the VC Sheet
+	Equity to ex-spouse (Supported by verifications)
+	Prepaid Expenses (Per Diem interest to end of month on new loan + flood/hazard insurance deposits + real estate tax deposits) (MCAW 10b)
+	Reasonable Discount Points (MCAW 10b)
=	Maximum Mortgage BEFORE UFMIP
	MCAW 10e

If the property was acquired more than one year before loan application, the **MAXIMUM MORTGAGE BEFORE UFMIP IS LOWEST OF (1-A) or (1-B).**

If property was acquired less than one year before loan application, and not already FHA insured, continue.

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If the property was acquired more than one year before loan application, the **MAXIMUM MORTGAGE BEFORE UFMP IS LOWEST OF (1-A) or (1-B).**

If property was acquired less than one year before loan application, and not already FHA insured, continue.

1-C.	ACQUIRED LESS THAN ONE YEAR AND NOT ALREADY FHA INSURED		
\$	Original Sales Price		
+	Repairs (If applicable) (Paid after purchase and documented in the file)		
=			
	(LTV Factor) (Appendix II)		
	<u>Low Closing Cost States</u>		
	98.75% - Property Value \$50,000 or less		
	97.65 % - Property Value > \$50,000-125,000		
	97.15% - Property Value over \$125,000		
	<u>High Closing Cost States</u>		
	98.75% - Property Value \$50,000 or less		
	97.75% - Property value over \$50,000		
X	LTV Factor % or Less		
=	Maximum Mortgage BEFORE UFMP		MCAW 10f(1)

If property was acquired less than one year before loan application, and not already FHA insured **MAXIMUM MORTGAGE BEFORE UFMP IS LOWEST OF (1-A), (1-B) or (1-C)**

MCAW 10g

No Cash-Out/Non Streamline – Refinance Maximum Mortgage Worksheet #1

- Term of the new loan can be up to 30 years.
- Cash back at closing limited to \$500. (MI 2005-43)
- Owner occupants only. No investors. Non-profits not allowed.
- VOM or other documentation is required which includes principal balance, date loan originated, names of original borrowers and type of loan. Other credit verifications are also required (VOE, VOD, etc.)
- There is no holding period.
- Subordinate financing may remain in place if it meets the criteria in 4155.1, 1-5 & 1-13.
- Social Security Numbers must be verified for all borrowers.
- Per ML 96-18, all interest EXCEPT “delinquent interest” can be included as part of the “existing first lien”. A pay-off statement from the previous lender showing the unpaid principal balance for the month of the closing for the previous loan should be included in the endorsement binder.
- The amount of the existing first mortgage may **not** include “delinquent interest”.

Cash-Out/Non Streamline - Refinance Maximum Mortgage Worksheet # 2

Use the Refinance Maximum Mortgage Worksheet HUD-92900-WS

(Full Credit Qualifying)

Owner-Occupied Principal Residences

2-A. Cash-Out Refinance according to ML 2005-43		
\$		Appraised Value (MCAW #4)
X	95%	
=	\$	Maximum Mortgage Amount BEFORE UFMP
		MCAW 10f(2)

REQUIREMENTS:

ML 2005-43

- The subject property must have been owned by the borrower as his/her primary residence for at least 12 months preceding the date of loan application.
- If property is encumbered by a mortgage, the borrower must have made all of his/her payments within the month due for the previous 12 months. [FYI: The Mortgage Pmt. (PITI) that was due on the 1st (if not already paid) can be included in the new loan amount, in addition up to 30 days interest for the current month.]
- The property that is security for the refinanced mortgage must be a 1- or 2-unit dwelling.
- Subordinate financing may remain in place, but subordinate to the FHA insured first mortgage, regardless of the total indebtedness or combined loan-to-value ratio, provided borrower qualifies.
- Any co-borrower or co-signer being added to the note must be an occupant of the property. Non-occupant owners may not be added in order to meet FHA's credit underwriting guidelines for the mortgage.

If above requirements cannot be met, revert back to 85% and the requirements in the 4155.1 REV-5, 1-11, B

2-B.		
\$		Appraised Value or Sales Price-if owned less than a year, which ever is less **
X	85%	
=	\$	Maximum Mortgage Amount BEFORE UFMP
		MCAW 10-F(1)

****The first and any subordinate liens when combined cannot exceed 85%.**

- Term of the new loan can be up to 30 years.
- Owner-occupants only. No investors. Non-profits not allowed.
- The existing mortgage can be delinquent but credit eligibility is still required. If credit is acceptable, borrower can pay delinquent interest out of loan proceeds.
- VOM or other documentation is required which includes principal balance, date loan originated, names of original borrowers and, type of loan. Other credit verifications are also required (VOE, VOD, etc.)
- There is no holding period, but if purchased within the past year, the calculation is the lesser of original sales price or appraised value.
- Subordinate financing may remain in place if it meets the criteria in 4155.1, 1-5 & 1-13.
- Social Security Numbers must be verified for all borrowers.

Streamline Refinance Without Appraisal - Maximum Mortgage Worksheet # 3

Use the Refinance Maximum Mortgage Worksheet HUD-92900-WS
FHA to FHA

For OWNER-OCCUPANT loans, use the lower of calculations (3-A thru 3-C)

3-A	<p style="text-align: center;">Original Principal balance (From the Refinance Authorization screen in the FHA Connection) This will reflect loan amount after any principal reductions</p>	MCAW 10f(1)
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OR

EXISTING DEBT PLUS ALLOWABLE ADDITIONAL ITEMS (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)		
\$	Principal balance on existing first lien + up to one month monthly MIP + the Mortgage Pmt. (PITI) that was due on the 1 st (if not already paid) in addition up to 30 days interest for the current month + late charges + escrow shortages (ML 2005-43) (MCAW 10a)	
-	MIP Refund, if applicable (MCAW 10d)	
+	Allowable borrower-paid closing costs (MCAW 10c)	
+	Prepaid Expenses (Per Diem interest to end of month on new loan + hazard insurance deposits + real estate tax deposits) (MCAW 10b)	
+	Reasonable Discount Points (MCAW 10b)	
=	Maximum Mortgage BEFORE UFMIP	MCAW 10e
X	1.5%	
=	\$	
"Estimated" new UFMIP * See Note #3 below		

MAXIMUM MORTGAGE BEFORE UFMIP IS LOWER OF (3-A) or (3-B)

NOTE #3: If the lower of the calculations above is #3-B, and if the UFMIP refund is greater than the new UFMIP "estimate", you may apply the following calculations to arrive at Line 3-A on the MCAW. (This will allow the borrower to bring less monies to the closing.)

UFMIP REFUND IS GREATER THAN THE NEW UFMIP (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)		
\$	Principal balance on existing first lien + up to one month monthly MIP + the Mortgage Pmt. (PITI) that was due on the 1 st (if not already paid) in addition up to 30 days interest for the current month + late charges + escrow shortages (ML 2005-43) (MCAW 10a)	
-	"Estimated" new UFMIP (from 3-B above)	
+	Allowable borrower-paid closing costs (MCAW 10c)	
+	Prepaid Expenses (Per Diem interest to end of month on new loan + flood/hazard insurance deposits + real estate tax deposits) (ML 96-18)	
+	Reasonable Discount Points (MCAW 10b)	
=	Maximum Mortgage BEFORE UFMIP	MCAW 10g

Streamline Refinance Without Appraisal - Maximum Mortgage Worksheet # 3

For all INVESTOR LOANS

OR

For all NON OWNER-OCCUPANT LOANS

Use calculations 3-D OR 3-E below

- This is the only type of refinance that private investors may do. This is also the only type of refinance that can be accomplished in condominium projects that are no longer approved. (1-12-D-3)

	EXISTING DEBT (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)	
\$	Unpaid principal balance (no interest added) (MCAW 10a)	
-	MIP Refund, if applicable (MCAW 10d)	
=	Maximum Mortgage BEFORE UFMIP	MCAW 10e
X	1.5%	
= \$	"Estimated" new UMFIP *See Note #2 below	

NOTE #2 If the UFMIP refund is greater than the new UFMIP "estimate", you may apply the following calculations to arrive at Line 3-A on the MCAW.
(This will allow the borrower to bring less monies to the closing.)

	UFMIP REFUND IS GREATER THAN THE NEW UFMIP	
\$	Unpaid principal balance (no interest added)	
-	"Estimated" new UFMIP (from 3-D above)	
= \$	Maximum Mortgage BEFORE UFMIP	MCAW 10g

Streamline Refinance Without Appraisal - Maximum Mortgage Worksheet # 3

FHA to FHA

- Term of the new mortgage is the lesser of 30 years or the un-expired term of the existing mortgage plus 12 years. (1-12-A).
- Cash back at closing limited to \$500. (MI 2005-43)
- A Hybrid Arm, (3-, 5-, 7-, or 10-year mortgage) may be streamline refinanced to a fixed rate mortgage, with or without appraisal, provided that the payment will not increase more than 20% and all mortgage payments have been made within the month due for at least the past 12 months or the period the mortgage has been in force, if shorter. (ML 2005-43)
- This is the only type of refinance that may be used for non-profits as borrowers. They must be listed in the FHA Connection as approved by FHA to be borrowers on FHA loans. (1-4 & 1-5)
- This is the only type of refinance that may be used for private investors or secondary residences. For these types of loans, only calculations 3-D and 3-E above may be used. (1-12-A)
- This is also the only type of refinance that can be accomplished in condominium projects that are no longer approved. Only calculations 3-D and 3-E above may be used for these. (1-12-D-3)
- Any streamline refinance of a 30-year mortgage on a principal residence may be refinanced to a shorter term mortgage; however, the new monthly principal and interest may not increase more than 20%. (ML 2005-43)
- A delinquent mortgage is generally not eligible for streamline refinancing until the loan is brought current. However, if the mortgage is delinquent by no more than two monthly payments, the re-financing lender may pay the borrower's mortgage to bring the payments current provided no obligation is placed on the borrower to repay the funds used to bring the mortgage current. (1-12-D-6)
- If the mortgage is delinquent by more than two months, refer to ML 94-30.
- If the loan is an ARM to fixed rate loan, all mortgage payments must have been made within the month due for the past twelve months or period of time that the loan has been in force if shorter. (1-12-D-15)
- On an ARM-to-fixed rate streamlined refinance, if the new fixed-rate mortgage will be at a rate lower than the existing rate of the ARM, the 30 days late, rule is not applicable. (1-12-D-15)
- VOM or other documentation is required which includes principal balance, date loan originated, names of original borrowers and type of loan.
- A holding period of six months applies when: (1) the borrower obtained the loan via non-qualifying assumption; or (2) when a borrower is deleted due to devise or descent of law (e.g., divorce, death, etc.) and a quit-claim of interest has been executed. Full credit qualifying is required if held less than six months and/or if due-on-sale clause is triggered. (1-12-C)
- Subordinate financing may remain in place without regard to the total indebtedness; that is, the combined amounts of the first and subordinate mortgages may exceed the maximum mortgage limit for the area. (1-12-d-11)
- Social Security Numbers must be verified for all borrowers.
- If an appraisal is ordered but the borrower decides to proceed with a streamline without an appraisal, the appraisal may be voided. (If this is done, the case type in the FHA Connection must be changed to reflect that the case number is now a streamline refinance **without** an appraisal.)
- A pay-off statement from the previous lender showing the unpaid principal should be included in the endorsement binder.
- The amount of the existing first mortgage may not include delinquent interest.
- **Original principal balance should be verified from the Refinance Authorization screen in the FHA Connection since this will reflect any principal reductions for the previous loan.**

Streamline Refinance With Appraisal - Maximum Mtg. Worksheet #4

Use the Refinance Maximum Mortgage Worksheet HUD-92900-WS

FHA to FHA

Owner Occupants Only

4-A.	APPRAISED VALUE ONLY (No Closing Costs Added)	
\$	Appraised Value (MCAW #4)	
	(LTV Factor) (Appendix II)	
	Low Closing Cost States	
	98.75% - Property Value \$50,000 or less	
	97.65% - Property Value > \$50,000-125,000	
	97.15% - Property Value over \$125,000	
	High Closing Cost States	
	98.75% - Property Value \$50,000 or less	
	97.75% - Property value over \$50,000	
X	LTV Factor	
	% or Less	
=	Maximum Mortgage BEFORE UFMP	MCAW 10f(i)

OR

4-B.	EXISTING DEBT PLUS ALLOWABLE ADDITIONAL ITEMS (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)	
\$	Principal balance on existing first lien + up to one month monthly MIP + the Mortgage Pmt. (PITT) that was due on the 1 st (if not already paid) in addition up to 30 days interest for the current month + late charges + escrow shortages (ML 2005-43)	
-	MIP Refund, if applicable (MCAW 10a)	
+	Allowable borrower-paid closing costs (MCAW 10c)	
+	Prepaid Expenses (Per Diem interest to end of month on new loan + hazard insurance deposits + real estate tax deposits (MCAW 10b)	
+	Reasonable Discount Points (MCAW 10b)	
=	Maximum Mortgage BEFORE UFMP	MCAW 10e
X	1.5%	
=	"Estimated" new UFMP * See Note #4 below	

MAXIMUM MORTGAGE BEFORE UFMP IS LOWEST OF (4-A) or (4-B)

NOTE #4: If the lower of the calculations above is #4-B, and if the UFMP refund is greater than the new UFMP "estimate", you may apply the following calculations

Streamline Refinance With Appraisal - Maximum Mtg. Worksheet #4

to arrive at Line 3-A on the MCAW.

(This will allow the borrower to bring less monies to the closing.)

4-C.	UFMIP REFUND IS GREATER THAN THE NEW UFMIP (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)	
\$	Principal balance on existing first lien + up to one month monthly MIP + the Mortgage Pmt. (PITI) that was due on the 1 st (if not already paid) in addition up to 30 days interest for the current month + late charges + escrow shortages (ML 2005-43)	
-	“Estimated” new UFMIP (from 4-B above)	(MCAW 10a)
+	Allowable borrower-paid closing costs	(MCAW 10c)
+	Prepaid Expenses (Per Diem interest to end of month on new loan + flood/hazard insurance deposits + real estate tax deposits)	(MCAW 10b)
+	Reasonable Discount Points	(MCAW 10b)
=	Maximum Mortgage BEFORE UFMIP	MCAW 10g

Streamline Refinance With Appraisal - Maximum Mtg Worksheet #4

FHA to FHA

- Term of the new loan can be up to 30 years.
- No investors.
- Cash back at closing limited to \$500. (ML 2005-43)
- Any streamline refinance of a 30-year mortgage on a principal residence may be refinanced to a shorter term mortgage, however the new monthly principal and interest payment may not increase more than 20%. (ML 2005-43)
- A Hybrid Arm, (3-, 5-, 7-, or 10-year mortgage) may be streamline refinanced to a fixed rate mortgage, with or without appraisal, provided that the payment will not increase more than 20% and all mortgage payments have been made within the month due for at least the past 12 months or the period the mortgage has been in force, if shorter. (ML 2005-43)
- A delinquent mortgage is generally not eligible for streamline refinancing until the loan is brought current. However, if the mortgage is delinquent by no more than two monthly payments, the re-financing lender may pay the borrower's mortgage to bring the payments current provided no obligation is placed on the borrower to repay the funds used to bring the mortgage current. (1-12-D-6)
- If the mortgage is delinquent by more than two months, refer to ML 94-30.
- If the loan is an ARM to fixed-rate loan, all mortgage payments must have been made within the month due for the past twelve months or period of time that the loan has been in force if shorter. (1-12-D-15) . [FYI: The Mortgage Pmt. (PITI) that was due on the 1st (if not already paid) can be included in the new loan amount, in addition up to 30 days interest for the current month.]
- On an ARM-to-fixed rate streamlined refinance, if the new fixed-rate mortgage will be at a rate lower than the existing rate of the ARM, the 30 days late, rule is not applicable. (1-12-D-5)
- VOM or other documentation is required which includes principal balance, date loan originated, names of original borrowers, type of loan.
- A holding period of six months applies when: (1) the borrower obtained the loan via non-qualifying assumption; or (2) when a borrower is deleted due to devise or descent of law (e.g., divorce, death, etc.) and a quit-claim of interest has been executed. Full credit qualifying is required if held less than six months and/or if the due-on-sale clause is triggered. (1-12-c)

Streamline Refinance With Appraisal - Maximum Mtg. Worksheet #4

- Subordinate financing may remain in place without regard to the total indebtedness; that is, the combined amounts of the first and subordinate mortgages may exceed the applicable loan-to-value ratio and the maximum mortgage limit for the area. (1-12-d-11)
- Social Security Numbers must be verified for all borrowers.
- A pay-off statement from the previous lender showing the unpaid principal balance should be included in the endorsement binder.
- The amount of the existing first mortgage may not include delinquent interest.