

Minimum credit score: 640	Streamline: 640	High Balance: 640	Maximum Ratios: Per DU	AUS: DU Approve/Eligible
Maximum LTV's: 97.75% Refinance;	96.50% Purchase;	85.00% Cash-Out	Maximum Loan Amount \$625,500 *	

Program Type	LTV	CLTV**	Units	Occupancy
Purchase	96.50%	100% ⁵	1-4	O/O
Refinance	97.75%	97.75%	1-4	O/O
Cash-Out ⁶	85%	85%	1-4	O/O
Streamline w/ Appraisal ^{1, 2, 3, 4, 7}	97.75%	100%	1-4	O/O
Streamline w/o Appraisal ^{1, 2, 3, 4, 7}	100% ⁸	100%	1-4	O/O, 2nd Home, NOO

Mortgage Insurance Factors	
Up-Front Mortgage Insurance Premium	
UFMIP - Purchase & Refi	1.00%
UFMIP - Streamline Refi	1.00%
Annual Mortgage Insurance Premium	
LTV ≤ 95% and term > 15 years	1.10%
LTV > 95% and term > 15 years	1.15%
LTV > 90% and term ≤ 15 years	0.50%
LTV 78.01% - 90% and term ≤ 15 years	0.25%
LTV ≤ 78% and term ≤ 15 years	N/A

* Maximum loan amount cannot exceed the statutory limit for each county/MSA as determined by FHA. Refer to HUDs website at <https://entp.hud.gov/idapp/html/hicostlook.cfm> for eligible areas and loan limits that may be lower.

** CLTV applies to loan amounts of ≤\$417,000. High Balance loans the maximum CLTV is capped at the maximum LTV.

1. Must have a tangible benefit to the borrower.
2. Credit reports required on all transactions to insure minimum credit is achieved and employment section of 1003 completed.
3. The maximum loan amount for 1 unit can not exceed the county limit, minus any refund of MIP plus the new upfront MIP.
The maximum loan amount for 2 units can not exceed the county limit, minus any refund of MIP plus the new upfront MIP
The maximum loan amount for 3 units can not exceed the county limit, minus any refund of MIP plus the new upfront MIP
The maximum loan amount for 4 units can not exceed the county limit, minus any refund of MIP plus the new upfront MIP.
4. High Balance Streamline Refinance transactions require an FHA Case number assigned on or after 11-17-09. Refer to Program Notes for additional information.
5. Maximum CLTV is subject to HUD guidelines. Subordinate financing provided by organizations and private individuals is limited to the applicable LTV. Refer to Section 4155.1.5-C-2 through 4155.1.5-C-15 of HUD's guidelines for specifics.
6. High Balance cash-out transactions require a minimum 660 credit score.
7. Streamline Refinance transactions: If a credit report is not provided by one of Icon's approved credit reporting vendors, Icon will re-pull credit. Refer to Icon's Lending Guide Section 650.03 - Credit Reports for a list of Icon approved credit vendors.
8. The maximum insurable mortgage cannot exceed the outstanding principal balance minus the applicable refund of the UFMIP plus the new UFMIP that will be charged on the refinance. The outstanding principal balance may include interest charged by the servicing lender when the payoff is not received on the first day of the month but it may not include delinquent interest, late charges and escrow shortages.



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Maximum LTV: 97.75% Refinance		Maximum LTV: 96.50% Purchase	Maximum LTV: 85.00% Cash-Out	
Available Markets	<p>Eligible in all 50 states, except as follows:</p> <ul style="list-style-type: none"> Alaska, Guam, Puerto Rico, and the Virgin Islands are ineligible. Refer to Section 600 of Lending Guide for specific state restrictions 			
Automated Underwriting	<ul style="list-style-type: none"> All loans will be run through DU. Loan must receive an Approve/Eligible finding. Refer to the Credit Topic for more details on required credit scores. 			
Eligible Transactions	<ul style="list-style-type: none"> Purchase, Rate & Term Refinance, Cash Out Refinance, and Streamline Refinances are eligible. Owner-occupied transactions are eligible. Second home and investment properties are eligible for Streamline Refinances without appraisal. Submitting broker must be approved by Icon Residential Lenders prior to submitting loans for FHA programs. 			
Ineligible Transactions	<ul style="list-style-type: none"> FHA 203K renovation loans or streamline 203K. FHA Section 8 loans. FHA Energy Efficient Mortgage (EEM) FHA Hope (H4H) Cash out refinance loans in the state of Texas. Second home and investment transactions using the 5/1 ARM. Second home/investment must use a fixed rate program. 			
Maximum Loan Amount	<ul style="list-style-type: none"> The maximum loan amount cannot exceed the statutory limit for each county/MSA. The statutory limit varies by program and number of units. Refer to https://entp.hud.gov/idapp/html/hicostlook.cfm to look up the maximum loan amount for the number of units of the property for the county or MSA of the property location. The LTV for a cash-out refinance is 85% excluding FHA upfront MIP. 			
Maximum LTV/CLTV	<ul style="list-style-type: none"> Purchase: The maximum LTV cannot exceed 96.50% of the appraised value including closing costs. The maximum CLTV is 100% except when the subordinate financing is from an organization or private individual, then the maximum CLTV is limited to the applicable LTV. Refer to Section 4155.1.5-C-2 through 4155.1.5-C-15 of HUD's guidelines for specific details regarding subordinate financing. <ul style="list-style-type: none"> Borrower must contribute 3.5% of the sales price before any seller contributions are paid. This investment includes the down payment and/or the down payment plus closing costs. The 3.5% does not have to be borrowers own funds; gift funds are acceptable. Rate & Term Refinance (non-streamline) with ≤ 12 months ownership: <ul style="list-style-type: none"> The maximum loan amount is based on the lowest of the following: <ul style="list-style-type: none"> The current principal balance plus closing costs and reasonable discount points. 97.75% of the appraised value exclusive of closing costs (except for states with less than 2.1 closing costs) The lower of the current appraised value or the original purchase price. Cash back to the borrower cannot exceed \$500. Rate & Term Refinance (non-streamline) with ≥ 12 months ownership: <ul style="list-style-type: none"> The maximum loan amount is based on the current appraised value. Cash back to the borrower cannot exceed \$500. Cash Out Refinance (non-streamline): <ul style="list-style-type: none"> ≥ 12 months ownership, the maximum LTV is 85% provided the following is met: <ul style="list-style-type: none"> The subject property is owner occupied for a minimum of 12 months prior to the application date. Subject property is 1-4 unit dwelling. 3 -4 units must meet "self-sufficient" test. 0x30 mortgage lates in the previous 12 months. Any co-borrower or co-signor added to the note must occupy the property. The LTV is based on the current appraised value. Refer to Appraisal topic for second appraisal requirements. ≤ 12 months ownership, the maximum LTV is 85% <ul style="list-style-type: none"> If the subject property was purchased within the previous 12 months, the value is based on the lower of the original sales price or the appraised value. The current mortgage may not be delinquent or in arrears. Owner occupied transactions only. 			
Maximum LTV/CLTV (cont.)	<ul style="list-style-type: none"> Streamline Refinances without an appraisal: <ul style="list-style-type: none"> The maximum loan amount cannot exceed the county limit, for the unit type, minus any refund of MIP plus the new upfront MIP if it will be financed in the loan. CLTV $\leq 100\%$ - calculated on original appraised value. Cash back to the borrower cannot exceed \$500. Streamline Refinances with an appraisal: <ul style="list-style-type: none"> Maximum LTV is 97.75% (BLA) for Streamline Refinances with an appraisal. The maximum loan amount cannot exceed the county limit, for the unit type, minus any refund of MIP plus the new upfront MIP if it will be financed in the loan. CLTV $\leq 100\%$ - calculated on new appraised value. Cash back to the borrower cannot exceed \$500. 3-4 unit properties must meet the self-sufficiency test, outlined in HUD Handbook 4155.1., and is subject to the same reserve requirements and income calculation of purchase transactions. 			

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Streamline Specific	<ul style="list-style-type: none"> Seasoning Requirements: <ul style="list-style-type: none"> Must have made at least 6 monthly payments at time of application, less than 6 months is not eligible. Maximum 0X30 mortgage lates in the previous 12 months Net Tangible Benefit Requirements <ul style="list-style-type: none"> From a Fixed Rate to a Fixed Rate: New payment must have a reduction of at least 5% of the P&I and MIP. From a Fixed Rate to a Hybrid ARM*: New payment must have a reduction of at least 5% of the P&I and MIP. From a 1-year ARM to a Fixed Rate: The new interest rate cannot be greater than 2% above the current rate of the ARM. From a 1-year ARM to a Hybrid ARM: The new interest rate must be, at minimum, 2% below the current interest rate. From a Hybrid ARM (during the fixed period) to a Fixed Rate: New payment must have a reduction of at least 5% of the P&I and MIP. From a Hybrid ARM (during the fixed period) to a Hybrid ARM: New payment must have a reduction of at least 5% of the P&I and MIP. From a Hybrid ARM (during adjustable period) to a Fixed Rate: The new interest rate cannot be > 2% above the current interest rate. From a Hybrid ARM (during adjustable period) to a Hybrid ARM: New interest rate must be, at minimum, 2% points below the current interest rate. Reduction in Term - Not eligible for Streamline refinance - Must be processed as traditional rate and term refinance. * Hybrid ARM is any ARM term > 1 year. Credit Report <ul style="list-style-type: none"> If a credit report is not provided from one of Icon's approved credit vendors, Icon will re-pull credit. Refer to Icon's Lending Guide Section 650.03 - Credit Report for a list of Icon approved credit vendors. High Balance <ul style="list-style-type: none"> Case number must be assigned on or after 11-17-09. Any loan submitted where the case number is older than 6 months at the time of submission will require a letter of explanation. <p>Refer to minimum FHA Streamline Documentation Checklists for submission requirements.</p>			
Eligible Properties	Single family residences, approved HUD condo projects with an approval dated on or after January 1, 2000, PUDs, 1-4 family dwellings and rural property are eligible. Rural property is limited to 10 acres. The property must be zoned residential or agricultural. Commercial use is not permitted and the property cannot be income producing. The land to value ratio should not exceed 30% for rural property.			
Ineligible Properties	Non-HUD approved condo projects, condo projects with spot approval, condotels & co-ops, manufactured housing, modular homes, working ranches, board and care homes, earth-berm homes, commercial properties, vacant land, leaseholds, unique properties.			
Eligible Borrowers	<ul style="list-style-type: none"> U.S. Citizens, Permanent Resident Aliens and Non-Permanent Resident Aliens are eligible. Non-Permanent Resident Aliens: subject property must be owner occupied. The borrower must have a social security number and an unexpired work authorization document (EAD) issued by the United States Citizenship and Immigration Services. 			
Ineligible Borrowers	<ul style="list-style-type: none"> Foreign Nationals and borrowers with diplomatic immunity Borrowers with outstanding issues on Caivrs. Borrowers and/or parties to the transaction on HUD's Exclusionary List. Borrowers with no credit score are not eligible. 			
Multiple Loans to One Borrower	<ul style="list-style-type: none"> Borrowers are permitted to have one owner occupied loan. Exceptions to this are permitted for the following: <ul style="list-style-type: none"> Relocation Increase in family size Borrower is vacating a jointly owner occupied property Borrower is a non-occupying co-borrower. The maximum number of properties financed by the borrower is limited to 4, including the subject property. 			
Documentation Types	Full			
Rental/Mortgage Payment History	<ul style="list-style-type: none"> 1x30 mortgage/rental delinquency in the past 12 months if a purchase transaction. 0x30 mortgage/rental delinquency in the past 12 months if transaction is a Streamline refinance. 0x30 mortgage delinquency in the previous 12 months, on all mortgages or the loan is ineligible on a cash-out transaction. 1x30 mortgage/rental delinquency in the past 12 months permitted if transaction is a rate and term refinance. Mortgage/rental history must be verified for the previous 12 months if it does not appear on the credit report. Rental history, if required per DU, can be verified through a legitimate property management company, a verifiable landlord or cancelled checks. 			
Credit Score	<ul style="list-style-type: none"> The minimum credit score is 640. The following applies to all loans: <ul style="list-style-type: none"> Loans with an Approve/Eligible finding require a minimum 640 credit score. Cash out transactions require a minimum 640 credit score regardless of AUS findings with the exception of High Balance cash-out (see below for requirement). The minimum credit score for Streamline Refinances is 640. The minimum credit score for High Balance cash-out refinance transactions is 660. Icon will allow one borrower on a transaction to not have a credit score subject to the following: <ul style="list-style-type: none"> Loan must receive an Approve/Eligible Finding. Only one borrower cannot have a credit score. DTI cannot exceed 31%/43% regardless of DU Findings. Two (2) months reserves are required. Reserves must be from borrower's own funds. All borrowers must occupy the subject property. The borrower(s) with the credit score(s) must have a strong credit profile with no derogatory credit. If the credit profile of the primary borrower does not meet the credit requirements the loan will be downgraded to a "Refer" and the loan will be ineligible. 			

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Credit History	<p>Borrowers are required to have an established credit history. Alternative credit may not be used to establish borrower's credit history.</p> <ul style="list-style-type: none"> • Collections, charge-off accounts: <ul style="list-style-type: none"> ▪ DU Approve/Eligible - collection and charge-off accounts are not required to be paid at close. • Judgments and tax liens are to be paid off prior to closing unless the lien will subordinate to the first TD or the borrower has a repayment plan and has been making timely payments for a minimum of 12 months. • Borrower to provide a letter of explanation for derogatory credit. • Borrower to provide a letter of explanation for inquires within the past 90 days. • Borrower must explain all collections and judgments in writing. • Disputed Accounts: <ul style="list-style-type: none"> Disputed accounts will be acceptable if the disputed account is identified on the decisioning credit report as any of the following: <ul style="list-style-type: none"> • The disputed account has a zero balance. • The disputed account is marked as "paid in full" or "resolved". • The disputed account is both: <ul style="list-style-type: none"> • Less than \$500.00, and • More than 24 months old <p>A loan with a disputed account on the decisioning credit report that does not meet the above guidelines is subject to the following guidelines:</p> <ul style="list-style-type: none"> • Maximum DTI 31%/43%, or • If the loan exceeds the maximum DTI requirement noted above, a new credit report, showing the disputed account has been removed, must be obtained and DU must be updated to reflect the new credit report information 			
Bankruptcy or Foreclosure	<ul style="list-style-type: none"> • Chapter 7 bankruptcy should be discharged at least 2 years. Borrowers are required to have good re-established credit since the discharge or should not have any new derogatory credit since the discharge. • Chapter 7 bankruptcies less than 2 years but greater than 12 months are allowed provided the borrower can prove the bankruptcy was caused by extenuating circumstances beyond the borrower's control and that the event leading to the bankruptcy is not likely to reoccur. In addition, borrower is required to document his ability to manage his financial affairs. An "Approve/Eligible" Finding is required. Loans receiving a "Refer" Finding are ineligible. • Chapter 13 bankruptcy is permitted if one year of the payout has occurred and all payments have been made on time. Permission from the court is required in order for borrower to obtain a new mortgage. An "Approve/Eligible" Finding is required. Loans receiving a "Refer" Finding are ineligible. • Consumer Credit Counseling is permitted as long as the borrower has been making the payments timely for a minimum of 12 months. Written permission from the counseling agency is required in order to obtain a new mortgage. • Foreclosures must be greater than 3 years old to be eligible for FHA financing. If the foreclosure was due to extenuating circumstances beyond the borrower's control (i.e.: loss of primary wage earner, serious illness, etc), and the borrower has good re-established credit, the file may be eligible for FHA financing. <p>High Balance Transactions</p> <ul style="list-style-type: none"> • No bankruptcy or foreclosure in the preceding 7 years <p>Streamline Refinance Transactions</p> <ul style="list-style-type: none"> • Exempt from bankruptcy or foreclosure consideration. 			
DTI	<ul style="list-style-type: none"> • Maximum DTI with a DU Approve/Eligible is per DU Findings. Maximum DTI on cash-out refinance transactions is 45% regardless of DU Findings. • Transactions where one borrower does not have a credit score, the maximum DTI is 31%/43% regardless of DU Findings. 			
Income	<ul style="list-style-type: none"> • Full income documentation is required on all loans with the exception of Streamline Refinances. If the transaction is not a Streamline Refinance, wage earner borrowers are to provide the most recent 30 days paystubs and the most recent two years W2's. Self employed borrowers are to provide the most recent two years 1040's and 1065's, 1120S' or 1120's if applicable. NOTE: If handwritten paystubs are provided without YTD income the following is required: <ul style="list-style-type: none"> • Loan must receive "Approve/Eligible" Finding, • 4 months bank statements (all pages) documenting receipt of income required • Maximum DTI 31%/43%. • If the transaction is a Streamline Refinance, income documentation is not required. However, employment information is required on 1003 and will be verified. • Social Security and retirement income may be grossed up 125% if it is non-taxable. • An executed 4506-T and 8821, if applicable, are required on all transactions. • Transactions involving a non-occupant co-borrower require the occupant borrower to, at minimum, have a gross monthly income that covers the mortgage PITI payment. This requirement does not apply to Streamline Refinance transactions. 			
Assets	<ul style="list-style-type: none"> • Asset documentation required per DU findings. • When asset documentation is required, borrower to provide the most recent 60 days bank statements. • Acceptable sources of liquid assets include checking, savings, money market accounts, CD's, stocks, mutual funds, trust funds, gift funds, cash on hand. When bank statements are required to verify assets, all pages of the bank statement must be provided. • If the transaction is a Streamline Refinance and assets are needed to close, then documentation must be provided. 			
Gift Funds	<ul style="list-style-type: none"> • Gift funds are acceptable and may be used for the entire down payment. Gift funds are not acceptable for reserves. • Subject property must be owner occupied. • Donor must be a relative, domestic partner, or fiancé or borrower's employer. • A gift letter is required. The letter needs to include the name, address and phone number of the donor, the relationship to the borrowers, the amount of the gift, and no repayment is required. • Evidence of the transfer of the gift funds from the donor to the borrower is required. • Gift funds cannot be cash on hand or be from a party related to the transaction (i.e.: realtor, broker, seller). 			
Cash Reserves	<ul style="list-style-type: none"> • Cash reserves are typically not required on owner occupied, 1-2 unit properties. At underwriter's discretion, cash reserves may be required as a compensating factor. • Transactions where one borrower does not have a credit score, two (2) months cash reserves, from borrower's own funds, are required. • Purchase transactions > 95% LTV: Borrowers without 2 months reserves are restricted to a maximum 100% payment shock. • 3-4 unit properties require 3 months PITI in reserves. • Gift funds are not an acceptable source for reserves. • Funds borrowed against a 401K, IRA, thrift savings plan, etc or equity in other properties are not acceptable sources for reserves. 			

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Interested Party Contributions	<ul style="list-style-type: none"> • Third parties can contribute up to 6% toward buyers actual closing costs and prepaids. This can include permanent and temporary rate buy downs, mortgage interest, mortgage payment protection insurance, and upfront mortgage insurance premium. Contributions towards mortgage principal are not allowed. • Contributions exceeding 6% must be deducted from the sales price before applying the appropriate LTV. 						
Appraisals	<ul style="list-style-type: none"> • A full appraisal from a FHA approved appraiser is required. • The property must have been appraised/inspected within 120 days of the date of the Note. If the appraisal is > 120 days, a recertification of value is required using an Appraisal Update Report. The Appraisal Update is subject to HUD guidelines. A Market Conditions Addendum (FNMA form 1004 MC) must accompany the Appraisal Update Report. • HVCC does not apply to FHA loans, however FHA-insured loans are subject to FHA's Appraiser Independence guidelines. Refer to Icon's Lending Guide Section 690 - Property Valuation for Icon's requirements. • Loan amounts > \$1M require one full appraisal and an Enhanced Desk Review. The lesser of the appraised value, the Review value or the sales price will be used to determine the LTV/CLTV of the transaction. Refer to Icon's Lending Guide Section 690.16 - Appraisal Review for approved appraisal review companies. 						
Subordinate Financing	<ul style="list-style-type: none"> • Secondary financing is available from a family member, a government agency, or an FHA approved charitable organization/non-profit agency; secondary financing from other sources is not allowed. • The combined loan amount of the first and second lien cannot exceed 100% of the lesser of the appraised value or sales price plus normal closing costs, prepaid expenses, and discount points. Refer to the Maximum LTV/CLTV section above for more details. • If the subordinate financing is from a family member, the donor may not borrow the funds from an interested third party to the transaction. In addition, the donor may not be a co-signor to provide for minimum interest only payments, with no negative amortization. 						
Eligible Programs	<ul style="list-style-type: none"> • Conforming loan amounts: Fixed-rate with a 15, 20, 25 or 30 year term • High Balance loan amounts: Fixed rate with a 30 year term 						
Escrows	Required for all transactions regardless of LTV.						
Interest Only	Not permitted						
Mortgage Insurance Premium (MIP)	<ul style="list-style-type: none"> • Mortgage insurance is required on all transactions including an up-front MIP and an annual premium. • The up-front mortgage insurance premium factor is 1.00% for purchases and (non-streamline) refinances. • The up-front mortgage insurance premium for streamline refinances is 1.00%. • LTVs ≤ 95% and a term > 15 years, the annual premium is 1.10%. • LTVs > 95% and a term > 15 years, the annual premium is 1.15%. • LTVs > 90% and a term ≤ 15 years, the annual premium is 0.50% • LTVs 78.01% to 90% and a term ≤ 15 years, the annual premium is 0.25% • LTVs ≤ 78% and a term ≤ 15 years, the annual premium is not applicable. 						

This guide is provided for your convenience and may not specify all rules and guidelines for a particular topic. Please contact your Icon Account Executive or reference HUD Handbook 4155 or FHA Connection for details or topics not addressed.

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