



FHA Streamline Conforming and High Balance Program Grid

| FIXED RATE & ARM Primary Residence and Investment ³ | | | | |
|---|-------|-----------|----------------------------|---------------------------|
| Transaction Type | Units | LTV/CLTV | Loan Amount ^{1,2} | Credit Score ⁴ |
| Streamline-Owner Occupied | 1-4 | N/A / N/A | FHA Limit | N/A |
| Streamline-Second Home | 1-4 | N/A / N/A | | |
| Streamline-Investment Property | 1-4 | N/A / N/A | | |

Footnotes:

- The Maximum Base Loan Amount for FHA Streamline Refinances for Owner Occupied or Second Homes is the lesser of:
 - Outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement minus the applicable refund of UFMIP.
 - Plus interest and monthly MIP currently due on the existing mortgage (delinquent interest and escrow shortage cannot be included), or
 - The original principal balance of the existing mortgage including financed MIP minus the applicable UFMIP.
- Maximum base loan amount for investment properties is the lesser of:
 - The outstanding principal balance of the existing Mortgage as of the month prior to mortgage disbursement less any refund of UFMIP (if financed in original Mortgage), or
 - The original principal balance of the existing Mortgage (including financed UFMIP) less any refund of UFMIP (if financed in original Mortgage)
- FHA mortgage limits for all areas are available at [HUD Loan Limits](#).
- Non-Delegated transactions require a 620 FICO.

Complete HUD guidelines can be found at [HUD Handbook 4000.1](#).

FHA Streamline Standard Program Overview

Streamline Refinance refers to the refinance of an existing FHA-insured Mortgage requiring limited borrower credit documentation and underwriting. No appraisal is required and CLTV is calculated based upon original value of the property. There are two different streamline options available:



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- Credit Qualifying
 - All credit qualifying transactions must meet all FHA manual underwrite requirements except for any requirements for appraisals or LTV Calculations.
 - Qualifying exemptions apply: Refer to the HUD Handbook for complete details.

- Non-Credit Qualifying
 - No credit/capacity analysis
 - No qualifying ratios required
 - Additional qualifying exceptions apply: Refer to the HUD Handbook for complete details.

- Non-Planet to Planet IRRRL transactions require a FICO score determination and an AVM value for pricing purposes.

| Mortgage Insurance Premium Factors for Case Numbers Assigned on or after January 26, 2015 | | | | |
|--|-----------|------------|--------------|------------------------------|
| Mortgage Term > 15 Years | | | | |
| Loan Amount | LTV | Annual MIP | Upfront MIP | Annual MIP Assessment Period |
| ≤\$625,500 | ≤90% | 0.80% | 1.75 | 11 years |
| | >90% ≤95% | 0.80% | | Life of loan |
| | >95% | 0.85% | | Life of loan |
| | | | | |
| >\$625,500 | ≤90% | 1.00% | | 11 years |
| | >90% ≤95% | 1.00% | | Life of loan |
| | >95% | 1.05% | Life of loan | |
| | | | | |
| Mortgage Term < 15 Years | | | | |
| Loan Amount | LTV | Annual MIP | Upfront MIP | Annual MIP Assessment Period |



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| Mortgage Insurance Premium Factors for Case Numbers Assigned on or after January 26, 2015 | | | | |
|---|-----------|-------|------|--------------|
| ≤\$625,500 | ≤90% | 0.45% | 1.75 | 11 years |
| | >90% | 0.70% | | Life of loan |
| | | | | |
| >\$625,500 | ≤78% | 0.45% | | 11 years |
| | >78% ≥90% | 0.70% | | 11 years |
| | >78% ≤90% | 0.95% | | Life of Loan |

| For refinance of previous Mortgage endorsed on before May 31, 2009 UFMIP: 1 (bps) (.01%) All mortgages | | | |
|---|------|------------|---------------------|
| All Mortgage Terms | | | |
| Loan Amount | LTV | Annual MIP | Annual MIP Duration |
| All | ≤90% | 0.55% | 11 years |
| | >90% | | Life of loan |
| For mortgages where FHA does not require an appraisal, the value from the previous mortgage is used to calculate the LTV. | | | |

| Hawaiian Home Lands (Section 247) | | | | |
|---|--------------------|-------------|-------------|--------|
| | Loan Term in Years | | | |
| | ≤18 | >18 and ≤22 | >22 and ≤25 | >25 |
| MIP Financed | 2.400% | 3.000% | 3.600% | 3.800% |
| MIP Not Financed | 2.344% | 2.913% | 3.475% | 3.661% |
| Annual MIP is not assessed on Section 247 Mortgages | | | | |



FHA Streamline Conforming and High Balance Program Guidelines

Planet follows HUD Handbook 4000.1 guidelines for any topic not addressed below.

4506-T

- Credit Qualifying
 - Tax transcripts, are required per AUS findings or can be obtained in lieu of W-2 or tax returns both personal and business
 - 4506-T must be signed by all borrowers at loan closing.

NOTE: Due to the hacking incidents, Planet will accept transcripts that the borrower obtained from the IRS along with a certification that the returns are true and correct.

- Non-Credit Qualifying
 - Not required

Ability to Repay/HUD Qualified Mortgage

Planet requires all loans to be originated and closed in compliance with Agency and Planet guidelines. Planet will purchase owner-occupied and HUD-approved second home transactions as follows:

- Loans eligible under Temporary QM, and
- Loans that meet the Safe Harbor or Rebuttable Presumption provisions, and
- Pass the points and fees test, as applicable.

Additionally, all disclosures and documentation required under the ATR/QM provisions of the Dodd-Frank Act must be provided.

Affidavit of Identity

Planet may require an Affidavit of Identity if a borrower signature appears incomplete or illegible.

Appraisals

Not required.

Assets

- Credit Qualifying
 - Standard asset verification required. See [HUD Handbook 4000.1](#) for complete details.



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- Non-CreditQualifying
 - Asset verification not required unless assets required for closing is in excess of the total mortgage payment of the new mortgage.

AUS

Not applicable. All Streamlines require manual underwrite.

Available Markets

- **Delegated Sellers**

Planet will purchase loans underwritten and closed by the delegated Seller in **all** states.

- **Non-Delegated Sellers**

Planet will purchase loans from non-delegated Sellers in all states on Fannie Mae products. **All** loans require Planet underwriting approval.

- The U.S. territories of Guam and the Virgin Islands are ineligible regardless of delegation.

Borrower Benefit

All Streamline transactions **must** have a net tangible benefit to the borrower. Net tangible benefit requirements are as follows:

| | TO | | |
|---|--|---|---|
| FROM | Fixed Rate New Combined Rate | 1-Year ARM New Combined Rate | Hybrid ARM New Combined Rate |
| Fixed Rate | 0.5% points below prior Combined Rate | Rate must be at least 2% points below the prior Combined Rate. | |
| Any ARM < 15 months to Next Payment Change Date | Rate must not be > 2% points above the prior Combined Rate | Rate must at least 1% point below the prior Combined Rate. | |
| Any ARM ≥ 15 months to Next Payment | Rate must not be > 2% points above the prior Combined Rate. | Rate must be at least 2% points below the prior Combined Rate. | Rate must be at least 1% point below the prior Combined Rate. |

A reduction in term is eligible when the benefit test is met:

- Remaining amortization period of the existing mortgage is reduced
- New Interest rate does not exceed the current interest rate, and
- The combined principal, interest and MIP payment of new mortgage must not exceed the combined principal, interest and MIP of the refinanced mortgage by more than \$50.



Borrowers — Eligible

- Credit Qualifying Borrower(s)
 - At least one borrower from the existing mortgage must remain as a borrower on the new mortgage.
- Non-Credit Qualifying Borrower(s)
 - Existing borrower(s) who will remain on the new mortgage.
 - Borrower(s) may be added to the title and mortgage without a credit worthiness review.
 - Borrower on the Mortgage may be removed from title and new Mortgage in cases of divorce, legal separation or death when:
 - ◆ the divorce decree or legal separation agreement awarded the Property and responsibility for payment to the remaining Borrower, if applicable; and
 - ◆ the remaining Borrower can demonstrate that they have made the Mortgage Payments for a minimum of six months prior to case number assignment.
- U.S. citizens
- Permanent resident aliens:
 - Permanent resident alien borrowers must hold an unexpired “Green Card” issued by the U.S. Citizenship and Immigration Services (USCIS). A copy of both the front and back of the card is required
- Non-permanent resident aliens are eligible as follows:
 - Borrower has a valid Social Security number (cannot be used as evidence of eligible work status)
 - Borrower has an unexpired Employment Authorization Document (EAD) issued by the United States Citizenship and Immigration Services (USCIS) as evidence of eligible work status. If the authorization for temporary residency status expires within one year, continuation may be assumed when a prior history of renewals. If no continuation has been previously granted the underwriter must determine the likelihood based on evidence from USCIS.
 - Borrower(s) may be removed from title and new mortgage in cases of:
 - ◆ Divorce
 - ◆ Legal separation, or
 - ◆ Death when:
 - A divorce decree or legal separation agreement awarded the property and responsibility for payment to the remaining borrower, if applicable, and
 - The remaining borrower demonstrates all mortgage payments have been paid for a minimum of six (6) months prior to case number assignment. See "Mortgage Seasoning" on page 365.



NOTE: Borrowers residing in the United States under refugee or asylee status granted by the USCIS are automatically eligible to work in the U.S. therefore an EAD is not required.

- Inter-vivos trusts that meet HUD guidelines
- All borrowers are required to have a social security number; a TIN is not acceptable.
- Borrowers can only be removed on credit qualifying Streamlines subject to HUD guidelines. See [HUD Handbook 4000.1](#) for guidance.

Case Numbers

- Case number requests must comply with HUD Mortgagee Letter 2011-10. To view the Mortgagee Letter in its entirety go to: [HUD Mortgagee Letters](#).
- FHA requires that there is an active loan application for the borrower and property.
- Case numbers older than 6 months will be automatically canceled when there has been no activity. A [Case Reinstatement Request](#) must be submitted to reinstate the case number.

Credit Report/Scores

- Credit Qualifying
 - Full tri-merge credit report required
- Non-Credit qualifying
 - Mortgage only credit report
- Non-Delegated transactions require a 620 FICO

Derogatory Credit

The following guidance applies to Credit-Qualifying Streamlines only.

Disputed Derogatory Credit

Disputed Derogatory Credit Account refers to disputed Charge-off Accounts, collection accounts, and accounts with late payments in the last 24 months. A letter of explanation is required from the borrower whenever a derogatory disputed account is indicated on the credit report regardless of the cumulative balance.

The underwriter determines if the disputed accounts must be considered in the credit decision and, at underwriter discretion, the account may be required to be resolved prior to loan closing.

- **Disputed accounts not required in cumulative total:**
 - Disputed medical accounts.
 - Disputed accounts that are the result of documented identity theft. If documentation cannot be provided (e.g., police report) to substantiate the claim, the amount must be included in the cumulative total.



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- Disputed derogatory credit account of a non-purchasing spouse in a community property state.
- **Disputed Accounts – Non-Derogatory**
 - Disputed account with a zero balance, or
 - Disputed account with late payments aged 24 months or greater, or
 - Disputed account that is current and paid as agreed.
- **Disputed Accounts ≥ \$1,000 (cumulative for all borrowers)**
 - Loans with an “Approve/Eligible” Finding must be downgraded to a manual underwrite if the credit report indicates there are disputed accounts with a cumulative total (includes disputed accounts for **all** borrowers) ≥ \$1,000.
- **Disputed Accounts < \$1,000 (cumulative for all borrowers)**
 - A downgrade to a manual underwrite is not required if the cumulative total of all disputed accounts < \$1,000.
 - Non-derogatory accounts are not included in the cumulative total; however, the underwriter must address when considering the borrower’s ability to repay the loan including the impact to the DTI.

Tax Liens

Tax liens must be paid or subordinate to Planet’s 1st lien, with the following exceptions:

Tax liens may remain unpaid if:

- Borrower has entered into a valid repayment agreement with the lien holder to make regular payments on the debt, and borrower has made timely payments for at least three months of scheduled payments
- Borrower cannot prepay scheduled payments in order to meet the required minimum of three months of payments
- Except for Federal Tax Liens, the lien holder must subordinate the tax lien to the FHA-insured Mortgage.

Short Sale Eligible

Borrower(s) are **not** eligible for a new FHA-insured mortgage if they pursued a short sale agreement within three (3) years unless the following apply.

- If Short sale within 3 years the mortgage must be downgraded to a "Refer" and manually underwritten
- 3-year period begins on the date of transfer of title by the short sale.

Short Sale Ineligible

- **Borrower Current at Time of Short Sale**



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- Mortgage payments due on the prior mortgage were made within the month due for the 12 months preceding the short sale, and
- Installment debt payments for the same time period were also made within the month due.

Exceptions

An exception to the above may be made if the default was due to extenuating circumstances, such as death of the primary wage earner or a long term uninsured illness. A review of the credit report must indicate satisfactory credit prior to the extenuating circumstances that cause the default.

- **Borrower in Default at Time of Short Sale**

- A borrower in default on their mortgage payment at the time of the short sale (or pre-foreclosure sale) or a borrower is not eligible for a new FHA insured mortgage for 3 years from the date of the pre-foreclosure sale
- A borrower who sold their property under FHA's pre-foreclosure sale program is not eligible for a new FHA insured mortgage for 3 years from the date that FHA paid the claim associated with the pre-foreclosure sale.

Short Payoff/Modified/Restructured Loans

Borrowers are eligible for an FHA rate/term refinance when the existing Note holder(s) will write-off the amount of the indebtedness that cannot be refinanced in the new FHA-insured mortgage subject to the following:

- Borrower is current on their existing mortgage, and
- There is insufficient equity in the home based on its current appraised value, and/or
- Borrower experienced a reduction in income and does not have the capacity to repay the existing mortgage on the property.

In cases where the existing Note holder(s) is reluctant or not willing to write down the indebtedness, a new subordinate lien may be obtained for the amount of which the payoff is short. If payments on the new subordinate financing are required, they must be included in the qualifying ratios unless the payment has been deferred for a minimum of 36 months.

Bankruptcy

Documentation of 2 years since discharge date of the bankruptcy required. No further documentation is required if discharge date is reflected on the credit report. If discharge is not reflected, bankruptcy and discharge must be per Total Scorecard.

Bankruptcy does not automatically disqualify the borrower from obtaining FHA insurance subject to the following guidelines.

- **Chapter 13**



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- Borrower has completed 1 year of the payout period, and
- Borrower has made all required payment on time, and
- Borrower has received written permission from the bankruptcy court to enter into a mortgage transaction.

When a Total Scorecard “Accept” recommendation is received:

- Document 2 years have elapsed since discharge date and no further documentation is required.
- If not discharged for a minimum of 2 years, the loan must be downgraded to a “Refer” and a manual underwrite is required. Manual underwriting guidelines apply.

• Chapter 7

When a Total Scorecard “Accept” recommendation is received:

- Document 2 years have elapsed since discharge date and no further documentation is required.
- An elapsed period of less than two years, but not less than 12 months, may be acceptable if:
 - ◆ The bankruptcy was caused by extenuating circumstances beyond the borrower’s control
 - ◆ Evidence of the ability to manage financial affairs
 - ◆ No new credit obligations have incurred
 - ◆ Borrowers whose bankruptcy was discharged < 1 year are generally not eligible.

Consumer Credit Counseling

- One year of payout under the plan has elapsed
- All payments have been made on time
- The Counseling Agency has provided written permission for the borrower to enter into a mortgage transaction
- If a Total Scorecard Approve/Eligible, Accept/Eligible finding is received, follow AUS findings.

Delinquent Child Support

Delinquent child support must be paid current or in a payment plan.

Foreclosure/Deed-in-Lieu

- Borrowers are generally not eligible for new FHA financing if a foreclosure or deed-in-lieu has occurred in the previous 3 years.
- If < 3 years from the foreclosure settlement date to the application date, the borrower may be eligible. The loan must be downgraded to manual underwrite and subject to the following:



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- Borrower must have re-established credit
- No late housing or installment payments after the foreclosure, and
- A letter of explanation as to the reason for foreclosure.

NOTE: If the foreclosure was included in a Chapter 7 bankruptcy, the date of the foreclosure deed is used for determining the foreclosure date.

Collection/Charge-Off/Judgments

- Loans that do not receive an TOTAL Scorecard of Approve/Eligible or Accept/Eligible finding, the borrower is required to provide a letter of explanation and supporting documentation for all collection, charge-off accounts and judgments. The letter must document that the collection and/or judgment was not due to the borrower's disregard of their financial obligation or their ability to manage debt.
- Loans that receive a TOTAL Scorecard of Approve/Eligible or Accept/Eligible finding, a letter of explanation is not required for collection accounts, charge-off accounts, accounts with late payments, judgments or other derogatory information.

Collections/Charge-Offs

The underwriter must consider the borrower's ability to repay the mortgage when the cumulative balance for all borrowers of collection/charge-off account(s) is > \$2,000 (including any collection accounts of a non-purchasing spouse in community property states unless excluded by state law) on both manual underwrites and loans with a TOTAL Scorecard finding.

All medical collection accounts and all charge-off accounts (medical and non-medical) **are excluded** from the collection/charge-off guidance. All non-medical collection accounts **must be included**.

- **Accounts Cumulative ≥ \$2,000**

One of the following is required:

- Payment in full prior to or at closing. Source of funds for payoff must be documented, or If borrower currently in a payment plan (no minimum time required), the payoff must be included in the DTI, or
- If a payment plan not established, calculate 5% of the outstanding balance and include in the DTI calculation.

- **Accounts Cumulative < \$2,000**

No action required. Accounts cannot be paid down to < \$2,000.

Judgments



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Judgments are required to be paid off **including** judgments against a non-purchasing spouse in community property states (unless excluded by state law) **and** medical judgments. The payment requirement may be waived if the borrower is currently in a payment plan with the creditor:

- A copy of the agreement is provided, and
- Borrower has made a minimum 3 months of the scheduled payments as agreed prior to credit approval. Supporting documentation is required.
- Payments must be included in the DTI calculation

NOTE: The borrower **cannot** prepay scheduled payments to satisfy the 3-month requirement.

Documentation

- Payoff statement on existing mortgage
- Employment documentation or utility bills are required to evidence property is the current primary residence
- Evidence of approved Jurisdictional HOC required on all Secondary Residence
- Transaction must be processed as a non-owner occupied Property if:
 - Evidence that the borrower occupies the property either as a Principal or Secondary Residence **cannot** be obtained.

Special Documentation

- Credit Qualifying
 - Full 1003 required
- Non-Credit Qualifying
 - An abbreviated 1003 is allowed provided all other information is required. The following **are not required to be completed and may be left blank**.
 - ◆ Section IV - Employment Information,
 - ◆ Section V - Monthly Income and Combined Housing Expense Information,
 - ◆ Section VI - Assets and Liabilities, and
 - ◆ Section VIII – Declarations questions A-K

NOTE: Planet requires Section VIII Declarations Question “L” be completed.

DTI

- Credit Qualifying
 - Maximum DTI of 43% .

NOTE: All transactions must meet the manual underwriting requirements except for any requirements for appraisal or LTV calculations.



- Non-Credit qualifying
 - Not required

Employment

- Credit Qualifying
 - Borrower authorized Third Party Verification (TPV) is an acceptable option per [HUD Handbook 4000.1](#) guidelines.
 - Re-verification is required within 10-calendar days prior to the date Note date.
 - Sellers must independently obtain the phone number, and when possible, the address of the wage earner borrower's employer using directory assistance/internet/phone book, etc.
- Non-Credit Qualifying
 - Not required

Escrow/Impound Account

Required on all loans — no exceptions.

Higher Priced Mortgage Loans

HPML eligible on all Streamlines, however, credit qualifying is subject to the DTI restrictions detailed in [HUD ML-2014-02](#) dated January 21, 2014.

Income

- Credit qualifying requires the following:
 - **Wage earners:** current 30 day paystub with YTD earnings and most recent 2-years W-2s
 - **Self-employed:** tax returns that include a minimum 2-years' self-employed income.
 - Third-Party Verification (TPV) acceptable to FHA.
- Non-Credit Qualifying
 - Not applicable



LDP/SAM

[LDP](#) / [SAM](#)

All of the following parties to the transaction, as applicable, must be checked against the HUD's Limited Denial of Participation list and the System for Award Management list.

- Appraiser
- Appraisal Company
- Borrower(s)
- Closing Agent
- Lender
- Listing Agent
- Mortgage Loan Officer
- Mortgage Processor
- Mortgage Underwriter
- Seller(s)
- Selling Agent
- Title Company
- 203(k) Consultant

Maximum Mortgage Amortization

The maximum amortization period is limited to the lesser of:

- The remaining amortization period of the existing Mortgage plus 12 years; or
- 30 years

Maximum Mortgage Calculation

- For owner-occupied principal residences and HUD-approved secondary residences, the maximum base loan amount for Streamline Refinances is:
 - **The lesser of:**
 - ◆ Outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; plus:
 - Interest due on the existing mortgage; and
 - MIP due on existing mortgage; or
 - ◆ The original principal balance of the existing mortgage (including financed UFMIP);
 - Less any refund of UFMIP;
- For Investment properties, the maximum base loan amount for is:
 - **The lesser of:**
 - ◆ Outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement, or



- ◆ The original principal balance of the existing mortgage (including financed UFMIP);
- Less any refund of UFMIP.

Mortgage Payment History

- Credit Qualifying
 - Payments for properties with < 6 months payment history must be paid within the month due. See "Mortgage Seasoning" below for additional requirements.
 - Payments for Properties with > 6 months payment history must be paid for 6 months prior to case assignment date.
 - ◆ 1 x 30 for previous 6 months
 - ◆ All secured mortgage payments must have been made within the month due for the month prior to mortgage disbursement.
- Non-Credit Qualifying
 - All payments must have been made within the month due for six (6) months prior to case number assignment date, and
 - ◆ 1 x 30 for the previous 6 months
- All secured mortgage payments must have been made within the month due for the month prior to mortgage disbursement.

Mortgage Seasoning

The below mortgage seasoning requirements must be met.

- The first payment due on the new loan occurs no earlier than 210 days after the first payment due on the loan being refinanced.
- Six (6) payments since assumption date must have passed (if applicable).

NOTE: Refinance of loans on which fewer than six (6) consecutive regularly scheduled payments have been made are not eligible for financing.

Occupancy

- Owner-occupied primary residence.
- HUD-approved Secondary residence (fixed rate only) with evidence of Jurisdictional HOC required
- 1-unit Investment (fixed rate only)

Prepayment Penalty

Not permitted.



Products

- Fixed Rate: 15 and 30 year only
- ARM: 3/1 and 5/1; T-Bill; Caps: 1/1/5; Margin/Floor: 2.00; ARM: 3/1 and 5/1; T-Bill; Caps: 1/1/5; Margin/Floor: 2.00.

Properties — Eligible

- Single-family residences
- 2-4 units
- PUDs (attached/detached). PUDs do not require a questionnaire/warranty form.
- Mixed use subject to:
 - Property must conform to residential nature of the neighborhood, and
 - Commercial use cannot exceed 49% of the gross living area
- Condominiums Permitted in FHA approved Condominium Projects (HRAP approval only and must be valid when case number is issued) or on units approved in accordance with the FHA Single Unit approval process. Single Unit approvals must have an AUS “Accept” recommendation or LTV is limited to 90%. See [HUD Handbook 4000.1](#) for underwriting details and Case Number assignment process.

Properties Listed for Sale

Properties listed for sale in the previous 12 months require proof of being taken off the market prior to application.

Reserves

- Credit Qualifying:
 - 1-2 units - 1 month PITI required
 - 3-4 units - 3 months PITI required
- Non-Credit Qualifying: Not required

Subordinate Financing

- Existing subordinate financing may remain in place but must re-subordinate to the new mortgage.
- New subordinate financing allowed only when subordinate finance proceeds are used to:
 - Reduce the principal amount of the existing FHA-insured mortgage, or
 - Finance the origination fees, other closing cost, or discount points.

Temporary Buydown

Not permitted.