

INTERBANK FHA QUICK REFERENCE GUIDE

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| PRODUCT DESCRIPTION | <ul style="list-style-type: none"> • FHA Fixed Rate • 15 and 30 Yr. Terms • Fully amortizing | | | |
| PRODUCT CODES | Government Products | | | |
| | Product | Product Code | Loan Term | |
| | 30-Year FRM FHA | 603000 | 30-Years | |
| | 15-Year FRM FHA | 601000 | 15-Years | |
| MAXIMUM LOAN AMOUNTS | Property Type | Lowest Maximum (Floor) | Highest Maximum (Ceiling) | |
| | 1 Unit | \$271,050 | \$417,000 | |
| | 2 Unit | \$347,000 | \$533,850 | |
| | 3 Unit | \$419,400 | \$645,300 | |
| | 4 Unit | \$521,250 | \$801,950 | |
| LTV LIMITS | PURCHASE | | | |
| | Units | Maximum Base LTV | Total LTV including UFMIP | Maximum CLTV W/Secondary Financing Gov't Agency/Non-Profit considered as an instrumentality of government |
| | 1-4 Units | 96.50% | 100% | Maximum CLTV W/Secondary Financing Gov't Agency/Non-Profit not considered as an instrumentality of government 96.50% (of appraised value or sales price) |
| | REFINANCES | | | |
| | Rate/Term Refinance | | | |
| | Units | Maximum Base LTV/Loan Amount | Total LTV including UFMIP | Maximum CLTV (subordination of existing lien) |
| | 1-4 Units | 97.75% | 99.50% | Maximum CLTV (new second lien) 100% |
| | Streamline Refinance With Appraisal | | | |
| | 1-4 Units | 97.75% | 99.50% | 100% |
| | Streamline Refinance Without Appraisal | | | |
| | 1-4 Units | N/A New base mortgage cannot exceed the Original amount of the loan being refinanced | N/A | 100% |
| | Cash Out Refinance | | | |
| | 1-4 Units | 85% | 85% | 85% |

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| MORTGAGE INSURANCE PREMIUMS | LTV/Loan Term | Purchases and Rate/Term and Cash-Out & Streamline Refinances (non-streamline) | | |
| | | UFMIP | Monthly | |
| | LTV > 95% Term > 15 Years | 2.25% | .55% | |
| | LTV ≤ 95% Term >15 Years | 2.25% | .50% | |
| | LTV > 90% Term ≤15 Years | 2.25% | .25% | |
| LTV ≤ 90% Term ≤15 Years | 2.25% | None | | |
| ELIGIBLE PROPERTY TYPES | <p>Unless otherwise specifically restricted or not permitted by the applicable loan parameters, the following property types are eligible:</p> <ul style="list-style-type: none"> • 1-4 Unit Properties • Condominiums (must be FHA Approved) • Townhomes/PUDs | | | |
| OCCUPANCY | <ul style="list-style-type: none"> • Owner Occupied Primary Residences Only | | | |
| TRANSACTION TYPES | <ul style="list-style-type: none"> • Purchase Transactions • Rate/Term or Limited Cash Out Refinance <ul style="list-style-type: none"> • Mortgage Amount: The mortgage amount is limited to: <ul style="list-style-type: none"> • The sum of the unpaid balance of the existing first mortgage, closing costs, points, pre-paid items, and, if applicable, the amount required to satisfy certain subordinate loans used for the original purchase of the property. <ul style="list-style-type: none"> ○ Any "cash back" to the borrower may not exceed \$500.. • Subordinated Second liens: One year seasoning from funding on all junior liens unless lien was used as part of acquisition or for home improvements on the subject property. <ul style="list-style-type: none"> ○ FHA to FHA Refinances may subordinate existing junior liens with no CLTV restrictions • Cash Out Refinance <ul style="list-style-type: none"> • Mortgage Amount: <ul style="list-style-type: none"> • The mortgage amount must be used to pay the current unpaid principal balance of the existing first mortgage; it may be used to pay closing costs, points, pre-paid items, subordinate mortgage liens and additional cash to the borrower. • Subordinate Liens: No seasoning requirement. • Texas Section 50(a)(6) cash-out refinances are not permitted | | | |
| ELIGIBLE STATES | IL, TX, WI, CO, IN | | | |

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| ASSUMPTIONS | Not Permitted |
| PREPAYMENT PENALTIES | None |
| TEMPORARY BUYDOWNS | Temporary Buydowns are not allowed |
| SECONDARY FINANCING | The borrower may receive secondary financing to cover the entire cash investment requirement from the following sources: <ul style="list-style-type: none"> • Federal, state, and local governmental agencies • FHA Approved Non-Profit agencies that are considered instrumentalities of government • FHA Approved Non-Profit agencies not considered instrumentalities provided the borrower makes a cash downpayment of at least 3.5% of the sales price • Family member (parent, grandparent, or child) |
| AUS DECISIONS | <ul style="list-style-type: none"> • DU Approve/Eligible only. • Manual Underwriting limited to DU Approve/Eligible downgrades and streamline refinances only. |
| ELIGIBLE BORROWERS | <ul style="list-style-type: none"> • U.S. Citizens • Permanent Resident Aliens • Non-Permanent Resident Aliens • Inter Vivos Revocable Trust • Illinois Land Trust |
| MULTIPLE MORTGAGES TO SAME BORROWER | <ul style="list-style-type: none"> • A borrower may have no more than four financed properties, including the subject property. |
| NON-ARMS LENGTH TRANSACTIONS | A non-arms-length transaction is limited to a maximum LTV of 85%. Maximum financing above 75% is permissible under the following circumstances: <ul style="list-style-type: none"> • A family member purchases another family member's home as a principal residence • An employee of a builder purchases one of the builder's new homes as a principal residence • A current tenant purchases the property he or she has rented for at least 6 months immediately predating the sales contract • A corporation transfers an employee to another location, purchases that employee's home, then sells the home to another employee |
| NON-OCCUPANT CO-BORROWERS | <ul style="list-style-type: none"> • One unit property if the LTV exceeds 75% • Maximum 75% LTV if co-borrower is unrelated • If a parent is selling to a child, the parent cannot also be the co-borrower unless the new mortgage LTV is 75% or less. • Income, assets and debts from all borrowers are used in qualifying • Co-borrower must have a principal residence in the U.S. • Co-borrower must take title to the property and sign the Note and Mortgage • Non-occupant co-borrower may not be an interested party to the sales transaction, such as the property seller, property builder, and real estate broker. |
| INTERESTED PARTY CONTRIBUTIONS | <ul style="list-style-type: none"> • Maximum contributions limit is 6% |
| GIFTS | <ul style="list-style-type: none"> • Gifts must be from relatives, borrower's employer, charitable organization, government agency, or close friend with a clearly established relationship to the borrower. • No portion of the down payment may be donated by interested parties to the transaction including sellers, realtors, brokers, or sales associates. • A fully executed Gift Letter is required. |
| APPRAISAL REQUIREMENTS | <ul style="list-style-type: none"> • Licensed Appraisers on FHA's Roster of Approved Appraisers Only |

| | <ul style="list-style-type: none"> • A Second Appraisal is required if all of the following exist: <ul style="list-style-type: none"> ○ Base loan amount exceeds \$417,000 and ○ Base LTV is 95% or higher and ○ The property is determined to be in a declining market | | | | | | | | | | | | |
|--|---|--|--------------|-----------------------------------|--|---------------------------------------|--|------------------------------------|--|-----------------------------|--|--|--|
| CREDIT | <ul style="list-style-type: none"> • Minimum credit score is 660 for all FHA loans • For FHA streamlined refinances, no 30 day or greater mortgage lates allowed in most recent 12 months • Non-traditional credit history not permitted | | | | | | | | | | | | |
| BANKRUPTCY/ FORECLOSURE | <table border="1"> <thead> <tr> <th style="background-color: #ADD8E6;">Topic</th> <th style="background-color: #ADD8E6;">Requirements</th> </tr> </thead> <tbody> <tr> <td>Re-established Credit – Chapter 7</td> <td> <ul style="list-style-type: none"> • Require a minimum 2-year period of re-established credit from the bankruptcy discharge date. </td> </tr> <tr> <td>Extenuating Circumstances – Chapter 7</td> <td> <ul style="list-style-type: none"> • Require a minimum of 12 months from the bankruptcy discharge date. • Require supporting documentation to verify the extenuating circumstances. • Require supporting documentation that all debts have been paid. </td> </tr> <tr> <td>Re-established Credit – Chapter 13</td> <td> <ul style="list-style-type: none"> • Require a minimum of 12 months of the payout period has elapsed under the bankruptcy and the payout performance has been satisfactory with required payments made on time. • Borrowers must receive written permission from the counseling agency to enter into the mortgage transaction. </td> </tr> <tr> <td>Foreclosure or Deed-in-Lieu</td> <td> <ul style="list-style-type: none"> • Require a minimum of 3 Years since the date of the foreclosure completion. </td> </tr> <tr> <td colspan="2">Notes: INTERBANK will not refinance properties currently in foreclosure proceedings.</td> </tr> </tbody> </table> | Topic | Requirements | Re-established Credit – Chapter 7 | <ul style="list-style-type: none"> • Require a minimum 2-year period of re-established credit from the bankruptcy discharge date. | Extenuating Circumstances – Chapter 7 | <ul style="list-style-type: none"> • Require a minimum of 12 months from the bankruptcy discharge date. • Require supporting documentation to verify the extenuating circumstances. • Require supporting documentation that all debts have been paid. | Re-established Credit – Chapter 13 | <ul style="list-style-type: none"> • Require a minimum of 12 months of the payout period has elapsed under the bankruptcy and the payout performance has been satisfactory with required payments made on time. • Borrowers must receive written permission from the counseling agency to enter into the mortgage transaction. | Foreclosure or Deed-in-Lieu | <ul style="list-style-type: none"> • Require a minimum of 3 Years since the date of the foreclosure completion. | Notes: INTERBANK will not refinance properties currently in foreclosure proceedings. | |
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| AGE OF DOCUMENTS | <ul style="list-style-type: none"> • Credit documentation: <ul style="list-style-type: none"> ○ Existing construction – 90 Days old prior to funding date ○ New construction - 90 days old prior to funding date • Appraisals: 90 days old for existing and new construction properties. • Pay Stubs must be within 30-days of underwriting. • Bank Statements must be within 45-days of underwriting. | | | | | | | | | | | | |
| INCOME/ASSET DOCUMENTATION | <p>Income:</p> <ul style="list-style-type: none"> • VOE • Current pay stub covering 1 month period • W-2's for prior 2 years • Self-employed: 2 years signed tax returns • Verbal VOE completed by Broker • Verbal VOE completed by InterBank prior to funding • Signed 4506T to be executed at application • Additional signed 4506T to be executed at closing <p>Assets:</p> <ul style="list-style-type: none"> • VOD • Bank statements for the most recent 2 months to support required funds to close/reserves | | | | | | | | | | | | |