WG. WESTGEN LENDING
www.westgenloans.com

FHA Lender ID: 73350-0000-9

As of 1/3/2022

FHA Program Matrix

Transaction Type	Occupancy	FHA Advantage: Min MDCS	FHA Advantage: Maximum LTV	FHA Advantage: Maximum CLTV	FHA Advantage: AUS	FHA Porfolio: Min MDCS	FHA Porfolio: Maximum LTV	FHA Porfolio: Maximum CLTV	FHA Porfolio: AUS
Purchase	O/O	620	96.50%	100.00%[1]	Approve or Accept/Eligible or Manual Underwrite[3]	580	96.50%	100.00%[1]	Approve or Accept/Eligible or Manual Underwrite[3]
						540/No Score	90.00%	90.00%	Approve or Accept/Eligible or Manual UW Max 50% DTI[3]
Rate and Term	O/O	620	97.75%	100.00%[1]	Approve or Accept/Eligible or Manual Underwrite[3]	580	96.50%	100.00%[1]	Approve or Accept/Eligible or Manual Underwrite[3]
						540	90.00%	90.00%	Approve or Accept/Eligible or Manual UW Max 50% DTI[3]
Simple Refinance	O/O	620	97.75%	100.00%[1]	Approve or Accept/Eligible or Manual Underwrite[3]	580	96.50%	100.00%[1]	Approve or Accept/Eligible or Manual Underwrite[3]
						540	90.00%	90.00%	Approve or Accept/Eligible or Manual UW Max 50% DTI[3]
Non Credit Qualifying Streamline	O/O	620	100.00%	125.00%[2]	Not Applicable	580/No Score[5]	97.75%	125.00%[1]	Not Applicable
	N/O/O					540	90.00%	90.00%	
Cash Out	O/O	620	80.00%	80.00%	Approve or Accept/Eligible or Manual Underwrite[3]	580	80.00%	80.00%	Approve or Accept/Eligible or Manual Underwrite[3]
						540/No Score			

FHA MIP Matrix[4]

LTV	UFMIP	Annual	LTV	UFMIP	Annual
> 15 Year Term and Loan Amount ≤ $625,500			**≤ 15 Year Term and Loan Amount ≤ $625,500**		
≤ 95%	1.75%	0.80%	**≤ 90%**	1.75%	0.45%
> 95%	1.75%	0.85%	**> 90%**	1.75%	0.70%
> 15 Year Term and Loan Amount > $625,500			**≤ 15 Year Term and Loan Amount > $625,500**		
≤ 95%	1.75%	1.00%	**≤ 78%**	1.75%	0.45%
> 95%	1.75%	1.05%	**78.01 - 90%**	1.75%	0.70%
			> 90%	1.75%	0.95%

Simple Refi and Streamline Refinance: For FHA loans endorsed on or before 5/31/09, the UFMIP will be .01% and Annual MIP will be .55%. For all other streamlines, please use grid above.

2022 Loan Limits Limits

Region	1 Unit	2 Unit	3 Unit	4 Unit
Low Cost Areas	$420,680	$538,650	$651,050	$809,150
High Cost Areas	$970,800	$1,243,050	$1,502,475	$1,867,275

A complete schedule of Harbor Mortgage limits for all areas is available at: https://entp.hud.gov/idapp/html/hicostlook.cfm

2022 High Balance Loan Limits

	1 Unit	2 Unit	3 Unit	4 Unit
High Balance	> $647,200	> $828,700	> $1,001,650	> $1,244,850

Borrower Eligibility	▪ US Citizens ▪ Permanent Resident and Non-Permanent Resident Aliens ▪ Inter Vivos Revocable Trusts ▪ Non-Occupant Co-Borrowers
Underwriting	▪ Advantage: 620 Credit Score - Porfolio: 540 Credit Score - Borrower's with no credit score allowed with NTMCR at submission ▪ Minimum Loan Amount $50,000 ▪ Prior MCR not eligible for Advantage
Eligible Properties	Single Family Detached Single Family Attached 2–4 Unit Detached/Attached Planned Unit Developments FHA Project Approved Low-rise and High-rise Condominiums (including manufactured homes zoned as a condo) Rural Properties Manufactured Homes (if located in flood zone - subject to elevation certification) **- Singlewide Manufactured Portfolio FHA Only**
Ineligible Properties	Condotels/Hotel Condominiums Mobile Homes Multi-Unit Manufactured Homes Timeshares Unimproved Land Income Producting Properties
State Restrictions	Texas 50 (a) (6) Refinance Mortgages are NOT allowed

1. Unlimited CLTV is applicable to Government Entities or HUD Approved Non-Profit Subordinate Liens
2. 125% CLTV Allowed for existing subordinate financing - PACE Loans are not eligible
3. Manual Downgrades Allowed - Manual Underwriting Rules Apply
4. MIP: LTV ≤90% will be assessed at 11 years and at an LTV >90%, MIP will apply for the duration of the loan term. All FHA loans will have upfront and monthly premiums, except as noted above. Pricing and loan program eligibility are determined using the base loan amount prior to financing UFMIP. UFMIP must be 100% financed into the mortgage or paid entirely by cash: partial financing not allowed.

5. No Score Non Credit Qualifying Streamlines Allowed - must provide 0x30 Mortgage Only Credit Report - Loan will be priced as a 580 Credit Score

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FHA Program Matrix Extenuating Circumstances

Extenuating Circumstances Defined	Extenuating circumstances are events that were beyond the control of the borrower, such as a serious illness or death of a wage earner, and the borrower has reestablished good credit since the foreclosure. Divorce is not considered an extenuating circumstance. An exception may, however, be granted where a borrower's loan was current at the time of his/her divorce, the ex-spouse received the property, and the loan was later foreclosed. **NOTE :** The loss of a job and the inability to sell the property due to a job transfer or relocation to another area does not qualify as an extenuating circumstance.	
	Advantage or Portfolio FHA	**Portfolio FHA Manual**
Chapter 7 Bankruptcy	<u>**Total Scorecard**</u> **(AUS Approve or Accept/Eligible)** 2 Years from the discharge date to case assignment	**Extenuating Circumstance:** An elapsed period of less than two years since discharge, but not less than 12 months, may be acceptable, if the Borrower: (1) can show that the bankruptcy was caused by extenuating circumstances beyond the Borrower's control; and (2) has since exhibited a documented ability to manage their financial affairs in a responsible manner.
Chapter 13 Bankruptcy	<u>**Total Scorecard**</u> **(AUS Approve or Accept/Eligible)** 2 Years from the discharge date to case assignment	**Manual Exception: F**rom the date of case number assignment: (1) 12 months of the pay-out period under the bankruptcy must have elapsed; (2) the borrower's payment performance must have been satisfactory; (3)all required payments have been made on time; and (4) the borrower has received written permission from the bankruptcy court to enter into the mortgage transaction. **Extenuating Circumstance:** An elapsed period of less than two years since discharge, but not less than 12 months, may be acceptable, if the Borrower: (1) can show that the bankruptcy was caused by extenuating circumstances beyond the Borrower's control; and (2) has since exhibited a documented ability to manage their financial affairs in a responsible manner.
Foreclosure Deed-in-Lieu of Foreclosure	<u>**Total Scorecard**</u> **(AUS Approve or Except/Eligible)** 3 Years from date of the DIL or the date that the Borrower transferred ownership of the Property to the foreclosing Entity/designee to case assignment	**Extenuating Circumstance:** An exception to the three-year requirement if the Foreclosure/DIL was the result of documented extenuating circumstances that were beyond the control of the Borrower, such as a serious illness or death of a wage earner, and the Borrower has re-established good credit since the Foreclosure/DIL.
Short Sale Pre-Foreclosure	<u>**Total Scorecard**</u> **(AUS Approve or Accept/Eligible)** 3 Years from date of transfer of title by Short Sale to case assignment	**Manual Exception: F**rom the date of case number assignment for the new Mortgage: (1) all Mortgage Payments on the prior Mortgage were made within the month due for the 12-month period preceding the Short Sale; and (2)installment debt payments for the same time period were also made within the month due. **Extenuating Circumstance:** An exception to the three-year requirement if the Short Sale was the result of documented extenuating circumstances that were beyond the control of the Borrower, such as a serious illness or death of a wage earner, and the Borrower has re-established good credit since the Short Sale.
Loan Modifications	A mortgage that has been modified must utilize the payment history in accordance with the modification agreement for the time period of modification in determining late housing payments.	

FHA Manual Underwriting Matrix (All Programs)

Credit Score Compensating Factors	Max DTI	Requirements
540+ No Compensating Factors	**31%/43%**	No Compensating Factors Required
540+ One Compensating Factor	**37%/47%**	<u>ONE</u> of the following Compensating Factors 1. Minimal Increase in housing payment 2. Verified and documented cash reserves: ▪ 1-2 units: Minimum 1 month PITIA reserves ▪ 3-4 units: Minimum 3 months PITIA reserves 3. Residual Income
540+ No Discretionary Debts	**40%/40%**	No discretionary debts. Borrower must have established credit lines in his/her own name open for at least six months but carries no discretionary debt (i.e., monthly total housing payment is only open installment account and borrower can document that revolving credit has been paid off in full monthly for at least the previous six months).
540+ One Compensating Factor	**40%/50%**	<u>TWO</u> of the following Compensating Factors 1. Minimal Increase in housing payment 2. Verified and documented cash reserves: ▪ 1-2 units: Minimum 1 month PITIA reserves ▪ 3-4 units: Minimum 3 months PITIA reserves 3. Residual Income 4. Significant additional income not reflected in Effective Income

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Compensating Factors

Additional Cash Reserves	**The sum of verified and documented borrower funds less** ▪ Sum the borrower is required to pay at closing, including the cash investment, closing costs, prepaid expenses, any payoffs that are a condition of loan approval, and any other expense required to close the loan; ▪ Not including: cash taken at settlement in cash-out transactions or incidental cash received at settlement in other loan transactions, gift funds in excess of the amount required for the cash investment and other expenses, equity in another property, and borrowed funds from any source. **Retirement accounts (IRA, Thrift Savings Plan, 401k, and Keogh accounts) can be used for cash reserves as follows** ▪ 60% of the vested amount of the account, less any outstanding loans, may be used ▪ Most recent depository or brokerage account statement to document the funds ▪ Evidence must be provided that the retirement account allows for withdrawals under the conditions other than in connection with the borrower's employment termination, retirement, or death. If withdrawals can be made only in connection with the borrower's employment termination, retirement, or death, the retirement account may not be used to calculate the borrower's cash reserves. ▪ Any of these funds are also to be used for loan settlement, that amount must be subtracted from the amount included as cash reserves. Funds and/or assets that are **NOT** to be considered as cash reserves include: ▪ Gifts, ▪ Equity from another property ▪ Borrowed funds ▪ Cash received at closing in a cash-out refinance transaction or incidental cash received at closing in the loan transaction.
Minimal Housing Increase	**Minimal housing increase defined as:** ▪ New monthly mortgage payment (PITI + MIP) does not exceed the current housing payment by the lesser of: - $100, or - 5% of the current housing payment ▪ Borrower must have a documented 12 month housing history ▫ Purchase and rate/term refinance transactions: Maximum 1x30 in previous 12 months ▫ Cash-out transactions: 0x30 in previous 12 months *NOTE: if 12 months housing cannot be documented the minimal housing increase cannot be used as a compensating factor*
Significant Additional Income	**The following additional income is eligible, if not used for qualification: Bonus, Overtime, and Part-time/Seasonal Income** ▪ The borrower must be able to document receipt of the income for a minimum of 1 year but < 2 years and is likely to continue AND ▪ If the income had been used for qualifying the DTI would not be more than 37%/47%. Eligible as follows: ▪ If DTI exceeds 37%/47% but is not more than 40%/50% another compensating factor, in addition to additional income, is required. *NOTE: Income from anyone not a borrower on the loan may not be used (non-borrowing spouse, domestic partner, etc.)*
Residual Income	**Calculating Residual Income:** ▪ Calculate the total gross monthly income of all occupying borrowers ▪ Deduct from gross monthly income the following items: ▫ State income taxes ▫ Proposed total monthly fixed payment (i.e. PITIA + MIP) ▫ Federal income taxes ▫ Estimated maintenance and utilities ▫ Municipal or other income taxes ▫ Job related expenses (e.g. childcare) ▫ Retirement or Social Security ▫ Gross upp of any Non-Taxable Income ▪ Subtract the sum of the deductions from the table above from the total gross monthly income of all members of the household of the occupying borrowers ▪ The balance is residual income **Calculating Gross Monthly Income:** ▪ Gross monthly income should be calculated only for the occupying borrowers consistent with the requirements of HUD Handbook. ▪ Do not include bonus, part-time or seasonal income that does not meet the requirements for effective income as stated in HUD Handbook. ▪ Do not include income from non-occupying co-borrowers, co-signers, non-borrowing spouses, or other parties not obligated on the mortgage. **Calculating Monthly Expenses:** ▪ If available, mortgagees must use Federal and state tax returns from the most recent tax year to document state and local taxes, retirement, Social Security and Medicare. If tax returns are not available, mortgagees may rely upon current pay stubs. ▪ For estimated maintenance and utilities in all states, mortgagees should multiply the living area of the property (square feet) by $0.14. *To use residual income as a compensating factor, count all members of the household of the occupying borrowers without regard to the nature of their relationship and without regard to whether they are joining on title or the note. Exception: As stated in the VA Guidelines, the mortgagee may omit any individuals from "family size" who are fully supported from a source of verified income which is not included in effective income in the loan analysis. These individuals must voluntarily provide sufficient documentation to verify their income to qualify for this exception.*

Residual Income Matrix

Loan Amounts < $80,000					Loan Amounts ≥ $80,000				
Family Size	**Northeast**	**Midwest**	**South**	**West**	**Family Size**	**Northeast**	**Midwest**	**South**	**West**
1	$390	$382	$382	$425	1	$450	$441	$441	$491
2	$654	$641	$641	$713	2	$755	$738	$738	$823
3	$788	$772	$772	$859	3	$909	$889	$889	$990
4	$888	$868	$868	$967	4	$1,025	$1,003	$1,003	$1,117
5	$921	$902	$902	$1,004	5	$1,062	$1,039	$1,039	$1,158
Over 5	Add $75 for each additional member up to a family of seven				Over 5	Add $80 for each additional member up to a family of seven			

Northeast	CT, MA, ME, NH, NJ, NY, PA RI, VT
Midwest	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI
South	AL, AR, DE, DC, FL, GA, KY, LA, MD, MI, NC, OK, PR, SC, TN, TX, VA, WV
West	AK, AZ, CA, CO, HI, ID, MT, NV NM, OR, UT, WA WY