

FHA 203(k) Product Description

STANDARD Primary Residence 1-4 Unit				
PURPOSE	MAX LTV	MAX CLTV	LOAN AMOUNT	MINIMUM FICO
Purchase	96.50%	105.00% ¹	FHA Limit	660 ²
Rate/Term ³	97.75%	97.75%	FHA Limit	660 ²

LIMITED Primary Residence 1-4 Unit				
PURPOSE	MAX LTV	MAX CLTV	LOAN AMOUNT	MINIMUM FICO
Purchase	96.50%	105.00% ¹	FHA Limit	660 ²
Rate/Term ³	97.75%	97.75%	FHA Limit	660 ²

FHA Mortgage Limits

Footnotes	<p>¹ CLTV's ≥100.01% limited to government approved programs (i.e. Federal, State or Local Government Agencies). When secondary financing is provided by government agencies, the secondary lien must be made or held by the eligible government body or instrumentality.</p> <ul style="list-style-type: none"> ✧ The monthly payments under the insured mortgage and second lien, plus housing expense and other recurring charges cannot exceed the Borrower's ability to repay. ✧ CLTV may not exceed 100% when financing is provided by an individual or financial institution. <p>² See FHA FICO Overlay Matrix located at www.remnwholesale.com under Product Guidelines – FHA IMPORTANT: For instances of renovation work where the number of units in the subject property will be impacted, please reference the Property Types section.</p> <p>³ Refinances are subject to all permits and building approvals secured prior to final approval</p>																														
FHA Loan Limits 2023 - 2024	<table border="1" style="width: 100%; border-collapse: collapse; margin: 0 auto;"> <thead> <tr> <th></th> <th style="background-color: #d9e1f2;">2024</th> <th style="background-color: #d9e1f2;">2023</th> <th></th> <th style="background-color: #d9e1f2;">2024</th> <th style="background-color: #d9e1f2;">2023</th> </tr> </thead> <tbody> <tr> <td>1 Unit</td> <td>\$498,257</td> <td>\$472,030</td> <td>1 Unit</td> <td>\$1,149,825</td> <td>\$1,089,300</td> </tr> <tr> <td>2 Unit</td> <td>\$637,950</td> <td>\$604,400</td> <td>2 Unit</td> <td>\$1,472,250</td> <td>\$1,394,775</td> </tr> <tr> <td>3 Unit</td> <td>\$771,125</td> <td>\$730,525</td> <td>2 Unit</td> <td>\$1,779,525</td> <td>\$1,685,850</td> </tr> <tr> <td>4 Unit</td> <td>\$958,350</td> <td>\$907,900</td> <td>4 Unit</td> <td>\$2,211,600</td> <td>\$2,095,200</td> </tr> </tbody> </table> <p style="font-size: small; margin-top: 5px;">2024 Loan Limits are based upon case number assignment date and are effective for case numbers assigned on or after January 1st, 2024.</p>		2024	2023		2024	2023	1 Unit	\$498,257	\$472,030	1 Unit	\$1,149,825	\$1,089,300	2 Unit	\$637,950	\$604,400	2 Unit	\$1,472,250	\$1,394,775	3 Unit	\$771,125	\$730,525	2 Unit	\$1,779,525	\$1,685,850	4 Unit	\$958,350	\$907,900	4 Unit	\$2,211,600	\$2,095,200
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FHA 203K - Product Description

Overview	<ul style="list-style-type: none"> ◇ A 203(k) loan deals specifically with the property and the maximum mortgage calculation. The “borrower” review regarding credit, income and assets are the same as a FHA 203(b). ◇ We follow the HUD Handbook 4000.1 except as stated in these guidelines. <p style="margin-left: 40px;">II. Origination Through Post-Closing/Endorsement</p> <p style="margin-left: 40px;">A. Title II Insured Housing Programs Forward Mortgages</p> <p style="margin-left: 40px;">8. Programs and Products – 203(k) Rehabilitation Mortgage Insurance Program</p>
Renovation Call	<ul style="list-style-type: none"> ◇ The borrower and contractor must have a call to review the draw process and important product information with the REMN Renovation Department. This call is mandatory and must occur prior to the file being cleared to close. REMN will contact the parties to schedule the call.
Occupancy	<ul style="list-style-type: none"> ◇ Owner Occupied
Borrower Eligibility	<ul style="list-style-type: none"> ◇ The Borrower must meet the eligibility requirements found in the Types of Borrowers section of the FHA Product Guidelines.
Eligible Transactions	<ul style="list-style-type: none"> ◇ All health and safety issues must be addressed through the renovation process, or prior to closing if they will not be included in the repairs.
LDP/GSA/CAIVRS	<ul style="list-style-type: none"> ◇ Standard guidelines apply; refer to FHA Product Guidelines for details.
Renovation Loans with Repair Cost ≥ \$75,000 - \$100K	<ul style="list-style-type: none"> ◇ For renovation transactions with repair costs of \$75,000 - \$100,000, the following apply: <ul style="list-style-type: none"> » Standard only; Limited is capped at \$35,000 total rehabilitation costs. » 6-Month Builder Risk Policy is required unless there is a written confirmation from HOI company that the appraisal and the final scope of work has been reviewed and the company will issue the HOI policy without property-related exceptions. » Soft costs (cost of architectural drawings, engineering fees, permits, etc.) will only be considered as reimbursable fees when the permits are approved and the Renovation Team receives a copy(s) of the permit(s). No payments can be drawn from the escrow account until the permit(s) is provided. » If the subject property requires a zoning change or variance (e.g. conversion of 1 unit to 2-4 unit, etc.), local approvals must be provided prior to closing. » Appraisers must address, in the appraisal addendum, any repairs that must be made to meet fire, health and safety issues, as well as any other property repairs required for the subject property to meet agency minimum property standards. » All permits and building approvals are required prior to closing/funding. » Overlays: Max repair amount of \$100,000. Any repairs exceeding this amount must have approval by the Chief Credit Officer.

FHA 203(k) – Rehabilitation Mortgage Product Description

PROGRAM OVERVIEW		
Temporary Buy Down	✧ Allowed – refer to standard FHA Product Guidelines for details	
Assumptions	✧ Allowed	
Escrow / Impounds	✧ Required. NOTE: it is acceptable to use the current tax amount for qualification purposes, rather than the property assessed value upon completion of the renovation work.	
Terms Offered	<ul style="list-style-type: none"> ✧ Fixed Rate ✧ 5/1 ARM 	
Mortgage Insurance Premium	✧ Upfront and monthly mortgage insurance premiums will be calculated according the current FHA Policy.	
Prepayment Penalty	✧ Not Allowed	
Number of Properties Financed with REMN WS	<ul style="list-style-type: none"> ✧ Borrowers who own more than four (4) properties (including the subject property) are not eligible for financing with Wholesale. Exceptions may be granted on a case-by-case basis with Wholesale management approval. A price adjustment may apply. ✧ No multiple simultaneous loan submissions allowed if contingent to qualify. ✧ limits its exposure to a maximum of 4 loans per borrower 	
Number of Open Renovation Loans	✧ Borrower(s) are limited to one (1) open renovation loans in process at any given time with us.	
Property Condition	STANDARD	LIMITED
	✧ Homes that are currently boarded up, condemned and uninhabitable will require a second review. The second level review must be completed by the Chief Appraiser and/or the Chief Credit Officer prior to issuance of loan approval.	✧ Homes that are currently boarded up, condemned and uninhabitable are <u>not</u> eligible under the Limited 203(k) program.

PROGRAM OVERVIEW

Homeowners Insurance

- ◇ The following Insurance Policies must be obtained:
 - ◇ All Risk Insurance (Builders Risk)
 - » With physical loss form endorsement and mortgagee’s loss payable clause equal to 100% of the full replacement costs of improvements, public liability insurance, workmen’s compensation insurance (as required by applicable state law) and automobile liability insurance.
 - » Must have coverage to insure the property during renovations equaling 100% of the full replacement cost of improvements for a 6-month period.
 - » For Renovation loans with repair costs ≥ \$75,000 - \$100,000 (Standard only):
 - 6 Month Builder Risk Policy is required unless there is a written confirmation from HOI company that the appraisal and the final scope of work has been reviewed and the company will issue the HOI policy without property-related exceptions.
 - ◇ Hazard Insurance (quote must be obtained after Builders Risk is in place)
 - » Follow standard Insurance Requirements.
 - ◇ Flood Insurance (if applicable)
 - » Follow standard Insurance Requirements.
 - ◇ Title Insurance
 - ◇ Title Policy must cover the full amount of the recorded mortgage, must be dated concurrently with the recordation of the mortgage and must be updated to the date on which the renovation work is completed.

Property Types

PROPERTY	STANDARD	LIMITED
Primary Residence	Yes	Yes
Second Home	No	No
Investment	No	No
1-2 Unit	Yes	Yes
3-4 Unit ⁵	Yes ¹	Yes
PUD	Yes	Yes
Condo ²	Yes	Yes
New Construction ³	No	No
Mixed Use ⁴	Yes	No
Co-Operatives	No	No
Manufactured Housing*	Yes	Yes