

FHA MATRIX								
FHA STANDARD AND HIGH BALANCE								
Property Type	Purchase		No Cash-Out Refi		Streamline Refi		Cash-Out Refi	
	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO
1-4 Units	96.5%	580	97.5%	580	No MAX	580	80%	580
1-4 Units	96.5%	580	97.5%	580	No MAX	580	80%	600
Manufactured	96.5%	620	97.5%	620				
2024 FHA MORTGAGE LIMITS <sup>1</sup>								
Units	Standard			High Balance		High-Cost AK, Guam, HI, US Virgin Islands		
1	\$472,030-\$498,257			\$1,089,300-\$1,149,825		\$1,633,950-\$1,724,725		
2	\$604,400-\$637,950			\$1,394,775-\$1,472,250		\$2,092,150-\$2,208,375		
3	\$730,525-\$771,125			\$1,685,850-\$1,779,525		\$2,528,775-\$2,669,275		
4	\$907,900-\$958,350			\$2,095,200-\$2,211,600		\$3,142,800-\$3,317,400		
FHA FUNDING FEES (UFMIP/MIP)								
UFMIP	MIP (30 Yr. Note)				MIP (15 Yr. Note)			
1.75%	LOAN AMOUNT	LTV	MIP (bps)		LTV	MIP (bps)		
	≤\$726,200	≤90%	50		≤90%	15		
		>90% - ≤95%	50		>90%	40		
		>95%	55		≤78%	15		
	>\$726,200	≤90%	70		>78% - ≤90%	40		
		>90% - ≤95%	70		>90%	65		
		>95%	75					

<sup>1</sup> For county specific limits please refer to [FHA Mortgage Limits](#)



**PROGRAM OVERVIEW**

Complete Guidelines	Where not specified within, refer to the respective agency guidelines		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;"><b>FHA</b></td> <td><a href="#">SF Handbook 4000.1</a></td> </tr> </table>	<b>FHA</b>	<a href="#">SF Handbook 4000.1</a>
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Amended Tax Returns	<p>Accepted for the following amendment reasons:</p> <ul style="list-style-type: none"> <li>• Amended for clerical items only (i.e., modifying a prior ITIN number to a newly issued SSN)</li> <li>• Amended for income-related items, under the following conditions: <ul style="list-style-type: none"> <li>○ Amended at least thirty (30) days before mortgage application taken.</li> <li>○ Amendment shows on transcripts (stamped returns not acceptable)</li> <li>○ Documentation supplied to support the increase, including but not limited to: <ul style="list-style-type: none"> <li>▪ 1099 or W2 showing missed/updated income.</li> <li>▪ Canceled Checks or Bank Statements showing missed/updated rental income</li> </ul> </li> </ul> </li> </ul>		
Assets	<ul style="list-style-type: none"> <li>• Bank Statements must show account activity for a full two (2) month period.</li> <li>• Internet Statements, obtained from financial institution’s website, must contain the same information found on a standard bank statement.</li> <li>• VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor.</li> </ul>		
Contingent Liabilities	Must be included in the borrower’s debt to income unless the creditor cannot hold the borrower liable for the debt <b>and</b> evidence of 12 months on-time payments made by a non-borrower.		
Electronic Signatures/eSigning	<ul style="list-style-type: none"> <li>• eSigning is allowed for most documents.</li> <li>• eSigning is not allowed for: <ul style="list-style-type: none"> <li>○ Note</li> <li>○ Note Rider(s)</li> <li>○ Notice of Right to Cancel</li> <li>○ Security Instrument</li> </ul> </li> </ul> <p>Security Instrument Rider(s)</p>		
Escrow Account	Escrow Account required; no escrow waiver allowed.		
Escrow Repair/Holdbacks	Not permitted		
FHA Streamline Refinance	<p>In addition to other FHA overlays listed in this matrix, the following apply to FHA Streamline Refinances:</p> <ul style="list-style-type: none"> <li>• Asset section of loan application must be completed if funds needed to close (Sources of Funds guideline in the Handbook must be followed)</li> <li>• Bank statements required (most recent 1 month)</li> <li>• Credit Report (mortgage only acceptable) required with all credit scores listed.</li> <li>• Income amount is not required on the application.</li> <li>• Income source must be indicated on the loan application.</li> </ul> <p>Power of Attorney (POA) not allowed for properties held in trust</p>		
Hazard Insurance	Replacement Cost is required on all files to ensure sufficient coverage is documented.		
Social Security Number	All borrowers must have a valid SSN.		
Verifications – VOE	<p><b>VOE</b></p> <ul style="list-style-type: none"> <li>• Verbal Verification of Employment is required for all borrowers using salaried income to qualify and must be completed within 10 business days prior to the note date.</li> <li>• Verbal Verification of Employment is required for all borrowers using self-employed income to qualify and must be completed within 120 calendar days prior to the note date.</li> </ul>		



## FHA PROGRAM OVERLAYS

AUS Findings & Manual Underwriting	<p><b>Approve/Eligible</b>            Note: Second review required if loan has one of the following:</p> <ul style="list-style-type: none"> <li>• Mortgage history indicates 1x30 in 12 months.</li> <li>• The borrower is in an IRS tax repayment plan.</li> <li>• Active disputed tradelines</li> <li>• The subject loan was previously a restructured/modified mortgage.</li> <li>• A minimum of 12 months of 0x30 payments have been made on the modified loan.</li> </ul> <p><b>Refer/Eligible</b>            May be considered for manual underwriting when the following requirements are met:            Purchase transaction only; MIN 640 FICO; USDA approval required and has a MIN 2 compensating factors:</p> <ul style="list-style-type: none"> <li>• 3 Months PITIA reserves – over the required cash to close. Gift funds or cash back due to a refinance excluded.</li> <li>• DTI below 33/41</li> <li>• Savings history</li> <li>• No payment shock – housing payment not increasing.</li> <li>• Acceptable previous mortgage/housing history 0x30 lates for 12 months</li> </ul> <p><b>Compensating factors:</b></p> <ul style="list-style-type: none"> <li>• 3 Months PITIA reserves – over the required cash to close. Gift funds or cash back due to a refinance excluded.</li> <li>• New PITIA does not exceed current PITIA by more than \$100 or 5%, whichever is less and 0x30x12.</li> <li>• No Discretionary Debt – Housing payment is the only open account with an outstanding balance, and the credit report shows established credit in the borrower's name that has been open in the past 6 months. Accounts must be documented.</li> <li>• Borrower has additional income not included in the qualifying income, e.g., overtime, bonus, part-time work, seasonal income. Income must be documented for a MIN of 12 months and if included DTI would not be more than 37/47. (non-borrowing spouses' income cannot be used)</li> <li>• Downpayment exceeds MIN required – Borrower funds only</li> </ul>
Assets	<ul style="list-style-type: none"> <li>• Any cash-in-hand proceeds, to the Borrower, from any cash-out refinance transaction must be wired to a U.S. bank account.</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• Proceeds from 1031 Tax Deferred Exchanges</li> <li>• Sweat Equity</li> </ul>
Bankruptcy – Chapter 13	<p>Borrowers in an active bankruptcy chapter 13 will be required to meet the following:</p> <ul style="list-style-type: none"> <li>• Purchase transaction</li> <li>• AUS approval required</li> <li>• 0x30 bankruptcy repayment plan</li> <li>• Trustee approval required</li> <li>• 12 months of timely repayments</li> <li>• 0x30 for housing/mortgage payments for the last 12 months</li> </ul>
Borrower Eligibility	<ul style="list-style-type: none"> <li>• Max 6 loans to one borrower, including the subject property, or a total of \$3.5MM in financing, whichever is less.</li> </ul>
Condominiums	<ul style="list-style-type: none"> <li>• Ineligible: Manufactured Home Condo Projects; condo listed on HUD Exclusionary List</li> </ul>
Conflict of Interest	<ul style="list-style-type: none"> <li>• The Loan Officer may not act as the Realtor in a single transaction</li> </ul>
Credit	<ul style="list-style-type: none"> <li>• All borrowers must have at least 2 valid credit scores.</li> <li>• Soft pull credit/LQI report is required within 10 days of Note date.</li> <li>• RMCR or traditional tri-merge is required.</li> <li>• All material inquiries within the last 90 days requires a letter of explanation from the borrower unless the AUS identifies a letter is not required.</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• Frozen credit reports</li> <li>• Non-traditional credit</li> </ul>
Credit Score	<ul style="list-style-type: none"> <li>• MIN 580 required for all borrowers</li> </ul>
Deed Restrictions	<ul style="list-style-type: none"> <li>• Mortgage loans that are subject to resale restrictions are not eligible, except for age-related restrictions that meet the HUD Lenders Handbook.</li> </ul>
Escrow Repair/Holdbacks	<ul style="list-style-type: none"> <li>• Not permitted</li> </ul>



Escrow/Impound Accounts	<ul style="list-style-type: none"> <li>• Required</li> </ul>
Family-Owned Business	<ul style="list-style-type: none"> <li>• When a borrower is employed (wage-earner) by a family-owned business - Two years tax returns are required regardless of AUS recommendation.</li> </ul>
Gift Letters	<p>When using gift funds, a signed and dated gift letter is required to provide all of the following information:</p> <ul style="list-style-type: none"> <li>• Donor's name, address, phone, and relationship to borrower (donor must be a relative); and</li> <li>• Dollar amount of gift; and</li> <li>• Date funds were transferred; and</li> <li>• Donor's statement that no repayment is expected; and</li> <li>• Dated prior to the Note date</li> </ul>
Ineligible Programs	<ul style="list-style-type: none"> <li>• 203(h)</li> <li>• 203(k)</li> <li>• Balloon Terms</li> <li>• Build to own land.</li> <li>• Co-ops</li> <li>• Community Land Trust</li> <li>• Energy Efficient Mortgages, Weatherization, Solar and Wind Technologies.</li> <li>• Farm Residence Loans</li> <li>• FHA Back to Work</li> <li>• FHA loans with an unsecured interest-free loan for establishment of an escrow account</li> <li>• FHA Military Impact Area Loans</li> <li>• FHA Negative Equity Refinance</li> <li>• FHA Title II Multifamily Accelerated Processing Authority</li> <li>• Good Neighbor Next Door</li> <li>• Graduated Payment Mortgage (GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• High-Cost Loans</li> <li>• Higher-Priced Mortgage Loans (HPML)</li> <li>• HFA Programs</li> <li>• HOPE for Homeowner's Program</li> <li>• HUD \$100 down</li> <li>• Indian Reservations or Native American Direct Loans</li> <li>• Loan Assumptions</li> <li>• Loans for Alterations and Repairs</li> <li>• Loans in Redemption</li> <li>• Loans to Non-Profit Organizations</li> <li>• Loans to Native American Veterans on Trust Lands</li> <li>• Loans with negative amortization or balloon payments on subordinate financing</li> <li>• Loans with resale deed restrictions, except for age restricted properties.</li> <li>• Non-QM loans</li> <li>• Non-resident aliens &amp; foreign nationals</li> <li>• Prepayment Penalties</li> <li>• Properties encumbered with a private transfer fee.</li> <li>• Rebuttable Presumption</li> <li>• Rural Energy Plus Provisions</li> <li>• Section 184 – Indian Home Loan Guarantee Program</li> <li>• Section 223(e) - Declining Neighborhoods</li> <li>• Section 247 - Hawaiian Homelands</li> <li>• Section 8</li> <li>• Short refi-with negative equity</li> </ul>



	<ul style="list-style-type: none"> <li>• Single Close Construction to Perm</li> <li>• Solar and Wind technologies product</li> <li>• Specially Adapted Housing</li> <li>• Supplemental Loans</li> <li>• Transactions with subordinate PACE liens</li> <li>• Texas (f) (2)</li> <li>• TX 50 (a)(6)</li> <li>• TX 50 (a)(4)</li> <li>• Transactions with subordinate PACE liens</li> <li>• Weatherization program</li> </ul>
Ineligible Properties	<ul style="list-style-type: none"> <li>• Adult family home, group homes, care facilities</li> <li>• Build to own.</li> <li>• Co-Ops</li> <li>• Community Land Trusts</li> <li>• Condo-tels</li> <li>• Energy Efficient Mortgages, Weatherization, Solar and Wind Technologies.</li> <li>• Deed restrictions other than age restrictions</li> <li>• Farm Residence Loans</li> <li>• Graduated Payment Mortgage (GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• High-Cost Loans</li> <li>• Higher-Priced Mortgage Loans (HPML)</li> <li>• Indian Leased Land</li> <li>• Indian Leaseholds</li> <li>• Indian Reservations or Native American Direct Loans</li> <li>• Leasehold</li> <li>• Loan Assumptions</li> <li>• Loans with resale deed restrictions, except for age restricted properties</li> <li>• Mixed Use Properties</li> <li>• Prepayment Penalties</li> <li>• Properties located in lava zone 1 or 2.</li> <li>• Properties in Redemption</li> <li>• Properties with Individual Purification Water Systems</li> <li>• Properties with PACE obligations or PACE-like assessments</li> <li>• Property Flip of Non-Arm's Length Transaction</li> <li>• Property ratings of C5, C6 or Q6 are not allowed unless the issues that caused these ratings are cured prior to loan delivery.</li> <li>• Proposed and under construction properties.</li> <li>• Properties not suitable for year-round occupancy or a not readily accessible by roads that meet local standards.</li> <li>• REO properties</li> <li>• Renovation loan or construction to perm.</li> <li>• Solar and Wind technologies</li> <li>• Solar Panels that affect first lien position</li> <li>• Units in condominium projects identified on the Exclusionary List "Excluded Condo Projects"</li> <li>• <b>Unusual properties such as:</b> 3D printed homes; Barndominiums; Container homes; Shouses; Tiny homes; bed &amp; breakfast; berm homes, log homes, and geodesic dome homes; houseboats, working farms or ranches; timeshares; mixed use properties.</li> <li>• Vacant land</li> </ul>



	<ul style="list-style-type: none"> <li>Weatherization</li> </ul>												
Layered Risk	<p>If any of the following are present, Underwriting Management review and approval is required.</p> <ul style="list-style-type: none"> <li>Unstable work history</li> <li>Payment shock that exceeds 150%</li> <li>Less than 3 tradelines that have been active within the past 3 years for a minimum of 24-month duration.</li> <li>Any late payment in the last 12 months</li> </ul>												
Manufactured Housing	<p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>See Grid for MIN FICO</li> <li>Manual underwriting not permitted</li> <li>Fixed Rate programs only</li> <li>Temporary buydown not eligible</li> <li>Primary Residence only</li> <li>Purchase and Rate &amp; Term only.</li> <li>MAX DTI 50%</li> <li>One unit</li> <li>Minimum 700 square feet</li> <li>Must meet all other FHA guidelines.</li> <li>Property condition must be average or better.</li> <li>Must not have been installed or occupied previously at any other site or location.</li> <li>Must be taxed as real property prior to application date.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>Manufactured Homes that are subject to deed restrictions</li> <li>Leased Land property</li> <li>Single-wide homes</li> <li>Leaseholds</li> <li>Manufactured Home Condominium Projects (MHCPs)</li> </ul>												
Maximum DTI with AUS Approve/Eligible	<table border="1"> <thead> <tr> <th>LTV/CLTV</th> <th>FICO</th> <th>AUS Approval</th> <th>MAX DTI</th> </tr> </thead> <tbody> <tr> <td>All</td> <td>&gt;=620</td> <td>Y</td> <td>Follow AUS</td> </tr> <tr> <td>All</td> <td>600-619</td> <td>Y</td> <td>55%</td> </tr> </tbody> </table>	LTV/CLTV	FICO	AUS Approval	MAX DTI	All	>=620	Y	Follow AUS	All	600-619	Y	55%
LTV/CLTV	FICO	AUS Approval	MAX DTI										
All	>=620	Y	Follow AUS										
All	600-619	Y	55%										
Minimum Loan Amount	\$100,000												
Mortgage Credit Certificate	Not permitted												
Multiple Loans to One Borrower	STG Mortgage allows up to six (6) loans for one borrower, including the subject property, or a total of \$3.5MM in financing, whichever is less.												
Non-Permanent Resident Aliens	<p>These borrowers accepted under the following conditions:</p> <ul style="list-style-type: none"> <li>Evidence of an acceptable Visa required.</li> <li>Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS.</li> <li>Borrower has valid Social Security Number (SSN)</li> <li>Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen.</li> <li>DACA: Borrowers with Category C33 work status under deferred action allowed as long as all Handbook guidelines are met. FHA only.</li> <li>Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible</li> <li>A12 EAD status ineligible</li> </ul>												
Non-Traditional Credit/Credit Reports	Not permitted												
Power of Attorney (POA)	<ul style="list-style-type: none"> <li>POA permitted for closing documents only.</li> <li>POA not permitted on initial disclosures.</li> </ul>												



	<ul style="list-style-type: none"> <li>• A POA must be specific to the transaction.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Cash-out transactions</li> <li>• Properties held in Trust.</li> <li>• Non-Arm's length transactions</li> <li>• Non-occupant borrowers</li> <li>• Electronically signed POA</li> </ul>
Purchases	<ul style="list-style-type: none"> <li>• Assignment of contract not permitted</li> </ul>
Renegotiated Purchase Contract	<ul style="list-style-type: none"> <li>• Not allowed; however, minor adjustments due to condition or other relevant factors are permitted.</li> <li>• Increase of sales price after appraisal completed is not permitted.</li> </ul>
Subordinate Financing	<p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>• A copy of the subordination agreement or equivalent required, if applicable.</li> <li>• Down Payment Assistance programs are permitted as long as the source is a Government Agency or Government Entity (e.g. Non Profits and Trade Unions are not permitted). <ul style="list-style-type: none"> <li>○ Down Payment Assistance / Community Seconds - Down Payment Assistance / Community Seconds max CLTV 105%</li> </ul> </li> <li>• Non-DPA/Non-Community Seconds - Subordinate financing permitted, but not to exceed LTV maximums per FHA program matrices.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Property Assessed Clean Energy (PACE)</li> <li>• Home Energy Opportunity (HERO) loans</li> <li>• Down Payment Assistance / Community Seconds with CLTVs greater than LTV guidelines</li> </ul>
Tax Transcripts	<p><b>Required when qualifying on:</b></p> <ul style="list-style-type: none"> <li>• Self-employed income</li> <li>• Commission income greater than 25% of the borrower's total earnings</li> <li>• Rental income documented on schedule E.</li> <li>• Employed by a family-owned business.</li> <li>• Fixed income when the 1040s are used in lieu of alternative documentation.</li> <li>• Nontaxable income is grossed up.</li> <li>• Other income types such as auto allowance, capital gains/losses, dividend/interest, or farm income/loss</li> <li>• Handwritten income documentation</li> <li>• Loan files where there is relationship between the Borrower and an interested party of the subject transaction such as Seller, or Loan Officer, or employee of a Mortgage Broker</li> <li>• Seller has relationship to the Loan Officer</li> <li>• Business transcripts required if income is not validated on personal returns.</li> </ul>
Temporary Buy-Downs	<p><b>Allowed for:</b></p> <ul style="list-style-type: none"> <li>• Fixed Rate only</li> <li>• Fixed rate &lt; 30 years not permitted.</li> <li>• Custom loan terms not permitted.</li> <li>• 2-1 or 1-1 eligible</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Lender and borrower funded buydowns.</li> <li>• Second Homes</li> <li>• Investment Properties</li> <li>• 2-4 Unit properties</li> <li>• Manufactured Homes</li> <li>• Refinance Transactions - including Streamline.</li> <li>• ARMs</li> </ul>
Title Insurance	Title insurance policy required; attorney title opinion letter in lieu of a title insurance policy is not allowed
Unpaid Federal Tax Debt	STG Mortgage considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed.



	<p>Evidence of one of the following required:</p> <ul style="list-style-type: none"> <li>• Payment plan must be established and at least one payment made in accordance with the agreement. Payment plan arrangements and evidence of payment required.</li> <li>• Delinquent Federal Tax Debt must be paid in full prior to or at closing.</li> </ul>
Verifications – FHA Streamline	<b>FHA Streamline</b> -Verbal VOE or third-party verification for income source is required, whether income is required to be documented.

