

MortgageIT

FHA Streamline Without Appraisal Checklist

Borrower: _____

FHA Case # _____

MIT Loan Number: _____

Previous FHA Case # _____

Category

Description

Property Type

- 1) 1-4 Unit Primary Residence.
- 2) 1 Unit Second Home.
- 3) 1-4 Unit Investment Property.

Product Type

- 1) FHA Fixed Rate.
- 2) FHA ARM.

Seasoning

No seasoning requirements on the first lien.

Mortgage Amount/
Maximum LTV

- 1) Limited to the unpaid principal balance (but no interest), minus any refund of MIP, plus the new UFMIP if it is to be financed in the mortgage.
- 2) The term of the mortgage is the lesser of 30 years or the unexpired term of the mortgage plus 12 years.
- 3) GPM mortgages being refinanced may include accrued negative amortization in the new mortgage amount.
- 4) Form HUD-92800 (Conditional Commitment) is not required.

Housing Payment
Increase (P&I)

- 1) ARM to ARM: An ARM may be refinanced to another ARM provided that an immediate payment reduction occurs and that the maximum interest rate of the new mortgage not exceed the maximum interest rate of the old mortgage being refinanced.

2) ARM to Fixed Rate: An ARM may be refinanced to a fixed rate mortgage, with or without appraisal, provided the interest rate on the new fixed rate mortgage will be no greater than 2% above the current rate of the ARM. In addition, all mortgage payments must have been made within the month due for the past 12 months or period that the loan has been in force, if shorter.

3) Fixed Rate to ARM: Fixed rate mortgages on owner-occupied principal residences, with or without an appraisal, provided the interest rate of the new mortgage is at least 2% below the interest rate of the current mortgage. An ARM may be used for refinancing only on an owner-occupied principal residence.

4) GPM to Fixed Rate: The new payment must be equal to or less than the current mortgage payment.

5) GPM to ARM: The note rate must result in a reduction of current P&I payments.

6) Section 203(k) to Section 203(b):

(a) Section 203(k) rehabilitation mortgages may be refinanced into Section 203(b) provided that all funds in all escrow accounts have been extinguished.

(b) The new mortgage will be subject to the appropriate insurance premium applicable to a new Section 203(b) mortgage.

8) A 30-year mortgage on a principal residence may be refinanced to a shorter term mortgage provided the new monthly principal and interest payment increases no more than \$50.

9) The reduction in monthly P&I payment cannot be a result of a temporary buy-down.

Subordinate Liens

1) May remain in place without regard to the total indebtedness against the property on streamline refinances with or without appraisal.

2) The borrower is not required to satisfy any outstanding subordinate liens as long as they will clearly be subordinate to the new FHA insured refinance mortgage.

Closing Costs, Financing Costs,
And Prepaid Items

May not be included in loan amount.

Cash Bank to Borrower

No cash back to borrower except for minor adjustments at closing not exceeding \$250.

Change in Borrowers

Adding or deleting individuals to title:

1) New individuals may be added to title on a streamline refinance without credit worthiness review and without triggering due on sale clauses. Deleting individuals from title is acceptable without credit qualifying only under the following circumstances:

- When an assumption of a mortgage not containing a due-on-sale clause occurred more than 6 months previously and the assumption can document that he or she has made the mortgage payments during this interim; or
- Following an assumption of a mortgage where the transferability restriction (due-on-sale clause) was not triggered, such as in a divorce where a property transfer results from the divorce decree or by devise or descent and the assumption or quit-claim of interest occurred more than 6 months previously and the remaining owner-occupant can demonstrate that he or she has made the mortgage payments during this time.

Borrower Qualifications

Credit qualifying required:

- (a) When change in mortgage term will result in an increase in the mortgage payment.
- (b) When deletion of a borrower or borrowers will trigger due-on-sale clause.
- (c) Following assumption of a mortgage that does not contain restrictions (due-on-sale) limiting assumptions only to creditworthy borrowers **and** the assumption occurred less than 6 months previously.

- (d) Following an assumption of a mortgage where the transferability restriction (due-on-sale clause) was not triggered, such as in a divorce where a property transfer results from the divorce decree or by devise or descent **and** the assumption occurred less than 6 months previously.
- (e) Borrower's credit history must comply with FHA's requirements.

Credit Report and
Mortgage Payment History
On Existing First Mortgage

- 1) Full Factual Credit Report not require unless FHA requires that the borrower be credit qualified.
- 2) A delinquent mortgage (defined as 30 or more days past next payment due date) is not eligible for streamline processing until loan is brought current.
- 3) Mortgage pay history to show no more than lone late payment (1x30) during the previous 12 months and must not be considered currently delinquent.
- 4) Underwriter may request a one-bureau credit report, unless FHA requires that the borrower must be credit qualified.

Minimum Income Documentation

Not required, unless FHA requires credit qualifying.

Asset Documentation

Not required to provide evidence of cash to close.

Appraisal

Not required.

Special Purpose Cash-Out
Refinances

Repair costs may not be included in the mortgage amount on a streamline refinance.

Additional Documentation

- 1) Mortgage Credit Analysis Worksheet (MCAW) with new case number.
- 2) Preliminary Good Faith Estimate.
- 3) Evidence of social security number for all borrowers.
- 4) Completed final application (URLA) and HUD/VA Addendum.
- 5) Handwritten application (URLA) and HUD/VA Addendum.
- 6) Important Notice to Homebuyer.

- 7) Notice to Homeowners.
- 8) Evidence that current mortgage is HUD-insured:
 - HUD-1
 - MIC
 - Note
 - Recorded Deed of Trust or Mortgage with FHA case number.
- 9) Refund worksheet when original mortgage was closed after 9/21/83 with one-time MIP.
- 10) HUD MIP Netting (Refinance) Authorization.
- 11) HUD FHA Connection printout with case number assignment and showing MortgageIT as Originator/Sponsor.
- 12) Informed Consumer Choice Disclosure.
- 13) Rate Lock Agreement, if Commitment Fee is charged to borrower.
- 14) Closing Documents.
- 15) Updated/reissued title policy.
- 16) Copy of the original survey, if applicable.