



**FHA Adjustable Rate Mortgage
5/1, 7/1 ARM
Fully Amortizing
Standard Loan Amounts
High Balance Loan Amounts**

PRODUCT MATRIX

FHA Guidelines for FHA Case Number on or after September 14, 2015
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgb

5/1	Rate fixed for the first 60 months, then adjusts every 12 months
7/1	Rate fixed for the first 84 months, then adjusts every 12 months
Amortization	15 or 30 Years available

HUD Section of Act

Section	Description
203(b)	Basic Home Mortgage Insurance

PRIMARY RESIDENCE

Transaction Type ¹	# of Units ³	Maximum LTV/CLTV/HCLTV ⁴	Minimum Credit Score
Purchase	1-4	96.5%/105.00% ⁵	620 (all loan amounts)
Rate/Term Refinance	1-4	97.75%/97.75%	620 (all loan amounts)
Cash Out Refinance ²	1	85%/85%	620 (standard loan amounts) 640 (high balance loan amounts)

¹If subject property was purchased less than six months prior to application date, then cash-out is not permitted.
²Loans submitted as "Construction-Permanent" are considered two separate closing transactions and are subject to standard rate/term or cash-out refinance eligibility guidelines as defined in this table.
³Refer to Geographic Restrictions in the guide for restrictions on properties in New Jersey.
⁴HCLTV stands for Home Equity Combined Loan-to-Value. The maximum HCLTV is always equal to the maximum CLTV.
⁵Maximum CLTV is 105% if second mortgage is through a government-sponsored Down Payment Assistance Program (DPA).

Upfront MIP

Upfront MIP for ALL: 1.75%

For case numbers assigned on or after January 26, 2015

Annual MIP for Loan Amount Less than or equal to \$625,500.

Greater than 15 year terms		15 year term	
LTV	Annual	LTV	Annual
> 95.00%	0.85%	> 90.00%	0.70%
> 90.00% but ≤ 95.00%	0.80%	≤90.00%	0.45%

Annual MIP for loan amounts greater than \$625,500.

Greater than 15 year terms		15 year term	
LTV	Annual	LTV	Annual
> 95.00%	1.05%	> 90.00%	0.95%
> 90.00% but ≤ 95.00%	1.00%	>78.01 - 90.00%	0.70%
		≤78.00%	0.45%

For all mortgages regardless of their amortization terms, any mortgage involving an original principal obligation (excluding financed Up-Front MIP (UFMIP)) less than or equal to 90 percent LTV, the annual MIP will be assessed until the end of the mortgage term or for the first 11 years of the mortgage term, whichever occurs first. For any mortgage involving an original principal obligation (excluding financed UFMIP) with an LTV greater than 90 percent, FHA will assess the annual MIP until the end of the mortgage term or for the first 30 years of the term, whichever occurs first.

Annual MIP is determined by multiplying the base loan amount by the appropriate Annual Premium factor

Since the Annual MIP is collected in monthly installments, divide the resulting number by 12 to obtain the monthly premium. This figure is included in the proposed monthly housing expense and qualifying ratios.

**Maximum Loan Amounts (Continental US)
For Case Numbers assigned on or after January 1, 2015**

Units	Maximum Standard Loan Limits	Maximum High Balance Loan limits
1	\$453,100	\$679,650
2	\$580,150	\$870,225
3	\$701,250	\$1,051,875
4	\$871,450	\$1,307,175

ARM Parameters

Index	The weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year.
Margin	2.00%
CAPs	5/1: 1/1/5 7/1: 2/2/6
Interest Rate Adjustment	The interest rate is fixed for the initial period and is then subject to change on an annual basis thereafter, using the most recent index figure 45 days prior to the interest rate adjustment. The interest rate is rounded to the nearest 1/8 of one percent point after adding the mortgage margin to the index.
Temporary Buydown	Not Available
Qualifying Rate	5/1 and 7/1 -Greater of the fully indexed rate or Note rate plus 2%



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**FHA Requirements
Refer to Complete FHA Guidelines**

Underwriting	AUS - Total Score Card MAX DTI 55% regardless of AUS decision MAX DTI 50% for credit scores between 620 and 639 MAX DTI - 31/43 regardless of AUS decision on with non- traditional credit Clear CAIVRS		
Credit Requirements	All borrowers must meet the minimum credit score requirements for each product see guidelines for complete details.		
Federal Debt	<ul style="list-style-type: none"> Borrowers with delinquent Federal Tax Debt are ineligible. Tax liens may remain unpaid if the Borrower has entered into a valid repayment agreement with the federal agency owed to make regular payments on the debt and the Borrower has made timely payments for at least three (3) months of scheduled payments. The borrower cannot "prepay" scheduled payments in order to meet the required minimum of three months of payments. The Mortgagee must include the monthly payment amount in the agreement in the calculation of the Borrower's Debt-to-Income (DTI) ratio. 		
Identity of Interest	Maximum LTV is 85.00% An identity of interest transaction is a sale between parties with family or business relationships. Purchase Primary Residence Only		
Non-Occupying Co-borrower	Not eligible on 15 year loan term. Not eligible on cash out refinance transactions The non-occupant co-borrower must be a family member as defined by HUD.		
	Non-Occupant Co-borrower Established Relationship	LTV Restrictions	Units
	Yes	> 75	1
	Yes	≤ 75	2 to 4
	No	≤ 75	1
FHA High Balance Loans	Base Loan amounts exceeding the "Standard" Loan Limits are considered "High Balance"		
Ineligible FHA Loans	<ul style="list-style-type: none"> FHA 203K Renovation Loans FHA loans to nonprofit organization borrowers FHA Military Impacted Area loans FHA refinance Loans for Borrowers in Negative Equity Position FHA Section 8 Loans Hawaiian Homeland Loans Hope for Homeowners program HUD 184 Program (Indian Home Loan Guarantee Program) Texas Section 50(a)(6) HUD Good Neighbor Next Door (Teacher, Law Enforcement, Fire Fighter, EMT) FHA 203(h) Mortgage Insurance for Disaster Victims Manufactured Homes FHA single close Construction Permanent Mortgage Program 		
Ineligible Properties	<ul style="list-style-type: none"> Assisted Living Projects Builder Model Leaseback Houseboats Investment Securities Manufactured Homes Mobile Homes Multi-family dwellings containing more than four units Properties not suitable for year-round occupancy Condo-Hotels Properties with resale restrictions Properties without full utilities installed to meet all local health and safety standards Properties used for commercial or industrial purposes Residential properties with a permanently affixed manufactured home on property Tax-sheltered syndicates Timeshare units Unimproved land Properties zoned commercial Properties zoned agricultural Working farm, ranch, or orchard 		
FHA Loan Limits	Max loan amounts by MSA/County can be located in the FHA Forward limit type at https://entp.hud.gov/idapp/html/hicostlook.cfm Base loan amounts cannot exceed the limit set for the individual county		

See FHA Guidelines for Complete Details

Product Codes and Product Names

Standard Loan Amounts

ARM PRODUCT CODES	Short Description	Long Description	AUS
FF51	FHA5 YR ARM	FF51 - FHA 5-1 ARM	AUS Total Score Card
FF71	FHA7 YR ARM	FF71 - FHA 7-1 ARM	AUS Total Score Card

High Balance Loan Amounts

ARM PRODUCT CODES	Short Description	Long Description	AUS
FF51HB	5 YR FHA ARM HB	FF51HB - 5 YR FHA ARM HIGH BALANCE	AUS Total Score Card
FF71HB	7 YR FHA ARM HB	FF71HB - 7 YR FHA ARM HIGH BALANCE	AUS Total Score Card

Product and program guidelines subject to change without notice.
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