

SECTION 1 **MATRIX:**

Sage Choice FHA Standard:

Transaction	FICO	Number of Units	Maximum LTV	Maximum CLTV
Primary Residence – Owner Occupied				
Purchase	580	1-4	96.50	96.50 ¹
No Cash Out / Simple Refinance	580	1-4	97.75 ⁴	97.75 ⁴
Cash Out	580 ⁵	1-4	80	80
Streamline w/out appraisal	580	1-4	100 ^{2,3}	125 ²

Footnotes:

1. In some cases (i.e. provided by a family member, government agency, etc.) subordinate financing may be as high as 100% CLTV.
2. LTVs/CLTVs for Streamline refinances W/O appraisals are based on the original loan amount.
3. Non-Credit Qualifying Streamlines: The new base loan amount may not exceed the original base loan amount.
4. 85% LTV for No Cash Out refinances where the borrower has occupied the subject property fewer than 12 months prior to case number assignment or if owned less than 12 months, has not occupied the property for that entire period of ownership.
5. Manual underwriting for Cash Out refinance requires a minimum 600 FICO score.

SECTION 2 **Products:**

Program Codes	FHA Standard Conforming Programs				
	30 Year Fixed	8000-99		30 Year Fixed Streamline	8037-99
	25 Year Fixed	8100-99		25 Year Fixed Streamline	8137-99
	15 Year Fixed	8300-99		15 Year Fixed Streamline	8337-99
	FHA Standard High Balance Programs				
	30 Year Fixed High Balance	8033-99		30 Year Fixed High Balance Streamline	8038-99
	15 Year Fixed High Balance	8333-99		15 Year Fixed High Balance Streamline	8338-99

SECTION 3 **Highlights:**

Sage Choice FHA Highlight Table

Guidelines	HUD 4000.1 Guidelines: https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1
Loan Limits	FHA Mortgage Limits <ul style="list-style-type: none"> • https://entp.hud.gov/idapp/html/hicostlook.cfm
Minimum Loan Amounts	<ul style="list-style-type: none"> • Minimum Loan amount \$60,000 • Minimum Loan amount \$75,000 for properties located in NY and TX.
AUS System	DU, LPA, or Total Scorecard
Building on Own Land	Not Allowed
Condominium	Must be in an FHA HRAP approved project Manufactured homes located in Condominium projects – Not Allowed
Construction to Permanent	Not Allowed

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Deed Restrictions	Age related restrictions only. All other deed restrictions are ineligible.
DPA / MCC's	Not Allowed
Escrow / Impounds	<ul style="list-style-type: none"> • Required. Waivers are not allowed. • Optional insurance items, such as optional flood or earthquake insurance, may not be escrowed.
Escrow Holdbacks / Repair Escrows	Not Allowed
Gift Funds	Cash on hand is not an acceptable source of donor gift funds.
Ineligible Assets	<ul style="list-style-type: none"> • Cash on hand • Pooled funds • Sweat Equity • Proceeds from 1031 Tax Deferred Exchanges
Borrower Eligibility	<ul style="list-style-type: none"> • Borrowers without Social Security Numbers. – NOT PERMITTED • ITINs are not permitted. • Maximum four (4) borrowers per loan. • Borrowers who are Foreign Politically Exposed or have Diplomatic immunity are not eligible. • All borrower must be a natural person or eligible inter vivos (living trust) • No borrower may be a corporation, LLC, partnership or other business entity.
Identity-of-Interest Transactions	<p>An Identity-of-Interest transaction is a sale between parties with an existing business relationship or between family members.</p> <ul style="list-style-type: none"> • The maximum LTV percentage for Identity-of-Interest transactions on purchase transactions is limited to 85%. • The maximum LTV percentage for a transaction where a tenant-landlord relationship exists at the time of sales contract execution is restricted to 85%. <p>The 85% LTV restriction may be exceeded if the borrower purchases as their principal residence:</p> <ul style="list-style-type: none"> • The principal residence of another family member; or • A property owned by a family member where the borrower has been a tenant for at least six months immediately predating the sales contract. • An employee of a builder who is not a family member purchases one of the builder's new houses or models as a principal residence; or • The current tenant purchases the property where the tenant has rented the property for at least six months immediately predating the sales contract.
Ineligible Programs	<p>The following programs are not eligible:</p> <ul style="list-style-type: none"> • 203(h) Disaster Victims • 203(k) Rehabilitation Program • 235 Refinance of Borrowers in Negative Equity Positions • 247 Hawaiian Homelands • 248 Indian Lands • \$100 Down Program • Energy Efficient Mortgage Program (EEM) • FHA Assumption Program • HFA Programs • Good Neighbor/Officer Next Door • Graduated Payment Program • Growing Equity Mortgages • Hope for Homeowners • Housing Authority Subsidies • HUD REO Program • Indian Reservations (Section 184 mortgage)

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	<ul style="list-style-type: none"> Loans to Non-Profit Organizations Loans with Private Water Purification System Rehabilitation Loans Short Refinances Temporary Buy downs Housing Choice Voucher Homeownership Program (Section 8)
Ineligible Properties	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> Assisted Living Properties Bed and Breakfast Establishments Boarding Houses Commercial Properties Condotels, Motels or Hotels Co-ops Fraternity or Sorority Houses Hawaii Properties in Lava Zones 1 and 2 Houseboats Land Trust Leaseholds secured by Indian/Tribal Lands Live-work units Log or Dome Homes Mobile Homes Native American Indian Trust Lands Newly Constructed Properties Located in Military Airfield Accident Prone Zone 1 Private Clubs Properties with Condition/Quality Ratings of C5, C6, or Q6 Properties Contaminated by Methamphetamine Production or Use Properties with manufactured home on site being used as storage Properties with More than One Accessory Dwelling Properties Located within 75 Feet of an Operating/Proposed Gas or Oil Well Properties Located within 10 Feet of a Pipeline Easement or High Pressure Gas Line Properties Located within 300 Feet of Above/Below Ground Stationary Storage Tanks Containing more than 1000 Gallons of Explosive/Flammable Fuel (Includes Gas Stations) Properties Located in Coastal Barrier Resources Systems (CBRS) Properties that do not meet FHA MPR/MPS. Single-wide Manufactured Home Timeshares Unique property types (geodesic domes, berms, earth homes, barndominiums houses) Properties with Individual Purification Water Systems Vacation Homes Working Farms and Ranches
IRS form 4506-C	<ul style="list-style-type: none"> IRS Form 4506-C must be signed at closing for each borrower whose income is used to qualify. IRS Form 4506-C must be signed at closing for the business tax return transcript(s) when business returns are used to qualify.
Manufactured Homes	See – FHA Manufactured Home Guidelines (separate document)
Mixed Use Properties	Allowed per FHA requirements.
Mortgage Interest Differential (MID)	Not Allowed
Non-Occupant Co-Borrower	<ul style="list-style-type: none"> 75% Maximum LTV on 1-4 units unless the non-occupant co-borrower is a family member as defined by FHA Rental income may not be used to qualify Not allowed for qualifying purposes on cash-out refinance transactions The non-occupant co-borrower must take title to the property and sign the Note and deed of

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	<p>trust/mortgage</p> <ul style="list-style-type: none"> The non-occupant co-borrower must have a principal residence in the United States or be a U.S. citizen
Non-Traditional Credit	Not Eligible
PACE (HERO) Programs	Not Eligible
Principal Curtailment	<ul style="list-style-type: none"> FHA Refinances: Maximum principal curtailment is \$500
Refinance Seasoning Requirements	<p>Cash-Out Refinances must meet the following seasoning requirements:</p> <ul style="list-style-type: none"> The Mortgagee must document that the Borrower has made all payments for all their Mortgages within the month due for the previous 12 months or since the Borrower obtained the Mortgages, whichever is less. Additionally, the payments for all Mortgages secured by the subject Property must have been paid within the month due for the month prior to mortgage Disbursement. Properties with Mortgages must have a minimum of six months of Mortgage Payments. Properties owned free and clear may be refinanced as cash-out transactions. <p>Streamline Refinances must meet the following seasoning requirements:</p> <ul style="list-style-type: none"> For a streamline refinance or a cash-out refinance, the borrower must have made at least six consecutive monthly payments on the loan being refinanced beginning with the payment made on the first payment due date; and The first payment due date of the new loan must occur no earlier than 210 days after the first payment due date of the loan being refinanced.
Refinance Value Requirements	<p>For properties acquired by the borrower within 12 months of the case number assignment date the appraised value is the lesser of:</p> <ul style="list-style-type: none"> The borrower’s purchase price plus any documented improvements made after the purchase; or The appraised value. <p>Properties acquired by the borrower within 12 months of the case number assignment by inheritance or through a gift from a family member may use the appraised value.</p>
Sales Contracts	Assigned Sales Contracts - Not Allowed
Section 8 Voucher	Not Allowed
State Restrictions	<p>The following state restrictions apply</p> <ul style="list-style-type: none"> 2-4 units in New Jersey – Not Allowed Properties in West Virginia – Not Allowed Properties in U.S. Territories or Possessions – Not Allowed Texas 50(a)(6) transactions - Not Allowed
Tax Returns	<ul style="list-style-type: none"> Amended tax returns that increase the borrower’s income – Not Allowed When the tax return reflects monies are owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.
Temporary Buy Downs	Not Allowed
Texas 50(a)(6)	Not Allowed
Underwriting	<ul style="list-style-type: none"> Manual underwriting/downgrade accepted on an exception basis only. FHA Streamline Refinance transactions must meet agency (FHA) published Net Tangible Benefit requirements
Unpermitted Additions	<p>Acceptable Unpermitted Property Additions:</p> <ul style="list-style-type: none"> The addition complies with all FHA guidelines The addition does not result in a change in the number of units The appraiser has no reason to believe the addition would not pass inspection for a permit.

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