



## Wholesale BROKER BULLETIN

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### Summary

The FHA Product Summary has been revised to reflect updated program guidelines.

### Detailed Requirements

The FHA program guidelines have been updated and reflect a 1/27/12 revision date. The new revision reflects HSOA FHA guidelines, and replaces the former Product Summary. [The FHA \\$100 Overlay](#) has also been updated.

**These new guidelines are effective with new underwriting submissions starting January 27, 2012 and all loans previously underwritten that are not funded by February 20, 2012 must meet these requirements.**

Note: Streamlines will be available Wednesday, February 1, 2012

#### Key changes include:

- Streamlines without appraisals are now accepted on wholesale loans. See below for updated streamline requirements
- Maximum base loan amount is \$625,500 for one-unit properties
- See below for AUS and DTI limitations
- Mortgage histories must be 0X30 in last 12 months regardless of AUS acceptance
- Reserves are no longer required on conversion of primary residences
- Gifts: Verification of donor ability is only required when funds are provided in the form of certified funds/bank check that do not evidence the donors name and account.
- Properties owned less than 91 days are limited to a maximum 20% increase in price
- Log homes are permitted, subject to value being supported by similar comps
- Title vesting in trusts are not accepted
- POA requirements added
- Unpermitted space and recently listed property criteria have been updated

#### Summary of AUS and loan size requirements

Scenario	Loans to standard loan limit	High Balance loans	FHA \$100 down (all loan sizes)
AUS requirement/manual underwriting	Standard Program Approve/eligible, manual down grades and refer	Approve/eligible only	Approve/eligible only
DTI with AUS approval	50%; 55% with 680 credit score and at least 2 compensating factors	50%	45%

## Streamline Refinance criteria (Available February 1, 2012)

Criteria	Requirement
Credit Score	660
Credit Requirements	<ul style="list-style-type: none"><li>• No major derogatory in any one of the following showing on the credit report, <u>regardless of the date</u> of the derogatory occurrence:<ul style="list-style-type: none"><li>○ Bankruptcy</li><li>○ Foreclosure, including short-payoffs or short-sales, pre-foreclosures, deed-in-lieu, NOD, 120-day late</li><li>○ Maximum 2X30 cumulative mortgage lates on all properties</li></ul></li><li>• 0X30 in past 12 months on subject property</li><li>• No collections or charge-offs in past 24 months</li><li>• Max 2X30 cumulative in past 12 months consumer obligations</li></ul>
Income and employment	<ul style="list-style-type: none"><li>• <u>Employment</u> is completed on the 1003 (current information and a 2 year history).</li><li>• <u>Income</u> is not listed on the 1003 and not documented.</li><li>• Ratios are not calculated or displayed on the LT.</li><li>• Verbal VOE required.</li></ul>
4506 T	Signed 4506-T included in UW submission; borrowers sign another 4506-T at closing
Assets	Assets needed for closing to be verified

To view our FHA Product Summary in detail: [FHA Product Summary](#)

### Locks/Pipeline

As above

Streamlines product not available until February 1, 2012

### Questions

If you have any questions, contact your Wholesale Account Executive.

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