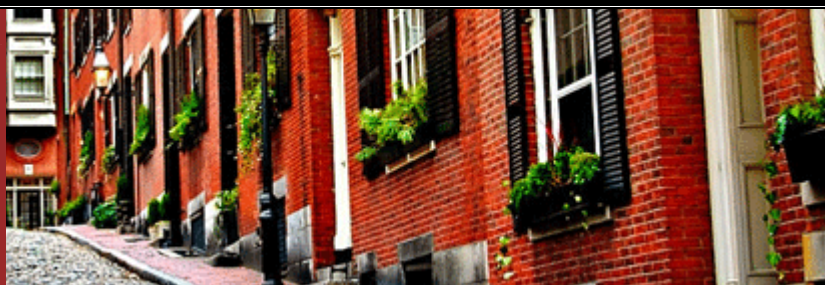


# Home Savings of America

Wholesale Lending

## BROKER BULLETIN



For more information  
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### Summary

**FHA increased loan limits now available for case numbers ordered on and after November 18, 2011.**

### Detailed Requirements

FHA recently increased the maximum loan limits, reverting to the limits that were in place prior to October 1, 2011.

- Effective Tuesday, December 13, 2011, HSOA will accept FHA loans at the increased loan limits for most loans.
- Loans exceeding the limits that were in effect from October 1 through November 17 must meet the following Exception Approval criteria:
  - Max DTI of 55.0% w/ FICO  $\geq$  680 or LTV 5% below program max. Below 680 max DTI is 50.0%.
  - Minimum 680 credit score on cash out transactions
  - Loan is full doc; streamlines are not allowed
  - FHA TOTAL findings are approve/eligible and not a manual down-grade
  - Geographic restrictions:
    - Property is not located in Arkansas, Georgia, Massachusetts, or North Carolina;
    - Refinances in Texas are not eligible
    - CEMA refinances in NY are not eligible
  - Loan is fixed rate, not an ARM
  - If credit score is  $<$  680:
    - Mortgage History must reflect no late payments in the most recent 12 month period
    - No Unpaid Judgments
    - LOE is required for any derogatory credit
  - If a refinance, property has not been listed for sale in the following timeframes prior to application date
    - 30 days for R/T
    - 180 days for cash outs
  - Down Payment Assistance programs are permitted in accordance with Agency Guidelines, subject to the following restrictions:
    - The source of the Down Payment Assistance must be a Government Agency or government instrumentality. (e.g. Non Profits – including those acting as an instrumentality of a government entity, employer-provided, and Trade Unions are not permitted)
    - The minimum credit score is 680 and the borrower must have a prior mortgage or rent history of 0 x 30 x 12 which must be documented in the credit file.
    - Deed Restrictions of any kind are not permitted.

To aid in determining which loans require special loan size handling:

- DU submissions prior to December 17 will issue Accept/ineligible findings if the loan amount exceeds the October limits. Starting December 17, new DU submissions and re-submissions will be based on 2012 loan limits.
- Once received in underwriting, the loan review will include confirmation that the loan meets the exception approval criteria.

Attached are the loan limits:

- o **Mortgage Letter 11-29 attachments A and B**, which are the 'October' limits.
- o **Mortgage Letter 10-40 attachments 1 and 2**, which are the loan limits for cases assigned November 18 through December 31, 2011.
- o **Mortgage Letter 11-39 attachments 1 and 2**, which are 2012 loan limits (there are 5 county limits changing from the November limits to the 2012 limits).

The loan limits are stored in the <http://www.hsoawholesale.com/> site:  
Resources>Miscellaneous

### **Locks/Pipeline**

Applies to all FHA loans with case numbers assigned on and after November 18, 2011

### **Questions**

If you have any questions, contact your Wholesale Community Banker.

Home Savings of America  
35 East Broadway Little Falls, MN 56345

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