



## FHA 203(h)

| PROGRAM SPECIFICATIONS   |   |
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| <b>Description</b>   | Section 203(h) of the National Housing Act authorizes FHA to insure Mortgages to victims of a Presidentially-Declared Major Disaster Area (PDMDA) for the purchase of a Single Family Property.   |
| <b>Channels</b>  | <ul style="list-style-type: none"> <li>• Broker</li> <li>• Correspondent               <ul style="list-style-type: none"> <li>○ Table Funded</li> <li>○ Non-Delegated UW</li> <li>○ Delegated UW</li> </ul> </li> </ul>   |
| <b>FICO</b>  | Minimum Qualifying Credit Scores: <ul style="list-style-type: none"> <li>• 580 for all qualifying borrowers</li> </ul>  |
| <b>UW Method</b>   | <ul style="list-style-type: none"> <li>• Total Scorecard               <ul style="list-style-type: none"> <li>○ Desktop Underwriter (DU)</li> <li>○ Loan Product Advisor (LPA)</li> </ul> </li> </ul>   |
| <b>AUS Recommendation</b>  | <ul style="list-style-type: none"> <li>• Approve/Eligible – DU</li> <li>• Refer/Eligible - DU</li> <li>• Risk Class Accept – LPA</li> <li>• Risk Class Refer – LPA</li> </ul>   |
| <b>Eligible Terms</b>  | <ul style="list-style-type: none"> <li>• 10Yr., 15Yr., 20Yr., 25Yr., 30Yr. Fixed</li> <li>• 5/1 Hybrid ARM - <b>Suspended 7/14/2022 until further notice</b></li> </ul>   |
| <b>Eligible Transaction Types</b>  | <ul style="list-style-type: none"> <li>• Purchase</li> </ul>  |
| <b>Eligible Property Types</b>   | <ul style="list-style-type: none"> <li>• Single Family Property</li> <li>• Manufactured Housing</li> <li>• FHA Approved Condominium</li> <li>• PUDs</li> </ul> <p><b>Reminder:</b> The Property must be the Borrower’s Principal Residence.</p> <p>The previous residence (owned or rented) must have been located in a PDMDA and destroyed or damaged to such an extent that replacement is necessary.</p>   |
| <b>Property Eligibility</b>  | The previous residence (owned or rented) must have been located in a PDMDA and destroyed to such an extent that the property is uninhabitable/condemned.  |
| <b>Maximum LTV/CLTV/HCLTV</b>  | The maximum LTV limit is 100% of the Adjusted Value.  |
| <b>Maximum DTI</b>   | <ul style="list-style-type: none"> <li>• Approve/Eligible or Risk Class Accept - Follow AUS</li> <li>• Refer/Eligible or Manual Underwriting – Follow FHA Guidelines</li> </ul>   |
| <b>Application Deadline</b>  | The FHA case number must be assigned within one year of the date of the PDMDA is declared.  |
| <b>FEMA Disaster Lookup</b>  | <a href="#">Click Here</a>  |
| <b>Geographic Restrictions</b>   | <ul style="list-style-type: none"> <li>• Hawaii               <ul style="list-style-type: none"> <li>○ AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions.</li> </ul> </li> <li>• AFR requires the use of AFR’s Texas counsel on all Texas transactions with the exception of Correspondent Delegated loans. AFR utilizes this 3<sup>rd</sup> party for document preparation and require 48 hours for both title review and to generate a closing package.</li> </ul> |
| <b>4000.1</b>  | <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1_II.A.8">http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1_4000.1 II.A.8</a>   |
| <b>Forms</b>   | See FORMS Section in the Resource Center  |
| OVERLAYS   |   |
| Follow all overlays outlined in the FHA 203(b) Program Matrix <b>and</b> : <ul style="list-style-type: none"> <li>• Purchase transactions only; refinance transactions are not permitted</li> <li>• Short- term employment income will not be permitted to be used as effective income</li> <li>• Non-traditional credit is not permitted</li> <li>• 0x30 12-month mortgage history required <b>prior to declared disaster date</b></li> </ul> |   |

