



Streamline 203K FHA Limited Repair Program

- Enables borrowers to finance both the purchase or refinance of a home and the cost of its rehabilitation through a single mortgage.
- Standard FHA guidelines apply
- Cash out is not allowed. Loan proceeds not advanced must be applied to principal.
- Streamlined FHA 203 (K) allows for limited improvements up to \$35,000 Maximum
- Minimum repair amount for a streamline 203(k) : \$1,000
- Term: 30 year fixed
- The Streamlined FHA 203(k) program is *intended to facilitate uncomplicated rehabilitation and/or improvements to a home for which plans, consultants, engineers and/or architects are not required.*
- Due to the rehabilitation amount limitation of \$35,000, eligible improvements are limited and *can not include any major rehabilitation or remodeling, new construction such as a room addition, repairs to structural damage, or site amenity improvements.*



ELIGIBLE IMPROVEMENTS

- Repair or replacement of....
 - Roofs, gutters, and downspouts
 - Upgrade existing HVAC systems
 - Upgrade plumbing and electrical systems
 - Flooring
 - Exterior decks, patios and porches
- Minor remodeling (no structural repairs)
- Painting – interior/exterior
- Weatherization including storm windows/doors, insulation, weather stripping, etc
- Purchase and installation of new appliances
- Lead based paint stabilization or abatement of lead-based paint hazards



INELIGIBLE REPAIRS

- Major rehabilitation
- New construction including room additions
- Repair of structural damage
- Repairs requiring detailed drawings
- Landscaping or site amenity improvements
- Any improvement that will take longer than 3 months
- Rehab activities that...
 - Rehabs that require more than 2 payments
 - Requires architectural plans or exhibits or a plan reviewer
 - Results in work not starting within 30 days of loan closing or cause the mortgagor to be displaced from the property for more than 30 days during the rehab period
 - FHA anticipates that mortgagors will occupy during rehab



ELIGIBLE PROPERTIES

- One-to-Four Single Family Residence
- Individual condominium units in FHA approved condominium projects
- Condo requirements
 - Owner occupant only – no investment
 - Rehab limited only to unit interior
 - Only lesser of 5 units per condo association or 25% of total number of units can be undergoing rehab

APPRAISAL REQUIREMENTS

- Property must be 100% complete and at least one (1) year old
 - No partially built homes. Exception: Presidential declared Federal disaster areas for 1 year after disaster
- After Improved Value (2 appraisals not required)
 - FHA Appraisal completed “Subject To” completion of improvements. Appraiser to provide appraised value with improvements
 - Appraisal is requested from the appraiser as a 203(k) streamline appraisal. Provide appraiser with a copy of bid from contractor, prior to inspection.
- As is value
 - Appraiser to provide an as is value in the body of the appraisal. (Purchase)
 - Refinance- Use the Existing Liens as the “As is” value when this does not exceed a reasonable estimate of value.
- List Improvements/Repairs
 - Appraiser to review and list on the appraisal as included repairs. List of repairs to correspond with the Contractors Bid.



APPRAISAL REQUIREMENTS

- Value must be sufficient to support purchase/refinance and complete property rehabilitation
- Final inspection fee of \$250 collected at closing
- Supplemental fee of \$350
- “This appraisal order is for a section 203(k) rehabilitation transaction. Attached you will find the cost estimates and/or bids for the proposed rehabilitation and/or improvements. In the reconciliation section, please indicate the “after-improved” value, subject to the completion of the proposed repairs and/or improvements. Also please include a description of the proposed repairs and/or improvements in the appraisal report as well as a copy of the contractor’s cost estimate.”

HUD FORM-92700 203(K) WORKSHEET PURCHASE TRANSACTION

- A1 Purchase Contract
 - A2 Appraisal
 - A3 Appraised Value (After Imp. Value)
 - A4 A3 X 110%
 - A5 Good Faith Estimate
 - B1 Contractors Bid/Appraisal
 - B2 Contingency Reserve Schedule
 - B3 1 Inspection Fee (\$250)
 - B10 Sub-total Lines B5 thru B9
 - B11 Origination Fee greater 1.50% or \$350
 - B12 N/A Disc. Pts.
 - B13 Sub-Total Release for Closing
 - B14 Total Rehab cost less than \$35,000
 - C1 Lesser of A1 or A2
 - C2 B14
 - C3 Lesser of C1+C2 or A4
 - C4 96.50% of Line C3*
*Maybe less if HUD Owned Property (REO)
 - C5 Will auto populate (ignore this figure)
 - C6 C3+C5-C4= required cash into transaction
Down payment + closing costs
 - C7 C4 (re-enter)
- Enter UFMIP Premium, Interest Rate & Discount Points.
(Total loan amount will self calculate)
 - DE Underwriter and Borrower(s) signature required.

**203(k) and Streamlined (k)
Maximum Mortgage Worksheet**
See Public Reporting Statement on the back before
completing this form (See Notes 1 thru 8 on back)

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Approval
No. 2502-0527
(exp. 04/30/2011)

Borrower's Name & Property Address (include street, city, state, and zip code)		FHA Case Number		No. of Units		HUD REO? <input type="checkbox"/> Yes <input type="checkbox"/> NO		<input type="checkbox"/> Purchase <input type="checkbox"/> Refinance <input type="checkbox"/> Streamlined (k) <small>(Note 5)</small> Purchase Date (owned less than 12 months)		
		Type: <input type="checkbox"/> Owner-Occupant <input type="checkbox"/> Nonprofit <input type="checkbox"/> Government Agency								
A. Property Information		1. Contract Sales Price Or <input type="checkbox"/> Existing Debt \$	2. 'As-Is' Value (Note 1) \$	3. After-Improved Value \$	4. 110% of A3 (Note 8) \$	5. Borrower Paid Closing Costs + Prepays (Refinance) \$		6. Allowable energy Improvements (Note 2)		
B. Rehabilitation and Other Allowable Costs		1. Total Cost of Repairs (Line 36, HUD-9746-A) includes the improvements in A8 and REO Lead Based Paint Stabilization								
		2. Contingency Reserve on Repair Costs (%) (10 to 20% of B1)								
		3. Inspection Fees (x \$ per Inspection)+ Title Update Fee (x \$ per draw)								
		4. Mortgage Payments Escrowed (months x \$) if uninhabited (Note 7)								
		5. Sub-Total for Rehabilitation Escrow Account (Total of B1 thru B4)								
		6. Architectural and Engineering Fees (Exhibits) (Note 7)								
		7. Consultant Fees (including mileage, if applicable) (\$ + miles@ /mile) (Note 7)								
		8. Permits								
		9. Other Fees (explain in Remarks)								
		10. Sub-Total (Total of B5 thru B9)								
		11. Supplemental Origination Fee for both 203k and Streamlined (k) (greater of \$350 or 1.5% of B10)								
		12. Discount Points on Repair Costs and Fees (B10x %)								
		13. Sub-Total for Release at Closing (Total of B6 thru B9 + B11 and B12 (Note 3))								
		14. Total Rehabilitation Cost (Total of B5 and B13 minus A8) (Streamlined (k) can not exceed \$35,000)								
C. Mortgage Calculation for Purchase Transactions		1. Lesser of Sales Price (A1) or As-Is-Value (A2)								
		2. Total Rehabilitation Cost (B14)								
		3. Lesser of Sum of C1 + C2 (\$) or 110% of After-Improved Value (A4)								
		4. Base Mortgage Amount: Sum of C3 +(-) Required Adjustment (Note 4) (\$) x LTV Factor (96.5%) (Owner-Occupant) or Less Allowable Down payment/ HUD-Owned Property (\$) (Note 5)								
D. Mortgage Calculation for Refinance Transactions		1. Sum of Existing Debt (A1) + Rehabilitation Cost (B14) + Borrower Paid Closing Costs + Prepays (A5)+ Discount on Total Loan Amt minus Discount on Repair Costs (B12) minus FHA MIP Refund (\$)								
		2. Lesser of Sum of As-Is Value (A2) (Note 1) + Rehabilitation Cost (B14) (\$) or 110% of After-Improved Value (A4)								
		3. D2 (\$) x LTV Factor (97.75%) (Owner-Occupant)								
		4. Base Mortgage Amount Lesser of D1 or D3 (Note 5)								
E. Calculation for EEM		1. Energy Efficient Mortgage (EEM) Amount (C4 or D4) + A8 (Note 2)								
F. Summary		UFMIP Factor	UFMIP	Total Escrowed Funds	Interest Rate	Discount Pts				
		%	\$	\$	%					
		1. Total Mortgage Amount with UFMIP (C4, or D4 or E1 + UFMIP)							\$	
DE Underwriter's Signature, Title & Date								CHUMS No.		
Borrower's Signature & Date (Optional)				Co-Borrower's Signature & Date (Optional)						