

# FHA Streamline Refinance

## Program Guidelines



<b>What is Virginia Housing's FHA Streamline Refinance program?</b>	Virginia Housing's FHA Streamline Refinance program is a refinance program offered only to borrowers with current Virginia Housing FHA or FHA Bond loans. The loan is securitized by Ginne Mae via a mortgage-backed security (MBS). Requirements of this streamline refinance program are listed below.								
<b>Loan Term</b>	FHA limits the term to the lesser of 30 years or the remaining term of the mortgage plus 12 years and: <ul style="list-style-type: none"> <li>• Virginia Housing cannot finance a loan with less than 18 years remaining term (18 year remaining term + 12 years = 30 years).</li> <li>• Fixed rate only.</li> </ul>								
<b>Maximum Lender Compensation</b>	2.50% including SRP plus common and customary ancillary fees.								
<b>Loan-to-Value (LTV)</b>	Follow FHA requirements.								
<b>Eligible Mortgages</b>	<ul style="list-style-type: none"> <li>• Virginia Housing FHA</li> <li>• Virginia Housing FHA Bond</li> </ul>								
<b>Mortgage Insurance</b>	UFMIP / Annual MIP per FHA requirements.								
<b>MCC Eligible</b>	No. An existing MCC will not be re-issued if the loan is refinanced.								
<b>SPARC Eligible</b>	No.								
<b>Plus Second Mortgage Eligible</b>	No.								
<b>DPA Grant Eligible</b>	No.								
<b>CCA Grant Eligible</b>	No.								
<b>First-time Homebuyer</b>	Not required.								
<b>Income Limits</b>	<p>Include all income of all borrowers.</p> <p>Documentation of income is not required but must be certified on <a href="#">Income Certification for Virginia Housing FHA-VA Streamline Refinance</a>.</p> <table border="1" data-bbox="667 1392 1344 1556"> <thead> <tr> <th colspan="2">Maximum Borrower(s) Household Income:</th> </tr> <tr> <th>Area</th> <th>Any Person Household</th> </tr> </thead> <tbody> <tr> <td>DC / Northern VA MSA:</td> <td>\$250,000</td> </tr> <tr> <td>Remainder of State:</td> <td>\$155,000</td> </tr> </tbody> </table>	Maximum Borrower(s) Household Income:		Area	Any Person Household	DC / Northern VA MSA:	\$250,000	Remainder of State:	\$155,000
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<b>Maximum Loan Amount</b>	Follow FHA requirements.								
<b>Eligible Purpose</b>	Primary residence / owner occupied non-credit qualifying streamline refinance.								
<b>Financed Closing Costs</b>	Not allowed per FHA requirements.								
<b>Programs Disclosure and Borrower Affidavit (Exhibit E)</b>	Not required.								
<b>Seller Affidavit (Exhibit F)</b>	Not required.								



<b>Originating Lender's Submission Cover Letter (Exhibit O)</b>	Not required.
<b>Recapture</b>	Loan is not subject to recapture.
<b>Homebuyer Education</b>	Not required.
<b>Automated Underwriting System (AUS) / Manual Underwrites</b>	Desktop Underwriter and Loan Product Advisor Total Scorecard not allowed. Loan must be manually underwritten to meet the more restrictive of Virginia Housing and FHA Non-Credit Qualifying Streamline Refinance requirements.
<b>Minimum Credit Score / Verification of Mortgage</b>	<p>No credit score requirement – Non-Credit Qualifying Streamline Refinance.</p> <p>Lenders must obtain a credit report to identify:</p> <ul style="list-style-type: none"> <li>• Judgments or liens.</li> <li>• Credit scores to be provided if available.</li> </ul> <p>Verification of the mortgage directly from Virginia Housing is required to confirm:</p> <ul style="list-style-type: none"> <li>• An acceptable mortgage payment history meeting FHA requirements (no lates last six months paid by the current borrower).</li> <li>• The note date of the refinance loan must be on or after the later of: <ul style="list-style-type: none"> <li>• The date that is 210 days after the date on which the first monthly payment was made on the mortgage being refinanced, and</li> <li>• The date on which 6 full monthly payments have been made on the mortgage being refinanced.</li> </ul> </li> </ul> <p>Mortgages with prior modification or partial claims are not eligible.</p>
<b>Maximum DTI</b>	No maximum ratios with FHA Non-Credit Qualifying Streamline Refinance.
<b>Addition and Removal of Borrower</b>	Follow FHA requirements.
<b>Non-Occupant Co-Borrowers</b>	Not allowed.
<b>Acceptable Funds to Close</b>	Follow FHA requirements funds to close (Must verify borrower's funds to close).
<b>Cash Back at Closing</b>	Follow FHA requirements for cash back at closing (Cannot exceed \$500).
<b>Appraisal</b>	Not required.
<b>Flood Certification</b>	A new flood certification is required.
<b>General Guidelines</b>	Unless otherwise noted follow FHA Non-Credit Qualifying Streamline Refinance requirements (with program overlays).

# FHA Streamline Refinance Procedures



<b>Lock-In</b>	Loans locked on Virginia Housing’s LOS – Mortgage Cadence – Select <b>FHAStreamline</b> . Follow steps outlined in the <a href="#">Mortgage Cadence User Guide</a> for registering and locking loans.
<b>LLPAs</b>	No additional Loan Level Pricing Adjustments (LLPAs).
<b>Origination</b>	Loan originated in accordance with program guidelines and FHA guidelines.
<b>Lender Delegated Underwriting Availability</b>	All approved Virginia Housing lenders are automatically delegated for the FHA Streamline Refinance program (even lenders that are not delegated on other products).
<b>Lender Liability Responsibility</b>	Since this is a no appraisal / no credit qualifying loan: <ul style="list-style-type: none"> <li>• The lender will not be held responsible for the performance of this loan unless there is fraud or material misrepresentation.</li> <li>• The lender must adhere to FHA guidelines, obtain valid mortgage insurance, and ensure the new first mortgage is in a valid first lien position.</li> </ul>
<b>Underwriting</b>	Loans underwritten in accordance with program guidelines and FHA guidelines. As mentioned above, all approved Virginia Housing lenders are automatically delegated for the FHA Streamline Refinance program, so submission to Virginia Housing underwriting for pre-closing review is not required. Follow steps outlined in the <a href="#">Mortgage Cadence User Guide</a> for submitting for Delegated Approval.
<b>New Escrow Account</b>	A new escrow account must be established: <ul style="list-style-type: none"> <li>• A refund of the current escrow account will be sent to the borrower after the refinance has been completed and payoff of the original loan is received.</li> <li>• When establishing the new escrow account, include the amounts necessary to pay the hazard premium and taxes in the month prior to the due date. A two month cushion is required.</li> <li>• The borrower is not required to obtain a new hazard policy.</li> </ul>
<b>Loan Payoff Information</b>	For loan payoff information: <ul style="list-style-type: none"> <li>• Fax request to 804-343-8720; indicate that this is a Virginia Housing to Virginia Housing refinance and attach the Borrower’s Authorization.</li> <li>• For a faster turn time use AutoFax Payoff by calling 800-235-6938; press 1, press 2, then press 4 for a faxed payoff statement.</li> </ul>
<b>Subordination of Plus Second Mortgage</b>	Virginia Housing will subordinate the Plus Second Mortgage to the new Virginia Housing streamline refinance first mortgage – automatic subordination is not allowed. <ul style="list-style-type: none"> <li>• Complete and send the <a href="#">Request for Plus Second Mortgage Subordination</a> form as instructed on the form. The agreement will be returned to the requesting lender.</li> <li>• Virginia Housing will not charge a subordination fee for these loans.</li> <li>• Provide a copy of the title policy indicating the Deed Book and page number of the existing 2<sup>nd</sup> lien for prompt completion of the agreement.</li> <li>• The rate on the original Plus Second Mortgage will remain the same.</li> </ul>
<b>Subordination of Other Second Mortgage</b>	The lender must ensure that Virginia Housing’s first mortgage is in first lien position and appropriately reflected on the title policy.



<b>Closing</b>	Loans closed in accordance with standard FHA requirements. Loan must be closed in the name of the lender, registered in MERS with MERS compliant documents.
<b>Funding</b>	Originating lender will fund the first mortgage at closing.
<b>Delivery</b>	Loans submitted to Virginia Housing within 10 calendar days of closing. Follow steps outlined in the <a href="#">Mortgage Cadence User Guide</a> for submitting a closed loan package. Documents must be uploaded using the <a href="#">Loan Stacking Form</a> .
<b>Pre-Purchase Review</b>	Loans reviewed by Virginia Housing prior to purchase. If errors noted, Virginia Housing will contact lender.
<b>Post-Closing</b>	Standard post-closing documents must be submitted to Virginia Housing.
<b>Important:</b> Refer to the <a href="#">Origination Guide</a> for more information about Virginia Housing eligibility requirements.	

The information contained herein (including but not limited to any description of Virginia Housing and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

