

# FHA Refinance FAQs

## General Qualifying Requirements

**How do I determine the endorsement date/insured date on the existing FHA case so I can determine whether or not the borrower is eligible for the special reduced MIP rates of .01 for Up-front MIP and .55 for streamline refinance?**

You can pull either a [Case Query](#) on the existing case or a [Refinance Credit Query](#). Either will give you the insured/endorsement date of the existing FHA loan that you intend to pay off with the proposed refinance.

**Case Query Results**

**SUCCESS**  
CASE QUERY SUCCESSFULLY COMPLETED  
ALL BORROWING PASSED GSH VALIDATION -NMC, GSH OR, DOE CHANGES WILL REVALIDATE

FHM Case Number: [REDACTED]  
Borrower Name: [REDACTED]  
Property Address: 5247 IVY LN  
OSHRDISH WI 549040000

Originator Name: FAIRWAY INDEPENDENT MORTGAGE  
Case Type: REGULAR DIRECT ENDORSEMENT (Code 703)  
Endorsement Processed by: HDC  
Appraiser License: WI1469-9  
Appraiser Name: KRHWALDT, BR  
Closing Package Received Date: 05/05/14  
**Insurance Date: 05/05/14**  
Upfront MIP Date: 04/23/12  
Upfront MIP Received: 04/23/12  
Upfront MIP Factor: 1.750%  
**Appraised Value: \$230,000.00**  
Loan Term: 360  
Last Action Date: 05/05/14  
**Last Action: UNINSURED**  
Loan Balance at Final MIP Date: N/A  
Final Monthly MIP Payment Date: 04/14

Binder Status: PAPER BINDER RECEIVED  
Case Number Assigned Date: 02/26/14  
Appraisal Logged Date: 04/02/14  
Appraisal Update Processing Date:  
Closing Date: 04/10/14  
Upfront MIP Received Date: 04/12/14  
Upfront MIP Late Due?: No  
Annual MIP Factor: 1.300%  
TOTAL Score Processed: Yes  
Mortgage Amount: \$275,488.00  
Principal Reduction:

**How do I pull a Case Query or Refinance Credit Query for an existing FHA case?**

Refer to the screen shot instructions we've created and provide for you on the intranet.

- [How to Pull a Case Query from FHA Connection](#)
- [How to pull a Refinance Credit Query from FHA Connection](#)

**How can I determine up front whether or not the borrower will receive an MIP credit on the refinance so I know how to set up the loan file?**

You'll need to pull a [Refinance Credit Query](#) from FHA Connection.

You will need two items to order a [Refinance Credit Query](#):

1. The existing FHA-insured case number
2. Projected closing date for the proposed refinance.

The MIP Refund is the "Unearned UFMIP" from the Query for the month the refinance closes. (see example below)

**FHA Connection**

Home | Main Menu | ID Maintenance | Email Us | Contact Us | Sign Off

Welcome STACEY SPRAIN

Single Family FHA | Single Family Origination | Case Processing | Refinance Credit Query

**Refinance Credit Query Results** [Help Links](#)

FHA Case Number: [Redacted]  
 Projected Closing Date: 03/25/15  
 Pricing LTV: N/A

Term: 360  
 Liphart MIP Factor: 1.750 %  
 Annual MIP Factor: TBD

Note: MIP factors valid only for streamline refinance cases.

Computed Premium:	\$5,713.25
Original Mortgage Amt:	\$332,213
Orig Term (in months):	360
<b>New Closing Costs:</b>	<b>\$3,713</b>
Period of Insurance:	2
Refund LPMF Factor (%):	.68000
<b>UPMP earned by HUD:</b>	<b>\$1,828.40</b>
<b>Unearned UPMP:</b>	<b>\$3,885.35</b>
Unpaid Balance:	\$329,252

**Refinance Credit Query**

Original Property Value:	\$345,000
Original Closing Date:	09/12/14
Original Endorsement Date:	09/08/14
	04/15
	0
	.68000
	\$1,942.97
	<b>\$3,771.08</b>
	\$328,622

**Callout 1:** The endorsement date of the existing FHA-insured mortgage is reflected so that you can tell whether or not the borrower is eligible for the reduced streamline MIP that is offered to borrowers whose existing mortgage was endorsed prior to 6/01/2009.

**Callout 2:** In this case, the borrower would not be eligible for the .01 UFMP and .55 annual MI rates.

**Callout 3:** If the refinance closes in March, the MIP credit will be \$3885.35 on the new loan as long as the new MIP is at least or greater than that amount.

**Callout 4:** If the loan closes in April, the MIP credit will be \$3771.08 on the new loan as long as the new MIP is at least or greater than that amount.

**Where in Encompass do we indicate the MIP credit on an FHA to FHA refinance?**

At the bottom of form FNMA Streamlined 1003 there is a specific field- Field #1059- called "MIP Refund." That is where you need to enter any MIP credit amount on an FHA to FHA refinance. (See screen shot example below from Encompass)

You can obtain the MIP credit from the Refinance Credit Query or from the Refinance Authorization with your new FHA case assignment.

Forms | Tools | Services

Community Lending | Homeowners Expire | Community Second

Metropolitan Statistical Area or County

Fannie Mae's Community Lending Product

HUD Median Income

Income Limit Adjustment Factor %

Community Lending Income Limit

Community Second Repayment Structure

Borrower's CA/RS # Co-Borrower's CA/RS #

**FHA Loan Data**

Section of the Act

MIP Refund **[Yellow Highlight]** Mortgage Credit

FHA Lender Identifier Seller Concessions

FHA Sponsor Identifier Energy Efficient Mortgage

**VA Loan Data**

Borrower Spouse

Federal Income Tax Borrower / Co-Borrower are Married

**Where can I find MIP rates for FHA refinances?**

Refer to Fairway's [FHA MI Charts](#) on the intranet.

**What if the loan limit in the county has decreased since the last transaction? Am I not able to increase the loan amount in those cases because I have to follow the new max loan limit**

You must do an FHA streamline **no appraisal** refinance in order to avoid being restricted to the lower loan limit. FHA streamlines without appraisal are not subject to the max loan limit for the area.

Refer to [Mortgage Letter 2014-25](#) which states the following: **Streamline Refinance Mortgages:** Streamline refinance transactions without an appraisal are not subject to the limits established by Section 203(b)(2) of the National Housing Act. They are subject to the maximum mortgage amounts governed by Section 223(a)(7) of the National Housing Act.

which is now lower?	
<b>What's the seasoning requirement for a streamline refinance?</b>	<p>On the date of FHA case number assignment for the new refinance,</p> <ul style="list-style-type: none"> <li>• the borrower must have made at least six payments on the FHA-insured mortgage being refinanced, <b>and</b></li> <li>• at least six full months must have passed since the first payment due date of the refinanced mortgage, <b>and</b></li> <li>• at least 210 days must have passed from the closing date of the mortgage being refinanced.</li> </ul> <p><i><b>Example:</b> The FHA case number on the mortgage being refinanced was closed on or before December 1st, and the borrower's first payment on that mortgage was due on January 1st. The lender may request assignment of an FHA case number for the refinancing mortgage no earlier than July 1st.</i></p>
<b>What's the seasoning requirement for a non-streamline refinance?</b>	<p>Non-streamline rate/term refinances do not have a minimum seasoning requirement. <b>However,</b> be conscious of early loan payoff policy of the current investor to avoid <a href="#">EPO penalties</a> that can be assessed if you originated the existing FHA-insured mortgage and refinance it too soon after the investor purchased the loan.</p>
<b>Where can I find the Early Loan Payoff Policies for our main investors?</b>	<p>You'll find all of the main investor <a href="#">EPO Policies</a> on the Lock Desk Page of the intranet.</p> <ul style="list-style-type: none"> <li>• <a href="#">Retail FIMC Custom Products EPO Policy</a></li> <li>• <a href="#">Wholesale EPO Policy</a></li> <li>• <a href="#">BB&amp;T EPO Policy</a></li> <li>• <a href="#">Chase EPO Policy</a></li> <li>• <a href="#">Fannie Mae Direct EPO Policy</a></li> <li>• <a href="#">First Guaranty EPO Policy</a></li> <li>• <a href="#">Flagstar EPO Policy</a></li> <li>• <a href="#">Freddie Mac Direct EPO Policy</a></li> <li>• <a href="#">PennyMac EPO Policy</a></li> <li>• <a href="#">Wells Fargo EPO Policy</a></li> </ul>
<b>Who can I contact to find out the purchase date of an existing FHA-insured loan I originated previously to make sure I am refinancing outside of <a href="#">EPO Policy</a> penalties?</b>	<p>You can find this information posted within the <a href="#">Lock Desk page</a> on the intranet. Please contact the following individuals who will be happy to help answer your questions!</p> <ul style="list-style-type: none"> <li>• Eric Pearson <a href="mailto:ericp@fairwaymc.com">ericp@fairwaymc.com</a> Ph: 608-807-0236</li> <li>• Jessica Hollingstead <a href="mailto:jessicah@fairwaymc.com">jessicah@fairwaymc.com</a> Ph: 469-777-4610</li> </ul>
<b>Am I correct that HUD doesn't allow the current escrow balance to be credited on a payoff statement?</b>	<p>Actually no. Originally HUD did not allow escrow account credits on payoffs but they've since reversed their original direction. See <a href="#">Mortgagee Letter 2013-29</a> which addresses this topic and provides FHA's stance to allow escrow balance credits to loan payoffs.</p>
<b>How do I request a payoff for a</b>	<p>Email your request for Payoff Statement with borrower authorization to <a href="mailto:LoanAdmin@Fairwaymc.com">LoanAdmin@Fairwaymc.com</a>.</p>

<b>Fairway/LoanCare serviced loan?</b>	
<b>Do we know how to order payoff statements from our main investors?</b>	<p>Yes. We've polled the investors and verified the following as of 01/24/2015:</p> <p><b>BB&amp;T:</b> Request payoff by phone: 800-295-5744 <b>or</b> by fax 864-242-9531. Provide loan number, borrower name and SS# and good thru date; if faxing must have executed borrower authorization.</p> <p><b>Chase:</b> Request payoff by phone 800-848-9136, by fax 614-422-0376 with executed borrower authorization. Provide borrowers SS#, Loan # and mailing zip code</p> <p><b>First Guaranty:</b> Request payoff by phone 877-426-8805, by email to <a href="mailto:payoffrequest@roundpointmortgage.com">payoffrequest@roundpointmortgage.com</a>, or via fax to faxed to 877-656-5717.</p> <p><b>Flagstar:</b> Request payoff by phone 800-968-7700 with Flagstar loan number; current property address, name and last 4 digits of borrowers SS#. To receive payoff by email or fax there is a \$5 fee with 1-3 hour turnaround time. Otherwise payoff will be mailed to borrowers subject address.</p> <p><b>PennyMac:</b> Request payoff by phone 800-777-4001 or fax to 800-878-3740 with borrower executed letter of authorization. Will need to provide borrower name and loan #. Payoff requests can be returned by fax or mailed to the borrower.</p> <p><b>Wells Fargo:</b> Request payoff by phone 866-234-8271 or fax to 866-278-1179 with signed borrower authorization. Will need to provide borrowers name and loan number.</p>
<b>Will all Fairway/LoanCare payoffs automatically include the escrow balance credit?</b>	<p>No. You will need to specifically request the escrow balance be credited to the payoff when you send the payoff request to <a href="mailto:LoanAdmin@Fairwaymc.com">LoanAdmin@Fairwaymc.com</a>.</p> <p>Please note that even with escrows credited to the payoff, you are <u>still</u> required to collect the aggregate escrow on the new loan as required.</p> <p>If the escrow balance credit does not match the aggregate amount, it may be due to a difference in the amount currently being escrowed from the amount being collected on the new loan. Typically, this is different due to an increase in taxes or insurance, or a shortage and deficiency which has not been accounted for by an escrow analysis on the 'old' loan but is being accounted on the 'new' loan.</p>
<b>Do we happen to know which of our main lenders will credit escrow balances to the payoffs?</b>	<p>Yes. We've polled the investors and verified the following as of 01/24/2015:</p> <p><b>BB&amp;T:</b></p> <ul style="list-style-type: none"> <li>• <b>BB&amp;T to BB&amp;T</b> – must speak with operator (effectively getting off the automated system) and request.</li> <li>• <b>BB&amp;T to non-BB&amp;T:</b> If another lender is calling BB&amp;T for a payoff, then the customer must have previously called BB&amp;T and requested that escrows be netted – this would be noted in the loan so that when the lender calls the information is there.</li> </ul>

	<p><b>Chase:</b> Will not net escrows from payoff even if requested.</p> <p><b>First Guaranty:</b> Will not net escrows from payoff due to systems issues.</p> <p><b>Flagstar:</b></p> <ul style="list-style-type: none"> <li>• <b>Flagstar to Flagstar:</b> Will net escrows from payoff if requested. Must provide existing and new Flagstar loan numbers when requesting.</li> <li>• <b>Flagstar to non-Flagstar:</b> Will not net escrows from payoff even if requested.</li> </ul> <p><b>PennyMac:</b> Will net escrows from payoff if specifically requested.</p> <p><b>Wells Fargo:</b> Will not net escrows from payoff even if requested.</p>
<p><b>Does the borrower have to credit-qualify in order to roll the borrower costs into a streamline refinance?</b></p>	<p>Yes AND you will need a new full FHA appraisal also.</p> <p>The ONLY way to roll costs into the loan amount is by doing a credit-qualifying streamline refinance WITH appraisal.</p>
<p><b>Added 02/04/2015: How are Streamline Refinance transactions affected by HUD's Qualified Mortgage (QM) rule?</b></p>	<p>Streamlined refinances with a case number assigned on or after the effective date of January 10, 2014, are subject to the same points and fees requirements to determine if they are Qualified Mortgage (QM) eligible and the same Annual Percentage Rate (APR) to Average Prime Offer Rate (APOR) threshold test to determine whether they fall within the Safe Harbor or Rebuttable Presumption classification</p>
<p><b>Added 02/04/2015: How is the ability to repay standard rebutted for streamline refinances?</b></p>	<p>Given the unique nature of streamlined refinances, HUD's rule modifies the meaning of the Consumer Financial Protection Bureau's (CFPB) rebuttable presumption standard to clarify that a presumption is rebutted if the lender does not meet HUD's underwriting standards. Therefore, if a streamlined refinance was a "rebuttable presumption qualified mortgage" when originated, the presumption could only be rebutted by showing that the lender did not meet the HUD requirements for originating streamlined refinances.</p> <p>HUD's Final Rule is available at <a href="http://www.gpo.gov/fdsys/pkg/FR-2013-12-11/pdf/2013-29482.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-12-11/pdf/2013-29482.pdf</a></p>
<p><b>Added 02/04/2015: Can the payment increase if I reduce the mortgage term on a streamline refinance?</b></p>	<p>A transaction for the purpose of reducing the mortgage term may not be closed as a streamline refinance and must be underwritten and closed as a credit qualifying rate and term (no cash out) refinance, unless the new mortgage meets the net tangible benefit test.</p> <p>For additional information on Streamline Refinance requirements see Mortgagee Letters 11-11, 10-19 &amp; 09-32 at:  <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee">http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee</a></p> <p>Handbook 4155.1: 6.C.4.b &amp; 6.C.5  <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgb">http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgb</a></p>

<p><b>Added 02/04/2015: Can repairs for energy efficiency be included in a Streamline Refinance?</b></p>	<p>Repairs for energy efficiency can be included in a streamline refinance under the Energy Efficient Mortgage (EEM) program.</p> <p>EEMs may be used with Sections 203(b), 203(k) (rehabilitation mortgages), 203(b)/234(c) (units in condominium projects), and 203(h) (mortgages for disaster victims) loans for both purchases and refinances, including streamline refinances.</p> <p>For a streamline refinance, the borrower's principal and interest (P&amp;I) payment on the new loan including the energy package may be greater than the P&amp;I payment on the current loan, provided the estimated monthly energy savings as shown on the Home Energy Rating System (HERS) report exceeds the increase in the P&amp;I.</p> <p>NOTE: The FHA maximum statutory loan limit for the area may be exceeded by the cost of the energy efficient improvements (and UFMIP) for purchase and refinance transactions, including streamline refinances.</p> <p>ML 09-18, ML 05-21  For the most current EEM program information go to the EEM Home Page located at <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/eem">http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/eem</a></p>
<p><b>Added 02/04/2015: Can repairs be included in the loan amount when calculating a refinance?</b></p>	<p>For a no-cash out, non-streamline refinance, the maximum mortgage amount is the lesser of the maximum permissible loan to value ratio <b>or</b> the following existing debt calculation:</p> <ul style="list-style-type: none"> <li>• the amount of the existing first lien, any purchase money second mortgage, any junior liens over 12 months old, closing costs, prepaid expenses, borrower paid repairs required by the appraisal, discount points, and other fees as determined acceptable by the appropriate Homeownership Center (HOC) <b>and</b></li> <li>• then subtract any refund of UFMIP.</li> </ul> <p>(If any portion of the funds of an equity line of credit in excess of \$1000 was advanced within the past twelve months and was for purposes other than repairs and rehabilitation of the property, the line of credit is not eligible for inclusion in the new mortgage.)</p> <p><b>The mortgage can also include repairs for energy efficiency under the Energy Efficient Mortgage program.</b></p> <p>The amount of the existing first mortgage may include the interest charged by the servicing lender when the payoff will not likely be received on the first day of the month (as is typically assessed on FHA insured mortgages).</p> <p>The amount also may include any prepayment penalties assessed on a conventional mortgage or FHA</p>

	<p>Title I loan, late charges, and escrow shortages. The amount of the existing first mortgage may not include delinquent interest.</p> <p>Prepaid expenses may include the per diem interest to the end of the month on the new loan, hazard insurance premium deposits, mortgage insurance premium, and any real estate tax deposits needed to establish the escrow account.</p> <p>Handbook 4155.1: 3.B.1.a-b  <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg">http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg</a></p>
<p><b>Added 02/04/2015: Are there subordinate financing restrictions for FHA streamline refinance transactions?</b></p>	<p>Subordinate financing may remain in place in a streamline refinance transaction provided it is clearly subordinate to the FHA mortgage and meets all other FHA requirements.</p> <ul style="list-style-type: none"> <li>• The maximum combined loan-to-value (CLTV) ratio is 125%.</li> </ul> <p><b>For streamline refinance transactions:</b></p> <ul style="list-style-type: none"> <li>• WITHOUT an appraisal - the CLTV is based on the original appraised value</li> <li>• WITH an appraisal - the CLTV is based on the new appraised value</li> </ul> <p>If there is an existing subordinate lien on the property, such as a Home Equity Line of Credit (HELOC), the entire lien/line amount must be subordinate to the FHA first lien mortgage. The maximum credit line must be used to determine the CLTV.</p> <p>The FHA first lien may not exceed the FHA statutory loan limit for the area, except by the amount of any financed UFMIP.</p> <p>However, the sum of the first and subordinate liens may exceed the loan limit for the area.</p>
<p><b>Appraiser/Appraisal/Property</b></p>	
<p><b>How do I know whether or not I need an appraisal on a streamline refinance?</b></p>	<p>If you need to finance closing costs, prepaids and/or, discount points you will need an appraisal that supports increasing the loan amount to finance costs.</p> <p>In these circumstances, you will use the new appraised value to determine LTV/CLTV.</p> <p>However, <b>if</b> you order an appraisal and value is insufficient for your transaction, you can adjust your loan to a streamline no appraisal. <i>Note: By adjusting products, appraisal cost will be out of pocket vs. financed as will any other costs that are not eligible to be included in the new loan amount.</i></p> <p><b>Please note: When using an appraisal for the ability to finance costs, the loan must be credit-qualified.</b></p>
<p><b>What do I indicate in Encompass on a streamline refinance for</b></p>	<p>You would need to indicate the value from the existing case that is being paid off with the refinance.</p>

property value if I am not ordering a new appraisal?

You can obtain the value from the existing case with either a [Case Query](#) or [Refinance Credit Query](#) or from the Refinance Authorization with the new case assignment for the proposed refinance.

**Case Query Results** Help Links Other Functions

**SUCCESS**  
CASE QUERY SUCCESSFULLY COMPLETED  
ALL BORROWERS PASSED GSN VALIDATION -MMI, GSN OR DOE CHANGES WILL REVALIDATE

FIM Case Number: [REDACTED]  
Borrower Name: [REDACTED]  
Property Address: 5247 IVY LN  
OSHKOSH WI 549040000

Originator Name: **FARWAY INDEPENDENT MORTGAGE C**  
Case Type: REGULAR DIRECT ENDORSEMENT (ADD 1000 703)  
Endorsement Processed by: HOC  
Appraiser License: WI1469-9  
Appraiser Name: BRUNWALDT, BRUN B  
Closing Package Received Date: 05/05/14  
Insurance Date: **05/05/14**  
Upfront NIP Due: \$4,736.12  
Upfront NIP Received: \$4,736.13  
Upfront NIP Factor: 1.759%  
**Appraised Value: \$250,000.00**  
Loan Term: 300  
Last Action Date: 05/05/14  
Last Action: **INSURED**  
Loan Balance at Final NIP Date: N/A  
Final Monthly NIP Payment Date: 04/14

Binder Status: PAPER BINDER RECEIVED  
Case Number Assigned Date: 02/26/14  
Appraisal Logged Date: 04/02/14  
Appraisal Update Processing Date:  
Closing Date: 04/10/14  
Upfront NIP Received Date: 04/12/14  
Upfront NIP Late Due?: No  
Annual NIP Factor: 1.300%  
TOTAL Score Processed: Yes  
Mortgage Amount: \$275,488.00  
Principal Reduction:

What reason would make sense for ordering a new appraisal on a non-credit qualifying streamline refinance knowing that costs can't be rolled in anyway?

The only real reason you would want an appraisal on a NCQ streamline would be for the purpose of using the new appraised value to determine max CLTV (can't exceed 125%). Otherwise, there would be no benefit to ordering an appraisal on a non-credit qualifying streamline refinance.

**Assets/Funds to Close/Reserves**


**AUS & Underwriting**


**Borrowers & Participants**

<p><b>Added 02/04/2015: When can borrowers be deleted from the loan when doing a Streamline Refinance?</b></p>	<p>A credit qualifying streamline refinance may be required when a borrower is deleted.</p> <p>Individuals can be deleted from the title on a streamline refinance <b>without credit qualifying</b> only under the following circumstances:</p> <ul style="list-style-type: none"> <li>a. When an assumption of a mortgage not containing a due-on-sale clause occurred more than six months previously and the assumptor can document that he or she has made the mortgage payments during interim period; or</li> <li>b. Following an assumption of a mortgage in which the transferability restriction (due-on-sale clause) was not triggered, such as in a property transfer resulting from a divorce decree or by devise or descent, and the assumption or quitclaim of interest occurred more than six months previously and the remaining owner-occupant can demonstrate that he or she has made the mortgage payments during this time.</li> </ul> <p>Individuals can be deleted from the title on a <b>credit qualifying streamline refinance</b> under the following circumstances:</p> <ul style="list-style-type: none"> <li>a. When deletion of a borrower or borrowers will trigger the due-on-sale clause.</li> <li>b. Following an assumption of a mortgage that does not contain restrictions (e.g., due-on-sale clause) limiting assumptions only to creditworthy borrowers and the assumption occurred less than six months previously.</li> <li>c. Following an assumption of a mortgage in which the transferability restriction (i.e., due-on-sale clause) was not triggered, such as in a property transfer resulting from a divorce decree or by devise or descent and the assumption occurred less than six months previously.</li> </ul> <p>Individuals may be added to the title on a streamline refinance without credit worthiness review and without triggering due-on-sale clauses.</p> <p>Handbook 4155.1: 6.C.2.d &amp; 6.C.3.c  <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg">http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg</a></p>
<p><b>Added 02/04/2015: Can lenders process refinance loans for HUD employees?</b></p>	<p>Any HUD employee or member of the employee's household (spouse, parent, child) may have their Streamline Refinance processed by a Direct Endorsement (DE) lender. Mortgage loans other than a Streamline Refinance must be processed by HUD and not the DE lender.</p> <p>Handbook 4155.2: 3.B.1.b  <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg">http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg</a></p>

<p><b>Added 02/04/2015:</b> Can I do an FHA refinance if the borrower owns the property but is not named on the existing loan?</p>	<p>As long as the borrower has legal title (even though not originally on the loan) the borrower is eligible to refinance the loan.</p> <p>Handbook 4155.1: 3.A.1.a  <a href="http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgq">http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsgq</a></p>
	<ul style="list-style-type: none"> <li>•</li> </ul>

**Credit History, Reports, Scores**

<p>What type of credit report do I need for non-credit qualifying streamline refinance?</p>	<p>You can obtain what is referred to as a “mortgage only” credit report with bureau scores. This provides reporting and scoring for all 3 bureaus but only lists the mortgage tradelines within the report.</p>
<p>How do I request a mortgage only credit report?</p>	<p>It depends on which credit reporting vendor you use.</p> <p>Refer to the following instructions, dependent upon which credit vendor you use for your credit reporting services:</p> <ul style="list-style-type: none"> <li>• <a href="#">CBC Innovis Mortgage Only Credit Report Instructions</a></li> <li>• <a href="#">CIS Mortgage Only Credit Report Instructions</a></li> <li>• <a href="#">Credit Plus Mortgage Only Credit Report Instructions</a></li> <li>• <a href="#">Kroll Factual Data Mortgage Only Credit Report Instructions</a></li> </ul>

<p><b>Added 02/04/2015:</b> Is a CAIVRS check required for Streamline Refinances?</p>	<p>No. Lenders must screen all borrowers, including nonprofit agencies acting as a borrower, using CAIVRS <b>except on streamline refinances.</b></p>
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**DTI, Debts & Liabilities**

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**Disclosures, Forms, Worksheets**

<p>I understand non-credit qualifying streamlines are eligible for an abbreviated 1003. Exactly what does that mean?</p>	<p>It means that sections IV, V, VI, and VIII (letters a-k) do not require completion, provided all other required information is captured</p>
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**Employment & Income**

<p><b>Added 02/04/2015: On an FHA Streamline, do I have to credit-qualify if the borrower has changed employment since the time of the FHA-insured mortgage that we're paying off?</b></p>	<p>No you do not. As long as the borrower is currently employed and/or has a source of income with which to repay the new mortgage, we simply want to document such. We only need to document the current source of employment/income and need not regard history requirements etc. as we would on a standard credit-qualifying loan.</p> <p>Refer to the following list for employment documentation requirements on non-credit qualifying streamline:</p> <p><b>Salaried/Wage Earners:</b></p> <ul style="list-style-type: none"> <li>• <b>NCQ:</b> VVOE required for underwriting and within 7 days prior to note date. List current employment/current source of income on 1003. <b>Do not list income on 1003.</b></li> </ul> <p><b>Self-employed:</b></p> <ul style="list-style-type: none"> <li>• <b>NCQ:</b> Verification of the existence of the self-employed business must be dated within 30 days prior to the note date and must be obtained from a third party such as a CPA, regulatory agency or the applicable licensing bureau and verification of the business' phone listing and address via phone book, the internet or directory assistance is also required.</li> </ul> <p><b>Non-Employment Income Sources:</b></p> <p><b>NCQ:</b> If income is earned from sources other than employment, indicate such on page 2 of the 1003 under "Other Income" Example- Indicate "Retirement Income" or "Social Security Income" or "Disability Income" Provide a copy of the most recent award letter, bank statement or other alternative evidence of source of earnings.</p>
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