



## FHA \$100 Down Program

**The FHA \$100 Down program is a purchase money loan offered in limited geographic areas to purchasers of HUD REOs.  
THE \$100 DOWN INCENTIVE IS NOT AVAILABLE UNLESS IT IS ON THE FULLY EXECUTED SALES CONTRACT.**

<b>Credit Requirements</b>	Minimum 580 FICO required. Manual underwriting not permitted for loans with < 640 mid scores. Standard FHA credit guidelines apply.
<b>Loan Purpose</b>	Purchases only
<b>Loan Amount</b>	<b>Maximum \$417,000 *\$424,100 with case numbers assigned on/after 1/1/2017</b>
<b>Loan Terms</b>	15 year and 30 year fixed, and 5/1 ARMs
<b>LTV</b>	Buyers who have been approved by FHA to acquire HUD REO properties under an authorized \$100 minimum cash investment initiative may finance the cost of the UFMIP through their FHA-insured loan, provided the total mortgage amount including the UFMIP does not exceed 100% of the 'as is' appraised value. Approved borrowers acquiring HUD REO properties under any such initiative are not eligible to finance prepaid expenses and/or closing costs through the mortgage.
<b>Appraisals</b>	"As is" appraisal is required (not "as repaired"). The broker must contact HUD's Management and Marketing (M&M) contractor to obtain a copy of the Property Condition Report (PCR). <i>See guidelines for specifics on appraisals over 120 days old</i>
<b>Property Types</b>	<ul style="list-style-type: none"> <li>● Single family dwellings</li> <li>● Planned Unit Developments (PUDs)</li> <li>● Condominiums (must be FHA-approved)</li> <li>● 2-4 units</li> </ul>
<b>Occupancy</b>	Owner occupied, primary residences only. Non-occupant coborrowers not permitted.
<b>Qualifying Ratios</b>	As determined by the AUS for loans with an Approve/Eligible recommendation.
<b>Mortgage Insurance</b>	Upfront MIP is required on all loans, and must be entirely financed into the mortgage amount or paid entirely in cash. See chart in the guidelines for annual MIP factors.
<b>Escrow Waiver</b>	Not permitted.
<b>Underwriting</b>	All HUD REO loans will be underwritten according to standard FHA guidelines. Loans must be run against TOTAL Scorecard using FNMA's DU, or manually underwritten (with a 640+ mid score). Loan may receive an "Ineligible" recommendation due to mortgage amount calculation if utilizing the \$100 Down initiative.
<b>Minimum Cash Investment</b>	All loans require borrowers to make a minimum \$100 downpayment. The standard FHA policy requiring that borrowers make a 3.5% investment is not required for the FHA \$100 Down HUD repo program. Borrowers may not receive any cash back at closing.
<b>Calculating Max Mortgage Amount</b>	To calculate the max mortgage amount for a home being sold under the \$100 incentive, take the Adjusted Value minus the \$100 down payment - this will be the new base loan amount. Calculate the UFMIP accordingly to determine total loan amount. <b>Including a Repair Escrow in the Loan Amount:</b> Take the sum of the Adjusted Value and the estimated cost of repairs (not to exceed \$11,000), and subtract the \$100 downpayment - this will be the new base loan amount. Calculate the UFMIP accordingly. Show loan amount calculation on 92900-LT.

**FOR FURTHER DETAILS, PLEASE REFER TO FHA GUIDELINES**