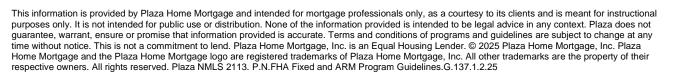


FHA Fixed and ARM Program Guidelines Correspondent

Revised 1/2/2025 rev. 137

Summary	FHA conforming and high balance Fixed Rate and 5/1 ARM. All loans must be eligible for FHA Insurance Endorsement.							
•								
Products	Product Name Product Code Available Tern In Months							
	FHA 15 Year Fixed				FHA150 180			
	FHA 30 Year Fixed				FHA300 181-360			
	FHA 5/1 ARM				FHA51T FHA150HB		360	
		FHA 15 Year Fixed High Balance				180		
	FHA 30 Year Fixed High Balance				FHA300HB		360	
	FHA 5/1 ARM High Balance				FHA51THB		360	
	FHA 30 Year Fixed w/3-2-1 E				FHA30BD321		360	
	FHA 30 Year Fixed w/2-1 Buydown				FHA300BD21		360	
	FHA 30 Year Fixed w/1-0 Buydown				FHA300BD10		360	
	FHA 30 Year Fixed High Balance w/3-2-1 Buydown FHA300F						360	
					360			
	FHA 30 Year Fixed High Bail	ance w/1-0 Bu	ydown	FHA300	FHA300HBD10 360			
Eligibility Matrix								
	Conforming and High Balance ³ – Primary Residence Max DTI Min Credit							
	Purpose	LTV	CLTV	Score			ng Method	
					AU		Manual	
	 Purchase	96.5%	96.5% ¹	580	Per A		Per 4000.1	
	1 dichase	90%	90% ¹	550	Per A		31/43%	
	Rate/Term Refinance or	97.75% ²	97.75%²	580	Per A	US	Per 4000.1	
	Simple Refinance	90%	90%¹	550	Per A	US	31/43%	
	Cash-out Refinance ⁴ 80% 80% 550			Per A	Per AUS Per 4000			
4506-C / Tax Transcripts	 required Refer to Plaza's Delegated Correspondent Credit Overlay Matrix for tax transcript requirements 					econd liens held condary Investment (MRI) a 12 months. If the ition then the		
Appraisal	Refer to 4000.1.II.D.1-Appraiser and Property Requirements							





ARM Adjustments						
	Characteristic	ARM				
	Amortization Term	30 years				
	Index	Treasury, weekly average of U.S, Treasury securities adjusted to a constant maturity of one year.				
	Margin	2.000%				
	Life Floor	5% below the start rate, but never lower than the margin.				
	Interest Rate Caps	Product	First	Subsequent	Lifetime	
			Adjustment	Adjustments		
		5/1	1%	1%	5%	
	Interest Rate Adjustment Date	The first adjustment is 60-66 months after the first payment date. Refer to Plaza's Correspondent Seller Guide for ARM interest rate change dates.				
		After the initial fixed period, the interest rate may adjust annually.				
	Payment Adjustment Date	The payment adjustment date is the first of the month following the interest rate adjustment and every 12 months thereafter.				
	Conversion Option	Not allowed.				
	Temporary Buydowns	Not allowed.				

Borrower Eligibility

Ineligible Borrowers:

- Partnerships
- Corporations
- Guardianships
- Life Estates
- LLCs
- Non-Revocable Inter Vivos Trusts
- Foreign nationals
- · Borrowers with diplomatic immunity
- Charitable organizations
- · Non-profit agencies
- · State or local government agencies

Note: Deferred Action for Childhood Arrivals (DACA) program recipients are eligible for FHA programs.

Deferred Action for Childhood Arrivals (DACA) program recipients:

- · Must be borrower's principal residence;
- Borrower must have a valid Social Security Number (SSN), except for those employed by the World Bank, a foreign embassy, or equivalent employer identified by HUD;
- Borrower must be eligible to work in the U.S. as evidenced by the Employment Authorization Document issued by USCIS, and
- The borrower satisfies the same requirements, terms and conditions as those for U.S. citizens.

The Employment Authorization Document is required to substantiate work status. If the Employment Authorization Document will expire within one year and a prior history of residency status renewals exists, the lender may assume that continuation will be granted. If there are no prior renewals, the lender must determine the likelihood of renewal based on information from the USCIS. A borrower residing in the U.S. by virtue of refugee or asylee status granted by the USCIS is automatically eligible to work in this country. The Employment Authorization Document is not

Social Security Number:

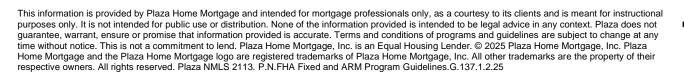
• Each borrower on the loan transaction must have a valid Social Security number.

required, but documentation substantiating the refugee or asylee status must be obtained.

ITIN (IRS Tax Identification Numbers) are not allowed.

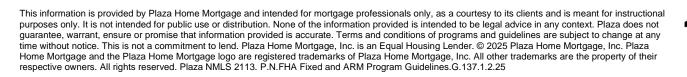


Credit	Qualifying Credit Score:				
Orcan	A tri-merge credit report is required on all loans				
	Qualifying score:				
	Where three scores are reported, the middle score is the qualifying score				
	Where two scores are reported, the lowest score is the qualifying score				
	Where only one score is reported, that score is the qualifying score				
	Where the Mortgage involves multiple Borrowers, the lowest qualifying score of all borrowers is				
	used				
	Where the Mortgage involves multiple Borrowers and one or more of the Borrowers do not have a credit score (non-traditional or insufficient credit), the lowest qualifying score of the Borrower(s) with credit score(s) is used				
	At least one occupant borrower must have a credit score. Manual underwriting guidelines apply for loans that receive a "Refer" recommendation where the co-borrower does not have a credit score. Non-traditional credit must be established per FHA guideline requirements.				
	Housing Payment History:				
	For purchases and refinances evaluated by an AUS, refer to 4000.1 II.A.4-Accept Risk Classifications Requiring a Downgrade to Manual Underwriting for situations where the loan must be manually downgraded.				
	 Refer to 4000.1.II.A.4 – Housing Obligations/Mortgage Payment History and 4000.1.II.A Undisclosed Mortgage Debt for additional requirements. 				
	When the housing payment history is not evaluated by an AUS, or for Refer or Manually Downgraded underwritten loans:				
	 There may be no history of any 30-day late mortgage or rental payments within the last 12 months. 				
	 There may be no more than two 30-day late mortgage or rental payments in the previous 24 months. 				
	 The housing payment history must be documented by: The credit report; or 				
	 VOR received directly from the landlord (for landlords with no Identity of Interest with the borrower); or 				
	 VOM received directly from an institutional mortgage servicer; or 				
	 Canceled checks that cover the most recent 12-month period. 				
	Borrowers who are living rent free are eligible provided the Mortgagee obtains verification				
	directly from the property owner that the borrower has been living rent-free and the amount of time the borrower has been living rent free.				
	Revolving and Installment Accounts - Manually Underwritten Loans:				
	Installment Accounts must have no more than 0 x 30 in the last 12 months and 2 x 30 in the last 24 months.				
	Revolving Accounts must have no more than 2 x 60 or 0 x 90 in the last 12 months.				
Down Payment / Gifts	Per FHA requirements.				
Energy Efficient Mortgages	Allowed per FHA Guidelines.				
Escrow Accounts	An Escrow/impound account is required for property taxes and insurance on all FHA loans.				
Geographic Restrictions	Hawaii:				
	Properties in Lava Flow Zones 1 or 2 are not allowed.				
	Manufactured housing not eligible.				
	lowa: An attorney's opinion of title is acceptable in lieu of a title policy, or a title policy may be ordered through the Title Guaranty Division (TGD) of the lowa Financial Authority.				
	Kansas: Properties located in the State of Kansas require the lender to obtain the market value.				
	Massachusetts: Septic system inspection required when a property is transferred to a different owner (purchase money). All systems must be inspected within 2 years prior to the transfer of title to the property served by the system. Inspections conducted up to 3 years before the purchase may be eligible when accompanied by records demonstrating that the system was pumped at least once a year during that time.				





	Montana: Lot size of the property may not exceed 40 acres.						
	Rhode Island: Manufactured housing not eligible.						
	West Virginia: Delegated deliveries only.						
Good Neighbor Next Door	Allowed per FHA Guidelines.						
HUD REO Identity of Interest	The term with fami	Allowed per FHA Guidelines . The terms Identity of Interest and Non-Arm's Length describe certain transactions between parties with family or business relationships that may pose increased risk and warrant additional precautions when evaluating that risk.					
	Participal multiple r transactio • Und • App • Insp	THE TOTAL CONTRACTOR OF THE TOTAL CONTRACTOR OT THE TOTAL CONTRACTOR OF THE TOTAL CONTRACTOR OT THE TOTAL CONTRACTOR OF THE TO					
	 Indirect compensation includes any compensation resulting from the same FHA-insured tran other than for services performed in a direct role. Examples include, but are not limited to: Compensation resulting from an ownership interest in any other business that is a pa same FHA-insured transaction; or Compensation earned by a spouse, domestic partner, or other Family Member that ha role in the same FHA-insured transaction. 				limited to: s that is a party to the		
	Participal roles and provided	nts that do not have a di or sources of compens	rect impact on the mortgation for services actuall insaction complies with a	y performed and perm	itted by HUD,		
Ineligible	 Temporary Buydowns for ARM transactions One-time close construction Borrower may not act as an interested party to a sales transaction for the subject if the builder and/or property seller is a company owned by the borrower or where the borrower is a principal agent, sales agent, loan originator, mortgage broker or partner for the builder or property seller. Realtor/loan broker acting as the listing agent as well as the mortgage originator/broker. Borrower is a principal of the title company and/or settlement agent for the subject transaction. 						
Loan Limits	For most single-family mortgage insurance programs, the maximum insurable amount is the lesser of: • The Nationwide Mortgage Limit for the area, usually a county or metropolitan statistical are (MSA), or • The applicable LTV limit, determined by a fixed percentage of the lesser of the sales price or the appraised value. • Manufactured Housing is not eligible for High Balance loan limits.						
		Maximum Base Loan Amount Contiguous States Hawaii¹					
	Unit -	Standard	High Balance	Standard	High Balance		
	2	\$806,500 \$1,032,650	\$1,209,750 \$1,548,975	\$1,209,750 \$1,548,975	N/A N/A		
	3	\$1,248,150	\$1,872,225	\$1,872,225	N/A		
	4	\$1,551,250	\$2,326,875	\$2,326,875	N/A		
	As a	 There are no properties in Hawaii with loan limits higher than the applicable base conforming limits for 2025. As a result, there are no High Balance limits specific for this state. Maximum base loan amounts are county specific and may be lower in a particular county. 					





Manufactured Housing	Must be classified as Real Property
	Single-wide and multi-wide allowed
	 Single-wide manufactured homes are limited to purchase and rate/term refinance transactions only
	 Manufactured homes must have been built on or after June 15, 1976
	 Manufactured homes must be at least 12 feet wide and have a minimum 400 square feet of gross living area
	Leasehold properties are ineligible
	Condo projects, including site condos, comprised of manufactured homes are ineligible
	 The manufactured home may not have been previously installed or occupied at another location All manufactured housing must meet FHA guidelines, restrictions in these Program Guidelines, and Plaza's Manufactured Housing Guidelines.
	Manufactured housing not eligible in states of Hawaii and Rhode Island.
	Manufactured Homes located within a Special Flood Hazard Area are not eligible unless a FEMA National Flood Insurance Program (NFIP) Elevation Certificate (FEMA Form 086-0-33) prepared by a licensed engineer or surveyor stating that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation is provided, and flood insurance under the NFIP is obtained.
Maximum Loans	A maximum of four Plaza loans is permitted to one borrower.
Property Eligibility	Ineligible Properties:
. repertyg	Commercial property
	Cooperatives
	Condotels
	Geothermal homes
	Geodesic Domes
	Mobile homes
	Non-warrantable condos
	Timeshares
	Working farms, ranches, orchards
	Properties with C6 quality rating
	Properties with C5 or C6 condition rating
	Properties secured with PACE obligations or PACE like assessments
	New Construction – Refers to Proposed Construction, Properties Under Construction and Properties Existing less than One Year:
	FHA treats the sale of an occupied Property that has been completed less than 1 year from the issuance of the Certificate of Occupancy or local authority equivalent as an "existing" Property.
	New Construction must comply with the minimum documentation requirements per Sections II.A.8.i.i.i-v of the 4000.1 Handbook.
	Refer to Plaza's FHA New Construction Documentation Requirements document.
Repair Escrows	Per FHA guidelines.
	Escrow holdbacks are not allowed on manufactured housing.
Seasoning	Cash-Out Refinances of Government Loans:
	The borrower must have made at least six consecutive monthly payments on the mortgage that
	is being refinanced beginning with the payment made on the first payment due date.
	The first payment due date of the refinance loan must occur no earlier than 210 days after the first payment due date of the existing loan.

