

This At-A-Glance (AAG) is a summary tool to use in conjunction with Averra Guide (Guide). The AAG does not replace the published Guide. Where the AAG is silent or conflicts with the published Guide, the Guide will govern and control. This AAG applies only to the channel and investor program indicated. For each Agency and/or Program, there may be additional AAGs to cover specific products or transactions.

FHA Eligibility Matrix: Standard

Section 203(b) | Primary Residence | Conforming & High Balance | FRM | Maximum Base Loan LTV/CLTV | Maximum DTI Per AUS Approved Eligible Findings or FHA Manual Ratios

Primary Residence: Purchase

Units	LTV / CLTV ⁷	Max Loan Amount	FICO AUS: A/E	FICO Manual	Underwriting Engine & Required Response
1	96.50% ²	Varies by County ⁴	580	600	FHA TOTAL Mortgage Scorecard. DU: Approve LPA: Accept (Refer response must be manually underwritten)
2-4 ^{1,1,1}	96.50% ²	Varies by County ⁴	580	600	

Primary Residence⁸: Rate / Term Refinance

1	97.75% ^{3,3,1}	Varies by County ⁵	580	600	FHA TOTAL Mortgage Scorecard. DU: Approve LPA: Accept (Refer response must be manually underwritten)
2-4 ^{1,1,1}	97.75% ^{3,3,1}	Varies by County ⁵	580	600	

Primary Residence: Cash-Out Refinance

1	80%	Varies by County ⁶	580	600	FHA TOTAL Mortgage Scorecard. DU: Approve LPA: Accept (Refer response must be manually underwritten)
2-4 ^{1,1,1}	80%	Varies by County ⁶	580	600	

¹ Purchase transactions with a non-occupant co-borrower secured by 2-4 Unit properties are limited to a max 75% LTV.

^{1,1} 2-4 unit manufactured homes are ineligible.

² CLTV for Purchases (per FHA 4000.1.II.A.4.d.iii.J and 4000.1.II.A.5.c.iii.J): Unlimited if subordinate financing provided by Governmental Entities, HOPE Grantees, and HUD-Approved Nonprofits

- 100% if subordinate financing provided by Family Members
- The applicable FHA LTV limit if subordinate financing provided by Private Individuals and Other Organizations.

³ 97.75% for principal residences that have been owner-occupied for the previous 12 months, or owner-occupied since acquisition if acquired within 12 months, at case number assignment (85% for a borrower who has occupied the subject property as their principal residence for fewer than 12 months prior to the case number assignment date; or if owned less than 12 months, has not occupied the property for that entire period of ownership).

^{3,1} LTV/CLTV for Streamline refinances is unlimited. Credit qualifying Streamline refinances require a minimum 620 credit score.

⁴ Refer to FHA Purchase Maximum Mortgage Worksheet for calculation of maximum purchase loan amount.

⁵ Refer to FHA Rate/Term Refinance Maximum Mortgage Worksheet for calculation of maximum rate/term refinance loan amount.

⁶ Refer to FHA Cash-Out Refinance Maximum Mortgage Worksheet for calculation of maximum cash-out refinance loan amount.

⁷ Base LTV calculations are determined prior to adding financed UFMP.

⁸ HUD-approved second homes and investment properties permitted for Streamline refinance provided the new loan is not an ARM.

FHA Programs

Eligible	Ineligible
• Section 203(b): Standard FHA Purchase / Refinance (FRM) • Section 234(c): Condominium properties (prior approval by FHA Field Office required) • Streamline Refinance (no-credit qualifying or credit qualifying) • Simple Refinance	• Section 203(k): Standard and Limited • Section 184: Indian Home Loan Guarantee Program • Section 223(e): Declining Neighborhoods • Section 235: Mortgage Assistance with ongoing subsidy • Section 247: Hawaiian Homelands • Section 248: Indian Reservations • Section 251: ARM Loans • Title I Loans • Home Equity Conversion Mortgages (HECM) / Reverse Mortgages • Energy Efficient Mortgages (EEMs) • Graduated Payment Mortgages (GPMs) • Growing Equity Mortgages (GEMs) • HOPE for Homeowners Mortgages • FHA Construction-to-Permanent program • FHA Negative Equity Refinance / Short Refinance (ADP 821, 822, 831, 832) • FHA Back to Work: Extenuating Circumstances Policy • FHA Weatherization program • FHA loans to government entities and / or non-profit organizations • Rebuttable Presumption Qualified Mortgages • HUD REO properties • Good Neighbor Next Door (GNND) • \$100 Down program • Assumptions

Mortgage Insurance Premiums

Standard UFMP = 175 bps | Annual MIP varies by transaction

Base Loan Amount	Mortgage Term > 15 Years (181-360 mo.)			Mortgage Term ≤ 15 Years (120-180 mo.)		
	LTV	MIP	Duration	LTV	MIP	Duration
≤ \$726,200	≤ 90.00%	50 bps	11 Years	≤ 90.00%	15 bps	11 Years
	> 90.00% to ≤ 95.00%	50 bps	Mortgage Term	> 90.00%	40 bps	Mortgage Term
	> 95.00%	55 bps	Mortgage Term	> 90.00%	40 bps	Mortgage Term
> \$726,200	≤ 90.00%	70 bps	11 Years	≤ 78.00%	15 bps	11 Years
	> 90.00% to ≤ 95.00%	70 bps	Mortgage Term	> 78.00% to ≤ 90.00%	40 bps	11 Years
	> 95.00%	75 bps	Mortgage Term	> 90.00%	65 bps	Mortgage Term

See FHA HUD Handbook, Appendix 1.0, for the current Upfront Mortgage Insurance Premium (UFMIP) and Annual Mortgage Insurance Premium (MIP) rates and limited exceptions.						
Exception: Simple Refinance of Previous Mortgage Endorsed on or Before May 31, 2009						
UFMIP	Annual MIP: Term > 15 Years			Annual MIP: Term ≤ 15 Years		
1 bps	LTV > 90.00%	55 bps	Mortgage Term	LTV ≤ 90.00%	55 bps	11 Years
FHA Product Eligibility						
Amortization	Standard Conforming	Term		High Balance		Term
Fixed	FHA 30 & 25 Year	360 & 300		FHA 30- & 25-Year HB		360 & 300
Fixed	FHA 30	26, 27, 28 and 29		NA		
Loan Limits (2026)						
Loan Limits	Units	Standard Conforming (Low Cost)		High Balance (High Cost)		Alaska & Hawaii
	1	\$541,287		\$1,249,125		\$1,873,625
	2	\$693,050		\$1,599,375		\$2,399,050
	3	\$837,700		\$1,933,200		\$2,899,800
	4	\$1,041,125		\$2,402,625		\$3,603,925
Case Number must be assigned on or after 1/1/2026 for the 2026 loan limits. Confirm the applicable county limit for the subject property at FHA Mortgage Limits (hud.gov) . FHA loan limits may be increased by the financed UFMIP amount; however, the maximum total LTV/CLTV cannot exceed 98.25% of the Adjusted Value of the property. Streamline refinances are exempt from FHA loan limits.						
FHA Program Summary						
Topic	Description					
Minimum Loan Amount	\$75,000					
Temporary Buydowns	Eligible: 1-0, 2-1 and 3-2-1 Purchase transactions, fixed rate, 1-4 unit primary residence Paid by the lender, seller, builder or an interested third party (such as the real estate agent) Qualify at the note rate; interested party contribution limits apply					
Eligible Properties	- Single Family and 2-4 unit residential - Condominium unit in an FHA-approved project - PUDs and Townhouses / Townhomes - Manufactured Homes (1 unit max; multi-wide only, single-wide ineligible; meeting all HUD requirements and FHA guidelines)					
Ineligible Properties	See FHA Guidelines					
Ineligible Transactions	- Mortgage Credit Certificate (MCC) as a source of income - Texas Section 50(a)(6) - More than four (4) active (not settled) loans with Averra, or aggregate total of all loans exceeding \$2,000,000 - Non-Permanent Resident Aliens (effective with case numbers assigned on or after May 25, 2025) - Foreign nationals without lawful residency; borrowers with diplomatic immunity; borrowers with temporary protected status (except C-33 Visa) - Geographic restrictions: Lava Zones 1 or 2 in Hawaii; 2-4 unit properties in New Jersey without Internal Exception Code 1037.13; properties in New York require exception review - Properties outside the 48 contiguous states plus Alaska and Hawaii					
Exclusionary List	Must review the HUD Limited Denial of Participation (LDP) and the System for Award Management (SAM) to confirm eligibility.					
Credit Report	- A full tri-merged credit report is required for all borrowers, and borrowers generally must have at least one credit score (see no-score manual underwriting below). - A Minimum Decision Credit Score is required to use FHA TOTAL Mortgage Scorecard / AUS findings or for manual downgrade. - If the borrower has no FICO score, a manual underwrite is required. Enter -0- in the TPO Portal when pricing. - Non-occupant co-borrower income cannot be used for qualification on a manual underwrite when the occupying borrower has no FICO score. - If the borrower currently resides in, or the subject property is in, a Community Property State, a credit report (traditional or non-traditional) for the non-borrowing spouse is required (not required for Streamline refinances). All NBS debts must be included in the DTI unless excluded by state law. Community Property States: AZ, CA, ID, LA, NV, NM, TX, WA, WI. - All loans must be run through FHA TOTAL Mortgage Scorecard via an AUS. Averra reserves the right to make the final underwriting decision regardless of AUS findings.					
TOTAL Approve or Accept Underwriting Method	Underwriting with TOTAL 'Approve' or 'Accept' Recommendation AUS findings used if none of the following downgrade factors are present: - The mortgage file contains information that cannot be evaluated by FHA TOTAL Mortgage Scorecard. - Borrower has undisclosed mortgage debt with any delinquency within 12 months, or more than 2x30 within 24 months, of the case number assignment date. - Mortgage payment history for any mortgage reflects any of the following within 12 months of case number assignment:					

	• Purchase or Rate / Term: 3x30, 1x60 plus 1x30, or 1x90; or borrower has made less than 3 consecutive payments since completion of Forbearance Plan. • Cash-Out: any delinquency within 12 months of case assignment, or borrower has made less than 12 consecutive payments since completion of Forbearance Plan. • The borrower has \$1,000 or more collectively in disputed derogatory credit accounts. • Business income shows a greater than 20% decline over the analysis period. • Bankruptcy discharge date is within 2 years of case number assignment. xAdditional information not considered in the AUS recommendation affects the overall insurability of the mortgage. • Foreclosure, Short Sale, or Deed-in-Lieu transfer date is within 3 years of case number assignment.
Manual Underwriting Method	Manual Underwriting When AUS Issues 'Refer' Finding or Downgrade Refer to Averra Guide Section 205: Manual Underwriting for complete details. Key requirements: Maximum DTI Ratios (front-end / back-end), tiered by Minimum Decision Credit Score and Compensating Factors: • No Credit Score: 31 / 43 (Energy Efficient Homes: 33 / 45 stretch) • 600 and above with no compensating factors required: 31 / 43 (EEH: 33 / 45 stretch) • 600 and above with one compensating factor: 37 / 47 (verified cash reserves, minimal increase in housing payment, or residual income) • 600 and above with no discretionary debt: 40 / 40 • 600 and above with two compensating factors: 40 / 50 (verified cash reserves; minimal increase in housing payment; significant additional income not reflected in Effective Income; and/or residual income) Additional Manual Underwriting Requirements: • Minimum 600 representative credit score. No FICO score is eligible only if the borrower provides 3 non-traditional credit sources with one being a housing payment history. • 0x30x12 for all mortgage and rent payments. (Rent-free for most recent 12 months may be acceptable with management exception.) • Acceptable credit history: Housing (including utilities) and installment debt paid timely for previous 12 months; no more than 2x30-day late mortgage or installment payments in previous 24 months; revolving accounts 0x90 and no more than 3x60 in previous 12 months. • Satisfactory housing payment history is required for manual consideration. If an identity of interest exists between the borrower and landlord, canceled checks or other documentation of payments are required. • Borrower must provide a LOE and documentation supporting the explanation for all collection, charge-offs, and disputed derogatory accounts. • If borrower is self-employed, a business credit report is required for each non-Schedule C business. • Chapter 7 Bankruptcy: Borrower must have re-established credit, or chose not to incur new credit obligations, during the two-year period from discharge. • Chapter 13 Bankruptcy: Discharged, no additional requirements. Still in pay-out period, minimum 12 months on-time documented payments plus written court approval to enter mortgage. Dismissed, borrower must explain / document events leading to bankruptcy are not likely to recur. • One-Month PITIA reserves required. Gift funds may not be used for reserve requirements. • Manual underwriting with limited or no traditional credit history is eligible. • Non-occupant co-borrower income cannot be used for qualification on a manual underwrite when the occupying borrower has no FICO score. • Streamline refinances must be manually underwritten.
Income Documentation	• Document income per FHA TOTAL Mortgage Scorecard / AUS findings or FHA HUD Handbook for the most recent two years. • Employment-related income documentation, paystubs, W-2s, and VOE: Closing VOE (re-verification of employment) required within 10 calendar days prior to the Note Date. • Self-Employed (≥ 25% ownership interest): Two years personal and business tax returns (business returns may be waived per Guide) and YTD P&L and balance sheet (no balance sheet for Schedule C). Manual underwrites: business credit report required for each non-Schedule C business. • Employed by family-owned business: Personal tax returns for the most recent two years and business documents evidencing ownership percentage are required. • Other income types: See Chapter 700 of Averra Guide.
Asset Requirements & Reserves	• Purchase transactions require a 3.5% Minimum Required Investment (MRI) from the borrower. Gift funds permitted (with manual underwrite, gift funds may not be used for reserve requirements). • Reserves required: 1 month PITIA for manual underwrites; 2 months PITIA for 1-unit with ADU when ADU rental income is used; 3 months PITIA for 3- and 4-unit properties. • Deposits exceeding 50% of total monthly Effective Income are considered large and must be sourced. • For additional requirements, see Chapter 800 of Averra Guide.
Appraisals	• A new full appraisal accompanied by Market Conditions Addendum (Form 1004MC) required for each case number assignment. • Appraisal is valid for 180 days from the effective date. An appraisal update is permitted to extend the validity period for one year after the original appraisal effective date and must be completed prior to the expiration of the original report. The original appraisal cannot be more than 12 months old from the Note Date. • When an appraisal report or qualified inspection report indicates deficiencies, a 1004D (Appraisal Update and/or Completion Report) or Compliance Inspection Report (HUD-92051) with color photos is required.

	Streamline refinances (credit qualifying and non-credit qualifying) do not require an appraisal.
Purchase Transactions	- If borrower has a current FHA mortgage, they must meet FHA allowed exception to use FHA financing. - Interested Party Contributions (IPC) are permitted up to 6% for allowed expenses. Property Flipping (measured between the seller's legal title acquisition date and the resale contract date): - Properties sold within 90 days of seller's acquisition are not permitted (the seller must be the current owner of record for at least 90 days prior to the sales contract date). - Properties resold within 91 to 180 days of seller's acquisition require a second full appraisal from a different FHA Appraiser if the resale price is 100% or more ABOVE the initial price paid by the seller to acquire the property (i.e., at least double the seller's acquisition cost). The borrower may not be charged for the second appraisal. - If the second appraisal supports a value more than 5% lower than the first appraisal, the lower value must be used as the Property Value in determining the Adjusted Value.
Refinance Loan Purpose	Cash-Out Refinances - At least one borrower owned and occupied the property for 12 months prior to case number assignment date as evidenced by employment documentation or utility bills. - Payment history for all mortgages: 0x30x12, or since borrower obtained the mortgages if less than a year. - Subject property mortgages must have made six payments on the current loan. - First payment due date of the subject refinance loan occurs no earlier than 210 days after the first payment due date on the loan being refinanced. - Non-occupant co-borrower income may not be used for qualification. - Properties listed for sale are not eligible for any refinance (cash-out, rate / term, or simple). The property must be off the market at least one day prior to the application date. Borrower to confirm intent to occupy the subject property. - All subordinate financing, new or existing being re-subordinated, is subject to a CLTV limit of 85%. No-Cash-Out Refinance Types - Rate / Term: Payoff eligible for existing debt and costs associated with the transaction. Eligible debt includes first mortgage, purchase money and seasoned junior liens, or co-owner buyout. - Simple Refinance: Payoff of current FHA mortgage and costs associated with the transaction. Rate / Term & Simple Refinances: Requirements - Owner-occupied (HUD-approved 2nd home eligible for Simple Refinance at max 85% LTV). - Acceptable mortgage payment history: Mortgage Lates: 0x30 in past 6 months and no more than 1x30 in 7 to 12 months. - The maximum cash back to the borrower is \$500. - Maximum mortgage amount is the lesser of: the Nationwide mortgage limits, or 97.75% LTV, or the sum of eligible debts and costs minus any UFMIP refund. - See Averra Guide for requirements on documentation and eligible costs to be included in refinance. - If the borrower has owned the subject property for less than 12 months as of the case assignment date, or has not occupied the subject as their primary for the entire length of ownership if less than 12 months, the appraised value for LTV purposes is the lesser of the current appraised value or the purchase price plus documented improvements.
Down Payment Assistance	Chenoa Fund (CF DPA): Wholesale only - Minimum FICO: 580 Maximum LTV: 100% Purchase only - Borrower must have been impacted by a Presidentially Declared Major Disaster Area (PDMDA). FHA case number must be assigned within one year of the PDMDA declaration. - Property Eligibility: The previous residence (owned or rented) must have been located in a PDMDA and destroyed or damaged to such an extent that reconstruction or replacement is necessary. - Purchased property must be a Single Family Property or a unit in an FHA-Approved Condominium Project. - Credit: Borrower is a satisfactory credit risk if the credit report indicates satisfactory credit prior to the disaster, and any derogatory credit after the disaster date is related to its effects. - The current mortgage payment may be excluded from the DTI on the destroyed residence located in a PDMDA. - Additional documentation is required. Flexibility is available for the verification of Assets and Income. View the guidelines on the TPO Portal for the full details.
Escrow Accounts	- FHA requires escrow / impound accounts for taxes, insurance, and mortgage insurance premiums (MIP), unless prohibited by state law. - A two-month cushion is required for all items, except: VT and MT limited to one-month cushion; NV requires zero months. - An escrow deposit for hazard or flood insurance premiums may not be required for an individual unit in a condo or PUD when the project is covered by a master or blanket policy purchased by the HOA.
Secondary Financing	See the FHA HUD Handbook for additional requirements from government entities and family members.
High Cost & Higher-Priced Loans	- High Cost loans are not permitted. - Loans defined as a Higher-Priced Mortgage Loan (HPML) under Reg Z may be eligible on a case-by-case basis with additional restrictions: escrows required for taxes and insurance for at least five years; appraisal required; HPML is not permitted in property-flip scenarios where the seller acquired the property 90 or fewer days prior to the borrower's agreement and the agreement exceeds the seller's acquisition price by more than 10%, or 91 to 180 days with more than 20% increase. HUD FHA FAQ



Wholesale | Non-Delegated FHA

10/22/2026

*An underwriter may require additional documentation above AUS requirements.
Averra has sole discretion for the final underwriting decision.*

Need Help?

Please contact your dedicated Sr. Account Executive for support throughout the loan process!