

Product Snapshot

FHA 203(k)



The FHA Section 203(k) Rehabilitation Mortgage Insurance Program enables borrowers to finance the purchase or refinance of a home and the cost of its rehabilitation through a single mortgage. Plaza offers FHA's Limited 203(k) and Standard 203(k) program.

Please visit our website at plazahomemortgage.com to view full Program Guidelines. The information contained in this matrix may not highlight all the requirements of these programs and does not reduce or eliminate any requirements set forth in our Guidelines. Guidelines are subject to change without notice.

Conforming and High Balance ³ – Primary Residence					
Purpose	LTV	CLTV	Min Credit Score	Max DTI	
				Underwriting Method	
				AUS	Manual
Purchase	96.5%	96.5%	620	55%	Per 4000.1 ¹
Rate/Term Refinance	97.75% ²	97.75% ²	620	55%	Per 4000.1 ¹

1. Manually underwritten loans with debt ratios exceeding 31/43% require compensating factors. Refer to the **FHA Single Family Housing Policy Handbook 4000.1** for requirements.
2. Maximum LTV is 85% if the borrower has not owned and occupied the property for the last 12 months. If the property has been owned less than 12 months and has been owner occupied since acquisition, then the LTV is not restricted to 85%. Seasoning is based on case number assignment date.
3. Manufactured Housing not eligible for High Balance loan amounts.

Product Parameters		
	Standard 203(k)	Limited 203(k)
Transactions	<ul style="list-style-type: none"> • Purchase • Rate/Term Refinance Ineligible Transaction Types: <ul style="list-style-type: none"> • Cash out Refinances • Texas Section 50(a)(6) loans are not eligible • Properties listed for sale at time of application are not eligible. • Investment or Second Home Properties • FHA Back to Work Program (RFHA30BTW) • No builder spec foreclosures 	
Occupancy	Primary residence only.	
Underwriting Method	All loans must be decisioned through FHA TOTAL Scorecard. Provide a copy of the TOTAL Scorecard recommendation from DU or LPA. Loans not receiving an acceptable AUS result may be manually underwritten subject to eligibility.	
Eligible Properties	<ul style="list-style-type: none"> • Attached/Detached SFRs • Attached/Detached PUDs • FHA-approved Condos – with interior unit upgrades only • 2-4 Units • HUD REO properties • Manufactured Housing <p>To be eligible for the 203(k) program, the property must be a structure that has been completed for at least 1 year.</p>	
Eligible Borrowers	<ul style="list-style-type: none"> • U.S. citizens • Permanent resident aliens • Non-occupant co-borrowers • Inter Vivos (Living) Trusts (A power of attorney is not allowed on properties held in a trust) 	
Qualifying Credit Score	<ul style="list-style-type: none"> • Minimum Credit Score: 620 • A tri-merge credit report is required on all loans • Qualifying score: <ul style="list-style-type: none"> ◦ 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. Mortgages where one or more of the co-borrowers do not have a credit score are only eligible with AUS "Approve/Eligible" or "Accept/Eligible" 	

	recommendations. If a co-borrower does not have a credit score, feedback Certificates showing a Refer recommendation and requiring manual underwriting are not eligible.	
Reserve Requirements	<ul style="list-style-type: none"> Cash reserves are not a requirement for 1-2 unit FHA loans approved through TOTAL Scorecard. <ul style="list-style-type: none"> 1-month reserves are required for Manual Underwriting. 1-unit with ADU and rental income requires 2 months PITIA. 3-4 unit properties, 3 months PITIA are required. All assets submitted to TOTAL Scorecard must be verified. Gift funds not acceptable for reserves 	
Eligible Improvements	<ul style="list-style-type: none"> \$5000 minimum in eligible repairs and improvements from the HUD 4000.1 Eligible Improvement list, Additional repairs are allowable after the initial minimum \$5000 from the Eligible Improvement list. All repairs must be permanently affixed to the property (dwelling or land) and allowable by HUD Repairs that are required to meet HUD's Minimum Property Standards must be completed All appraiser notated deficiencies and required repairs must be completed. 	<ul style="list-style-type: none"> Non-structural repairs only All repairs must be permanently affixed to the property (dwelling or land) and allowable by HUD Repairs that are required to meet HUD's Minimum Property Standards must be completed All appraiser notated deficiencies and required repairs must be completed
Self-Help	Self-help not allowed.	Self-help may be allowed subject to specific requirements and limitations. Maximum project size of \$35,000. See Program Guidelines for additional requirements.
Draws	No more than five (5) draws are allowed. Funds disbursed at closing are not considered a draw. The borrower may have up to 5 draws in addition to any funds disbursed at closing.	Two (2) draws. 50% at closing and 50% at completion of repairs.
Minimum Costs of Improvements	\$5000 minimum in eligible repairs and improvements from the HUD 4000.1 Eligible Improvement list, Additional repairs are allowable after the initial minimum \$5000 from the Eligible Improvement list.	No minimum.
Maximum Costs of Improvements	<p>No maximum dollar amount, as long as the total base loan amount does not exceed HUD's county loan limit.</p> <p>Manufactured Housing repairs are limited to the lesser of 50% of the "as completed" value or \$50,000</p>	<ul style="list-style-type: none"> \$75,000 including fees and contingency. For case numbers assigned on or after 11/4/2024, the maximum rehabilitation cost may be up to \$75,000 including fees and contingency. \$50,000 maximum including fees and contingency for properties located in Qualified Opportunity Zones (QOZ).
Contingency Reserve	10-20% contingency fund will be withheld as part of the rehabilitation total and may be financed.	
HUD Consultant	<p>HUD approved Consultant is required. HUD Consultants search:</p> <p>https://entp.hud.gov/idapp/html/f17cnsldata.cfm</p>	A borrower may use a HUD Consultant on a Limited 203(k); however, it is not required. HUD Consultant fees may be financed on a Limited 203(k) for case numbers assigned on or after 11/4/2024. Note: While not an FHA requirement, Plaza reserves the right to require a HUD Consultant on a Limited 203(k) depending on the scope of the project.
Qualified Opportunity Zones (QOZ)	<p>Limited 203(k) mortgages of properties located in QOZs are eligible for increased rehabilitation costs, up to \$50,000 total, for the first 15,000 mortgages endorsed each year. All other Limited 203(k) guidelines and requirements apply.</p> <p>The case number assignment must identify the property is in an eligible QOZ and that the loan is eligible for increased rehabilitation cost.</p> <p>A list of QOZs is available through the Treasury Department's Community Development Financial Institutions Fund webpage</p> <p>FHA Mortgagee Letter 2019-18 – Maximum Rehabilitation Costs in Qualified Opportunity Zones (QOZs) for Limited 203(k) Mortgages.</p> <p>This section will be updated as HUD makes more information available.</p>	

Temporary Buydowns	Temporary Buydowns are eligible subject to the following: <ul style="list-style-type: none"> • 2-1 and 1-0 buydowns are offered • Purchase transactions only • Qualify at the note rate • Funds may come from the seller or other eligible interested party <ul style="list-style-type: none"> ○ Interested Party Contribution (IPC) limits apply ○ Seller paid buydowns must be documented on the sales contract or applicable legally binding document. When a legally binding document other than the sales contract is used to document the Interested Party Contributions, a copy of this document must be provided to the assigned Appraiser. ○ The amount and source of all IPCs must be submitted to the AUS as applicable • Buydown Agreement required and will print with Plaza loan docs • Plaza's Buydown Calculator can be used to estimate the buydown payment and total contribution amount
---------------------------	--

Product Name	Product Code	Available Term in Months
FHA Fixed Standard 203(k)	FHA30K	360
FHA Fixed Standard 203(k) High Balance	FHA30HK	360
FHA Fixed Limited 203(k)	FHA30KS	360
FHA Fixed Limited 203(k) High Balance	FHA30HKS	360
FHA 203(k) Standard 30 Yr Fixed w/2-1 Buydown	FHA30KBD21	360
FHA 203(k) Standard 30 Yr Fixed w/1-0 Buydown	FHA30KBD10	360
FHA 203(k) Limited 30 Yr Fixed w/2-1 Buydown	FHA30KSBD21	360
FHA 203(k) Limited 30 Yr Fixed w/1-0 Buydown	FHA30KSBD10	360

The information contained in this flyer may not highlight all requirements; refer to Plaza's program guidelines. Plaza's programs neither originate from nor are expressly endorsed by any government agency.

plazahomemortgage.com

This information is provided by Plaza Home Mortgage and intended for mortgage professionals only, as a courtesy to its clients and is meant for instructional purposes only. It is not intended for public use or distribution. None of the information provided is intended to be legal advice in any context. Plaza does not guarantee, warrant, ensure or promise that information provided is accurate. Terms and conditions of programs and guidelines are subject to change at any time without notice. This is not a commitment to lend. Plaza Home Mortgage, Inc. is an Equal Housing Lender. © 2025 Plaza Home Mortgage, Inc. Plaza Home Mortgage and the Plaza Home Mortgage logo are registered trademarks of Plaza Home Mortgage, Inc. All other trademarks are the property of their respective owners. All rights reserved. Plaza NMLS 2113 179 FHA 203(k) Product Snapshot_0825

