

# Renovation Comparison Expanded for Correspondents



	FHA 203K Standard	FHA 203k Limited	Fannie Mae® HomeStyle®
Program Type	Government	Government	Conventional (may be combined with HomeReady®)
Loan Purpose	Purchase and Rate/Term Refinance	Purchase and Rate/Term Refinance	Purchase and Limited Cash-Out Refinance (No cash to borrowers at closing)
Occupancy	Primary Residence	Primary Residence	Primary Residence (1-4 Units), 1 Unit 2 <sup>nd</sup> Home, and 1 Unit Investment
Property Types (for Condos refer to applicable program guidelines)	Attached /Detached SFR, PUD, Condo, 2-4 Units, and Manufactured Homes	Attached /Detached SFR, PUD, Condo, 2-4 Units, and Manufactured Homes	1-4 Unit Primary, 1 Unit 2 <sup>nd</sup> Home, 1 Unit Investment, Condos, PUD's, and Manufactured Homes
Minimum FICO	620	620	Per DU and MI
LTV/CLTV -Purchase	96.5%	96.5%	<b>Conforming</b> 97% 1 <sup>st</sup> Time Homebuyer and HomeReady 1 unit owner occupied 95% Owner Occupied 90% 1 Unit 2 <sup>nd</sup> Home 85% 1 Unit Investment <b>High Balance</b> 95% 1 Unit Owner Occupied 85% 2 Unit Owner Occupied 75% 3-4 Unit Owner Occupied 90% 1 Unit 2 <sup>nd</sup> Home 85% 1 Unit Investment
LTV/CLTV-Refinance	97.75%	97.75%	<b>Conforming</b> 95% 1-4 Unit Primary Residence 90% 1 Unit 2 <sup>nd</sup> Home 75% 1 Unit Investment <b>High Balance</b> 95% 1 Unit Primary 85% 2 Unit Primary 75% 3-4 Unit Primary 90% 1 Unit 2 <sup>nd</sup> Home 75% 1 Unit Investment
High Balance	Yes	Yes	Per FNMA High Balance Loan Limits
Mortgage Insurance	Monthly and Up-Front MIP	Monthly and Up-Front MIP	Required per LTV and Standard Coverage per DU
Minimum Repair Amount	\$5000 minimum repairs from the eligible list in the 4000.1	None	None
Maximum Repair Amount	None	\$75,000 including all fees and contingency reserve.	75% of the subject to repair appraised value. For manufactured homes \$50,000 or 50% of the subject to repair appraised value whichever is less
Acceptable Renovation Costs	<ul style="list-style-type: none"> <li>- Hard Costs for labor and materials</li> <li>- Architectural Fees</li> <li>- HUD Consultant Fees</li> <li>- Draw Inspection Fees</li> <li>- Title Update Fees</li> <li>- Permit Fees</li> <li>- Contingency Reserve</li> <li>- Up to 6 months financed PITI reserves if the property is uninhabitable</li> <li>- Supplemental Origination Fee</li> <li>- Discount points on repair costs</li> </ul>	<ul style="list-style-type: none"> <li>- Hard Costs for labor and materials</li> <li>- Title Update Fees</li> <li>- Permit Fees</li> <li>- Contingency Reserve</li> <li>- Inspection Fees</li> <li>- Supplemental Origination Fee-Plaza requires and retains</li> <li>- Discount points on repair costs</li> </ul>	<ul style="list-style-type: none"> <li>- Hard Costs for labor and materials</li> <li>- Architectural Fees</li> <li>- HUD Consultant Fees for inspections and WWU</li> <li>- Title Update Fees</li> <li>- Permit Fees</li> <li>- Contingency Reserve</li> <li>- Up to 6 months financed PITI reserves when the property is uninhabitable</li> </ul>
Contingency Reserve Required	Minimum 10%; 15% if utilities are off; underwriter discretion to go to 20% depending on the project	Minimum 10%; 15% if utilities are off	Minimum 10%; 15% if utilities are off
Self Help	No	Yes-refer to program guidelines	No
Types of Repairs	Structural and Non-Structural Repairs	Non-Structural Repairs	Structural and non-structural repairs
Swimming Pool Construction	No	No	Yes
Consultant Requirements	Required for WWU and draw inspections	HUD Consultant allowed but not required	Required for draw inspections and WWU for projects \$75,000 and over. Refer to program guidelines for additional requirements
Material Draws Allowed	Yes - 50% of materials costs or \$37,500 whichever is less	No	Yes - 50% of materials costs or \$25,000 whichever is less

	Freddie Mac CHOICERenovation®	VA Renovation	USDA Renovation
Program Type	Conventional (may be combined with Home Possible®)	Government	Government
Loan Purpose	Purchase and Rate/Term Refinance (No cash to borrowers at closing)	Purchase and Regular Refinance (aka Cashout)	Purchase
Occupancy	Primary Residence, 1 Unit 2 <sup>nd</sup> Home, and 1 Unit Investment	Primary Residence	Primary Residence
Property Types (for Condos refer to applicable program guidelines)	1-4 Unit Primary, 1 Unit 2 <sup>nd</sup> Home, 1 Unit Investment, Condos, PUD's	1-4 Unit Primary Residence and Manufactured Homes	Attached/Detached SFR's and PUD's
Minimum FICO	Per LPA and MI	620	620
LTV/CLTV -Purchase	<b>Conforming and Super Conforming</b> 95% 1 Unit Owner Occupied 85% 2 Unit Owner Occupied 80% 3-4 Units Owner Occupied 90% 1 Unit 2 <sup>nd</sup> Home 85% 1 Unit Investment	100% 1-4 Units	100%
LTV/CLTV-Refinance	<b>Conforming and Super Conforming</b> 95% 1 Unit Owner Occupied 85% 2 Unit Owner Occupied 80% 3-4 Units Owner Occupied 90% 1 Unit 2 <sup>nd</sup> Home 85% 1 Unit Investment	90%	N/A
High Balance	Per FHLMC Super Conforming Loan Limits	Yes-Refer to VA Loan Limits	No
Mortgage Insurance	Required per LTV and Standard Coverage per LPA. Reduced MI is not allowed	VA Funding Fee	USDA Guarantee Fee and Annual Fee
Minimum Repair Amount	None	None	None
Maximum Repair Amount	75% of the subject to repair appraised value. For manufactured homes \$50,000 or 50% of the subject to repair appraised value whichever is less	\$50,000 including all fees and contingency reserve	Limited - \$35,000 including all fees and contingency reserve  Standard - None
Acceptable Renovation Costs	<ul style="list-style-type: none"> <li>- Hard Costs for labor and materials</li> <li>- Architectural Fees</li> <li>- HUD Consultant Fees for inspections and WWU</li> <li>- Title Update Fees</li> <li>- Permit Fees</li> <li>- Contingency Reserve</li> <li>- Up to 6 months financed PITI reserves when the property is uninhabitable</li> </ul>	<ul style="list-style-type: none"> <li>- Hard Costs for Labor and Materials</li> <li>- Draw Inspection Fees (max 2 interim and 1 final)</li> <li>- Title Update Fees</li> <li>- Permit Fees</li> <li>- Contingency Reserve</li> </ul>	<ul style="list-style-type: none"> <li>- Hard Costs for labor and materials</li> <li>- Architectural Fees (Standard)</li> <li>- HUD Consultant Fees (Standard)</li> <li>- Draw Inspection Fees</li> <li>- Title Update Fees</li> <li>- Permit Fees</li> <li>- Contingency Reserve</li> <li>- Up to 6 months financed PITI reserves if the property is uninhabitable (Standard)</li> <li>- Supplemental Origination Fee</li> <li>- Discount points on repair costs</li> </ul>
Contingency Reserve Required	Minimum 10%; 15% if utilities are off; underwriter discretion to go to 20% depending on the project	Minimum 10%; 15% if utilities are off	Minimum 10%; 15% if utilities are off
Self Help	No	No	No
Types of Repairs	Structural and non-structural repairs	Only minor structural repairs are allowed. Refer to program guidelines	Standard - Structural and non-structural repairs  Limited - Non-structural repairs
Swimming Pool Construction	Yes	Yes	No
Consultant Requirements	Required for draw inspections and WWU for projects \$75,000 and over. Refer to program guidelines for additional requirements	Not required	Standard - Required for WWU and draw inspections  Limited - Not required
Material Draws Allowed	Yes - 50% of materials costs or \$25,000 whichever is less	No	Yes - 50% of materials costs or \$15,000 whichever is less