

# Product Snapshot

## FHA 203(h)



Plaza offers FHA's 203(h) program which allows FHA to insure mortgages made to victims of a Presidentially-Declared Major Disaster Area (PDMDA) who have lost their housing and are buying another house, or whose housing was damaged and are in the process of rebuilding. The 203(h) program may be used in conjunction with a 203(b) or a 203(k) mortgage.

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

FHA Loan Limits: <https://entp.hud.gov/idapp/html/hicostlook.cfm>

Purchase - Conforming and High Balance					
Program	LTV	CLTV	Min Credit Score	Max DTI	
				AUS	Manual
203(h) with 203(b)	100%	100%	580	Per AUS	Per 4000.1
	90%	90%	550	Per AUS	31/43% <sup>1</sup>
203(h) with 203(k)	96.5%	96.5%	580	Per AUS	Per 4000.1
	90%	90%	550	Per AUS	31/43% <sup>1</sup>

<sup>1</sup> Manually underwritten loans with Credit Scores below 580 may not exceed 31/43% ratios.

Refinance <sup>2</sup> - Conforming and High Balance					
Program	LTV	CLTV	Min Credit Score	Max DTI	
				AUS	Manual
203(h) with Standard 203(k)	97.75%	97.75%	580	Per AUS	Per 4000.1
	90%	90%	550	Per AUS	31/43% <sup>1</sup>

<sup>1</sup> Manually underwritten loans with Credit Scores below 580 may not exceed 31/43% ratios.

<sup>2</sup> Refinances are only eligible in conjunction with a Standard 203(k).

Product Parameters	
<b>Appraisal</b>	All appraisals for FHA loans must be completed by a HUD-approved appraiser.
<b>Underwriting Method</b>	DU Approve/Eligible, LPA Accept/Eligible or Manual.
<b>Transactions</b>	<p><b>Purchase:</b></p> <ul style="list-style-type: none"> <li>To acquire an existing property in need of no repairs (203-b)</li> <li>To acquire and rehabilitate an existing structure (203-k) <ul style="list-style-type: none"> <li>Existing structures not located in a PDMDA must have been completed (certificate of occupancy has been issued over 12 months) for at least 1 year</li> <li>Existing structures located in a PDMDA regardless of the age of the property are eligible. The residence only needs to have been completed and ready for occupancy to be eligible.</li> </ul> </li> </ul> <p><b>Rate/Term Refinance:</b> Only allowed in conjunction with a Standard 203(k) to rehabilitate an existing structure that has been destroyed or damaged to such an extent that reconstruction is necessary.</p> <p><b>203(k) with 203(h):</b> Damaged residences located in a PDMDA are eligible for Section 203(k) mortgage insurance regardless of the age of the property. The residence only needs to have been completed and ready for occupancy to be eligible under Section 203(k). All other Section 203(k) policy must be followed.</p>
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>U.S. citizens</li> <li>Permanent resident aliens</li> <li>Non-permanent resident aliens</li> <li>Non-occupant borrowers</li> <li>Deferred Action for Childhood Arrivals (DACA) program recipients</li> </ul> <p>Documentation must be provided to verify that the borrower's previous residence (owned or rented) was in the disaster area, and was destroyed or damaged to such an extent that reconstruction or replacement is necessary. If purchasing a new house, the house need not be located in the area where the previous house was located.</p>

<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• Attached/detached SFRs</li> <li>• Attached/detached PUDs</li> <li>• FHA-approved Condos</li> </ul>
<b>Credit</b>	<p><b>Minimum Credit Score:</b> 550</p> <ul style="list-style-type: none"> <li>• A tri-merge credit report is required on all loans</li> <li>• Qualifying score: <ul style="list-style-type: none"> <li>○ Where three scores are reported, the middle score is the qualifying score</li> <li>○ Where two scores are reported, the lowest score is the qualifying score</li> <li>○ Where only one score is reported, that score is the qualifying score</li> </ul> </li> <li>• Where the Mortgage involves multiple Borrowers, the lowest qualifying score of all borrowers is used</li> <li>• 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</li> <li>• 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.</li> </ul> <p><b>Housing Payment History:</b> Late payments may be disregarded on a property that was destroyed or damaged in the disaster, where the late payments were a result of the disaster, and the Borrower was not delinquent on their Mortgage at the time of the disaster.</p> <p><b>Disaster Related Derogatory Credit:</b> Borrowers may be considered a satisfactory credit risk if the credit report indicates satisfactory credit prior to the disaster and any derogatory credit subsequent to the date of the disaster is directly related to the effects of the disaster.</p>
<b>Down Payment</b>	<p>The borrower is not required to make the Minimum Required Investment (MRI). The maximum LTV is 100% of the Adjusted Value.</p> <p>If a 203(k) is used in conjunction with a 203(h), the 203(k) LTV applies.</p> <p>If traditional asset documentation is not available, statements downloaded from the borrower's financial institution website may be used to confirm the borrower has sufficient assets to close the Mortgage.</p>

Product Name	Product Code	Available Term in Months
FHA 203(h) 15 Year Fixed	FHA150D	180
FHA 203(h) 30 Year Fixed	FHA300D	181-360
FHA 203(h) 5/1 ARM	FHA51TD	360
FHA 203(h) 15 Year Fixed High Balance	FHA150HBD	180
FHA 203(h) 30 Year Fixed High Balance	FHA300HBD	360
FHA 203(h) 5/1 ARM High Balance	FHA51THBD	360
FHA 203(h) 30 Year Fixed Standard 203(k)	FHA30DK	360
FHA 203(h) 30 Year Fixed Standard 203(k) High Balance	FHA30HDK	360
FHA 203(h) 30 Year Fixed Limited 203(k)	FHA30DKS	360
FHA 203(h) 30 Year Fixed Limited 203(k) High Balance	FHA30HDKS	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. © 2022 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 188\_FHA 203(h) Product Snapshot\_0622

