



Section 184 Indian Home Loan Guarantee Program Guidelines Correspondent

Revised 3/26/2024 rev. 103

<p>Summary</p>	<p>The Section 184 program addresses the special needs of American Indians and Alaska Natives by making it possible to achieve homeownership with market-rate financing. Historically, American Indians and Alaska Natives have had limited access to private mortgage capital primarily because much of the land in Indian Country is held in trust by the federal government. While the Section 184 program allows property on Tribal Trust land, Plaza's program currently requires property rights to be unrestricted Fee Simple where the property may be bought, sold and transferred between Native American or non-Native American purchasers without review by the Tribe or Bureau of Indian Affairs, (BIA).</p> <p>Plaza will purchase Section 184 loans where property rights are unrestricted Fee Simple ownership. Section 184 loans are available to members of eligible tribes and in an approved Indian operating area.</p>																																		
<p>Products</p>	<table border="1"> <thead> <tr> <th>Product Name</th> <th>Product Code</th> <th>Available Term In Months</th> </tr> </thead> <tbody> <tr> <td>Section 184 Indian Home Loan Guarantee 15 Year Fixed</td> <td>184F150</td> <td>180</td> </tr> <tr> <td>Section 184 Indian Home Loan Guarantee 30 Year Fixed</td> <td>184F300</td> <td>181 - 360</td> </tr> <tr> <td>Section 184 Indian Home Loan Guarantee 30 Year Fixed High Balance</td> <td>184F300HB</td> <td>360</td> </tr> </tbody> </table>	Product Name	Product Code	Available Term In Months	Section 184 Indian Home Loan Guarantee 15 Year Fixed	184F150	180	Section 184 Indian Home Loan Guarantee 30 Year Fixed	184F300	181 - 360	Section 184 Indian Home Loan Guarantee 30 Year Fixed High Balance	184F300HB	360																						
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<p>Eligibility Matrix</p>	<table border="1"> <thead> <tr> <th rowspan="2">Purpose</th> <th colspan="5">Conforming and High Balance³ – Primary Residence</th> </tr> <tr> <th>Loan Amount</th> <th>LTV</th> <th>CLTV</th> <th>Min Credit Score</th> <th>Max DTI</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Purchase and Rate/Term</td> <td>> \$50,000</td> <td>97.75%</td> <td>100%</td> <td>620</td> <td>43%²</td> </tr> <tr> <td><= \$50,000</td> <td>98.75%</td> <td>100%</td> <td>620</td> <td>43%²</td> </tr> <tr> <td>Cash-out Refinance</td> <td>All</td> <td>85%</td> <td>85%</td> <td>620</td> <td>43%²</td> </tr> <tr> <td>Streamline Refinance¹</td> <td>All</td> <td>N/A¹</td> <td>N/A¹</td> <td>620</td> <td>N/A</td> </tr> </tbody> </table> <p>¹. Streamline refinances with an appraisal have the same Loan Amount and LTV/CLTV limits as Rate/Term refinances. ². DTI > 41% requires at least two compensating factors: Minimal housing increase (no more than 15 percent), credit score of 700 or greater, The applicant has additional income that has not been included in qualifying that will, if used as qualifying income, reduce the debt-to-income ratio to below 41 percent, the applicant has substantial cash reserves after closing (six months or greater), Loan-to-Value ratio is 75% or less.</p> <p>When calculating the LTV limits above, do not include the Section 184 guarantee fee as a part of the loan.</p>	Purpose	Conforming and High Balance ³ – Primary Residence					Loan Amount	LTV	CLTV	Min Credit Score	Max DTI	Purchase and Rate/Term	> \$50,000	97.75%	100%	620	43% ²	<= \$50,000	98.75%	100%	620	43% ²	Cash-out Refinance	All	85%	85%	620	43% ²	Streamline Refinance ¹	All	N/A ¹	N/A ¹	620	N/A
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<p>4506-C / Tax Transcripts</p>	<ul style="list-style-type: none"> A signed 4506-C for all years in which income was used in the underwriting decision are required IRS tax transcripts for the most recent 2 years are required 																																		
<p>Appraisal</p>	<p>An appraisal is required for all transactions except for certain Streamline Refinances. Streamline Refinances do not require an appraisal unless the borrower is seeking to finance closing costs as part of the Streamline Refinance.</p> <p>All appraisals must be completed by an FHA approved appraiser. Appraisals are valid for 120 days.</p> <p>Minimum Property Requirements (MPR) and Minimum Property Standards (MPS): New construction must comply with HUD's Minimum Property Standards. Existing construction must comply with HUD's Minimum Property Requirements.</p> <p>Plaza Appraisal Transfer Policy:</p> <ul style="list-style-type: none"> Plaza must receive the original PDF and XML of the appraisal from the original lender The appraisal must include a Certificate of Compliance (COC) certifying the appraisal was ordered and completed in accordance with Appraiser Independence Requirements (AIR). The COC is normally issued by the AMC and accompanies the appraisal. Plaza must receive the last successful SSR from the original lender. The effective date of the appraisal must be after the case number assignment date. 																																		

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	<ul style="list-style-type: none"> For transactions that are brokered to Plaza the appraisal cannot be in the broker's name. This does not apply to Principal Authorized Agent Relationships or Correspondent loans sold to Plaza from FHA approved Lenders. Plaza may not request the appraiser to re-address the transferred appraisal. If Plaza finds deficiencies in the appraisal, a new appraisal must be ordered. <ul style="list-style-type: none"> Both appraisals are to be retained in the loan file and case binder. The file must be documented regarding why a second appraisal was ordered and retain the explanation in the case binder. The appraiser cannot be on Plaza's exclusionary list. <p>Home Inspection: On purchase transactions, the lender must provide a notice to the borrower that they are best served when they are aware of their own responsibilities for assuring that the property is acceptable to them (i.e., obtaining an inspection).</p>
ARM Adjustments	Not applicable.
Borrower Eligibility	<p>Applicants must meet the following two threshold qualifications:</p> <ul style="list-style-type: none"> Membership in Tribe: An applicant must be a member of a federally recognized tribe or a federally recognized Alaska Native village/tribe or one of the following five state tribes: Coharie Tribe (North Carolina); Haliwa-Saponi Tribe (North Carolina); Lumbee Tribe (North Carolina); Waccamaw Siouan Tribe (North Carolina); MOWA band of Choctaw (Alabama). The list of Federally recognized Indian tribes can be found on the HUD website at https://www.bia.gov/service/tribal-leaders-directory/federally-recognized-tribes Indian Operating Area: The property must be in an approved Indian operating area. The map of approved Indian operating areas can be found on the HUD website at: https://www.hud.gov/sites/dfiles/PIH/documents/184_Map_States_and_Counties.pdf Note: Eligible tribal members are not limited to purchasing a home in a place where their tribe is authorized to provide housing. For example, if an Oklahoma tribal member wants to purchase a home in Alaska that is allowed. <p>Proof of Membership:</p> <ul style="list-style-type: none"> Possession of a tribally issued enrollment card or through possession of a letter from the tribal enrollment office stating that the applicant is a member of the tribe, or Possession of a common stock in one of the approved Alaskan corporations. <p>Eligible Borrowers:</p> <ul style="list-style-type: none"> U.S. citizens Permanent resident aliens Non-permanent resident aliens Are eligible to work in the United States as evidenced by an Employment Authorization Document (EAD) issued by the USCIS Non-occupant co-borrowers <p>Non-occupant Borrowers:</p> <ul style="list-style-type: none"> Non-Occupying Borrower transactions are restricted to a maximum loan-to-value ratio of 75%. However, use of the standard Section 184 loan-to-value ratio is available for applicants related by blood (e.g., parent-child, siblings, aunts uncles/nieces-nephews), or for unrelated individuals who can document evidence of a family-type, longstanding and substantial relationship not arising out of the loan transaction. Note: If a parent is selling to a child, the parent cannot be the co-applicant with the child, unless the LTV is 75% or less. All applicants, regardless of occupancy status, must sign the security instrument and mortgage note. Please note however, that cosigners do not execute the security instrument, nor take title to the property; however, they still must sign the mortgage note. If the LTV exceeds 75 percent, a mortgage with non-occupying applicant(s) is limited to a one unit property. The non-occupying applicant arrangement may not be used to develop a portfolio of rental properties. The financial contribution by the non-occupying applicant and the number of properties owned may indicate that the family members are acting as "strawbuyers." An applicant may only have one Section 184 mortgage at a time; therefore, an applicant that already has a Section 184 mortgage may not act as a non-occupying co-applicant or co-signor.



	<ul style="list-style-type: none"> • Non-occupant co-borrowers may not be added to a cash-out refinance transaction in order to meet FHA's credit underwriting guidelines for the mortgage. Any co-borrower being added to the Note on a cash-out refinance must be an occupant of the property. <p>Social Security Number:</p> <ul style="list-style-type: none"> • Each borrower on the loan transaction must have a valid Social Security number. • ITIN (IRS Tax Identification Numbers) are not allowed.
Credit	<p>Qualifying Credit Score:</p> <ul style="list-style-type: none"> • 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. Non-traditional credit must be established for any borrowers without a credit score. <p>Housing Payment History:</p> <ul style="list-style-type: none"> • The borrower must provide a recent 24-month history of mortgage, rental, or other residency. All documentation must cover a 24-month payment history and identify the address and amount of monthly payment. Verification sources can include: <ul style="list-style-type: none"> ◦ Credit report; or ◦ Mortgage payment information from the financial institution; or ◦ Verification of rent from landlord; and/or ◦ Other alternative documents to support residency. • Housing payment history: <ul style="list-style-type: none"> ◦ 0 x 30 in the past 24 months. ◦ The borrower must have made the payments for all mortgages secured by the subject property for the month due prior to disbursement of the new mortgage. • 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. Payment shock must be addressed per Chapter 5 of PIH guidelines. <p>COVID-19 Forbearance: Refer to Dear Lender Letter 2021-04 for details.</p> <p>Revolving and Installment Accounts: All derogatory credit must be explained. The underwriter must determine, in their professional opinion, that these sorts of derogatory credit issues are unlikely to continue in the future. If an underwriter determines that derogatory credit issues are likely to continue, loan approval should not be given.</p> <p>Bankruptcy / Judgments / Liens: 24 months</p>
Disaster Policy	Refer to Plaza's Natural Disaster Policy for requirements.
Documents / Forms	<ul style="list-style-type: none"> • Home Inspection Notice (purchase transactions) • 50110 Warranty of Completion of Construction (new construction only) • 50111 Section 184 Addendum to the URLA • 50121 Rider for Section 184 Fee Simple Property • 50131 Case number request • 50132 MCAW for Section 184 • 50143 Reservation of Funds Request • 53039 Indian Loan Guarantee Certificate

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Down Payment / Gifts	<p>Minimum borrower required investment (down payment):</p> <ul style="list-style-type: none"> • 2.25% for loan amounts > \$50,000 • 1.25% for loan amounts <= \$50,000 <p>Closing costs (non-recurring closing costs, pre-paid expenses, and discount points) may not be used to help meet the applicant's minimum required investment.</p>
Escrow Accounts	<p>An Escrow/impound account is required for property taxes and insurance on all FHA loans.</p>
Flips	<p>If the owner of a property is attempting to sell a home they acquired within the previous 90 days from the date of the contract of sale to the applicant, that property will not be eligible for a Section 184 loan. Underwriters may grant an exception to this rule under the following circumstances:</p> <ul style="list-style-type: none"> • All transactions must be arms-length, with no identity of interest between the buyer and seller or other parties participating in the sales transaction. Some ways that the lender can ensure that there is no inappropriate collusion or agreement between parties is to assess and determine the following: the seller holds title to the property; LLCs, corporations, or trusts that are serving as sellers were established and are operated in accordance with applicable state and Federal law; no pattern of previous flipping activity exists for the subject property, as evidenced by multiple title transfers within a 12-month time frame (chain of title information for the subject property can be found in the appraisal report); the property was marketed openly and fairly. • In cases when the sales price of the property is 20% or more over and above the seller's acquisition cost, an exception is possible only if the lender verifies and documents that the seller has completed sufficient legitimate renovation, repair, and rehabilitation work on the subject property to substantiate the increase in value or, in cases where no such work is performed, the appraiser provides appropriate explanation of the increase in property value since the prior title transfer; and orders a property inspection and provides the inspection report to the purchaser before closing (the inspector must have no interest in the property or relationship with the seller, and must not receive compensation for the inspection from any party other than the lender).
Geographic Restrictions	<p>Indian Operating Area: The property must be in an approved Indian operating area. The map of approved Indian operating areas can be found on the HUD website at: https://www.hud.gov/sites/dfiles/PIH/documents/184_Map_States_and_Counties.pdf</p> <p>Note: Eligible tribal members are not limited to purchasing a home in a place where their tribe is authorized to provide housing. For example, if an Oklahoma tribal member wants to purchase a home in Alaska that is allowed.</p> <p>Iowa: 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 Iowa Financial Authority.</p> <p>Kansas: Properties located in the State of Kansas require the lender to obtain the market value. For Streamline refinances, this can be satisfied with the tax assessor's statement of value.</p> <p>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.</p> <p>Montana: Lot size of the property may not exceed 40 acres.</p> <p>Rhode Island: Manufactured housing not eligible.</p> <p>Texas: Cash-out refinances are not eligible.</p>
Guarantee Fees: Up-Front and Annual	<p>Firm Commitments issued on or after July 1, 2023:</p> <ul style="list-style-type: none"> • Up-Front Guarantee Fee: 1.000% • Annual Fee: 0% <p>Refinances:</p> <ul style="list-style-type: none"> • Refinances have the same Loan Guarantee Fee that is required of purchases. • The Loan Guarantee Fee may be financed or paid in cash at closing. • The Loan Guarantee Fee is non-refundable and the borrower will not receive credit for a Loan Guarantee Fee from a Section 184 Loan that is being paid off.

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Identity of Interest	<p>An identity-of-interest transaction occurs when there is a sale between parties with a family or business relationship. These transactions are restricted to a maximum loan-to-value ratio of 85%. However, an underwriter may grant an exception to this policy in the following circumstances:</p> <ul style="list-style-type: none"> • A family member purchases another family member's principal residence. If the seller's investment property is sold from one family member to another, the maximum mortgage is the lesser of 85% of the appraised value, or the appropriate LTV factor applied to the sales price, plus or minus required adjustments. • An employee of a builder purchasing one of the builder's new homes or models as a principal residence. • A current tenant purchasing the property that he or she has rented for at least 6 months predating the sales contract. A lease or other written evidence must be submitted verifying occupancy. • Sales by corporations that transfer employees out of an area, purchase the transferred employee's home, and then resell the residence to another employee. 																																		
Income / Employment	<p>Refer to PIH-2014-22 for income and employment requirements and documentation.</p> <p>All transactions, including Streamline Refinances, require verification of employment.</p>																																		
Ineligible	<ul style="list-style-type: none"> • Temporary Buydowns • ARMs • One-time close construction or renovation • 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. 																																		
Interested Party Contributions	6%																																		
Loan Limits	<p>The maximum loan amount is determined by the county in which the property is located and the number of units. Refer to Section 184 Maximum Loan Limits for loan limits.</p> <p>If the base loan amount exceeds the standard conforming balance loan limit the loan will be considered High Balance.</p> <table border="1" data-bbox="422 919 1510 1102"> <thead> <tr> <th colspan="5">Maximum Base Loan Amount</th> </tr> <tr> <th rowspan="2">Unit</th> <th colspan="2">Contiguous States</th> <th colspan="2">Alaska¹</th> </tr> <tr> <th>Standard</th> <th>High Balance</th> <th>Standard</th> <th>High Balance</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$766,550</td> <td>\$1,149,825</td> <td>\$1,149,825</td> <td>N/A</td> </tr> <tr> <td>2</td> <td>\$981,500</td> <td>\$1,472,250</td> <td>\$1,472,250</td> <td>N/A</td> </tr> <tr> <td>3</td> <td>\$1,186,350</td> <td>\$1,779,525</td> <td>\$1,779,525</td> <td>N/A</td> </tr> <tr> <td>4</td> <td>\$1,474,400</td> <td>\$2,211,600</td> <td>\$2,211,600</td> <td>N/A</td> </tr> </tbody> </table> <p>¹ There are no properties in Alaska with loan limits higher than the applicable base conforming limits for 2024. As a result, there are no High Balance limits specific for this state.</p> <p>HUD Form 50132 Section 184 MCAW is used to determine the Base Loan Amount (Mortgage without Loan Guarantee Fee) and the Maximum Principal Loan Amount (Mortgage with Loan Guarantee Fee).</p>	Maximum Base Loan Amount					Unit	Contiguous States		Alaska ¹		Standard	High Balance	Standard	High Balance	1	\$766,550	\$1,149,825	\$1,149,825	N/A	2	\$981,500	\$1,472,250	\$1,472,250	N/A	3	\$1,186,350	\$1,779,525	\$1,779,525	N/A	4	\$1,474,400	\$2,211,600	\$2,211,600	N/A
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Maximum Loans	<p>An applicant may only have one Section 184 mortgage at a time; therefore, an applicant that already has a Section 184 mortgage may not act as a non-occupying co-applicant or co-signor on another Section 184 mortgage.</p> <p>A maximum of four Plaza loans is permitted to one borrower.</p>																																		
Occupancy	Owner-occupied Primary Residence																																		
Property Eligibility	<p>Fee Simple: To be eligible for purchase by Plaza, property rights must be unrestricted Fee Simple. While the Section 184 program allows property on Tribal Trust land, Plaza only purchases loans where the property is Fee Simple and may be bought, sold and transferred between Native American or non-Native American purchasers without review by the Tribe or Bureau of Indian Affairs, (BIA).</p> <p>Eligible Properties:</p> <ul style="list-style-type: none"> • Attached/detached SFRs • Attached/detached PUDs • FHA-approved Condos • 2 - 4 Units • Manufactured Housing 																																		

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	<p>Manufactured Housing:</p> <ul style="list-style-type: none"> • Must be classified as Real Property • HUD labels and data plate must be located • Single-wide and multi-wide allowed • Manufactured homes must have been built on or after June 15, 1976 • Manufactured homes must have a minimum 570 square feet of gross living area • The manufactured home may not have been previously installed or occupied at another location • The finished grade elevation beneath the home must be at or above the 100-year return frequency flood elevation • The lender must provide to HUD either a certification to the state that the foundation substantially complies with the HUD Handbook Permanent Foundation Guide for Manufactured Housing, or evidence that it is installed in accordance with stated adopted standards, or certification from an engineer that the foundation is of sufficient size and strength to support the unit(s), and is attached in a manner that will withstand normal wind and snow loads. • Manufactured housing not eligible in Rhode Island <p>Ineligible Properties:</p> <ul style="list-style-type: none"> • Tribal Trust Properties • 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
Repair Escrows	<p>Both weather related and non-weather related holdbacks will be considered.</p> <ul style="list-style-type: none"> • HUD Form 50118 Mortgagee's Assurance of Completion required. Holdbacks must be established using HUD Form 50118 to ensure eventual completion of all required repairs. • 1.5 times the cost of the repair or improvement as established by the bid from the contractor must be withheld at closing. • A final inspection must be obtained to confirm completion of the repairs and must document payment in full for the repair/improvement. <p>Escrow holdbacks are not allowed on manufactured housing.</p>
Seasoning	Refer to the Transactions section for ownership seasoning requirements.
Subordinate Financing	<p>New or existing subordinate financing is allowed per the LTV/CLTV limits.</p> <ul style="list-style-type: none"> • The maximum credit limit must be used to calculate the CLTV ratio. • Down Payment Assistance liens: If a tribe provided closing cost assistance, tribe approval is required prior to closing for the payoff or subordination of this type of lien. • Streamline refinances are limited to the subordination of closing costs/down payment assistance loans only. The CLTV may not exceed the amount of the Loan Guarantee Certificate for the existing loan. • Streamlines with an appraisal may subordinate other subordinate liens up to 100% CLTV of the appraised value. <p>Properties with Property Assessed Clean Energy (PACE) obligations are ineligible.</p> <ul style="list-style-type: none"> • Any PACE obligations or liens must be paid and satisfied at or prior to closing. • PACE liens may not be subordinated.
Temporary Buydowns	Not allowed.
Texas Home Equity	Cash out is not allowed in Texas.

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<p>Transactions</p>	<ul style="list-style-type: none"> • Purchase • Rate/Term Refinance (No Cash-Out Refinance) • Cash-Out Refinance • Streamline Refinance <p>Rate and Term Refinance:</p> <ul style="list-style-type: none"> • The base loan amount is the lesser of: <ul style="list-style-type: none"> ○ The existing debt: the sum of the mortgage payoff, interest, seasoned subordinate liens, closing costs, prepaid expenses, reasonable discount points, and Borrower paid repairs required by the appraisal; or ○ 97.75% of the appraised value of the property (or 98.75% if the value of the property is \$50,000 or less); or ○ The Section 184/184A Loan Limits in effect as of the date of case number assignment. • Any late fees, escrow shortage or prepayment penalties are not allowed to be included as part of the refinance. • The Loan Guarantee Fee may be financed. • Seasoning/Occupancy: 6 months. The property must have been owned by the borrower as his/her principal residence for a minimum of 6 months prior to the date of case number assignment. • Maximum cash to borrower: A maximum of \$500 cash back to the borrower at closing for costs paid in advance during loan processing. • Payoff of down payment assistance: The original Closing Disclosure for the existing mortgage must be obtained in order to verify if closing cost/down payment assistance was provided. If a tribe provided closing cost assistance, tribe approval is required prior to closing for the payoff or subordination of this type of lien. • Payoff of a subordinate lien: 12-month seasoning required. <ul style="list-style-type: none"> ○ Any cash advance in the past 12 months on a subordinate lien, including a line of credit, may be included if the Borrower provides conclusive evidence (e.g., canceled checks and paid invoices) that the proceeds were used for the repair or rehabilitation of the subject property. ○ Any funds in excess of \$1,000 advanced within the past 12 months and for a purpose other than repairs and rehabilitation of the subject property are not eligible for inclusion in the No Cash-Out Refinance. • Remove a co-owner or spouse: A No Cash-Out Refinance may be used to buy out the equity of a co-owner or spouse. The specified equity to be paid is considered property-related indebtedness and is eligible for inclusion in calculating the new Loan. A divorce decree, settlement agreement, or other bona fide equity agreement must be provided to document the equity to be paid to the co-owner or spouse. <p>Cash-Out Refinance:</p> <ul style="list-style-type: none"> • The Loan Guarantee Fee may be financed. • Seasoning/Occupancy: 12 months. The property must have been owned by the borrower as his/her principal residence for a minimum of 12 months prior to the date of case number assignment. • Maximum cash to borrower: A maximum of \$2500 cash in hand is allowed. This does not include the payoff of debt or subordinate liens. • Debt payoff: All payments to third party creditors are required to be paid in full and the account closed. This must be documented on the Closing Disclosure. • Cash-out Letter: The borrower must provide a signed statement describing how the funds are to be used. • Repairs to subject property: If the Borrower is requesting a Cash-out Refinance for home improvements or rehabilitation exceeding \$10,000, the loan should be processed as a single close construction/rehabilitation loan and not a Cash-Out Refinance (Plaza does not offer Section 184 construction or rehabilitation loans). • Payoff of down payment assistance: The original Closing Disclosure for the existing mortgage must be obtained in order to verify if closing cost/down payment assistance was provided. If a tribe provided closing cost assistance, tribe approval is required prior to closing for the payoff or subordination of this type of lien. • Non-occupant borrowers: Not allowed. Any borrower being added to the note is required to be an occupant of the subject property.
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Streamline Refinance: A Streamline refinance is a no cash-out refinance of a loan currently guaranteed through the Section 184 program. A Streamline Refinance will typically have a Net Tangible Benefit to the borrower by reducing the borrower's monthly loan payment or reducing the term of the loan.

A Streamline Refinance is not required to meet the requirements of **PIH 2014-22**, however it must meet the following standards.

- The base loan amount is the lesser of:

Without an Appraisal	With an Appraisal
The outstanding principal balance; or	The outstanding principal balance plus interest, closing costs, prepaid expenses and reasonable discount points; or
The amount of the original Loan Guarantee Certificate for the existing loan.	Appraised value times 97.75% (or 98.75% if the value of the property is \$50,000 or less); or
These transactions are exempt from the Section 184/184A Loan Limits.	The Section 184/184A Loan Limits in effect as of the date of case number assignment.

- Net Tangible Benefit: A NTB must exist in the form of:
 - A reduction in mortgage payment (P&I) of at least 5%, or
 - A reduction in term if the payment increases (maximum payment increase is 15%).
- Seasoning/Occupancy: 12 months. The property must have been owned by the borrower as his/her principal residence for a minimum of 12 months prior to the date of case number assignment.
- Payment History: The borrower must have made all payment on their housing expense within the month due for the previous 12 months.
- Maximum cash to borrower: A maximum of \$500 cash back to the borrower at closing.
- MCAW: Section 184 MCAW must be completed, however the sections of the MCAW related to income, assets, debts, and other obligations do not generally require completion (unless credit qualifying or deleting a Borrower).
- Verification of Employment is required. A signed and dated VOE (written or verbal) or if retired, documentation to evidence source of income, is required. Self-employed borrowers' business existence must be verified.
- Verification of Funds: If the borrower needs less than \$1,000 cash to close documentation of funds is not required.
- Appraisal: Appraisal is not required unless the borrower is seeking to finance closing costs as part of the Streamline Refinance.
- Adding or removing a borrower:
 - A borrower may be added to the Note with a Streamline Refinance.
 - A borrower may only be removed from the Loan through a Credit Qualifying Streamline Refinance.
- Credit Qualifying Streamline Refinance: If any of the following apply, credit qualifying per **PIH 2014-22** is required:
 - When a change in the loan term will result in an increase in the monthly loan payment of more than 20%; or
 - When deleting a borrower; or
 - Following the assumption of a Section 184 Guaranteed Loan that occurred less than six months prior to case number assignment and did not trigger the transferability restriction (that is, the due-on-sale clause), such as in a property transfer resulting from a divorce decree or by devise or descent.

New Home Construction Payoff (Construction completed prior to closing) – Refinance:

- Follow Rate/Term requirements above and obtain the following:
- Construction payoff statement, including accrued interest and the origination date of the construction loan
- Closing Disclosure Statement showing original loan amount and all costs to construct the home
- Termite treatment (if state required)
- Builder's Certification (HUD 92541)
- A 1-year warranty (HUD 92544 or HUD 50110-A)
- Health authority approval on well and septic (if applicable)
- Flood Certificate
- One of the following:
 - 10-year warranty
 - a minimum of 3 inspections by a fee inspector
 - building permit and certificate of occupancy or the equivalent.



	<p>Building on Own Land – Purchase: An applicant is eligible for maximum financing if he/she is building a home on land that he/she already owns or acquires separately, and receives no cash from the settlement (this section shall also apply when an applicant has a valid lease on land held in trust). When an applicant is building on their own property, the appropriate loan-to-value (LTV) limits are applied to the lesser of the appraised value of the proposed home and land, or documented cost of the property.</p> <p>The documented cost of the property includes the builder’s price, or sum of all subcontractor bids and materials, cost of the land (if the land has been owned more than 6 months or was received as an acceptable gift, the value of the land may be used instead of its cost), and interest and other costs associated with any construction loan obtained by the applicant to fund construction of the property.</p> <p>Equity in the land (value or cost, as appropriate, minus the amount owed) may be used for the applicant’s entire cash investment. However, the applicant may not receive more than minimal cash at closing (\$250 or less). If the borrower receives more than \$250 cash at closing, the loan is limited to 85% of the appraised value. Replenishing the applicant’s own cash expended during construction is not considered “cash back,” provided that the applicant can substantiate with cancelled checks and paid receipts all out-of-pocket funds used for construction.</p> <p>To determine if an applicant has made the required 2.25 percent cash investment or its equivalent in land equity when building on his/her own land, all such mortgage transactions must be summarized on the appraisal. Additionally, the calculated LTV ratio must reflect as it does on other purchase transactions, the lesser of the sales price or appraised value.</p>
<p>Underwriting Method</p>	<p>All loans are manually underwritten per U.S. Department of HUD Office of Public and Indian Housing Section 184 Processing and Underwriting Guidelines.</p> <p>Age of Documents:</p> <ul style="list-style-type: none"> • No older than 60 days at application • No older than 120 days at closing

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