

FHA 203(k) Renovation Lending Program



A low, fixed-rate loan for home buying and renovation.

The FHA 203(k) Streamline Loan program provides a single-close loan that enables a qualified borrower to purchase a home that may need repairs or to refinance an existing home for the purpose of non-structural remodeling or renovation. The program allows the borrower up to a maximum of \$35,000 to make improvements.

FHA 203(k) features:

- Purchase and rate/term refinance on primary residences that are 1- to 4-unit properties
- Fixed rate mortgages with 30-year term
- Up to six months for renovation
- Down payments as low as 3.5% are allowed — may be a gift from a family member
- No reserves required on 1- to 2-unit properties

Ideal for borrowers who:

- Can benefit from flexible qualifying requirements
- Are looking for a cost-effective way to repair or improve their current home
- Plan to purchase a home with repair contingencies
- Want to rehabilitate a neglected or damaged foreclosure

With a FHA 203(k) renovation loan, borrowers have a convenient alternative to utilizing savings or credit cards for repairs, renovations and improvements.

For more information, contact:

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Maximum loan amounts may apply.

 Equal Housing Lender. Some products may not be available in all states. Credit and collateral are subject to approval. This is not a commitment to lend. Programs, rates, terms and conditions are subject to change without notice. Terms and conditions apply. All rights reserved. 04-27-2009 PRGM-01-09-0035.B AR76408

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Program Highlights	FHA 203(k) Streamline Loan
PROPERTY TYPE	1- to 4-unit
MAXIMUM LTV RATIOS	Purchase maximum 96.5% LTV and refinance maximum 97.75% LTV
CREDIT SCORE	Minimum 640 credit score required, regardless of automated underwriting decision
OCCUPANCY	Owner-occupied primary residence only
LOAN PURPOSE and TYPE	Purchase and rate/term refinance, 30-year fixed rate mortgage
RENOVATION PERIOD	Renovation must begin within 30 days of closing and be fully completed within a maximum of six months
BORROWER CONTRIBUTION/ DOWN PAYMENT	The minimum down payment requirement on purchase transactions is 3.5% - may be a gift from a family member; refinances may not require a down payment if the borrower has substantial equity in the home.
ELIGIBLE IMPROVEMENTS	<p>The FHA 203(k) Streamline Loan program is intended to facilitate uncomplicated renovations and/or improvements to a home for which plans, consultants, engineers and/or architects are not required; eligible improvements are limited and can not include any major renovation or remodeling, new construction such as a room addition, repairs to structural damage or site amenity improvements.</p> <p>Examples of eligible improvements are:</p> <ul style="list-style-type: none"> • Repair/replacement of roofs, gutters and downspouts; plumbing and electrical systems; and flooring • Repair/replacement/upgrade of existing heating, ventilation and air conditioning systems • Minor remodeling that does not involve structural repairs, such as kitchens • Exterior and interior painting • Weatherization, including storm windows and doors, insulation, weather stripping, etc. • Purchase and installation of appliances, including free-standing ranges, refrigerators, washers, dryers, dishwashers and microwaves • Improvements for accessibility for persons with disabilities • Lead-based paint stabilization or abatement of lead-based paint hazards • Repair/replacement/addition of exterior decks, patios, porches • Basement finishing and remodeling that does not involve structural repairs • Basement waterproofing • Replacement of windows and doors and exterior wall re-siding <p>Additional restrictions apply. \$35,000 maximum.</p>