

FHA

PROGRAM GUIDELINES AND MATRIXES



ORION
LENDING

Table of Contents

Section 1 – Overview & Underwriting Criteria 2

Section 2 - Underwriting Criteria 2

Section 3 – Product Eligibility 2

 3.1 Available Products2

 3.2 Adjustable Rate Criteria2

Section 4 – Product Matrix..... 3

 4.1 FHA LTV/CLTV Matrix3

 5.1 Borrower Eligibility4

 5.2 Credit.....4

 5.3 Escrow Holdbacks.....4

 5.5 Ineligible Income4

 5.5 Ineligible Properties.....4

 5.6 Minimum Loan Amount4

 5.7 State Restrictions.....4

 5.8 VVOE – FHA Streamline4

 5.9 Single-Unit Approval Eligibility.....4

 5.10 FHA Resources.....4

Section 1 – Overview & Underwriting Criteria

This Product Eligibility Policy outlines the parameter requirements for residential mortgage loans submitted to Orion Lending. This document is an integral part of the loan underwriting review process and should be reviewed in conjunction with all potential findings.

All loans will be examined and evaluated to determine whether the proposed loans generally conform to these guideline parameters. The qualifying specifications and procedures are meant to serve as a principal foundation to qualify, and each borrower will be reviewed in its entirety on an individual basis.

Section 2 - Underwriting Criteria

Appendix is intended to reference and supplement FHA’s Seller Guide (4000.1). Refer to the 4000.1 for specific information concerning qualification requirements that are not specifically referenced in the product appendix.

Section 3 – Product Eligibility

<p>3.1 Available Products</p>	<ul style="list-style-type: none"> • 5/1 Adjustable Rate Mortgage • 10 yr. Fixed Rate Mortgage • 15 yr. Fixed Rate Mortgage • 20 yr. Fixed Rate Mortgage • 25 yr. Fixed Rate Mortgage • 25 yr. Fixed Rate Mortgage (High Balance) • 30 yr. Fixed Rate Mortgage • 30 yr. Fixed Rate Mortgage (High Balance) 														
<p>3.2 Adjustable Rate Criteria</p>	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Product</th> <th>Index</th> <th>Margin</th> <th>Initial</th> <th>Periodic</th> <th>Life Cap</th> <th>Floor</th> </tr> </thead> <tbody> <tr> <td>5/1 ARM</td> <td>1 year LIBOR</td> <td>2.00%</td> <td>1%</td> <td>1%</td> <td>5%</td> <td>Margin</td> </tr> </tbody> </table> <p style="text-align: center;">Qualifying Rules greater of Note Rate or the Fully Indexed Rate (rounded)</p>	Product	Index	Margin	Initial	Periodic	Life Cap	Floor	5/1 ARM	1 year LIBOR	2.00%	1%	1%	5%	Margin
Product	Index	Margin	Initial	Periodic	Life Cap	Floor									
5/1 ARM	1 year LIBOR	2.00%	1%	1%	5%	Margin									

Section 4 – Product Matrix

4.1 FHA LTV/CLTV Matrix

PURCHASE					
PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	MIN FICO	LTV/CLTV
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,2}	Primary	Purchase	Per county limits	620 ³	96.5/100

¹Singlewide not allowed
²limited to conforming loan limits
³Manufactured Minimum FICO 640
³High Balance Minimum FICO 640

RATE TERM					
PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	MIN FICO	LTV/CLTV
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,2}	Primary	Rate/Term, Simple Refinance	Per county limits	620 ³	97.75

¹Singlewide not allowed
²limited to conforming loan limits
³Manufactured Minimum FICO 640
³High Balance Minimum FICO 640

STREAMLINE					
PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	MIN FICO	LTV/CLTV
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,2}	Primary	Streamline	Per county limits	620 ³	100/125
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,2}	Investment	Streamline	Per county limits	620 ³	100/125

¹Singlewide not allowed
²limited to conforming loan limits
³Manufactured Minimum FICO 640
³High Balance Minimum FICO 640

CASH OUT					
PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	MIN FICO	LTV/CLTV
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,4}	Primary	Cash Out ²	Per county limits	620 ⁵	80/85 ³

¹Singlewide not allowed
²Borrower must have been on title for 12 months prior to the case number order date.
³85% allowed for case numbers ordered prior to 9/1/2019
⁴limited to conforming loan limits
⁵Manufactured Minimum FICO 640
⁵High Balance Minimum FICO 640

SECTION 5 - FHA PROGRAM HIGHLIGHTS

5.1 Borrower Eligibility	<ul style="list-style-type: none"> • U.S. Citizens • Permanent resident aliens • Nonpermanent resident aliens
5.2 Credit	<ul style="list-style-type: none"> • Minimum FICO score of 620 • No FICO programs not allowed • Non-credit qualifying streamline <ul style="list-style-type: none"> ◦ 0X30 6 months prior to case number assignment ◦ Max 1X30 previous 6 months
5.3 Escrow Holdbacks	<ul style="list-style-type: none"> • Allowed – see Escrow Holdback policy for details
5.5 Ineligible Income	<ul style="list-style-type: none"> • If the income or asset source is not acceptable under all laws, such as income generated through marijuana sales, then the loan is ineligible for Orion Lending; this includes both self-employed borrowers and wage earners working for a company. Likewise, all use of the subject property must be in compliance with all laws. Properties that have mixed-use that do not meet all local, state or federal laws are ineligible for Orion Lending.
5.5 Ineligible Properties	<ul style="list-style-type: none"> • Condotels/Hotel Conversions • Cooperatives • Geodesic Domes • Mobile Homes • Singlewide Manufactured Homes • Timeshares • Unimproved Land and property currently in litigation • Working Farms and Ranches
5.6 Minimum Loan Amount	<ul style="list-style-type: none"> • \$55,000
5.7 State Restrictions	<ul style="list-style-type: none"> • Texas 50 (a) (6) Refinance Mortgages are prohibited
5.8 VVOE – FHA Streamline	<ul style="list-style-type: none"> • VVOE (or third party verification) for income source for salaried and self-employed borrowers. Non W2 and non-self-employed borrowers do not require a VVOE
5.9 Single-Unit Approval Eligibility	<ul style="list-style-type: none"> • Manual UW LTV cannot exceed 90% • Condo Project may not be on the FHA approved Condominium Project list
5.10 FHA Resources	<ul style="list-style-type: none"> • 4000.1 • FHA FAQ