



SOUTHPOINT
FINANCIAL SERVICES, INC.

FHA

PROGRAM GUIDELINES AND MATRICES



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FHA PRODUCT MATRIX

Section 1 – Overview & Underwriting Criteria

This Product Eligibility Policy outlines the parameter requirements for residential mortgage loans submitted to Southpoint Financial. 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

3.1 Available Products

- 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)

3.2 Adjustable Rate Criteria

Product	Index	Margin	Initial	Periodic	Life Cap	Floor
5/1 ARM	1 year LIBOR	2.00%	1%	1%	5%	Margin

Qualifying Rules
greater of Note Rate or the Fully Indexed Rate (rounded)

FHA PRODUCT MATRIX



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	580 ³	96.5/100 ⁴

¹Singlewide not allowed | ²Limited to conforming loan limits | ³Manufactured Minimum FICO 640

⁴No Maximum CLTV if secondary financing is from a Government Entity or HUD approved Non-profits. Private Individual and Other Organizations, CLTV is equal to the FHA maximum LTV.

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	580 ³	97.75

¹Singlewide not allowed | ²Limited to conforming loan limits | ³Manufactured Minimum FICO 640

STREAMLINE ⁵					
PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	MIN FICO	LTV/CLTV
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,2}	Primary	Streamline	Per county limits	580 ^{3,4}	100/125
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,2}	Investment	Streamline	Per county limits	580 ^{3,4}	100/125

¹Singlewide not allowed | ²Limited to conforming loan limits | ³Manufactured Minimum FICO 640 | ⁴Credit only with FICO allowed | ⁵Credit Qualification required in West Virginia

CASH OUT					
PROPERTY TYPE	OCCUPANCY	PURPOSE	LOAN AMOUNT	MIN FICO	LTV/CLTV
SFR, Condo, PUD, 2-4 Unit, Manufactured ^{1,3}	Primary	Cash Out ²	Per county limits	580 ⁴	80/85 ³

¹Singlewide not allowed | ²Borrower must have been on title for 12 months prior to the case number order date. | ³Limited to conforming loan limits | ⁴Manufactured Minimum FICO 640

FHA PRODUCT MATRIX



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 580 <ul style="list-style-type: none"> ◦ 580-599: 0X30X12 required • Mortgage only with FICO allowed • NO FICO 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 Southpoint Financial; 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 Southpoint Financial.
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 Ineligible Transactions	<ul style="list-style-type: none"> • Dual Role/Compensation not permitted. The Loan Officer and Real Estate Agent may not be the same individual
5.7 Minimum Loan Amount	<ul style="list-style-type: none"> • \$55,000
5.8 State Restrictions	<ul style="list-style-type: none"> • Texas 50 (a) (6) Refinance Mortgages are prohibited • West Virginia – Maximum DTI is 50%
5.9 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
5.10 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
5.11 FHA Resources	<ul style="list-style-type: none"> • 4000.1 • FHA FAQ