

Harbor Program Matrix											
Transaction Type	Occupancy	Harbor Program									
		Min MDCS			Maximum LTV/CLTV			AUS			
Purchase	O/O	580			96.50%			100.00% <sup>1</sup>			Approve or Accept/Eligible
Rate and Term	O/O	580			97.75%			100.00% <sup>1</sup>			Approve or Accept/Eligible
Streamline Refinance	O/O	580			97.75%			100.00% <sup>1</sup>			Not Applicable
Cash Out	O/O	580			80.00%			80.00%			Approve or Accept/Eligible
Required UFMIP Matrix <sup>2</sup>						2023 Loan Limits Limits					
LTV	UFMIP	Annual	LTV	UFMIP	Annual	Region	1 Unit	2 Unit	3 Unit	4 Unit	
> 15 Year Term and Loan Amount ≤ \$625,500			≤ 15 Year Term and Loan Amount ≤ \$625,500			Low Cost Areas	\$472,030	\$604,400	\$730,525	\$907,900	
≤ 95%	1.75%	0.80%	≤ 90%	1.75%	0.45%						
> 95%	1.75%	0.85%	> 90%	1.75%	0.70%	High Cost Areas	\$1,089,300	\$1,394,775	\$1,685,850	\$2,095,200	
> 15 Year Term and Loan Amount > \$625,500			≤ 15 Year Term and Loan Amount > \$625,500								
≤ 95%	1.75%	1.00%	≤ 78%	1.75%	0.45%	A complete schedule of Harbor Mortgage limits for all areas is available at: <a href="https://entp.hud.gov/idapp/html/hicostlook.cfm">https://entp.hud.gov/idapp/html/hicostlook.cfm</a>					
> 95%	1.75%	1.05%	78.01 - 90%	1.75%	0.70%						
			> 90%	1.75%	0.95%	2023 High Balance Loan Limits					
Simple Refi and Streamline Refinance: For loans endorsed on or before 5/31/09, the UFMIP will be .01% and Annual MIP will be .55%. For all other streamlines, please use grid above.							1 Unit	2 Unit	3 Unit	4 Unit	
						High Balance	> \$726,200	> \$929,850	> \$1,123,900	> \$1,396,800	
Program Guidelines											
Available Products	HF30 - Harbor FHA 30-Year Fixed Rate HF30HB - Harbor FHA 30-Year Fixed Rate High Balance HF30BD - Harbor FHA 30-Year 2-1 Buydown Fixed Rate HF30BDHB - Harbor FHA 30-Year Fixed Rate 2-1 Buydown High Balance										
Borrower Eligibility	US Citizens Permanent Resident and Non-Permanent Resident Aliens Inter Vivos Revocable Trusts Non-Occupant Co-Borrowers										
Underwriting	WestGen Credit Report Required WestGen 3rd Party VOE validating 2 years of earnings directly from employer AUS Approve Eligible: <b>Manual Underwrites and downgrades not allowed</b> 2 Years on Same Job with no Gaps of Employment Wage Earners Only: Self-Employed and Investment Income Not Allowed					Minimum Loan Amount \$50,000 Departing Residence Income not allowed Downpayment Assistance Programs not allowed <b>Maximum DTI: 55.00%</b> Borrower may not be employed by a family member					
Residual Income	Residual Income Required for all loans with DTI in excess of 50% or loan decision credit score < 640										
Eligible Properties	Single Family Detached 2-4 Unit Detached/Attached Rural Properties FHA Project Approved Low-rise and High-rise Condominiums (including manufactured homes zoned as a condo)					Single Family Attached Planned Unit Developments Multi Wide Manufactured Homes (if located in flood zone - subject to elevation certification)					
Ineligible Properties	Condotels/Hotel Condominiums Mobile Homes					Timeshares Unimproved Land Single Wide and Multi-Unit Manufactured Homes Income Producing Properties					
State Restrictions	Texas 50 (a) (6) Refinance Mortgages are NOT allowed.										

1. Unlimited CLTV is applicable to Government Entities or HUD Approved Non-Profit Subordinate Liens

2. MIP: LTV ≤90% will be assessed at 11 years and at an LTV &gt;90%, MIP will apply for the duration of the loan term. All loans will have upfront and monthly premiums, except as noted above. Pricing and loan program eligibility are determined using the base loan amount prior to financing UFMIP. UFMIP must be 100% financed into the mortgage or paid entirely by cash: partial financing not allowed.

Program Guidelines	
<b>2-1 Buydown</b>	2-1 Buydown Option Available for 30-Year Fixed Rate Standard and High Balance Loans Purchase Only: Seller or Builder paid buydowns allowed - borrower paid buydown are not permitted Buydown included in the 6% interested party contribution limit - borrower must meet MRI requirement of 3.5% Borrower must qualify at note rate
<b>Earnest Money Deposit</b>	<b>Earnest Money that exceeds 1% of the sales price must be verified as by obtaining the following:</b> <ul style="list-style-type: none"> <li>• Copy of borrower's cancelled check</li> <li>• Certified copy of receipt of funds by Settlement Agent</li> <li>• A verification of deposit or bank statement showing the average balance was sufficient to cover the amount of the earnest money deposit at the time of the deposit.</li> </ul>
<b>Cash On Hand</b>	Not Allowed
<b>Gift Funds</b>	<b>Obtain a gift letter signed and dated by the donor and Borrower that includes all the following:</b> <ul style="list-style-type: none"> <li>• The donor's name, address, telephone number</li> <li>• The donor's relationship to the Borrower - must be an eligible donor</li> <li>• The dollar amount of the gift <u>and</u> a statement that no repayment is required.</li> </ul> <b>Verify and document the transfer of gifts from the donor to the Borrower in accordance with the following requirements:</b> <ul style="list-style-type: none"> <li>• If the gift funds have been verified in the Borrower's account, obtain the donor's bank statement showing the withdrawal and evidence of the deposit into the Borrower's account</li> <li>• If the gift funds are not verified in the Borrower's account, obtain the certified check or money order or cashier's check or wire transfer or other official check evidencing payment to the Borrower or settlement agent, and the donor's bank statement evidencing sufficient funds for the gift amount</li> <li>• For gifts of land or equity, obtain proof of ownership by the donor and evidence of the transfer of title to the Borrower.</li> </ul> <b>Cash on Hand is not an acceptable source of donor gift funds</b>
<b>Eligible Gift Donors</b>	<b>The following individuals are eligible to be gift donors</b> <ul style="list-style-type: none"> <li>• Borrower's Family Member</li> <li>• Borrower's Employer or Labor Union</li> <li>• A close friend with a clearly defined and documented interest in the borrower</li> <li>• A charitable organization</li> <li>• A governmental agency or public entity that has a program providing homeownership assistance to low- or moderate-income families of first-time homebuyers.</li> </ul> <b>Only Family Members can provide an equity credit as a gift on a property being sold to other Family Members</b> <b>NOTE: A Cousin is NOT considered an eligible family member for Gifts of Equity</b>
<b>Family Members</b>	<b>Family Member is defined as follows, regardless of actual or perceived sexual orientation, gender identity, or legal marital status:</b> <ul style="list-style-type: none"> <li>• Child, parent, or grandparent- a child is defined as a son, stepson, daughter, or stepdaughter- a parent or grandparent includes a stepparent/grandparent or foster parent/grand parent</li> <li>• Spouse or domestic partner</li> <li>• Legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption</li> <li>• Foster child</li> <li>• Brother, Sister, Step-Brother, or Step-Sister</li> <li>• Uncle or Aunt</li> <li>• Son-in-Law, daughter-in-law, mother-in-law, father-in-law, brother-in-law, or sister-in-law</li> </ul>

Residual Income Matrix									
Loan Amounts < \$80,000					Loan Amounts ≥ \$80,000				
Family Size	Northeast	Midwest	South	West	Family Size	Northeast	Midwest	South	West
1	\$390	\$382	\$382	\$425	1	\$450	\$441	\$441	\$491
2	\$654	\$641	\$641	\$713	2	\$755	\$738	\$738	\$823
3	\$788	\$772	\$772	\$859	3	\$909	\$889	\$889	\$990
4	\$888	\$868	\$868	\$967	4	\$1,025	\$1,003	\$1,003	\$1,117
5	\$921	\$902	\$902	\$1,004	5	\$1,062	\$1,039	\$1,039	\$1,158
Over 5	Add \$75 for each additional member up to a family of seven				Over 5	Add \$80 for each additional member up to a family of seven			
<b>Northeast</b>	CT, MA, ME, NH, NJ, NY, PA RI, VT								
<b>Midwest</b>	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI								
<b>South</b>	AL, AR, DE, DC, FL, GA, KY, LA, MD, MI, NC, OK, PR, SC, TN, TX, VA, WV								
<b>West</b>	AK, AZ, CA, CO, HI, ID, MT, NV NM, OR, UT, WA WY								
<b>Residual Income Calculation</b>	<p><b>Calculating Residual Income:</b></p> <ul style="list-style-type: none"> <li>Calculate the total gross monthly income of all occupying borrowers</li> <li>Deduct from gross monthly income the following items:                             <ul style="list-style-type: none"> <li>Federal and State income taxes</li> <li>Proposed total monthly fixed payment (i.e. PITIA + MIP)</li> <li>Debt showing on credit report (including NBS debt)</li> <li>Estimated maintenance and utilities</li> <li>Municipal or other income taxes</li> <li>Retirement or Social Security</li> <li>Gross up of any Non-Taxable Income</li> </ul> </li> <li>Subtract the sum of the deductions from the table above from the total gross monthly income of all members of the household of the occupying borrowers</li> <li>The balance is residual income</li> </ul> <p><b>Calculating Gross Monthly Income:</b></p> <ul style="list-style-type: none"> <li>Gross monthly income should be calculated only for the occupying borrowers consistent with the requirements of HUD Handbook.</li> <li>Do not include bonus, part-time or seasonal income that does not meet the requirements for effective income as stated in HUD Handbook.</li> <li>Do not include income from non-occupying co-borrowers, co-signers, non-borrowing spouses, or other parties not obligated on the mortgage.</li> </ul> <p><b>Calculating Monthly Expenses:</b></p> <ul style="list-style-type: none"> <li>If available, mortgagees must use Federal and state tax returns from the most recent tax year to document state and local taxes, retirement, Social Security and Medicare. If tax returns are not available, mortgagees may rely upon current pay stubs.</li> <li>For estimated maintenance and utilities in all states, mortgagees should multiply the living area of the property (square feet) by \$0.14.</li> </ul>								