

FHA VIP Matrix

Occupancy	Transaction Type	Minimum Credit Score	Maximum		AUS & Underwriting
			LTV	CLTV	
Primary Residence	Purchase	620 – Standard Balance	96.50%	100% ¹	• DU Approve/Eligible
		640 – High Balance	90%	100% ¹	• DU Approve/Eligible
	Rate/Term	620 – Standard Balance	97.75%	100% ^{1,2}	• DU Approve/Eligible
		640 – High Balance	90%	100% ^{1,2}	• DU Approve/Eligible
	Cash-Out	620 – Standard Balance	80%	80%	• DU Approve/Eligible
		640 – High Balance	80%	80%	• DU Approve/Eligible

1. Unlimited CLTV permitted for government entities and HUD-approved non-profit subordinate liens

2. 125% CLTV allowed for existing subordinate financing; PACE loans are ineligible

FHA VIP Plus Matrix

Occupancy	Transaction Type	Minimum Credit Score	Maximum		AUS & Underwriting
			LTV	CLTV	
Primary Residence	Purchase	580 – Standard Balance	96.50%	100% ¹	• DU Approve/Eligible • Manual UW ²
		620 – High Balance	90%	100% ¹	• DU Approve/Eligible • Manual UW ²
	Rate/Term	580 – Standard Balance	97.75%	100% ^{1,3}	• DU Approve/Eligible • Manual UW ²
		620 – High Balance	90%	100% ^{1,3}	• DU Approve/Eligible • Manual UW ²
	Cash-Out	580 – Standard Balance	80%	80%	• DU Approve/Eligible • Manual UW ²
		620 – High Balance	80%	80%	• DU Approve/Eligible • Manual UW ²

1. Unlimited CLTV permitted for government entities and HUD-approved non-profit subordinate liens

2. Manual Underwriting allowed per HUD guidelines, see [4000.1](#) and Manual Underwriting Matrix below

3. 125% CLTV allowed for existing subordinate financing; PACE loans are ineligible

Guidelines

Loan Amount	<table><tr><th colspan="5">2025 Loan Limits</th></tr><tr><th>Region</th><th>1-Unit</th><th>2-Unit</th><th>3-Unit</th><th>4-Unit</th></tr><tr><td>Low-Cost Area</td><td>\$524,225</td><td>\$671,200</td><td>\$811,275</td><td>\$1,008,300</td></tr><tr><td>High-Cost Area</td><td>\$1,209,750</td><td>\$1,548,975</td><td>\$1,872,225</td><td>\$2,326,875</td></tr><tr><th colspan="5">2025 High Balance Loan Amount</th></tr><tr><th>1-Unit</th><th>2-Unit</th><th>3-Unit</th><th colspan="2">4-Unit</th></tr><tr><td>> \$806,500</td><td>> \$1,032,650</td><td>> \$1,248,150</td><td colspan="2">> \$1,551,250</td></tr><tr><td colspan="5">Note: FHA Mortgage Limits available HERE for all areas.</td></tr></table>	2025 Loan Limits					Region	1-Unit	2-Unit	3-Unit	4-Unit	Low-Cost Area	\$524,225	\$671,200	\$811,275	\$1,008,300	High-Cost Area	\$1,209,750	\$1,548,975	\$1,872,225	\$2,326,875	2025 High Balance Loan Amount					1-Unit	2-Unit	3-Unit	4-Unit		> \$806,500	> \$1,032,650	> \$1,248,150	> \$1,551,250		Note: FHA Mortgage Limits available HERE for all areas.																		
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Mortgage Insurance Premium (MIP)	The following grid applies to all transactions: <table><tr><th colspan="6">FHA MIP^{1,2}</th></tr><tr><th>LTV</th><th>UFMIP</th><th>Annual MIP</th><th>LTV</th><th>UFMIP</th><th>Annual MIP</th></tr><tr><td colspan="3">> 15-Year Term and Loan Amount <=/ \$726,200</td><td colspan="3"><=/ 15-Year Term and Loan Amount <=/ \$726,200</td></tr><tr><td><=/ 95%</td><td>1.75%</td><td>.50%</td><td><=/ 90%</td><td>1.75%</td><td>.15%</td></tr><tr><td>> 95%</td><td>1.75%</td><td>.55%</td><td>> 90%</td><td>1.75%</td><td>.40%</td></tr><tr><td colspan="3">> 15-Year Term and Loan Amount > \$726,200</td><td colspan="3"><=/ 15-Year Term and Loan Amount > \$726,200</td></tr><tr><td><=/ 95%</td><td>1.75%</td><td>.70%</td><td><=/ 78%</td><td>1.75%</td><td>.15%</td></tr><tr><td>> 95%</td><td>1.75%</td><td>.75%</td><td>> 78% to <=/ 90%</td><td>1.75%</td><td>.40%</td></tr><tr><td></td><td></td><td></td><td>> 90%</td><td>1.75%</td><td>.65%</td></tr></table> 1. MIP assessed at 11 years for LTV <=/ 90%; if LTV > 90%, MIP applies for duration of loan term 2. All FHA 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 the UFMIP. UFMIP must be 100% financed into the mortgage OR paid entirely by cash; partial financing is not permitted.	FHA MIP ^{1,2}						LTV	UFMIP	Annual MIP	LTV	UFMIP	Annual MIP	> 15-Year Term and Loan Amount <=/ \$726,200			<=/ 15-Year Term and Loan Amount <=/ \$726,200			<=/ 95%	1.75%	.50%	<=/ 90%	1.75%	.15%	> 95%	1.75%	.55%	> 90%	1.75%	.40%	> 15-Year Term and Loan Amount > \$726,200			<=/ 15-Year Term and Loan Amount > \$726,200			<=/ 95%	1.75%	.70%	<=/ 78%	1.75%	.15%	> 95%	1.75%	.75%	> 78% to <=/ 90%	1.75%	.40%				> 90%	1.75%	.65%
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Helpful Links	- FHA Handbook 4000.1 - FHA FAQ																																																						
2-1 Buydown	- Option available for 30-Year Fixed Rate Standard and High Balance Loans - Borrower must qualify at Note Rate - Purchase only. Seller or builder paid buydowns allowed, borrower paid buydown not permitted. - Buydown must be included in the 6% interested party contribution limit; borrower must meet MRI requirement of 3.5% - Single-Wide Manufactured Homes, DPA Programs, and Manual Underwrites not permitted																																																						
Assets	- Must meet requirements of 4000.1, except as noted - All files where bank statements are provided for assets, reserves, or to support income must be supported by a direct third-party Verification of Deposit (VOD) - Cash on hand is not permitted Earnest Money Deposit - Earnest Money that exceeds 1% of the sales price must be verified by obtaining the following: - Copy of borrower's cancelled check - Certified copy of receipt of funds by Settlement Agent - 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. Gift Funds Open Mortgage Wholesale Gift Letter signed and dated by the donor and borrower including the following: - The donor's name, address, telephone number - The donor's relationship to the borrower - must be an eligible donor (see below) - The dollar amount of the gift and a statement that no repayment is required - Form must be signed by both parties and may not contain any omissions or corrections																																																						

Guidelines

	<i>All gift funds must be deposited with the settlement agent prior to Clear-to-Close. No changes to gift funds or donor are permitted after CTC. Any changes will result in the file being moved back to underwriting and loan will be subject to a redraw fee if documents have been issued.</i> Verify and document the transfer of gifts from the donor to the borrower in accordance with the following requirements: - 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 - If the gift funds are not verified in the borrower's account, obtain the certified check, money order, cashier's check, 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 - For gifts of land or equity, obtain proof of ownership by the donor and evidence of the transfer of title to the borrower. Note: Cash on Hand is not an acceptable source of donor gift funds Eligible Gift Donors - Borrower's Family Member, defined as follows regardless of actual or perceived sexual orientation, gender identity, or legal marital status: - Child – defined as a son, stepson, daughter, or stepdaughter, as well as a legally - Parent or grandparent – includes a stepparent/grandparent or foster parent/grandparent - Spouse or domestic partner - Legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption - Foster child - Sibling – defined as brother, sister, step-brother, or step-sister - Uncle or Aunt - Son-in-law, daughter-in-law, mother-in-law, father-in-law, brother-in-law, or sister-in-law - Borrower's Employer or Labor Union - A close friend with a clearly defined and documented interest in the borrower - A charitable organization - A governmental agency or public entity that has a program providing homeownership assistance to low- or moderate-income families of first-time homebuyers Note: Only Family Members can provide an equity credit as a gift on a property being sold to other Family Members; a cousin is NOT considered an eligible family member for Gifts of Equity.
Borrower Eligibility	- U.S. Citizens - Permanent Resident Aliens - Inter Vivos Revocable Trust Note: All borrowers must work for companies with a physical commercial location. Employer companies must have a demonstrated web presence and be a registered corporation in good standing or have a current business license. Employment at mobile or home-based businesses is not generally allowed but can be considered on a case-by-case basis. Additional conditions may apply.
Compensating Factors	Additional Cash Reserves The sum of verified and documented borrower funds less: - The sum the borrower is required to pay at closing, including the cash investment, closing costs, prepaid expenses, any payoffs that are a condition of loan approval, and any other expense required to close the loan. Note: May NOT include cash taken at settlement in Cash-Out transactions or incidental cash received at settlement in other loan transactions, gift funds in excess of the amount required for the cash investment and other expenses, equity in another property, or borrowed funds from any source.

Guidelines

	Retirement accounts (IRA, Thrift Savings Plan, 401k, and Keogh accounts) may be used for cash reserves, as follows: • Most recent depository or brokerage account statement required to document the funds • 60% of the vested amount of the account, less any outstanding loans, may be used ▪ If any of these funds are also to be used for loan settlement, that amount must be subtracted from the amount included as cash reserves. • Evidence must be provided that the retirement account allows for withdrawals under conditions other than in connection with the borrower's employment termination, retirement, or death. ▪ The retirement account may NOT be used to calculate the borrower's cash reserves if withdrawals can be made only in connection with the borrower's employment termination, retirement, or death. Funds and/or assets that may NOT be considered as cash reserves include: • Gifts • Equity from another property • Borrowed funds • Cash received at closing in a Cash-Out refinance transaction or incidental cash received at closing in the loan transaction Minimal Housing Increase Minimal housing increase defined as: • New monthly mortgage payment (PITI + MIP) does not exceed the current housing payment by the lesser of: ▪ \$100 OR 5% of the current housing payment • Borrower must have a documented 12-month housing history ▪ Purchase and Rate/Term refinance transactions: Max 1x30 in previous 12 months ▪ Cash-Out transactions: Max 0x30 in previous 12 months Note: If a complete 12 months of housing cannot be documented, the minimal housing increase may NOT be used as a compensating factor. Significant Additional Income Bonus, overtime, and part-time/seasonal income is eligible as an "additional income" compensating factor if not used for qualification, subject to the following: • The borrower must be able to document receipt of the income for a minimum of one (1) year (but less than two (2) years) and likely continuance; AND • If the income was used for qualifying, the DTI must not be more than 37%/47%. ▪ If the DTI exceeds 37%/47% but is not more than 40%/50%, another compensating factor, in addition to the "additional income", is required. Note: Income from anyone who is not a borrower on the loan (non-borrowing spouse, domestic partner, etc.) may NOT be used as a compensating factor.
Credit Report	• The qualifying credit must be documented with a credit report ordered by Open Mortgage Wholesale. • A Borrower's Authorization form must be signed and dated by the borrower(s) and included in the loan submission package.
Debt-to-Income (DTI)	FHA VIP
	• Must meet requirements of 4000.1, except as noted ▪ Up to 55% ▪ > 55% considered with at least two (2) compensating factors AND AUS approval (DU Approve/Eligible) ▪ Non-occupying co-borrowers not allowed
	FHA VIP Plus
	• Must meet requirements of 4000.1, except as noted ▪ Manual Underwriting with credit score $\geq$ 580: See Manual Underwriting Matrix below for DTI restrictions ▪ Up to 55% ▪ > 55% considered with at least two (2) compensating factors AND AUS approval (DU Approve/Eligible) ▪ Non-occupying co-borrowers not allowed

Guidelines

Extenuating Circumstances	Extenuating circumstances are events that were beyond the control of the borrower, such as a serious illness or death of a wage earner, and the borrower has reestablished good credit since the credit event. Divorce is not considered an extenuating circumstance. An exception may, however, be granted where a borrower's loan was current at the time of his/her divorce, the ex-spouse received the property, and the loan was later foreclosed. Note: The loss of a job and the inability to sell the property due to a job transfer or relocation to another area does not qualify as an extenuating circumstance.	
	Standard FHA	FHA Manual Underwriting
	Chapter 7 Bankruptcy	
	Total Scorecard (DU Approve/Eligible) Two (2) years from the discharge date to case assignment	Extenuating Circumstance An elapsed period of less than two (2) years since discharge, but not less than 12 months, may be acceptable if the borrower: - Can show that the bankruptcy was caused by extenuating circumstances beyond the borrower's control; AND - Has since exhibited a documented ability to manage their financial affairs in a responsible manner <i>*Subject to second level review*</i>
	Chapter 13 Bankruptcy	
	Total Scorecard (DU Approve/Eligible) Two (2) years from the discharge date to case assignment	Manual Exception From the date of case number assignment: 12 months of the pay-out period under the bankruptcy must have elapsed; AND - The borrower's payment performance must have been satisfactory; AND - All required payments have been made on time; AND - The borrower has received written permission from the bankruptcy court to enter into the mortgage transaction. <i>*Subject to second level review*</i>
	Foreclosure, Deed-in-Lieu of Foreclosure	
	Total Scorecard (DU Approve/Eligible) Three (3) years from date of the Deed-in-Lieu or the date that the borrower transferred ownership of the property to the foreclosing entity/designee to case assignment	Extenuating Circumstance An elapsed period of less than three (3) years since the Foreclosure or Deed-in-Lieu may be acceptable if the borrower: - Can show the Foreclosure or Deed-in-Lieu was the result of documented extenuating circumstances that were beyond the control of the borrower, such as a serious illness or death of a wage earner; AND - The borrower has re-established good credit since the Foreclosure or Deed-in-Lieu event. <i>*Subject to second level review*</i>

Guidelines

Short Sale Pre-Foreclosure

Total Scorecard

(DU Approve/Eligible)

- Three (3) years from date of transfer of title by short sale to case assignment

Manual Exception

From the date of case number assignment for the new Mortgage:

- All mortgage payments on the prior mortgage were made within the month due for the 12-month period preceding the Short Sale; AND
- Installment debt payments for the same time period were also made within the month due.

Extenuating Circumstance

An elapsed period of less than three (3) years since the Short Sale may be acceptable if the borrower:

- Can show the Short Sale was the result of documented extenuating circumstances that were beyond the control of the borrower, such as a serious illness or death of a wage earner; AND
- The borrower has re-established good credit since the Short Sale event.

Subject to second level review

Loan Modification

A mortgage that has been modified must utilize the payment history in accordance with the modification agreement for the time period of modification in determining late housing payments.

FHA VIP

- Wage earner income only; self-employed, investment income, and departing residence rental income not permitted
- At least two (2) years on current job required, documented as follows:
 - Most recent paystub unless AUS/Total indicates otherwise
 - OMW third-party Written Verification of Employment (WVOE) validating at least two (2) years of earnings
 - OMW Red Flags Review
- Income may not exceed 200% of AMI OR the borrower must provide 60 days of bank statements (dated prior to application) supporting net income indicated on paystubs
- All borrowers with income greater than 125% of salary range on salary.com (or other approved salary key) are either ineligible OR must provide 60 days of bank statements (dated prior to application) supporting income
- All files where bank statements are provided for assets, reserves, or to support income must be supported by a direct third-party Verification of Deposit (VOD)

FHA VIP Plus

- Wage earner income only; self-employed, investment income, and departing residence rental income not permitted
- At least two (2) years on current job required, documented as follows:
 - Most recent paystub unless AUS/Total indicates otherwise
 - OMW third-party Written Verification of Employment (WVOE) validating at least two (2) years of earnings
 - OMW Red Flags Review
- Acceptable FormFree RIKI (Residual Income Knowledge Index) Score

Income

Guidelines

Property Eligibility	FHA VIP									
	Eligible					Ineligible				
	- Single Family (Attached and Detached) 2-4 Unit (Attached and Detached) - Condominium (FHA Approval required; includes low- and high-rise, manufactured home zoned as a Condo) - Manufactured Home (Multi-Wide) - Planned Unit Development - Rural Property					- Condotel/Hotel Condominium - Mobile Home - Multi-Unit Manufactured Home - Single-Wide Manufactured Home - Timeshare - Unimproved Land - Income producing property				
	FHA VIP PLUS									
	Eligible					Ineligible				
	- Single Family (Attached and Detached) 2-4 Unit (Attached and Detached) - Condominium (FHA Approval required; includes low- and high-rise, manufactured home zoned as a Condo) - Manufactured Home (Multi-Wide) - Planned Unit Development - Rural Property					- Condotel/Hotel Condominium - Mobile Home - Multi-Unit Manufactured Home - Single-Wide Manufactured Home - Timeshare - Unimproved Land - Income producing property				
Residual Income	Residual income is required for all loans with a DTI > 50% and/or if credit score < 640									
	Residual Income Matrix									
	Loan Amount < \$80,000					Loan Amount >= \$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
	> 5	Add \$75 for each additional member up to a family of seven (7)				> 5	Add \$80 for each additional member up to a family of seven (7)			
	Northeast	CT, MA, ME, NH, NJ, NY, PA, RI, VT								
	Midwest	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI								
	South	AL, AR, DE, DC, FL, GA, KY, LA, MD, MI, NC, OK, PR, SC, TN, TX, VA, WV								
	West	AK, AZ, CA, CO, HI, ID, MT, NV NM, OR, UT, WA, WY								
Residual Income Calculation										
- Calculate the total gross monthly income of all occupying borrowers (see below) - Deduct from gross monthly income the following items: - Federal and state income taxes (see below) - Proposed total monthly fixed payment (i.e. PITIA + MIP) - Debt showing on credit report (including non-borrowing spouse debt) - Estimated maintenance and utilities (see below) - Municipal or other income taxes - Job related expenses (e.g. childcare) - Retirement or Social Security - Gross up of any non-taxable Income - Subtract the sum of the deductions identified above from the total gross monthly income of all members of the household of the occupying borrowers - The balance is residual income										

Guidelines

	Gross Monthly Income Calculation - Gross monthly income should be calculated only for the occupying borrower(s) consistent with the requirements of HUD Handbook. - Do not include bonus, part-time, or seasonal income that does not meet the requirements for effective income as stated in HUD Handbook. - Do not include income from non-occupying co-borrowers, co-signers, non-borrowing spouses, or other parties not obligated on the mortgage. Monthly Expense Calculation - If available, 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, may rely upon current pay stubs. - For estimated maintenance and utilities in all states, multiply the living area of the property (square feet) by \$0.14. <i>To use residual income as a compensating factor, count all members of the household of the occupying borrowers without regard to the nature of their relationship and without regard to whether they are joining on title or the note. Exception: As stated in the VA Guidelines, the mortgagee may omit any individuals from "family size" who are fully supported from a source of verified income which is not included in effective income in the loan analysis. These individuals must voluntarily provide sufficient documentation to verify their income to qualify for this exception.</i>		
State Restrictions	Texas 50(a)(6) refinance mortgages are NOT allowed		
Underwriting	FHA VIP		
	- Minimum 620 FICO score for Standard Balance and 640 for High Balance - DU Approve/Eligible; Manual Underwriting and/or downgrades not permitted - Down payment assistance programs not permitted		
	Tradeline Requirements		
	With a Verifiable 12 Month Housing History: Three (3) tradelines rated for 12 months with one (1) major trade with a high balance greater than or equal to \$5,000 and overall credit history of 24 months. Note: VOR required if borrower(s) renting. With No Verifiable 12 Month Housing History: (1) Three (3) tradelines rated for 12 months with one (1) major trade with a high balance greater than or equal to \$5,000 and overall credit history of 24 months AND two (2) months verified PITIA reserves; OR (2) Five (5) tradelines rated for 12 months with one (1) major trade with a high balance greater than or equal to \$5,000 and overall credit history of 48 months.		
	FHA VIP Plus		
	- Minimum 580 FICO score for Standard Balance and 620 for High Balance - Credit score > 580 eligible for max financing, regardless of Underwriting type (AUS or Manual)		
	Manual Underwriting Matrix		
	Credit Score & Compensating Factors	Max DTI	Requirements
500 – 579 OR No Credit Score	31%/43%	Not eligible	
>= 580 AND No Compensating Factors	31%/43%	Compensating factors not required	
>= 580 AND One (1) Compensating Factor	37%/47%	<u>ONE</u> of the following compensating factors is required: - Minimal Increase in housing payment - Verified and documented cash reserves: 1-2 units: Minimum three (3) months PITIA reserves 3-4 units: Minimum six (6) months PITIA reserves - Residual Income	

Guidelines

	>= 580 AND No Discretionary Debts	40%/40%	- No discretionary debts. - Borrower must have established credit lines in his/her own name open for at least six (6) months but carry no discretionary debt. - The monthly total housing payment must be the only open installment account; AND - The borrower must document that all revolving credit has been paid off in full monthly for at least the previous six (6) months
	>= 580 AND Two (2) Compensating Factors	40%/50%	TWO of the following compensating factors are required: - Minimal Increase in housing payment - Verified and documented cash reserves: 1-2 units: Minimum three (3) months PITIA reserves 3-4 units: Minimum six (6) months PITIA reserves - Residual Income - Significant additional income not reflected in effective income