



HUD/FHA Website Resource links for Real Estate Professionals

www.fha.gov www.hud.gov

FHA Frequently Asked Questions: <http://www.fhaoutreach.gov/FHAFAQ/>

If you are a lender, consumer, or a real estate professional with questions about buying a home or qualifying, our online knowledge base helps you find answers 24/7.

Call Center – 1-800-CALLFHA **Email:** info@fhaoutreach.com

FHA Loan Limits: <https://entp.hud.gov/idapp/html/hicostlook.cfm>

This page allows you to look up the FHA mortgage limits for your area or several areas, and then list them by state, county, or Metropolitan Statistical Area

FHA's Streamline (k)Limited Repair Program: <http://www.hud.gov/offices/hsg/sfh/203k/203kslrp.cfm>

FHA's Streamlined 203(k) program permits homebuyers to finance up to an additional \$35,000 into their mortgage to improve or upgrade their home before move-in.

FHA Approved Condominiums: <https://entp.hud.gov/idapp/html/condlook.cfm>

The Condominiums page allows users to search for FHA-approved condominium projects by location, name, or status.

HUD's Guide to Avoiding Foreclosure: <http://www.hud.gov/foreclosure/index.cfm>

HUD Approved Housing Counseling Agencies: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

1- 800-569-4287 HUD sponsors housing counseling agencies throughout the country that can provide advice on buying a home, renting, defaults, foreclosures, credit issues, and reverse mortgages.

HUD Approved Lender Search: <http://www.hud.gov/ll/code/llslcrit.cfm>

FHA Consumer Marketplace: http://portal.hud.gov/portal/page?_pageid=73,1827624&_dad=portal&_schema=PORTAL

You'll find valuable housing tips and easy-to-use mortgage tools when you follow our Consumer Marketplace links.

How to Purchase Foreclosed Homes through state, county & local government programs:

<http://yourwayhomeaz.com/default.aspx> Funding is available to qualified buyers who are interested in purchasing foreclosed homes in select areas throughout the state.

How to Sell an Arizona HUD Home: <http://www.mcbreo.com/about.htm> It's easy to qualify to sell HUD Homes. You can do this by following the Broker Registration link on the Management and Marketing Contractors page for Arizona .

Housing Affordability and Stability Plan: www.MakingHomeAffordable.gov and www.financialstability.gov

Provides homeowners with detailed information about these programs along with self-assessment tools and calculators to empower borrowers with the resources they need to determine whether they might be eligible for a modification or a refinance under the Administration's program.

Join HUD's email list: <http://www.hud.gov/offices/hsg/sfh/ref/hsgregst.cfm>

Receive email notification of Reference Guide revisions and updates, plus other important industry announcements such as new mortgagee letters, handbooks, FHA mortgage limit increases, events and training opportunities.

Events and Training: <http://www.hud.gov/offices/hsg/sfh/events/events.cfm>

Search the Calendar for training opportunities & event announcements



HUD's Rehabilitation (203k) Loan Program

Section 203(k) fills a unique and important need for homebuyers. When buying a house that needs repair or modernization, homebuyers usually have to follow a complicated and costly process. The interim acquisition and improvement loans often have relatively high interest rates, short repayment terms and a balloon payment. However, Section 203(k) offers a solution that helps both borrowers and lenders, insuring a single, long term, fixed or adjustable rate loan that covers both the acquisition and rehabilitation of a property. Section 203(k) insured loans save borrowers time and money. They also protect the lender by allowing them to have the loan insured even before the condition and value of the property may offer adequate security.

Section 203(k) insurance enables homebuyers and homeowners to finance either the purchase (or refinancing) of a house and the cost of its rehabilitation through a single mortgage or to finance the rehabilitation of their existing home. The down payment requirement for an owner-occupant (or a nonprofit organization or government agency) is approximately 3.5% of the acquisition and repair costs of the property.

The 203(k) loan includes the following steps:

- A potential homebuyer locates a fixer-upper and executes a sales contract after doing a feasibility analysis of the property with his/her real estate professional. The contract should state that the buyer is seeking a 203(k) loan and that the contract is contingent on loan approval based on additional required repairs by the FHA or the lender.
- The homebuyer then selects an FHA-approved 203(k) lender and arranges for a detailed proposal showing the scope of work to be done, including a detailed cost estimate on each repair or improvement of the project.
- The appraisal is performed to determine the value of the property after renovation.
- If the borrower passes the lender's credit-worthiness test, the loan closes for an amount that will cover the purchase or refinance cost of the property, the remodeling costs and the allowable closing costs. The amount of the loan will also include a contingency reserve of 10% to 20% of the total remodeling costs and is used to cover any extra work not included in the original proposal.
- At closing, the seller of the property is paid off and the remaining funds are put in an escrow account to pay for the repairs and improvements during the rehabilitation period.
- The mortgage payments and remodeling begin after the loan closes. The borrower can decide to have up to six mortgage payments (PITI) put into the cost of rehabilitation if the property is not going to be occupied during construction, but it cannot exceed the length of time it is estimated to complete the rehab.
- Escrowed funds are released to the contractor during construction through no more than two draw requests. Final payment is made after the lender determines there will be no liens on the property.

For a list of lenders who are offering the 203(k) Rehabilitation Program, please see the 203(k) Lenders List: <http://www.hud.gov/ll/code/llslcrit.cfm>.

The interest rate and discount points on the loan are negotiable between the borrower and the lender.



HUD'S STREAMLINED 203K LIMITED REPAIR PROGRAM

Like the regular Section 203(k) program, Streamlined (k) is available to:

- Augment an FHA Energy Efficient Mortgage (EEM).
- Insure a mortgage on a single-family housing unit sold from HUD's REO inventory.
- Insure a mortgage that covers both repair costs and purchase costs.

The Streamline (K) program is used to facilitate uncomplicated rehabilitation and/or improvements to a home

- Up to \$35,000 for minor repairs and upgrades
- No minimum repair cost threshold
- No general contractor or architectural drawings required
- Must use licensed/bonded contractors who comply with localities
- Self-help is discouraged
- No inspections required if repairs are equal to or less than \$15,000
- Repairs can be completed after closing

ELIGIBLE WORK ITEMS

- Repair/Replacement of roofs, gutters and downspouts
- Repair/Replacement/upgrade of existing HVAC systems
- Repair/Replacement/upgrade of plumbing and electrical systems
- Repair/Replacement of flooring
- Minor remodeling, such as kitchens, which does not involve structural repairs
- Painting, both exterior and interior
- Weatherization, including storm windows and doors, insulation, weather stripping, etc.
- Purchase and installation of appliances, including free-standing ranges, refrigerators, washers/dryers, dishwashers and microwave ovens
- Accessibility improvements for persons with disabilities
- Lead-based paint stabilization or abatement of lead-based paint hazards
- Repair/replace/add exterior decks, patios, porches
- Basement finishing and remodeling, which does not involve structural repairs
- Basement waterproofing
- Window and door replacements and exterior wall re-siding
- Septic system and/or well repair or replacement

INELIGIBLE WORK ITEMS

- Major rehabilitation or major remodeling, such as the relocation of a load-bearing wall;
- New construction (including room additions);
- Repair of structural damage;
- Repairs requiring detailed drawings or architectural exhibits;
- Landscaping or similar site amenity improvements;
- Any repair or improvement requiring a work schedule longer than six (6) months; or
- Rehabilitation activities that require more than two (2) payments per specialized contractor.

For detailed qualifying guidelines please contact an FHA-Approved Lender in your Area.

Find an FHA-Approved Lender: <http://www.hud.gov/ll/code/llslcrit.cfm>