

## Homestyle / 203K Comparison

Parameter	FHA 203(k) - Standard	FHA 203(k) - Streamline	IMG HomeStyle - Standard	IMG HomeStyle - Streamline
<b>Eligible Properties</b>	1-4 Family including HUD REOs Mixed Use	1-4 Family including HUD REOs 2-4 Family	1- 4 Family ( MI not be available on 3-4 unit) 1 unit Investment, 2nd Home, FNMA eligible Condo &, PUD's.	1- 4 Family ( MI not be available on 3-4 unit) 1 unit Investment, 2nd Home, FNMA eligible Condo &, PUD's.
<b>Repair Amounts</b>	Minimum \$5,000; no maximum up to FHA max mortgage amount.	No minimum; maximum rehabilitation amount is \$35,000 including any fees not paid out-of-pocket as well as cash paid out of pocket. (Line B14 of the MMW cannot exceed \$35,000)	No Minimum; max reno costs can be as much as 50% of the as-completed value (this amt. represents the cost of repairs only (contractor estimates for labor/material) and should NOT include any contingency reserves, fees etc.	No minimum; maximum rehabilitation amount is \$35,000 including contingency reserves, fees, etc. as well as cash paid out of pocket. (Line C2 of the HomeStyle MMW cannot exceed \$35,000)
<b>Repair Types</b>	Structural and non-structural. Landscaping or site amenities. No outbuildings.	Non-structural only. No landscaping or site amenities. No outbuildings.	Structural and non-structural. Landscaping or site amenities. No outbuildings.	Non-structural. Landscaping or site amenities. No outbuildings.
<b>Plan Review / Specification of Repairs</b>	Required by HUD Consultant.  The Consultant's work write-up must be detailed and include estimates for labor and materials.  The Underwriter must be satisfied that the estimates provided by the borrower are in-line with the Consultant's. The higher of the two should be used in calc'ing the max mortgage.	A plan reviewer is not required.  A Consultant is permitted but not required. If a Consultant is utilized, the fee CANNOT be financed into the rehab amount. Refer to the Risk Management Vault for further details.	All work must be performed by a Qualified contractor ( must be licensed if applicable).  Plans and specs, if applicable, must be prepared by a qualified, licensed or general contractor, renovation consultant or architect.   For renovation amounts of \$35,000 or greater, a plan reviewer is required. A plan reviewer is defined as a HUD consultant, a renovation consultant or architect with equivalent experience.	All work must be performed by a Qualified contractor (must be licensed if applicable).  Plans and specs, if applicable, must be prepared by a qualified, licensed or general contractor, renovation consultant or architect.
<b>Contingency Reserve</b>	15% minimum required. If Consultant quotes > 15%, the higher amount must be used.  Underwriter has discretion to impose a higher figure.	10% minimum required. 15% required if utilities not on or if property is vacant.  Underwriter has discretion to impose a higher figure.	10% minimum required. If Consultant quotes > 15%, the higher amount must be used. Unused contingency funds must be applied to reduce the balance of the mortgage unless the contingency reserve was provided from the borrower's own funds.	10% minimum required. 15% required if utilities not on or if property is vacant. Unused contingency funds must be applied to reduce the balance of the mortgage unless the contingency reserve was provided from the borrower's own funds.

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<b>Draw Disbursements</b>	<p>Consultant inspects property and identifies the percentage of work complete to date.</p> <p>Maximum 5 draws.</p> <p>10% holdback on each disbursement.</p> <p>Checks, cut in contractor and borrower's names.</p>	<p>1st draw limited to 50% of total repair costs, with labor. See 'At Closing' P. 5</p> <p>No holdbacks.</p> <p>Checks cut in contractor and borrower's names.</p> <p>No more than 2 draws per contractor</p>	<p>Appraiser / Consultant inspects property and identifies the percentage of work complete to date. (Appraiser may inspect for repairs &lt;= \$35,000)</p> <p>Maximum 5 draws.</p> <p>10% holdback on each disbursement.</p> <p>Checks cut in contractor and borrower's names.</p> <p>No draws are permitted without an inspection</p>	<p>Appraiser inspects property and identifies the percentage of work complete to date.</p> <p>Maximum 5 draws.</p> <p>10% holdback on each disbursement.</p> <p>Checks cut in contractor and borrower's names.</p> <p>No draws are permitted without an inspection</p>
<b>Inspections and Title Updates</b>	<p>Inspections are required prior to each disbursement.</p> <p>Two bringdowns performed: one at 50% of renovation dollars advanced and one at final draw</p>	<p>For inspections, case-by-case depending on the number of contractors</p> <p>Certificates from municipalities are acceptable in lieu</p> <p>Only 1 bringdown at final draw</p>	<p>Inspections are required prior to each disbursement.</p> <p>Two bringdowns performed: one at 50% of renovation dollars advanced and one at final draw</p>	<p>Inspections are required prior to each disbursement.</p> <p>Two bringdowns performed: one at 50% of renovation dollars advanced and one at final draw</p>
<b>Homeowner-Contractor Agreements</b>	Required for each contractor.	Required for each contractor.	Required for each contractor.	Required for each contractor.
<b>Mortgage Payment Reserve</b>	Up to 6 months of PITI can be financed, if the home is not habitable during renovation.	Borrower must move into property within 30 days of closing. Mortgage payments may not be escrowed.	Up to 6 months of PITI can be financed, if the home is not habitable during renovation.	Borrower must move into property within 30 days of closing. Mortgage payments may not be escrowed.
<b>Lowest Sales Price in the Last 12 Months</b>	The lowest sales price regardless of entity, over the past 12 months, must be used when structuring a loan transaction	Not Applicable	Not Applicable	Not Applicable
<b>Project Conversions</b>	Projects which alter the number of units is NOT permitted. (Ex. 2 unit to 1-unit). Exceptions considered for a decrease in units	Projects which alter the number of units is NOT permitted. (Ex. 2 unit to 1-unit). Exceptions considered for a decrease in units	Not allowed	Not allowed
<b>Partially Completed Projects</b>	Properties in which prior owners started work but not completed or refinances with incomplete work-in-progress are considered on an exception basis only. <b>CANNOT be used to finish a build.</b>	Properties in which prior owners started work but not completed or refinances with incomplete work-in-progress are considered on an exception basis only. <b>CANNOT be used to finish a build.</b>	IMG will consider disaster-area properties that need finish funds or those that require raising of foundations to increase elevation due to flood zone	Not allowed

NOTE: A structural repair is defined as any change to the foundational footprint of the home, any foundation repairs. While the foundation may be added to, the original foundation must stay intact.