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FHA Product and General Underwriting Guideline Changes

Reunion Mortgage has made several changes to our FHA products and General Underwriting Guidelines to meet investor requirements.

FHA Minimum FICO Score

- Increases from 600 to 620 for loan amounts \leq \$417,000
- Increases from 600 to 660 for loan amounts $>$ \$417,000

FHA Streamline Refinances

- A full credit report pulled through DU is required, and all borrowers must meet the minimum FICO score requirement
- The Base Loan amount is limited to 100% of the Original Property Value listed on the Refinance Authorization from FHA Connection for a Streamline without appraisal

FHA Eligible Borrowers

- Revocable Trusts are allowed

FHA loans that are already in Reunion's pipeline and do not meet the new requirements must fund by Friday, February 27, 2009.

General Underwriting Guidelines Credit Section

- Credit Score
 - A valid/usable credit score must have a minimum of four trade lines, one of which has been open a minimum of 24 months, and the other three must be rated for at least 12 months (*the old guideline was three trade lines at least two or more years old*)
 - If there are less than four trade lines, or the trade lines do not meet the above requirements, or there is no credit, then there is insufficient data to determine credit behavior—even if the report includes a credit score
- Non-Traditional Credit
 - Non-traditional credit (including, among other things, no traditional or inadequate traditional credit report information) is not allowed
- FHA Section
 - Has been updated to reflect the updated FICO score overlays

Updated [FHA Fixed Product Guidelines](#) and [General Underwriting Guidelines](#) have been posted to the broker website with all changes highlighted in **red type**.

If you have any questions, please contact your Account Executive or local branch.