FHA HAWAIIAN HOMELANDS

PROGRAM SPECIFICATIONS	
Description	FHA section 247 Hawaiian Homelands insures Mortgages made to Native Hawaiians to purchase or refinance one- to four-family dwellings located on Hawaiian Homelands, which are owned by the State of Hawaii, Department of Hawaiian Homelands (DHHL) and leased to Native Hawaiians for 99-year lease terms. **Reminder:** AFR does not permit 3–4-unit dwellings.
Channels	• Correspondent Delegated UW (CDE) only, no other channels permitted
FICO	Minimum Qualifying Credit Scores: • Correspondent Delegated UW: 580 • 1 credit score required for all qualifying borrowers, • User the middle score if 3 credit scores, or • The lowest of the two if 2 credit scores. • Lowest representative score from all borrowers will be used for qualification purposes. **Reminder:** 580-619 must score an Approve Eligible or Accept on AUS findings; AFR does not permit <620 FICOs on Refers or Manual Underwrites.
UW Method	• Desktop Underwriter (DU) • Loan Product Advisor (LPA)
AUS Recommendation	• Approve/Eligible - DU • Refer/Eligible - DU • Risk Class Accept - LPA • Risk Class Refer - LPA
Eligible Terms	• 15Yr. and 30Yr. Fixed
Eligible Transaction Types	• Purchase • Rate/Term Refinance • Cash Out Refinance
Eligible Property Types	The property must be the Borrower's Principal Residence (Leased Land, Condominiums, and Townhomes are allowed). • 1-2 Unit • Manufactured Housing • FHA HRAP Approved Condominiums • Townhouses • PUDs The mortgaged Property must be located within the Hawaiian Homelands covered under a homestead lease issued under Section 207(a) of Hawaiian Homes Commission Act, 1920.

Maximum LTV/CLTV/HCLTV	• Purchase 96.50%
	• Rate/Term Refinance 97.75%
	• Cash-Out Refinance:
	  ○ The maximum LTV ratio for refinance loans is 75%
	  ○ The maximum LTV may be increased to 85% when the Borrower is paying off an existing Mortgage and all remaining proceeds are used for documented home improvements.
	  ○ Cash-out refinancing for the purpose of debt consolidation is not allowed.
	• Existing Mortgage Seasoning:
	  ○ at least six full months must have passed since the first payment due date of the Mortgage that is being refinanced;
	  ○ at least 210 Days must have passed from the closing date of the Mortgage that is being refinanced; and
	  ○ If the Borrower assumed the Mortgage that is being refinanced, they must have made six payments since the time of assumption.

Maximum DTI	• Approve/Eligible - Follow AUS • Refer/Eligible or Manual Underwrites – Follow FHA Guidelines
Mortgage Insurance Premium	• The Mortgage Insurance Premium (MIP) payment on a Section 247 Mortgage is a one-time upfront MIP of 380 basis points (bps). • Annual or periodic MIPs are not assessed on Section 247 Mortgages.
Borrower Eligibility	A Borrower must be a native Hawaiian who is at least 18 years of age and certified as eligible to hold a Hawaiian Home Lands Lease, or possesses a lease of Hawaiian Homelands issued under Section 207(a) of the Hawaiian Homes Commission Act, 1920, that has been certified by the Department of Hawaiian Home Lands as being a valid current lease, and not in default.
4000.1	http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1 4000.1 II A.8.h
Forms	See FORMS Section in the Resource Center

OVERLAYS

Follow all overlays outlined in FHA 203(b) Program Matrix and:

- Program permitted for Correspondent Delegated UW Channel only
- Program cannot be used in conjunction with: FHA Limited 203(k) Rehabilitation Mortgage, FHA Standard 203(k) Rehabilitation Mortgage, FHA $100 Dollar Down or FHA 203(b) Repair Escrow
- ARMs not permitted
- **Reminder:** 580-619 must score an Approve Eligible or Accept on AUS findings; AFR does not permit <620 FICOs on Refers or Manual Underwrites.