

FHA 203(h) Program

The 203(h) is a program that allows FHA to insure mortgages to victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home. **Note: Fairway is accepting purchase transaction only at this time.**

Eligible Borrowers

- Anyone whose home has been destroyed or severely damaged in a Presidentially Declared Major Disaster Area (“PDMDA”) is eligible to apply for mortgage insurance under this program.
- The previous primary residence (*owned or rented*) must have been located in a PDMDA and destroyed or damaged to such an extent that the residence could no longer be lived in.

203(h) Property Documentation Requirements

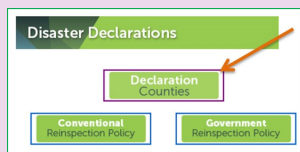
HUD requires documentation verifying that the Borrower’s previous primary residence (rented/or owned) was located in the PDMDA **and** was destroyed or damaged to such an extent that replacement is necessary.

- A Home Disaster Inspection Report must be ordered and must be completed by a HUD-Approved Home Inspector for the Borrower’s previous primary residence.
- HUD **does** allow a borrower to pay for the inspection report for the destroyed property as well as for the appraisal for the subject property.

HUD Approved Home Inspectors can be found at: <https://entp.hud.gov/idapp/html/insplook.cfm>

PDMDA Disaster Counties

To find the list of Presidentially-Declared Major Disaster Areas, click on “Disaster Counties” on the FWL home-page.



The PDMDA locations will be listed as “Presidential Declaration”.

State	Disaster	DR-4332	08/23/2017	09/15/2017	08/23/2017	01/13/2019
Texas All programs	Aransas, Austin, Bastrop, Bee, Brazoria, Calhoun, Chambers, Colorado, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzalez, Hardin, Harris, Jackson, Jasper, Jefferson, Karnes, Kleberg, Lavaca, Lee, Liberty, Matagorda, Montgomery, Newton, Nueces, Orange, Polk, Refugio, Sabine, San Jacinto, San Patricio, Tyler, Victoria, Walker, Waller and Wharton Counties.	<ul style="list-style-type: none"> • DR-4332 • Amendment 1 • Amendment 2 • Amendment 3 • Amendment 4 • Amendment 5 • HQ-17-000, Presidential Declaration • HQ-17-050, Fact Sheet 				

Alternative UW Documentation

- In situations where traditional documentation is unavailable, alternative documentation may be permitted.
- Send questions/scenarios, along with alternative documentation, to ask@fairwaywholesalelending.com.

How to Submit FHA 203(h) Loan to FWL

Step 1 Verify Current Property as destroyed

- Get Home Inspection by an FHA Home Inspector. Inspectors can be found at <https://entp.hud.gov/idapp/html/insplook.cfm>.
- Borrower may pay for Home Inspection and for Appraisal. (FHA allows Borrower to pay for both)

Step 2 Order FHA Case Number

- **NOTE:** 1003 *MUST* be completed prior to ordering FHA Case Number.
- Complete FHA Case Number Request Form (Forms & Docs/ Under FHA Forms). Be sure to include *ID Designation: 02 - Disaster Housing*

FHA 203(h) Highlights

- No down payment. Closing costs and prepaid expenses must be paid for by the borrower in cash or paid through premium pricing or by the seller. Subject to a 6% limitation on seller concessions.
- Upfront FHA mortgage insurance may be financed.
- 30, 20, and 15 year fixed rate terms available.
- Minimum FICO is 600.
- One-unit single family properties, including PUDs and FHA approved Condos are allowed.
- The new property is not required to be located in the area where the destroyed home was originally located.

FHA 203(h) Requirements

- Borrower’s current home has been destroyed and located in a PDMDA.
- A HUD Inspection of the previous/current primary residence is required.
- The FHA Case number must be assigned within one year of the date that the PDMDA is declared.
 - ◆ HUD defines the date of the PDMDA as the date that the President signs the declaration.
 - ◆ If the President signs an extension, which will also be assigned by FEMA, then the eligibility period for a 203(h) is also extended.
- The Borrower must have had satisfactory credit prior to the disaster, including but not limited to a 0x30 housing payment history in the previous 12 months and no more than 2x30 late for the preceding 12 months.

Mortgage Insurance Fees

- Upfront and Annual Mortgage Insurance is same as for 203(b) [FHA Mortgage Insurance Premiums Chart](#)

FWL Resources

Scenario/General Questions
ask@fairwaywholesalelending.com

FWL Guidelines
<https://fairwaywholesale.knowledgeowl.com/help>
Login: fimcwl@fairwaymc.com Password: [guest](#)
(you can also use your login information)

Link to FHA 203(h) Guidelines
[Fairway FHA 203\(h\)](#)

Forms (located at FWL Landing Page/Forms & Documents)
[FHA Submission Checklist](#)
[FHA Case Number Request Form](#) (ID Designation Code: 02 Disaster Housing)

Step 3 Submit Loan to FWL

- Use [FHA Submission Checklist](#) to assist with required docs
- Be sure Initial LE is properly disclosed

Step 4 Submit all Required Conditions

- Underwriter will review submitted documentation

Step 5 CD and CTC

- Be sure LE and CD are properly disclosed
- Schedule for Closing