

SECTION 203(h)
Single Family Home Mortgage Insurance for Disaster Victims

Purpose:

Provides mortgage insurance for a person to purchase a principal residence after being displaced by a disaster. The residence to be purchased need *not* be located in the same area as the disaster.

Eligibility Requirements:

- Borrower must meet standard FHA credit qualifications.
- Borrower's previous residence must have been destroyed or damaged to such an extent that reconstruction or replacement is necessary. The borrower may be the owner of the property or a renter of the property destroyed.
- Borrower is eligible for **100% financing**. No downpayment is required. The upfront mortgage insurance premium can be financed into the mortgage and the borrower will pay an annual premium.
- Borrower must purchase a one family unit or a unit in an approved condominium project (including "spot units"). Two, three, and four unit properties may not be purchased under this program.
- Adjustable rate mortgages can be used with this program.
- Mortgage limits are the same as for Section 203(b).
- The borrower's application for mortgage insurance must be submitted within one year of the President's declaration.

SECTION 203(k)
Rehabilitation Home Mortgage Insurance

Purpose:

Provides mortgage insurance for a person to purchase or refinance a principal residence and to accomplish rehabilitation and/or improvement of an existing one-to-four unit dwelling.

Eligibility Requirements:

- Borrower must meet standard FHA credit qualifications.
- Mortgage insurance premium is paid monthly. There is no upfront mortgage insurance premium.
- Borrower can purchase a one-to-four unit property that was completed for at least one year. The number of units on the site must be acceptable according to the provisions of local zoning requirements.
- Homes that have been demolished, or will be razed as part of the rehabilitation work, are eligible provided the existing foundation system is not affected and will still be used. The complete foundation system must remain in place.
- Mortgage limits are the same as for Section 203(b).