

What improvements are eligible under the Streamlined 203k loan

The Streamlined 203k program is intended to facilitate uncomplicated rehabilitation and/or improvements to a home for which plans, consultants, engineers and/or architects are not required. This program allows discretionary improvements and/or repairs shown below:

- Repair/Replacement of roofs, gutters and downspouts
- Repair/Replacement/upgrade of existing HVAC systems
- Repair/Replacement/upgrade of plumbing and electrical systems
- Repair/Replacement of flooring
- Minor remodeling, such as kitchens, which does not involve structural repairs
- Painting, both exterior and interior
- Weatherization, including storm windows and doors, insulation, weather stripping, etc.
- Purchase and installation of appliances, including free-standing ranges, refrigerators, washers/dryers, dishwashers and microwave ovens
- Accessibility improvements for persons with disabilities
- Lead-based paint stabilization or abatement of lead-based paint hazards
- Repair/replace/add exterior decks, patios, porches
- Basement finishing and remodeling, which does not involve structural repairs
- Basement waterproofing
- Window and door replacements and exterior wall re-siding
- Septic system and/or well repair or replacement

What items are eligible for the Standard 203k loan

Properties that require the following work are eligible for financing under the Standard 203k:

- Major rehabilitation or major remodeling, such as the relocation of a load-bearing wall
- New construction (including room additions)
- Repair of structural damage
- Repairs requiring detailed drawings or architectural exhibits
- Landscaping or similar site amenity improvements
- Any repair or improvement requiring a work schedule longer than six (6) months; or Rehabilitation activities that require more than two (2) payments per specialized contractor.

Mortgagors may not use the Streamlined 203k program to finance any required repairs arising from the appraisal that do not appear on the list of Streamlined 203k eligible work Items or that would:

- Necessitate a “consultant” to develop a “Specification of Repairs/Work Write-Up”
- Require plans or architectural exhibits
- Require a plan reviewer
- Require more than six months to complete
- Result in work not starting within 30 days after loan closing; or Cause the homeowner to be displaced from the property for more than 30 days during the time the rehabilitation work is being conducted. (FHA anticipates that, in a typical case, the homeowner would be able to occupy the property after mortgage loan closing).