

203(k) Streamline vs. Standard Comparison Guide

This guide outlines the key differences between the FHA 203(k) Streamline and Standard renovation loan programs, including eligible uses, documentation requirements, and loan structure.

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A Comprehensive Guide by The Housing Assistant



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This guide outlines the key differences between the FHA 203(k) Streamline and Standard renovation loan programs, including eligible uses, documentation requirements, and loan structure. These loans are used for purchasing or refinancing a home while including renovation costs in the mortgage.

Feature	203(k) Streamline	203(k) Standard
Eligible Repairs	Non-structural repairs, limited to \$75,000 (e.g., painting, flooring, HVAC, roofing)	Structural and non-structural repairs, no minimum; must exceed \$5,000
Max Repair Limit	\$75,000 (no contingency reserves required by HUD)	No max (subject to FHA county loan limits and repair eligibility)
Consultant Required	No	Yes – HUD-approved 203(k) Consultant must inspect and prepare Work Write-Up
Draw Schedule	Up to 2 draws allowed	Flexible draw schedule based on work completed
Architectural Plans	Not required	Required if structural work is involved
Appraisal Type	After-Improved Value Appraisal	After-Improved Value Appraisal
Contractor Bids	Required – Detailed bid showing labor and materials	Required – May need multiple bids depending on scope
Contingency Reserve	Optional (recommended 10-15%)	Required (10-20% of repair cost)
Loan Processing Time	Shorter	Longer – More documentation and HUD consultant involvement
Rehabilitation Period	Up to 9 Months	Up to 12 Months

Required Documents – 203(k) Streamline

- 203(k) Borrower's Acknowledgement
- Detailed Contractor's Bid (labor & materials)
- Draw Request Form (if applicable)
- After-Improved Value Appraisal
- HUD/VA Addendum to URLA (92900-A)
- Proof of Contractor License & Insurance

Required Documents – 203(k) Standard

- 203(k) Borrower's Acknowledgement
- Work Write-Up by HUD Consultant
- Detailed Contractor's Bid
- Consultant Agreement (HUD 92700)
- After-Improved Value Appraisal
- Contingency Reserve Breakdown
- Draw Schedule Agreement
- HUD/VA Addendum to URLA (92900-A)
- Proof of Contractor License & Insurance