



CONFORMING FIXED – DU/LPA APPROVAL

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Conforming Fixed – DU/LPA Approval

Program Codes: CF30, CF30D, CF25, CF20, CF15, CF15F, CF15D, CF10

(Min: \$35,000)

Fully Amortizing Fixed Rate						
Property Type	Transaction Type	Max Loan	Max LTV ^{3,5} w/o Secondary Financing ²	Max LTV With Secondary Financing ²	Max CLTV /HCLTV	Min FICO Score
Primary						
SFR/PUD/Condo	Purchase Rate/Term Refi ⁹	\$647,200	97% / 97%	97% / 97%	97% / 97%	620
	Cash-Out Refi ^{1,4,6}		80%	80%	80%/80%	
2-Units	Purchase Rate/Term Refi ⁹	\$828,700	85%	85%	85% / 85%	
	Cash-Out Refi ^{1,4,6}		75%	75%	75% / 75%	
3-4 Units	Purchase Rate/Term Refi	3-\$1,001,650 4-\$1,244,850	75% ^{DU} 80% ^{LPA}	75% ^{DU} 80% ^{LPA}	75% / 75% ^{DU} 80% / 80% ^{LPA}	
	Cash-Out Refi ^{1,4,6}		75%	75%	75% / 75%	
Manufactured	Purchase Rate/Term Refi ⁹	\$647,200	95%	95%	95% / 95%	
	≤ 20yrs Cash-Out Refi ^{1,4,6}		65%	65%	65% / 65%	
MH Advantage ^{7,8}	Purchase Rate/Term Refi ⁹		97%	105%	105% / 105%	
	≤ 20yrs Cash-Out Refi ^{1,4,6}		65%	65%	65% / 65%	
Second Home						
SFR/PUD/Condo (1 Unit Only)	Purchase Rate/Term Refi ⁹	\$647,200	90%	90%	90% / 90%	620
	Cash-Out Refi ^{1,4,6}		75%	75%	75% / 75%	
Manufactured	Purchase Rate/Term Refi ⁹		90% ^{DU} 85% ^{LPA}	90% ^{DU} 85% ^{LPA}	90% / 90% ^{DU} 85% ^{LPA}	
MH Advantage ^{7,8}			90%	90%	90% / 90%	



CONFORMING FIXED – DU/LPA APPROVAL (CONT'D)

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Conforming Fixed – DU/LPA Approval (cont'd)

Program Codes: CF30, CF30D, CF25, CF20, CF15, CF15D, CF10

(Min: \$35,000)

Fully Amortizing Fixed Rate						
Property Type	Transaction Type	Max Loan	Max LTV ^{2,3,5} w/o Secondary Financing	Max LTV With Secondary Financing ²	Max CLTV /HCLTV	Min FICO Score
Investment						
SFR/PUD/Condo (1 Unit Only)	Purchase	\$647,200	85%	85%	85% / 85%	620
2-4 Units		2-\$828,700 3-\$1,001,650 4-\$1,244,850	75%	75%	75% / 75%	
1-4 Units ¹⁰	Rate/Term Refi ¹⁰	1 Unit - \$647,200 2 Unit - \$828,700 3 Unit - \$1,001,650 4 Unit - \$1,244,850	75% ¹⁰	75% ¹⁰	75% / 75% ¹⁰	
SFR/PUD/Condo (1 Unit Only)	Cash-Out Refi ^{1,4,6}	\$647,200	75%	75%	75% / 75%	
2-4 Units		2-\$828,700 3-\$1,001,650 4-\$1,244,850	70%	70%	70% / 70%	

¹ Maximum cash-out based on LTV and Max Loan Amount.

² LTVs > 80%: check MI overlays.

³ Purchase LTVs > 95%: at least 1 borrower must be first time homebuyer as indicated on the 1003, no manual underwrites, no manufactured homes.

Rate/term LTVs > 95%: existing loan must be owned by FNMA (submitted through DU) or FHLMC (submitted through LPA).

⁴ If the property is purchased within the prior six months, borrower is ineligible for a cash-out transaction unless the loan meets the delayed financing exceptions. Refer to the Delayed Financing Exceptions guides in the [Conventional Underwriting Manual](#).

⁵ Non-occupant co-borrower not allowed with LTVs > 95% on DU.

Borrowers who own five-to-ten financed properties are subject to additional eligibility requirements. (see Multiple Financed Properties section in UW Guides).

⁶ Fannie Mae only. Cash-out refinances with a DTI exceeding 45% must have at least six (6) months reserves. Cash-out proceeds cannot be used for reserves.

⁷ Secondary financing must be community second. Community seconds must be on the MWF Approved List.



CONFORMING FIXED – DU MANUAL UNDERWRITING

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⁸To be eligible for MH Advantage financing, the home must have an MH Advantage sticker applied by the home's manufacturer pursuant to an agreement with Fannie Mae.

⁹ All Texas refinances are limited to 80% LTV/CLTV.

¹⁰ Freddie Mac (LPA): 1-unit investment rate/term max 80% LTV/TLTV/HTLTV; 2- 4 unit investment rate/term max 75% LTV/TLTV/HCLTV.

Conforming Fixed – DU Manual Underwriting

Program Codes: CF30, CF30D, CF15, CF15D

(Min: \$35,000)

Fully Amortizing Fixed Rate							
				Max DTI ≤ 36%		Max DTI ≤ 45%	
Property Type	Transaction Type	Max Loan	Max LTV/CLTV /HCLTV	Min FICO Score for LTV Listed	Min Months Reserves	Min FICO Score for LTV Listed	Min Months Reserves
Primary							
SFR/PUD/Condo 1 Unit	Purchase Rate/Term Refi ⁹	\$647,200	95%	680 for LTV > 75%	0	720 for LTV > 75%	0
				640 for LTV ≤ 75%		680 for LTV ≤ 75%	
				660 for LTV > 75%	6	700 for LTV > 75%	6
2-Units		2-\$828,700	85%	680 for LTV > 75% 640 for LTV ≤ 75%	6	700 for LTV > 75%	6
						680 for LTV ≤ 75%	
3-4 Units		3-\$1,001,650 4-\$,244,850	75%	≥ 660	6	≥ 680	2
SFR/PUD/Condo 1 Unit	Cash-Out Refi ¹	\$647,200	80%	680 for LTV > 75%	0	700 for LTV > 75%	
				660 for LTV ≤ 75%			
				660 for LTV > 75%	6	680 for LTV < 75%	
2-4 Units		2-\$828,700 3-\$1,001,650 4-\$,244,850	75%	≥ 680	6	≥ 700	
						≥ 680	12

See [Manual Underwriting](#) section for more details.



CONFORMING FIXED AND ARMS

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CONFORMING FIXED AND ARMS	
PRODUCT ELIGIBILITY	<ul style="list-style-type: none"> • Purchase • Rate/term refinance • Cash-out refinance
TEXAS REFINANCE	<ul style="list-style-type: none"> • All Texas refinance transactions are limited to a maximum 80% LTV/CLTV.
FREDDIE MAC RATE/TERM REFINANCE	<p>A rate/term (no cash-out) refinance may be used to "pay down" any junior liens that are secured by the subject property and were used in their entirety to acquire the subject property.</p> <p>The proceeds of a "no cash-out" refinance mortgage may be used to pay related closing costs, which include prepaid real estate taxes:</p> <ul style="list-style-type: none"> • Prepaid real estate taxes are an allowable closing cost that may be paid from the proceeds of the refinance mortgage, and <p>Real estate taxes that exceed the prepaid amount and are financed into the new mortgage are subject to the maximum disbursement of cash-out proceeds up to the greater of 1% of the new refinance mortgage or \$2,000.00.</p>
FANNIE MAE RATE/TERM REFINANCE	<ul style="list-style-type: none"> • A transaction is not eligible as a limited cash-out refinance if the borrower completed a cash-out refinance transaction with a Note date 30 days or less prior to the application date of a new refinance secured by the same property.
DU AND LPA REFINANCES (ONLY)	Documentation of assets for refinance transactions when the total funds to be verified are \$500 or less is not required.
MAXIMUM OWNER-OCCUPIED TRANSACTIONS*	<p>MWF will allow for 2 owner occupied transactions in the past 12 months with one or more of the following criteria:</p> <ul style="list-style-type: none"> • Prior owner-occupied transaction was a rate/term refinance • Borrower is upsizing • Relocating • Prior owner-occupied transaction - subject property is being sold. Any other criteria will need an "Exception" to the guides.
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • 1-4 unit • SFR • PUD • Condos • Manufactured Home



CONFORMING FIXED AND ARMS (CONT)

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CONFORMING FIXED AND ARMS (CONT)	
GROUP HOMES	<p>FANNIE MAE ONLY Group homes are residential structures utilized for occupancy by persons with disabilities (irrespective of familial relationship) and are not considered to be boarding houses.</p> <p>Occupancy Types</p> <p>Eligibility and pricing for group homes will be the same as currently provided under the terms and conditions established for principal residence, second home, or investment properties depending on the occupancy status of the borrowers. Investment properties that are or will be leased to business entities for use as a group home are eligible for purchase by Fannie Mae (provided all borrowers are individuals).</p> <hr/> <p>Note: Group homes are not considered to be boarding houses. They are an eligible property type, including when leased to a business entity for use as a group home.</p> <hr/> <p>FREDDIE MAC ONLY A property being used as a group home for individuals with disabilities is not considered an ineligible property. All Freddie Mac occupancy guides apply.</p>
INVESTMENT PROPERTY*	<ul style="list-style-type: none"> • At least one borrower must have owned or currently owns a property. • First time homebuyers ineligible to purchase investment property and use rents for qualifying. • Rental income cannot be used for qualifying purposes unless the borrowers currently owns a primary residence or has a primary housing expense.
ELIGIBLE STATES	Eligible State Matrix
NON-OCCUPANT CO-BORROWER	<ul style="list-style-type: none"> • When allowed, the non-occupant co-borrower need not be a family member. There should be, however, an established relationship and motivation not including equity participation for profit. • MWF will follow DU/LPA Findings regarding non-occupant co-borrowers but generally DU analyzes the risk factors in the loan case file without the benefit of the non-occupant co-borrower's income or liabilities. • Non occupant co-borrower not allowed with LTVs > 95%.



CONFORMING FIXED AND ARMS (CONT)

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CONFORMING FIXED AND ARMS (CONT)		
DACA (DU ONLY)	<u>DACA/ITIN Borrowers (No SSN)</u> <ul style="list-style-type: none"> Owner-occupied conventional conforming Max LTV/CLTV 80%. Must be registered and locked under the CF30D program. Subject to manual underwriting acceptable non-traditional credit 	<u>DACA with SSN</u> <ul style="list-style-type: none"> DACA Borrowers with both SSN and appropriate borrower eligibility documentation are eligible under standard LTVs for conforming fixed rate loans.
HOMEBUYER EDUCATION	Homeownership education requires at least one borrower to complete the homebuyer education for the following transactions: <ul style="list-style-type: none"> If all borrowers on the loan are relying solely on non-traditional credit to qualify, regardless of the loan product or whether the borrowers are first time homebuyers. HomeReady purchase transaction when all occupying borrowers are first time homebuyers, regardless of the LTV ratio, or Purchase transaction with LTV/CLTV or HCLTV ratios greater than 95% when all borrowers are first time homebuyers. 	
TEMPORARY BUYDOWNS	Not Allowed.	
MCC'S	Allowed.	
INTEREST ONLY	Not Allowed.	
WITHHOLDS	Allowed, see Conventional Underwriting Manual for details.	
CREDIT	<ul style="list-style-type: none"> Refer to matrix on 1st page for minimum FICO requirements. Non-traditional – not allowed. 	
FORECLOSURE BANKRUPTCY SHORT SALE DEED-IN-LIEU	See Waiting Period section of the Conventional Underwriting Manual .	
RATIOS	<ul style="list-style-type: none"> Determined by AUS 50% Maximum Cash-out refinances with DTI exceeding 45% must have at least six (6) months of reserves. 	



CONFORMING FIXED AND ARMS (CONT)

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CONFORMING FIXED AND ARMS (CONT)	
RESERVES	See Conventional Underwriting Manual for reserve requirements.
ASSETS DOCUMENTATION FOR REFINANCE TRANSACTIONS	Most recent one month period of account activity (30 days) to document bank statements or investment portfolio.
VIRTUAL/ CRYPTOCURRENCY	<ul style="list-style-type: none"> Income paid to the borrower in virtual/cryptocurrency may not be used to qualify for the mortgage. For income types that require evidence of sufficient remaining assets to establish likely continuance (e.g., retirement account distributions, trust income, and dividend and interest income, etc.), those assets may not be in the form of virtual/cryptocurrency. Virtual/cryptocurrency may not be included in the calculation of assets as a basis for repayment of obligations. Monthly payments on debts secured by virtual/cryptocurrency must be included in the borrower's debt to income ratio (DTI) and are not subject to guidelines regarding installment debts secured by financial assets. The payment used as rental income must be in U.S. dollars, virtual/cryptocurrency is unacceptable. Virtual/cryptocurrency must be exchanged for U.S. dollars if it will be needed for the mortgage transaction (i.e., any funds required to be paid by the borrower and borrower reserves). There must be sufficient documented evidence that the virtual/cryptocurrency has been exchanged into U.S. dollars and is held in a U.S. or state regulated financial institution, and the funds are verified in U.S. dollars prior to the loan closing. The purchase price of the property and any earnest money deposit may not be designated in virtual/cryptocurrency.



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CONFORMING FIXED AND ARMS (CONT)		
MANUAL UNDERWRITING REQUIREMENTS*	<u>Eligible Products</u> <ul style="list-style-type: none"> • 30 & 15 year fixed only. • DU only • Cash out refinances with a DTI exceeding 45% must have at least six (6) months reserves. • Cash out proceeds cannot be used for reserves. 	<u>Special Feature Code</u> <ul style="list-style-type: none"> • Special feature code 343 must be used.
	<u>Eligible Scenarios</u> <ul style="list-style-type: none"> • Erroneous credit (substantially documented). • AUS not recognizing loan parameters • Disputed tradelines. 	<u>DU Waivers are not allowed</u> Loan file must contain the following: <ul style="list-style-type: none"> • 2 months assets • 2 years complete income (W2s & tax returns for self-employed borrowers) • PIW/AW Appraisal Waiver not allowed. • VOM/VOR
	<u>Ineligible Scenarios</u> <ul style="list-style-type: none"> • Manufactured homes. • Non-traditional credit profiles. • Authorized user accounts are not acceptable. 	<u>Minimum Trade Line Requirements</u> <ul style="list-style-type: none"> • Borrower must meet standard credit reference guidelines. no thin credit or non-traditional credit allowed.



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CONFORMING FIXED AND ARMS (CONT)			
CONVERSION OF PRINCIPAL RESIDENCE	Additional reserves (in addition to those required by DU or the Product Matrix):		
	<u>Conversion to 2nd Home</u> <ul style="list-style-type: none"> • 2 months PITI on subject. • 2 months PITI on current principal residence. <p>Both PITI payments in ratios.</p>	<u>Conversion to Investment</u> <ul style="list-style-type: none"> • 2 months PITI on subject. • 2 months PITI on current principal residence. <p>75% gross rental income can be used.</p> <p>- LPA: - if only a lease agreement is used to determine rental income, borrower(s) must have a 2-year history of managing rental properties as evidenced by federal tax returns and a fully executed copy of the lease agreement, along with receipt of security deposit).</p>	<u>Pending Sale</u> <ul style="list-style-type: none"> • 2 months PITI on subject. • 2 months PITI on current principal residence. <p>Both PITI payments in ratios.</p>
GIFT FUNDS	Allowed. See Gift Section of the Conventional Underwriting Manual .		
INTERESTED PARTY CONTRIBUTIONS	Residency	LTV	Maximum Contribution
	Primary Residence & Second Homes	> 90%	3%
	Primary Residence & Second Homes	> 75 ≤ 90%	6%
	Primary Residence & Second Homes	≤ 75%	9%
	Investment	ALL LTVs	2%



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CONFORMING FIXED AND ARMS (CONT)			
MORTGAGE INSURANCE	Borrower Paid, Lender Paid and Split Premium MI are available: <ul style="list-style-type: none"> Required for all loans exceeding 80% LTV. If mortgage insurance is required, use the lesser of the sales price or appraised value to determine the appropriate coverage. Split Premium MI features an upfront premium along with a monthly premium (similar to an FHA loan). Up-front premium may be paid utilizing seller or lender credit (or a combination). Currently MWF does <u>not</u> offer financed Split Premium Coverage. MWF only utilizes approved MI Companies and approved MI forms/endorsements. 		
	LTV 80.01% - 85.00% 85.01% - 90.00% 90.01% - 95.00% 95.01% - 97.00%	Coverage for ≤ 20 Years 6% 12% 25% NA	Coverage for > 20 Years 12% 25% 30% 35%
DELEGATED MI*	<ul style="list-style-type: none"> LTV less than or equal to 97%. Loan amounts less than or equal to \$647,200. Blended Ratios not allowed: <ul style="list-style-type: none"> 660 FICO score required. Unique property conditions (i.e., non-permitted additions, accessory units, etc.) require underwriter review of the appraisal which may result, at the discretion of the underwriter, for direct submission to the MI company for approval. 		
ACCEPTABLE MI COMPANIES	<ul style="list-style-type: none"> Radian MGIC Enact Essent National MI 		
MAXIMUM NUMBER OF FINANCED PROPERTIES*	<ul style="list-style-type: none"> MWF limits the maximum number of MWF loans to one borrower to 6 loans or \$4 million. Maximum loans to one borrower in a contiguous area (generally defined as within a two-block radius) to no more than 2 properties. 		



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CONFORMING FIXED AND ARMS (CONT)		
5-10 FINANCED PROPERTIES (DU ONLY)	<p>The maximum number of financed properties the borrower can have is ten when financing a second home or investment property. One-to-six financed properties follow standard Fannie Mae eligibility. 720 FICO score required for 7-10 financed properties.</p> <p>Regardless of who is making the mortgage payment, the mortgaged property must still be included in the borrower's multiple financed property count and the unpaid principal balance for the mortgage must still be included in the calculation of reserves for multiple financed properties.</p>	
FINANCED PROPERTIES (LPA ONLY)	<ul style="list-style-type: none"> For second home and investment property mortgage (1 - 4 units) transactions, and the borrower owns 1 - 6 (1 - 4 unit) financed properties, Freddie Mac conforming guidelines apply. For second home and investment property mortgage (1 - 4 units) transactions, and the borrower owns 7 - 10 (1 - 4 unit) financed properties, the following guides apply: <ul style="list-style-type: none"> Must receive a Risk Class of Accept from LPA. Credit Score of 720. Reserves of 8 months of the monthly payment on each additional second home and/or 1-4 unit investment property is required. 	
SPECIAL FEATURE CODE	Mortgage loans secured by second homes or investment properties that meet the five to ten financed property requirements must be delivered with SFC 150.	
CASH-OUT IN 6 MONTHS	Follow standard cash-out eligibility if the subject property has been owned ≥ 6 months. Follow delayed financing eligibility if the subject property has been owned ≤ 6 months.	
NON-ARMS LENGTH TRANSACTIONS	Identity of interest transactions include both non-arm's length and at-interest transactions.	
SECOND HOME AND INVESTMENT PROPERTIES	For properties that include non-arm's length, at-interest or identity of interest characteristics:	
	1-4 unit second homes and investment properties.	May be priced under standard product.
PRIMARY OCCUPANCY	On a case-by-case basis, non-arm's length, at-interest or identity of interest transactions may be considered when the borrower is purchasing the property as a primary residence (additional requirements apply, see Conventional Underwriting Manual).	



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APPRAISAL RATING C5 OR C6	Appraisal Condition Rating C5 or C6: subject properties with an overall condition rating of C5 or C6 are not acceptable unless all issues that caused the property to be rated with a C5 or C6 condition rating are cured prior to the closing of the transaction. In such cases, the appraisal must be completed "subject to" and the reported condition rating must reflect the hypothetical condition that the repairs or alterations have been completed.
ESCROW/IMPOUND ROLLOVER	Allowed.
Link to Conventional Underwriting Manual	