

HOMEReady PRODUCT MATRIX & GUIDE – WHOLESALE/CORRESPONDENT LENDING



PRODUCT INFORMATION

This information is not intended or authorized for consumer use. Credit and collateral are subject to approval. Terms and conditions may apply. This is not a commitment to lend.

FNMA HomeReady – DU Approval

Program Codes: CF30HR, CF30HRD, CF20HR, CF15HR

(Min: \$35,000)

Fully Amortizing Fixed Rate					
Property Type	Transaction Type	Max Loan Amount	Max LTV/CLTV w/o Secondary Financing ^{1,3}	Max LTV/CLTV w/Community Seconds ONLY ^{1,2,3}	Min FICO Score
Primary Residence Only					
SFR/PUD/Condo (1Unit Only)	Purchase Rate/Term Refi	\$548,250	Fixed: 97%/97%	Fixed: 97%/105%	620
2- Units			85%/85%	85%/85%	
3-4 Units			75%/75%	75%/75%	
Manufactured			Fixed: 95%/95%	Fixed: 95%/95%	

¹ Scenarios with Non Occupant Co-Borrowers limited to 95% LTV/CLTV

² Community Seconds must be on the MWF Approved List

³ Refinance transactions with LTV > 95% must be existing FNMA financing

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HomeReady

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HOMEReady	
PRODUCT INFORMATION	<ul style="list-style-type: none"> Designed for creditworthy, low-to-moderate income borrowers, with expanded eligibility for financing homes in designated low-income, minority and disaster impacted communities. Favorable pricing that's most competitive with credit scores ≥ 680 and LTV ratios above 80%. Rental and boarder income may be considered for qualifying. Reduced MI coverage requirements for LTVs above 90% (up to 97%) Borrower is not required to be a first-time buyer HomeStyle Renovation is ineligible.
HOME-BUYER EDUCATION	<ul style="list-style-type: none"> Required prior to note date for at least one borrower December 2019: Required for at least one borrower only if ALL borrowers are first-time-homebuyers Home-Buyer education fee must be paid up-front. Beginning October 23rd, 2019, Fannie Mae is waiving the Framework homeownership \$75 course fee. Must be provided through FRAMEWORK Fannie Mae has no policy regarding how long a certificate of completion from Framework is valid. HUD-approved counseling agency dated anytime (unless certificate or any community seconds program specifies an expiration date) prior to the loan application date is acceptable. If borrower does not have online access, borrower <u>must</u> call FRAMEWORK for referral to another HBE provider. Not required on limited cash out (Rate/Term) refinances.
PRODUCT ELIGIBILITY	<ul style="list-style-type: none"> Purchase Rate/Term Refinance
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> 1- 4 Unit / SFR PUD Condos Manufactured Homes
ELIGIBLE STATES	Eligible States Matrix
NON OCCUPANT CO-BORROWER	<p>Allowed with the following restrictions:</p> <ul style="list-style-type: none"> Max LTV/CLTV 95% with DU Approval Max DTI per DU Income considered for qualifying is subject to income limits

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HomeReady (CONT)

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HOMEReady (CONT)	
INCOME LIMITS	<p>Eligibility for Home Ready compares the borrower's income to the applicable area median income (AMI) for the property's location. Include the income from all of the borrowers who will be listed on the loan.</p> <ul style="list-style-type: none"> The income used to qualify the Borrower converted to an annual basis must not exceed 80% of the Area Median Income. Income Limit Lookup Tool
Boarder Income	<p>Allowed</p> <ul style="list-style-type: none"> Up to 30% of the total gross qualifying income can be used if the individual(s) has lived with (and paid rent to) the borrower for the last 12 months. Documentation to demonstrate a history of shared residency (such as a copy of a driver's license, bill, or bank statement that shows the boarder's address as being the same as the borrower's address). Documentation for the last 12 months, or at least 9 of the most recent 12 months provided the rental income is averaged over a 12-month period. Not eligible for 2-4 Units. Boarder may not be obligated on the mortgage loan and cannot have an ownership interest in the property.
Accessory Dwelling Unit Income	<p>Allowed</p> <ul style="list-style-type: none"> Rental income may be considered in qualifying the borrower per Fannie Mae rental income guidelines (1-4 Units)
OWNERSHIP OF OTHER PROPERTY	<ul style="list-style-type: none"> Occupant borrower is limited to two financed properties, including the subject property. When the LTV/CLTV >95%, the borrower cannot retain ownership interest in other properties financed by U.S. Bank.
CREDIT	<p>Determined by AUS, Minimum 620 Manual Underwriting NOT ALLOWED</p>
ASSETS/RESERVES	<ul style="list-style-type: none"> Determined by AUS
ACCEPTABLE SOURCES OF FUNDS	<ul style="list-style-type: none"> Cash on hand for 1 unit properties only Gifts or Grants from a qualified entity Community Seconds (must be on the MWF Approved List)

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HOMEReady (CONT)					
MINIMUM BORROWER CONTRIBUTION (OWN FUNDS)	<u>Number of Units</u>	<u>Min Borrower Contribution</u>			
	1	None			
	1 Manufactured	5%			
	2-4	LTV 80% or less: None			
INTERESTED PARTY CONTRIBUTIONS	<u>LTV/CLTV</u>	<u>Maximum Contribution</u>			
	> 90%	3%			
	75.01-90%	6%			
MORTGAGE INSURANCE	<u>Transaction Type</u>	<u>LTV Range</u>			
		80.01 - 85.00%	85.01 - 90.00%	90.01 - 95.00%	95.01 - 97.00%
	HomeReady fixed-rate term < 20 years	6%	12%	25%	25%
	HomeReady fixed-rate term > 20 years	12%	25%	25%	25% Manufactured: Not permitted
	<ul style="list-style-type: none"> • DU rounds LTV up. MI Coverage will be based on the higher LTV. • Manufactured: Financed MI up to 95% CLTV • MWF only utilizes approved MI Companies and approved MI forms/endorsements 				
Acceptable MI Companies	<ul style="list-style-type: none"> • Radian • MGIC • Genworth <p>Click on company name above for Rates and Guides.</p>				

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Manufactured Housing

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MANUFACTURED HOUSING	
APPRAISAL	Manufactured: Must use two similar MH sales and one site-built or modular home comparable. Must use 1004C and 1004MC
PROPERTY ELIGIBILITY:	<ul style="list-style-type: none">• Must meet FNMA guidelines. See Fannie Mae Selling Guide - Manufactured Homes• Multi-width manufactured homes may be located either on an individual lot or in a project development.• Co-op or condo project developments must be Fannie Mae-approved. See section B4-2.2-07 of the Fannie Mae selling guide for project review requirements.• Max DTI is 50% for manufactured housing
TITLE	<ul style="list-style-type: none">• Manufactured: ALTA endorsement 7, 7.1 or 7.2 or other endorsement required in the applicable jurisdiction for the home to be considered real property.
SPECIAL FEATURE CODE:	<ul style="list-style-type: none">• FNMA Special Feature Code: SFC 235
Link to HomeReady Underwriting Manual	