

HOMEReady PRODUCT MATRIX & GUIDE

WHOLESALE



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, CF10HR

(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	\$484,350	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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FNMA HomeReady High Balance – DU Approval

Program Codes: CF30JHR, CF20JHR, CF15JHR, CF10JHR

(Min: \$35,000)

Fully Amortizing Fixed Rate					
Property Type	Transaction Type	Max Loan Amount	Max LTV/CLTV w/o Secondary Financing ¹	Max LTV/CLTV w/Community Seconds ONLY ^{1,2}	Min FICO Score
Primary Residence Only					
SFR/PUD/Condo (1 Unit Only)	Purchase Rate/Term Refi	See Maximum Loan Amount	Fixed: 95%	Fixed: 95%/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

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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 • Home-Buyer education fee must be paid up-front • 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



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"> • 100% of area median income or no income limit (for low-income areas) • 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
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	<p>Occupant borrower(s) may have an ownership interest in another residential property at the time of closing.</p>
CREDIT	<p>Determined by AUS, Minimum 620 Manual Underwriting NOT ALLOWED</p>
ASSETS/RESERVES	<ul style="list-style-type: none"> • Determined by AUS • Manufactured Housing: 2 months reserves are required from borrower's own funds
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 (not allowed on manufactured homes) • Community Seconds (must be on the MWF Approved List)

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HomeReady (CONT)

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HOMEReady (CONT)					
MINIMUM BORROWER CONTRIBUTION (OWN FUNDS)	Number of Units	Min Borrower Contribution			
	1	None			
	1 Manufactured	5%			
	2-4 2-4	LTV 80% or less: None LTV >80%: 3%			
INTERESTED PARTY CONTRIBUTIONS	LTV/CLTV	Maximum Contribution			
	> 90% 75.01-90%	3% 6%			
MORTGAGE INSURANCE	Transaction Type	LTV Range			
		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
	DU rounds LTV up. MI Coverage will be based on the higher LTV. Manufactured: Financed MI up to 95% CLTV				
Acceptable MI Companies	<ul style="list-style-type: none"> • Radian • MGIC • Genworth Click on company name above for Rates and Guides.				
MAXIMUM NUMBER OF FINANCED PROPERTIES	The subject property must be owner-occupied and the borrower may have an ownership interest in another residential dwelling at the time of loan closing.				

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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 Singlewides permitted. Must be a minimum of 12 feet wide and 600 square feet and located in a Fannie-Mae-approved subdivision, co-op, condo or PUD. 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	