

Primary							
TRANSACTION TYPE	MIN LOAN AMOUNT	MAX LOAN AMOUNT	FICO ³	MAX LTV/CLTV/HCLTV			Max DTI
				1 Unit	2 Unit	3-4 Unit	
PURCHASE RATE / TERM	\$100,000	Based on County specific Loan Limits	620	97% ^{1,2} Standard 95% - High Balance	85%	75%	50%
CASH OUT			620	80%	75%		
Second Home							
TRANSACTION TYPE	MIN LOAN AMOUNT	MAX LOAN AMOUNT	FICO ³	MAX LTV/CLTV/HCLTV			Max DTI
				1 Unit	2 Unit	3-4 Unit	
PURCHASE RATE / TERM	\$100,000	Based on County specific Loan Limits	620	90%	N/A		50%
CASH OUT			620	75%	N/A		
Investment							
TRANSACTION TYPE	MIN LOAN AMOUNT	MAX LOAN AMOUNT	FICO ³	MAX LTV/CLTV/HCLTV			Max DTI
				1 Unit	2 Unit	3-4 Unit	
PURCHASE RATE/TERM	\$100,000	Based on County specific Loan Limits	620	80%	75%		50%
CASH OUT			620	75%	75%		
			620	75%	70%		

¹97% product: For LTV/CLTV/HCLTV >95% see 97% LTV Product Requirements below.

²Attached Unit Condos with Limited Review: In established projects, maximum LTV/CLTV/HCLTV with Limited Review is lesser of product guidelines or: O/O = 90%; 2nd home & investment properties = 75%. FL property have additional restrictions, see Condominium below.

Florida Attached Unit Condos: LTV and other restrictions apply, **B4-2.1, B4-2.2-04**. See State and Geographic Restrictions and Condominiums.

Multiple Financed Properties: See Multiple Financed Properties for credit score, reserves, and cash out restrictions

³Loans with a representative credit score of less than 620, regardless of DU eligibility, are ineligible

PRODUCTS	15 and 30 Year Fixed
MIN LOAN AMOUNT	\$100,000
MAX LOAN AMOUNT	Standard: County loan limits High Balance: County high-cost area limits
COUNTY LOAN LIMITS	FNMA Loan Limits FNMA Loan Limit Geocoder
95.01% - 97% LTV PRODUCT REQUIREMENTS	<ul style="list-style-type: none"> • 1-unit, principal residence only • SFR, PUD and Condos only • 30-year fixed rate only • There are no income limits with this program • Reserves required by DU® can be a gift, Fannie Mae minimum borrower contribution requirements apply • Max LTV/CLTV/HCLTV for loans with a non-occupant borrower is 95%, • Max LTV/CLTV/HCLTV if income of a non-occupying guarantor, co-signer or co-borrower is used for qualifying is 95% • Purchase Transactions: <ul style="list-style-type: none"> ○ At least one borrower must be a first-time homebuyer ○ If all borrowers are first-time homebuyers, homebuyer education or counseling is required B2-2-06 • Limited Cash-Out Refinance: <ul style="list-style-type: none"> ○ Loan must be currently owned by FNMA and filed documented with same • Maximum Loan-to-Value: <ul style="list-style-type: none"> ○ LTV 95.01 to 97% <ul style="list-style-type: none"> ▪ CLTV 95.01 to 97% if the subordinate lien is not a Community Second ▪ HCLTV to 97.00% ▪ No CLTV to 105% with Community Second ○ Standard loan amounts only, high balance loan amounts are not eligible • Overlays to 97% Loans: <ul style="list-style-type: none"> ○ Standard loan programs only. My Community Loans are ineligible ○ 35% mortgage insurance coverage – no reduced mortgage insurance

APPRAISALS AND APPRAISERS

- **General Requirements: B4-1**
 - Full appraisals are required for the following irrespective of DU® findings: Purchase of REO properties, Auctioned Properties, Identity of Interest / Non-Arm’s Length transactions
 - All appraisers and supervisory appraisers appearing on the FNMA AQM list are ineligible
 - Appraisals generated for third parties are ineligible
 - Appraisal transfers are ineligible.
- **Appraisal Report Forms:**
 - Desktop Appraisals - the property owner at the time of sale, i.e., the property seller, may not be the lender or a government entity. In addition, purchase transactions must be arm’s length.
 - The following home valuation options are not eligible:
 - Value acceptance + property data
 - Hybrid appraisals
- **Age of the Appraisal:** The appraisal is valid for up to 4 months and can be used up to 12 months if the value of the property has not decline. Between 4 and 12 months, the appraiser must perform an appraisal update in accordance with the requirements in **B4-1.2-04**
- **Value Acceptance (Appraisal Waivers):** If DU offers value acceptance (appraisal waiver) follow DU findings.
 - **Disaster Areas:** For loans secured by properties in a FEMA declared disaster area granted Individual Assistance, see **10.10.7.1, Declared Disaster Areas – Property Inspection Types**
 - **Full appraisals** are required for the following irrespective of DU findings: Purchases of REO properties, auctioned properties, Identity of Interest / Non-Arm’s length transactions, Properties with resale restrictions
- **Form 1004D and Completion Alternatives:** Must meet FNMA requirements in section **B4-1.2-05**
 - **Attestation Letters:**
 - Borrower/builder attestation letter with exterior and interior photos of the property to verify completion of new construction are permitted.
 - Borrower attestation letter with photos to confirm completion of repairs for existing construction in lieu of Form 1004D are permitted
 - The letter and all documentation must be included in the loan file
 - **1004D Virtual Inspection Technology:**
 - All exhibits to Form 1004D must be include in the loan file
- **Physical Deficiencies That Affect Safety, Soundness, or Structural Integrity of the Subject Property:**
 - If the appraiser is not qualified to evaluate the alterations or repairs, the appraisal must note the deficiencies and be completed “subject to” a satisfactory inspection by a qualified professional.
 - Determine if an inspection is required and whether the property meets eligibility requirements.
 - If the property does not meet eligibility requirements, provide satisfactory evidence that the condition has been corrected or replaced. The appraiser is not required to review the professionally prepared report, re-inspect the property, or provide a Form 1004D
 - Document the decision and rationale in the loan file.

ASSETS CASH-TO-CLOSE RESERVES GIFTS MIN BOROWER CONTRIBUTION

Minimum Borrower Contribution: Donations from Entities, Employer Assistance Programs, Personal Gifts				
Eligible Contribution Type	LTV/CLTV/HCLTV	Occupancy	Property Type	Minimum Borrower Contribution
Donated Gift or Grant, B3-4.3-06 Donations from Entities Employer Assistance, B3-4.3-08 Employer Assistance	< 80%	Principal Residence	1 to 4 unit	Borrower contribution not required. All funds needed to complete the transaction can come from eligible gift or employer assistance.
	>80%		1 unit	
	>80%		2-4 Unit	5% minimum borrower contribution from own funds
	Any	Second home or Investment	Any	Donated Gift, Grant or EAP is not permitted
Personal Gifts, B3-4.3-04	<80%	Principal Residence	1 to 4 unit	Borrower contribution not required. All funds needed to complete the transaction can come from eligible personal gift
	>80%	Second Home	1 unit	
>80%	Principal Residence	1 unit		

			2 to 4 unit	5% minimum borrower contribution from own funds
		Second Home	1 unit	
	Any	Investment Property	Any	Personal Gifts are not permitted
	<ul style="list-style-type: none"> Loan transactions with Community Seconds are ineligible 			
1031 TAX DEFERRED EXCHANGES	<ul style="list-style-type: none"> Investment properties only 			
AUS AND UNDERWRITING METHOD	<ul style="list-style-type: none"> DU® with “Approved/Eligible” Underwriting Analysis Report” findings are required for ALL loans Loans with a representative credit score of less than 620, regardless of DU eligibility, are not eligible Manual underwriting is not accepted for any loans, including loans with errors in the credit report FHLMC LP in ineligible 			
DU VALIDATION SERVICE	<p>DU Validation Service: B3-3.1-06</p> <ul style="list-style-type: none"> Copies of all vendor Validation Reports must be included in the loan file When DU validates gift funds, ensure that the gift funds that appear as deposits on the asset verification report (if any) meet the requirements in B3-4.3-04 When employment is validated by DU, the Validation satisfies the requirement for verbal verification of employment described in B3-3.1-07 Employment Offers and Contracts: See Employment, Income and VVOE for overlay requirements that may apply Income Documentation Requirements: Loans must meet all applicable FNMA requirements and the guidelines below: 			
		Loan File Component	Findings	Income Documentation Requirement
		General FNMA Requirements, B3-2-02		<ul style="list-style-type: none"> Borrower consent must be obtained for each borrower whose information is being validated using the DU Validation Service, prior to running DU A signed 4506-C (or an alternate form acceptable to the IRS that authorizes the release of tax transcripts) for each borrower whose income (regardless of income source) is used to qualify is required, B3-3.1-06 <ul style="list-style-type: none"> When all of a borrower’s income is “validated” by the DU validation service, obtaining a signed IRS Form 4506-C for that borrower is not required If there are any changes to income or employment, the Vendor Report must be re-run. DU does not “automatically” update Vendor Reports with subsequent DU runs
		Employment Income (Must be review for each income source and each borrower INDIVIDUALLY)	Validated	<ul style="list-style-type: none"> Follow the DU documentation requirements. The Vendor Report(s) must be in the loan file Tax and/or W2 transcripts are not required for this income source If all of the borrower’s income was validated by the DU validation service, obtaining a signed IRS Form 4506-C for that borrower is not required
		Not Validated	<ul style="list-style-type: none"> Use Vendor Report and provide additional documentation per DU message If all qualifying income is W2 income and/or the type of fixed income typically reported on a 1099, tax and W2 transcripts are not required Transcripts provided by DU Validation Service or other acceptable vendor are required if: <ul style="list-style-type: none"> Tax returns are required by FNMA guidelines or the AUS, or All qualifying income is not either W2 income or the type of fixed income typically reported on a 1099 A 4506-C is required for each borrower whose income (regardless of income source) is used to qualify 	
		Unable to Validate	<ul style="list-style-type: none"> DU message will indicate what further documentation is required If all qualifying income is W2 income and/or the type of fixed income typically reported on a 1099, tax and W2 transcripts are not required Transcripts provided by DU Validation service or other acceptable vendor are required if: <ul style="list-style-type: none"> Tax returns are required by FNMA guidelines or the AUS, or All qualifying income is not either W2 income or the type of fixed-income typically reported on a 1099 A 4505-C is required for each borrower whose income (regardless of income source) is used to qualify 	

	<p>Self-Employment or other Income Type Requiring Tax Returns</p>	<p><i>See FNMA Selling Guide, B3-2-02</i></p>	<ul style="list-style-type: none"> A signed 4506-C and tax transcripts provided by DU Validation Service or other acceptable vendor are required for this income source 								
	<p>Loan File Component</p>	<p>Findings</p>	<p>Asset Documentation Requirement</p>								
	<p>General FNMA Requirements, B3-2-02</p>		<ul style="list-style-type: none"> If there are any changes to the borrower's assets, the Verification Report must be re-run. DU does not "automatically" update Verification Reports with subsequent DU runs 								
	<p>Assets (Must be reviewed for each asset and each borrower individually)</p>	<p>Validated</p>	<ul style="list-style-type: none"> The asset verification report is generally acceptable documentation. See B3-2-02 								
		<p>Not Validated</p>	<ul style="list-style-type: none"> Verify and document the Borrower's assets using traditional documentation as required by the Guide. Documentation must be maintained in the Mortgage file. See B3-4 								
		<p>Unable to Validate</p>	<ul style="list-style-type: none"> Verify and document the Borrower's assets using traditional documentation as required by the Guide. Documentation must be maintained in the Mortgage file. See B3-4 								
	<ul style="list-style-type: none"> Borrowers must be a natural person or an eligible Inter Vivos "Living" trust, B2-2 Non-U.S. citizen borrowers must meet FNMA requirements for non-U.S. citizens, B2-2-02 Deferred Action for Childhood Arrival (DACA) recipients, as indicated by EAD Code C33 meeting all other requirements, including valid Social Security number, are eligible. All Borrowers must have a valid social security number, ITIN are ineligible B2-2-01 No borrower is a Corporation, Limited Liability Company (LLC), partnership or other business entity, B2-2 All non-U.S. citizen Borrowers meet the proof of lawful residency documentation requirements listed in the table below Maximum 4 borrowers per loan No Borrower may be a person with diplomatic immunity or a Foreign Politically Exposed Person 										
	<p align="center">Non-U.S. Citizen Proof of Lawful Residency Documentation Requirements</p> <table border="1"> <thead> <tr> <th>Program</th> <th>Permanent Resident Alien</th> <th>Non-Permanent Resident Alien</th> <th>Non-Resident Alien or Other</th> </tr> </thead> <tbody> <tr> <td> <p>FNMA</p> </td> <td> <ul style="list-style-type: none"> Permanent Resident Card (Green Card), or Passport with USCIS I-551 stamp </td> <td> <ul style="list-style-type: none"> See Visa & EAD Eligibility Guide Matrix for a list of eligible VISA types and required documentation For certain VISA types, an EAD is not issued, and therefore is not required. For example, E-2, E-3, H-1B, I, L-1, O, P or TN Visas Certain EADs do not require a corresponding Visa. See the Visa & EAD Eligibility Guide Matrix for EADs that are eligible without a Visa Visas and Employment Authorization Documents (EAD) must be unexpired at the time of loan closing or provide acceptable evidence of pending renewal or extensions Borrowers with a derivative Visa type must also provide evidence of the validity of the primary Visa </td> <td> <p>Not Eligible</p> </td> </tr> </tbody> </table>			Program	Permanent Resident Alien	Non-Permanent Resident Alien	Non-Resident Alien or Other	<p>FNMA</p>	<ul style="list-style-type: none"> Permanent Resident Card (Green Card), or Passport with USCIS I-551 stamp 	<ul style="list-style-type: none"> See Visa & EAD Eligibility Guide Matrix for a list of eligible VISA types and required documentation For certain VISA types, an EAD is not issued, and therefore is not required. For example, E-2, E-3, H-1B, I, L-1, O, P or TN Visas Certain EADs do not require a corresponding Visa. See the Visa & EAD Eligibility Guide Matrix for EADs that are eligible without a Visa Visas and Employment Authorization Documents (EAD) must be unexpired at the time of loan closing or provide acceptable evidence of pending renewal or extensions Borrowers with a derivative Visa type must also provide evidence of the validity of the primary Visa 	<p>Not Eligible</p>
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	<ul style="list-style-type: none"> All guarantors, co-signers and non-occupant borrowers whose income is considered in qualifying and/or who sign the Note, must meet "Borrower Eligibility" requirements above and FNMA eligibility requirements, Selling Guide B2-2-04. (Note: FNMA requires that guarantors and co-signers must sign the Note). Maximum LTV/CLTV/HCLTV for loans with a non-occupant borrower is 95% Maximum LTV/CLTV/HCLTV if income of a non-occupying guarantor, co-signer or co-borrower is used for qualifying purposes 95%, B2-2-04 										
<p>CONDOMINIUMS</p>	<p>No Project Review</p>	<ul style="list-style-type: none"> Detached condos 2- to 4-unit projects Units in a PUD project FNMA to FNMA limited c/o Refi <80% CLTV/HCLTV 									
	<p>Limited Review for Established Projects except Florida</p>	<ul style="list-style-type: none"> Primary: ≤ 90% LTV/CLTV Second Home: ≤ 75% LTV/CLTV Non-Owner: ≤ 75% LTV/CLTV 									

	<p>Limited Review for Established Projects in Florida</p> <ul style="list-style-type: none"> • Primary: ≤ 75% LTV/CLTV • Second Home: ≤ 70% LTV/CLTV • Non-Owner: ≤ 70% LTV/CLTV <p>Full Review</p> <ul style="list-style-type: none"> • All new projects • Project ineligible for limited review
	<ul style="list-style-type: none"> • Must use CPM for Full Reviews for loan applications dated on or after 7/1/2023. • FNMA Form 1076 or equivalent Condo Questionnaire with Addendum is required • Value Acceptance Appraisal Waivers: Following condo project information is required for loans with value acceptance (appraisal waiver): <ul style="list-style-type: none"> ○ Project Name and address ○ Project design type (for attached condos) ○ Total number of units ○ Total numbers of units sold • Ineligible Condominium Types and Project Types: Project may not be on the FNMA condo unavailable list or ineligible per FNMA guides. <ul style="list-style-type: none"> ○ FNMA ineligible (non-warrantable) condo projects, such as the following project characteristics: <ul style="list-style-type: none"> ▪ New projects with undisclosed excessive sale or financing structures ▪ Hotel Condominiums/Condotels <ul style="list-style-type: none"> • Conversations from hotels or motels unless the project was a gut rehabilitation, where the resulting condo units no longer have the characteristics of a hotel/motel and meets the FNMA requirements for an established project ▪ Multi-Dwelling Unit Condos ▪ Commercial or Mixed-Use Space in excess of FNMA’s allocation limit (no more than 35%) ▪ Litigation or pre-litigation involving the safety, structural soundness, habitability, or functional use of the project ▪ Single-entity ownership concentration in excess of FNMA’s eligibility limit within the project ○ Subject property with unit size less than 650 square feet ○ Co-ops ○ Manufactured Home Condominium Projects (MHCPs)

CREDIT	<ul style="list-style-type: none"> • All borrowers, non-occupying borrowers, guarantors and co-signers whose income is considered in qualifying and/or who sign the Note, must meet the Credit requirements below: • Credit Reports: <ul style="list-style-type: none"> ○ Residential Mortgage Credit Report (RMCR) or traditional tri-merge is required ○ Each borrower must generate a traditional credit score from at least one repository ○ Use of non-traditional or “alternative” credit is ineligible ○ Credit reports must meet FNMA accuracy requirements, B3-5.2-03, B3-5.3-09 ○ “Trended credit date” display on the credit report is not required ○ DU will determine which score model is used; median score or representative score • Credit Scores: <ul style="list-style-type: none"> ○ Loans with a representative score of less than 620, regardless of DU eligibility, are ineligible ○ DU will select the Representative score (middle of three or lower of two) OR the Average Median score (ex: average of each borrower’s middle score) ○ Pricing will be based on the representative score • Frozen Credit: Loans to borrowers with credit data frozen at two or more repositories are not eligible. For loans with credit frozen at one repository, follow FNMA Selling Guide requirements, however, the requirement for each borrower to generate a traditional credit score from at least one repository applies. • Housing history per DU
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CREDIT EVENTS	<table border="1" style="width: 100%;"> <tr> <td>Bankruptcy – Chapter 7 or 11</td> <td>4 years</td> </tr> <tr> <td>Bankruptcy – Chapter 13</td> <td>2 years from discharge date 4 years from dismissal date</td> </tr> <tr> <td>Multiple Bankruptcy Filings</td> <td>5 years if more than one filing within the past 7 years</td> </tr> <tr> <td>Foreclosure</td> <td>7 years</td> </tr> <tr> <td>Short Sale / Deed-in-Lieu of Foreclosure, Pre-foreclosure Sale, or Charge-Off of Mortgage Account</td> <td>4 years</td> </tr> </table> <p>When both a bankruptcy and foreclosure are disclosed on the loan application, or when both appear on the credit report, the lender may apply the bankruptcy waiting period if the lender obtains the appropriate documentation to verify that the mortgage loan in question was discharged in the bankruptcy. Otherwise, the greater of the applicable bankruptcy or foreclosure waiting period must be applied.</p>	Bankruptcy – Chapter 7 or 11	4 years	Bankruptcy – Chapter 13	2 years from discharge date 4 years from dismissal date	Multiple Bankruptcy Filings	5 years if more than one filing within the past 7 years	Foreclosure	7 years	Short Sale / Deed-in-Lieu of Foreclosure, Pre-foreclosure Sale, or Charge-Off of Mortgage Account	4 years
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	<ul style="list-style-type: none"> • Extenuating circumstances may be eligible – see FNMA guides 		
DEED RESTRICTION	<ul style="list-style-type: none"> • Mortgage Loans subject to resale deed restrictions are not eligible, other than an acceptable, age-related resale restrictions meeting FNMA guidelines, B5-5.3-02 <ul style="list-style-type: none"> ○ Eligible as follows: <ul style="list-style-type: none"> ▪ 1- 2-unit principal residences, including condos and PUDs ▪ 1 unit second homes ▪ 1- 2-unit investment properties • Properties with resale restriction are not eligible for a value acceptance (Appraisal Waiver). 		
DELAYED FINANCING EXCEPTION	<ul style="list-style-type: none"> • Delayed Financing Exception must meet FNMA requirements in B2-1.2-03, Cash-Out <ul style="list-style-type: none"> ○ FNMA requires that Borrowers who purchased the subject property within the past 6 months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) are eligible for a cash-out refinance if all of the requirements of B2-1.2-03 are met. ○ The new loan transaction is considered a Cash-Out Refinance ○ FNMA requires that all delayed financing transactions must be arm’s-length, irrespective of occupancy type, B2-1.2-01, Purchase Transactions • Also, see Multiple Financed Properties for Same Borrower(s) 		
DISASTER POLICY	<ul style="list-style-type: none"> • Properties affected by a disaster must meet FNMA requirements in Selling Guide B2-3-05 <ul style="list-style-type: none"> ○ A re-inspection is required for properties in presidentially declared disaster areas eligible for individual assistance, and/or as announced by FNMA 		
DOWN PAYMENT ASSISTANCE (DPA)	Ineligible		
EMPLOYMENT, INCOME AND VVOE	<ul style="list-style-type: none"> • VVOE: must be obtained within 10 business days prior to the Note date for employment income and 120 calendar days prior to the Note date for self-employment income <ul style="list-style-type: none"> ○ DU Validation Service: The validation satisfies the requirement for verbal verification of employment described in B3-3.1-07 • Employment Offers and Contracts: Paystub required prior to closing • Employment-Related Assets as Qualifying Income – generally maximum LTV is 70% 		
ESCROW HOLDBACKS	<ul style="list-style-type: none"> • Ineligible 		
ESCROW/IMPOUND ACCOUNTS	<ul style="list-style-type: none"> • Escrow/impound accounts are required for all loans > 80% LTV except as prohibited or required by Applicable Law in certain states • Waiver requests require investor prior approval and carry and LLPA. • Flood Insurance: Flood insurance must be escrowed if the loan is secured by a primary residence or second home located in a mandatory flood zone, regardless of whether any other funds are escrowed unless premiums are paid by a condominium association, homeowners association or other applicable group as a common expense 		
IDENTITY OF INTEREST AND NON-ARM’S LENGTH	<ul style="list-style-type: none"> • Transactions with identity of interest or non-arm’s length “characteristics” are not eligible on newly constructed homes and existing properties secured by a second home or investment property, Seller Guide 10.4.4.1 <ul style="list-style-type: none"> ○ “Characteristics” of identity of interest or non-arm’s length transactions include: <ul style="list-style-type: none"> ▪ Family sales involving family members or business associates ▪ Business entity/officer or principal of business entity sales ▪ Builder or Developer/employee or affiliate of builder/developer sales ▪ Sales involving gift of equity • Requirements for Identity of Interest and Non-Arm’s Length Transactions, Seller Guide 10.4.4.2 <ul style="list-style-type: none"> ○ Purchase transactions are not eligible if property transferred within 90 days ○ Transactions involving assignment of the sales contract are in eligible ○ Verify and document the deposit of earnest money amount and source of funds ○ The purchase contract must be reviewed for irregular terms or concessions and the Closing Disclosure must show no large or atypical disbursements for non-lien items ○ A written explanation from the borrower is required stating relationship to seller and rationale for purchase ○ A full appraisal is required. • FNMA does not permit any non-arm’s length transactions for Delayed Financing, Fannie Mae B2-1.2 Loan Purpose 		
INTERESTED PARTY CONTRIBUTIONS AND LENDER CONTRIBUTIONS	<ul style="list-style-type: none"> • Interested party contributions (IPCs) are financing and sales concessions • IPCs may be applied toward the borrower’s closing costs and prepaid items • The following are ineligible: <ul style="list-style-type: none"> ○ Loans with undisclosed interested party contributions, and ○ Loans with Payment Abatements 		
	Occupancy	LTV/CLTV	Maximum IPC
	Primary or Second Home	Greater than 90%	3% of purchase price

		75.01%-90%	6% of purchase price															
		75% or less	9% of purchase price															
	Investment	All CLTV ratios	2% of purchase price															
	Also see Assets – Cash to Close, Reserves for minimum borrower contribution requirements																	
LEASEHOLD ESTATES AND LAND TRUSTS	<ul style="list-style-type: none"> The term of the leasehold estate must run for at least 5 years before the maturity date of the mortgage unless fee simple title will vest earlier, B2-3-03 Loans made to or held in a Blind Trust, Land Trust or Community Land Trust, including Illinois land trusts and “Indian Leased Land”, are not eligible 																	
MORTGAGE CREDIT CERTIFICATES (MCCs)	<ul style="list-style-type: none"> Ineligible 																	
MORTGAGE INSURANCE	<ul style="list-style-type: none"> Eligible MI provider: Radian Acceptable: <ul style="list-style-type: none"> BPMI Monthly Paid MI BPMI Single Premium Paid MI Ineligible: <ul style="list-style-type: none"> Monthly Lender Paid MI or any MI where the premium is paid out of the mortgage interest received Reduced MI levels Financed MI Premium MI Coverage Requirements: <ul style="list-style-type: none"> Reduced MI per DU is ineligible. Standard coverage is required. Primary and Second Homes with LTV greater than 80.00% <table border="1"> <thead> <tr> <th>LTV</th> <th>30-year Term</th> <th>15-year Term</th> </tr> </thead> <tbody> <tr> <td>95.01 – 97%</td> <td>35%</td> <td>35%</td> </tr> <tr> <td>90.01 – 95%</td> <td>30%</td> <td>25%</td> </tr> <tr> <td>85.01 – 90%</td> <td>25%</td> <td>12%</td> </tr> <tr> <td>80.01 – 85%</td> <td>12%</td> <td>6%</td> </tr> </tbody> </table> 			LTV	30-year Term	15-year Term	95.01 – 97%	35%	35%	90.01 – 95%	30%	25%	85.01 – 90%	25%	12%	80.01 – 85%	12%	6%
LTV	30-year Term	15-year Term																
95.01 – 97%	35%	35%																
90.01 – 95%	30%	25%																
85.01 – 90%	25%	12%																
80.01 – 85%	12%	6%																
MULTIPLE FINANCED PROPERTIES FOR THE SAME BORROWER(S)	<ul style="list-style-type: none"> General Guidelines <ul style="list-style-type: none"> Owner Occupied, Principal Residence: No limit of 1-4 residential properties, B2-2-03 Second Home and Investment Property: Borrowers may have up to 10 financed, 1- to 4-unit properties, including their personal residence(s) and subject property, where borrower is personally obligated on the mortgage(s). (Exceptions apply. Extensive examples are provided in B2-2-03) <table border="1"> <thead> <tr> <th rowspan="2">Subject Transaction Type</th> <th rowspan="2">Subject Property Units</th> <th rowspan="2">Max LTV/CLTV/HCLTV</th> <th colspan="2">Minimum Credit Score (Includes personal residence(s) and subject property)</th> </tr> <tr> <th>2-6 Financed Properties</th> <th>7-10 Financed Properties</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Subject is Second Home or Investment Property: <ul style="list-style-type: none"> Purchase Limited Cash-Out Refinance Cash-Out Refinance </td> <td>1-4</td> <td>Standard LTV/CLTV/HCLTV requirements apply (See the FNMA Eligibility Matrix)</td> <td>Standard eligibility policies apply</td> <td>720</td> </tr> </tbody> </table> Must confirm that the DU determination of number of financed properties is accurate, B2-2-03 Mortgage Debt Paid by Others: Generally, the PITIA may be excluded, but the mortgaged property must still be included in the borrower’s property count, and the UPB must be included in the reserve calculation for multiple financed properties, B2-2-03, B3-6-05. 			Subject Transaction Type	Subject Property Units	Max LTV/CLTV/HCLTV	Minimum Credit Score (Includes personal residence(s) and subject property)		2-6 Financed Properties	7-10 Financed Properties	<ul style="list-style-type: none"> Subject is Second Home or Investment Property: <ul style="list-style-type: none"> Purchase Limited Cash-Out Refinance Cash-Out Refinance 	1-4	Standard LTV/CLTV/HCLTV requirements apply (See the FNMA Eligibility Matrix)	Standard eligibility policies apply	720			
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OCCUPANCY	<ul style="list-style-type: none"> Fannie Mae permits 1-to 4-unit principal residence, 1-unit second homes and 1- to 4-unit investment properties in this program, Eligibility Matrix. Second Home Requirements: Must be suitable for year-round occupancy and occupied by the borrower for some portion of the year, 1-unit only, borrower must have exclusive control of the property, cannot be subject to any agreements that give a management firm control over occupancy of the property, and must not be rental property or a timeshare arrangement. <ul style="list-style-type: none"> If the lender identifies rental income from the property, the loan is eligible for delivery as a second home as long as the income is not used for qualifying purposes, and all other requirements for second homes are met (including the occupancy requirement above), 																	
PREPAYMENT PENALTY	<ul style="list-style-type: none"> None 																	
POWER OF ATTORNEY (POA)	<ul style="list-style-type: none"> Use of Power of Attorneys is not allowed for transactions with any of the following characteristics: <ul style="list-style-type: none"> Cash-out refinance; Non-owner occupied (investment) properties; Title taken as trust; Identity of interest or non-arm’s length transactions; 																	

	<ul style="list-style-type: none"> ○ Recorded interactive session not allowed and therefore Fannie Mae permitted exceptions for ineligible agents are not allowed; ○ Non-occupant borrowers may not use a POA; • The original POA must be recorded • See the Operations Manual, Power of Attorney for complete requirements.
RESERVES	<ul style="list-style-type: none"> • Determined per DU
INELIGIBLE TRANSACTIONS	<p>Ineligible:</p> <ul style="list-style-type: none"> • Fannie Mae affordable housing programs, including: HFA Preferred™, My Community, HomePath®, HomeStyle® Renovation, HomeStyle® Energy, Community Solutions® and Community HomeChoice®, Pace, HomeReady • Manufactured Housing programs • Loans with Community Seconds® in this program, B5-5.1.01 • Loans made to or held in a Community Land Trust or Land Trust, B5-5.1.0 • “One-time-close” construction loans and construction loan modifications are NOT eligible. <ul style="list-style-type: none"> ○ Attached condominiums are not eligible for construction-to-permanent financing, Eligibility Matrix.) • Fannie Mae High LTV Refinance Option (which replaces DU Refi Plus®) • Fannie Mae RefiNow™ refinance option <ul style="list-style-type: none"> ○ Note: The Underwriter must instruct DU to underwrite a loan casefile that may be eligible as RefiNow™ as a standard limited cash-out refinance by entering the phrase "Standard LCOR" in the Product Description field, so the loan casefile is not underwritten as RefiNow™.
PROPERTY TYPES	<ul style="list-style-type: none"> • Eligible: <ul style="list-style-type: none"> ○ 1 – 4 Unit SFR or PUD ○ Warrantable Condo ○ Modular Homes • Ineligible Property Types: <ul style="list-style-type: none"> ○ Assisted living or board and care facilities ○ Bed & breakfast ○ Boarding houses ○ Properties with ratings of C5, C6 or Q6 are not allowed ○ Condominiums: Ineligible condo projects as described in the Ineligible Condo Projects section of this Guide ○ Co-ops, co-op hotels ○ Unique or non-traditional types of structures, including, but not limited to, “barndominiums” (barn conversions or barn-style buildings), “shouses” (living-space and work/storage combinations), berm homes, log homes, and geodesic dome homes ○ Houseboats ○ Land loans, vacant or unimproved properties ○ Manufactured homes and mobile homes or on-frame modular ○ Manufactured home ADU ○ Native American Land: Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same ○ State and Geographic Restrictions apply ○ Square footage of less than 650 square feet ○ Working farms and ranches ○ Properties that are not suitable for year-round occupancy or are not readily accessible by roads that meet local standards, B2-3-01. • Also, see Deed Restrictions, and Leasehold Estates and Land Trusts. <p>Additional Fannie Mae guideline apply to homes with leased solar panels, see B2-3-04.</p>
PURCHASE CONTRACT ASSIGNMENTS	<ul style="list-style-type: none"> • If the Purchase Contract has been assigned, the loan is ineligible
PROPERTY FLIPPING / RAPID RESALE	<ul style="list-style-type: none"> • Follow FNMA guidelines <p>Identity of Interest / Non-Arm’s Length transactions are not eligible.</p>
REFINANCE RESTRICTIONS	<ul style="list-style-type: none"> • Refinance transactions are not eligible if evidence of churning and/or Net Tangible Benefits not established • Limited Cash-Out: <ul style="list-style-type: none"> ○ Cash to borrower on Limited Cash-Out transactions is limited to the lesser of 2% of the new refinance loan amount or \$2,000, B2-1.2-02 ○ Seasoning Requirements – 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, B2-1.3-04 ○ Properties that were listed for sale must have been taken off the market on or before the disbursement date of the new mortgage loan, and the borrowers must confirm their intent to occupy the subject property (for principal residence transactions). • Cash-Out Refinance: Must meet requirements in B2-1.3-03, including:

	<ul style="list-style-type: none"> ○ Seasoning Requirement: If an existing first mortgage is being paid off through the transaction, it must be at least 12 months old at the time of refinance, as measured by the note date of the existing loan to the note date of the new loan. This requirement does not apply to the following: <ul style="list-style-type: none"> • To any existing subordinate liens being paid off through the transaction, or • When buying out a co-owner pursuant to a legal agreement ○ At least one borrower must have been on title for at least for six months prior to the disbursement date of the new loan, unless one of the following exceptions apply: <ul style="list-style-type: none"> • There is no waiting period if the documented evidence shows that the borrower acquired the property through an inheritance or was legally awarded the property (divorce, separation, or dissolution of a domestic partnership). • The delayed financing requirements are met. See Delayed Financing Exception topic in B2-1.3-03 ○ Properties that were listed for sale must have been taken off the market on or before the disbursement date of the new mortgage loan. <ul style="list-style-type: none"> • Student Loan Cash-Out Refinance transactions are not eligible
SECONDARY (SUBORDINATE) FINANCING	<ul style="list-style-type: none"> • Follow B2-1.1, and B5-5.2-04 <ul style="list-style-type: none"> ○ A copy of the second lien Note is required ○ The title policy must ensure that the new first is clearly insured in first lien position. ○ For new subordinate liens provide a certified copy of the security instrument indicating that it is recording subordinate to the new first lien be in the Loan file. ○ For re-subordinating seconds, a copy of the executed subordination agreement (or equivalent, as designated by applicable state law) must be in the Loan file. ○ Secondary financing must have Fannie Mae eligible terms and characteristics. ○ No lien on subject property may be a sovereign instrumentality (e.g., secured loans provided by tribal governments). • HELOCs: Follow Fannie Mae guidelines for calculating CLTV, HCLTV <ul style="list-style-type: none"> ○ The entire credit line limit based on the Note must be used to calculate the HCLTV. ○ If a credit line is reduced without a permanent modification of the original Note, then the entire original line limit must be used to calculate the HCLTV. • HELOC Payment Calculation: To calculate the qualifying payment of a subordinate HELOC, follow B.3.6. Generally: <ul style="list-style-type: none"> ○ If the HELOC does not report a balance, then there is no recurring monthly debt obligation, so the lender does not need to develop an equivalent payment amount based on the line amount or otherwise. <p>Loans transactions with Community Seconds® are not eligible in this program.</p>
STATE AND GEOGRAPHIC RESTRICTIONS	AK, HI, ID, IA, MA, MT, NJ 2-4 Units, NY, ND, SD, TX – Texas (a)(6) and (f)(2) is ineligible, WV, WY, US territories/possessions
TAX TRANSCRIPTS AND 4506-C	<ul style="list-style-type: none"> • A signed 4506-C and consent to release tax returns form is required for each borrower whose income (regardless of income source) is used to qualify • IRS Transcripts required for each tax year with qualifying income documentation • No record found results must be in the file when transcripts are available for processing (W2 and 1099 for current year generally not available until mid-April). Tax returns are available for processing generally 2 weeks after filing. • IRS stamped received returns may be used for recently filed returns • Proof of taxes owed, or refund received or in process via IRS portal may be used to validate recently filed returns.
TRUSTS	<ul style="list-style-type: none"> • Fannie Mae allows Inter Vivos “Living” trusts only. No blind or land trusts • Documents for loans where title is taken in a trust cannot be signed with a Power of Attorney.
1003 / URLA / SCIF Form 1103	<ul style="list-style-type: none"> • Supplemental Consumer Information Form (SCIF) (Form 1103) for all loans with an application date on or after 3/1/2023. Any data provided on the SCIF must also be included in the AUS submission file • The initial 1003 loan application must be signed and dated by the Loan Originator (LO) and included in the mortgage file. The borrower signature and date are optional, but not required. • See borrower(s) signature requirements for the initial 1003 when a power of attorney is used, Seller Guide 6.10.2. • The final 1003 loan application must be signed by the borrower(s) and included in the mortgage file.
RESOURCE LINKS	FNMA Selling Guide FNMA Eligibility Matrix