



FANNIE MAE/CONFORMING HIGH BALANCE/HOMEREADEY

FANNIE MAE STANDARD CONFORMING AND HIGH-BALANCE LTV MATRIX								
OCCUPANCY	PURCHASE & LIMITED CASH OUT REFINANCE					CASH OUT REFINANCE		
	PROPERTY TYPE**	MAX LTV/CLTV/HCLTV				PROPERTY TYPE**	MAX LTV/CLTV/HCLTV	
		FIXED RATE		ARM			FIXED RATE	ARM
		PURCH	LTD C/O	PURCH	LTD C/O			
PRINCIPAL RESIDENCE	SFR/PUD/CONDO	97%*	97%*	95%	95%	SFR/PUD/CONDO	80%	80%
	MANUFACTURED	95%	95%	95%	95%	MANUFACTURED	65%	65%
	2 UNITS	95%	95%	95%	95%	2 UNITS	75%	75%
	3-4 UNITS	95%	95%	95%	95%	3-4 UNITS	75%	75%
SECOND HOME	SFR/PUD/CONDO	90%	90%	90%	90%	SFR/PUD/CONDO	75%	75%
	MANUFACTURED	90%	90%	90%	90%			
INVESTMENT PROPERTY	SFR/PUD/CONDO	85%	75%	85%	75%	SFR/PUD/CONDO	75%	75%
	2-4 UNITS	75%	75%	75%	75%	2-4 UNITS	70%	70%

* Max LTV 95% for High Balance Loans

** Manufactured Homes: limited to 1-unit property; cash-out refinance term limited to ≤ 20 years

FANNIE MAE HOMEREADEY LTV MATRIX						
OCCUPANCY & PROPERTY TYPE	PURCHASE			LIMITED CASH OUT REFINANCE		
	PRODUCT	MAX LTV/CLTV/HCLTV		PRODUCT	MAX LTV/CLTV/HCLTV	
		SINGLE LIEN	WITH DPA 2ND		SINGLE LIEN	WITH 2ND
PRINCIPAL RESIDENCE SFR/PUD/CONDO	CONFORMING	95.01 – 97%	97%/105%	CONFORMING	95.01 – 97% [◇]	105%/105%
	HIGH BALANCE	95%	95%/105%	HIGH BALANCE	95%	95%/95%
PRINCIPAL RES. 2 UNITS	CONFORMING	85%	N/A	CONFORMING	85%	N/A
PRINCIPAL RES. 3-4 UNITS		75%	N/A		75%	N/A

◇ The loan must be currently owned by Fannie Mae.

https://singlefamily.fanniemae.com/media/37446/display			
UNITS	GENERAL LIMITS	HIGH-COST LIMITS	AK, HI, U.S. VIRGIN ISLANDS
1	\$766,550	\$1,149,825	\$1,149,825
2	\$981,500	\$1,472,250	\$1,472,250
3	\$1,186,350	\$1,779,525	\$1,779,525
4	\$1,474,400	\$2,211,600	\$2,211,600

TOPIC	OVERLAY
BASIC GUIDELINES	Overlays in this matrix apply to FNMA (Fannie Mae). Refer to FNMA Selling Guide for additional guidance. Information in this matrix is subject to change without notice.
Amended Tax Returns	Accepted for the following amendment reasons: <ul style="list-style-type: none"> • Amended for clerical items only (i.e. modifying a prior ITIN number to a newly issued SSN) • Amended for income-related items, under the following conditions: <ul style="list-style-type: none"> ○ Amended at least sixty (60) days before mortgage application taken ○ Amendment shows on transcripts (stamped returns not acceptable) ○ Documentation supplied to support the increase, including but not limited to: <ul style="list-style-type: none"> ▪ 1099 or W2 showing missed/updated income ▪ Canceled Checks or Bank Statements showing missed/updated rental income
Assets	<ul style="list-style-type: none"> • Internet Statements, obtained from financial institution’s website, must contain same information found on a standard bank statement. • VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor.
Condominiums	<ul style="list-style-type: none"> • FNMA PERS Approved condos are eligible • Leasehold not permitted. • Minimum square footage: 400 Sq Ft
Credit	All borrowers must have at least one (1) valid credit score to be eligible for an ‘Approved’ recommendation (by DU or LPA). Extenuating circumstances are not allowed for Bankruptcy or Foreclosure. <ul style="list-style-type: none"> • All borrowers must have a minimum credit score of 620
Custodial Account	An account in a minor’s name where the borrower is named only as custodian of the funds is not eligible for use as closing costs, down payment, or reserves.
Electronic Signatures/eSigning	<ul style="list-style-type: none"> • eSigning is allowed for most documents. • eSigning is <u>not</u> allowed for: <ul style="list-style-type: none"> ○ Note ○ Note Rider(s) ○ Notice of Right to Cancel ○ Security Instrument ○ Security Instrument Rider(s)
Family Owned Business	Two years tax returns are required regardless of AUS (DU) recommendation.
Ineligible Programs – FNMA	<ul style="list-style-type: none"> • Community Land Trusts • High-LTV Refinance • HomePath, HomeStyle • HomeReady with Reduced Mortgage Insurance Option • Land Trusts

TOPIC	OVERLAY
	<ul style="list-style-type: none"> • Native American Lands • PACE Obligations attached to property
Ineligible Properties	<ul style="list-style-type: none"> • Co-Ops • Indian Leased Land • Property Flip of Non-Arm's Length Transaction • Resale type Deed Restrictions • Solar Panels that affect first lien position
Manufactured Housing	<ul style="list-style-type: none"> • Fixed Rate programs only • Manufactured Homes that are subject to deed restrictions are not allowed • Leased Land property is not allowed • Single-wide homes not allowed • Must meet all other FNMA guidelines • 95% Maximum LTV
Minimum Loan Amount	\$75,000
Mortgage Credit Certificate (MCC)	Not permitted
Mortgage Insurance (MI): Reduced	Not permitted
Multiple Financed Properties	<ul style="list-style-type: none"> • Per Fannie Mae Guidelines • Maximum 10 for all borrowers on loan. • Minimum credit score of 720 when borrower(s) have more than 6 financed properties • HomeReady products no more than 1 financed property
Non-Permanent Resident Aliens	<p>These borrowers accepted under the following conditions:</p> <ul style="list-style-type: none"> • Acceptable Visa evidence provided: • Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS • Borrower has valid Social Security Number (SSN) • Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen • DACA: With Category C33 work status under deferred action, DACA borrowers eligible • Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible
Power of Attorney (POA)	A POA may not be eSigned and must be specific to the transaction.
Social Security Number (SSN)	All borrowers must have a valid SSN.
Tax Transcripts	Required when tax returns are used to qualify borrower income
Underwriting Method	Manual Underwriting not allowed. All loans must receive AUS approval:FNMA DU Approve/Eligible

TOPIC	OVERLAY
Unpaid Federal Tax Debt	<ul style="list-style-type: none"> • BFF considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed; one monthly payment is required. • Borrower with delinquent Federal Tax Debt is ineligible <p>NOTE: Record of Account can be used in lieu of canceled check or proof of electronic payment.</p>
Temporary Buydown	<ul style="list-style-type: none"> • 2-1 and 1-0 interest buydowns are eligible. • Purchase Transaction only • Investment properties, Manufactured home properties, R/T, and cash-out refinance transactions, including Texas 50(a)(6), are <u>not</u> eligible for temporary buydowns • Temporary interest rate buydowns are allowed on fixed-rate mortgages for primary residences or second homes, provided the rate reduction does not exceed 2% and the rate increase will not exceed 1% per year. • The mortgage instruments must reflect the permanent terms rather than the term of the buydown plan. In no event can the buydown plan change the terms of the mortgage note. • There is no contribution from the borrowers to the buydown funds. • When the source of the buydowns funds is an interest party to the property sale or purchase transaction, the Interest Party Contributions limits apply. • When the Seller funds the buydown, the buydown agreement must require that the funds in the buydown account be transferred to FlexPoint DBA. BFF trust account as part of servicing. • The buydown plan must be a written agreement between the providing the buydowns funds and the borrower. All of the terms of the buydown plan must be disclosed to Agencies, the mortgage insurer, and the property appraiser. The buydown agreement must provide that the borrower is not relieved of his or her obligation to make the mortgage payments required by the terms of the mortgage note if, for any reason, the buydown funds are not available. The buydown agreement may include an option for the buydown funds to be returned to the borrower or to BFF, if it funded the buydown, if the mortgage is paid off before all of the funds have been applied. A copy of the buydown agreement must be included in the documentation package for the mortgage. • When underwriting loans that have a temporary interest rate buydown, the Underwriter must qualify the borrower based on the note rate without consideration of the bought-down rate. • There is not a limit on the total dollar amount of an interest rate buydown. The total dollar amount of an interest rate buydown must be consistent with the terms of the buydown period. An interest rate buydown plan must provide for: <ul style="list-style-type: none"> ○ A buydown period mor A buydown period not greater than 24 months, and ○ Increase of not more than 1% in the portion of the interest rate paid by the borrower in each 12-month interval.

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	<ul style="list-style-type: none"> The Underwriter must follow Fannie Mae requirements the treatment of buydown funds If the mortgage is liquidated or the property is sold during the buydown period, the buydown funds should be disposed in the following manner: <table border="1" data-bbox="684 448 1866 753"> <thead> <tr> <th data-bbox="684 448 1161 488">Status of Mortgage</th> <th data-bbox="1161 448 1866 488">Disposition of Funds</th> </tr> </thead> <tbody> <tr> <td data-bbox="684 488 1161 639">The mortgage is paid in full</td> <td data-bbox="1161 488 1866 639">The funds should be credited to the total amount required to pay off the mortgage, or they may be returned to either the borrower or the Seller as specified in the buydown agreement.</td> </tr> <tr> <td data-bbox="684 639 1161 680">The mortgage is foreclosed</td> <td data-bbox="1161 639 1866 680">The funds are used to reduce the mortgage debt</td> </tr> <tr> <td data-bbox="684 680 1161 753">The property is sold, and the mortgage is assumed by the purchaser.</td> <td data-bbox="1161 680 1866 753">The funds may continue to be used to reduce the mortgage payments under the original terms of the buydown plan.</td> </tr> </tbody> </table> <p data-bbox="611 854 1167 878">NOTE: The special feature code 009 must be entered.</p>	Status of Mortgage	Disposition of Funds	The mortgage is paid in full	The funds should be credited to the total amount required to pay off the mortgage, or they may be returned to either the borrower or the Seller as specified in the buydown agreement.	The mortgage is foreclosed	The funds are used to reduce the mortgage debt	The property is sold, and the mortgage is assumed by the purchaser.	The funds may continue to be used to reduce the mortgage payments under the original terms of the buydown plan.
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