

PRODUCT MATRIX

Fannie Mae HomeReady Selling Guide link:

<https://www.fanniemae.com/singlefamily/homeready>

Loan Limits	# of Units	Conforming Loan Limits	High Balance Loan Limits
	1	\$766,550	\$1,149,825
	2	\$981,500	\$1,472,250
	3	\$1,186,350	\$1,779,525
	4	\$1,474,400	\$2,211,600

Primary Residence Only

Purchase and Limited Cash Out Refinance	# of Units	LTV/CLTV ¹	Minimum Credit Score
	1	97% ² /105%	620
	2 ³	85%/105%	
	3-4 ⁴	75%/105%	

¹ CLTV up to 105% with eligible community seconds (Refer to Fannie Mae guidance for details).

² Rate and Term Refinance with LTV > 95%. Lender must verify the existing loan being refinanced is owned by Fannie Mae.

³ Purchase or No Cash out Refinance

AUS Desktop Underwriter® (DU)	<ul style="list-style-type: none"> • DU Approve/Eligible only • Manual underwriting not permitted
	<p>Based on the census tract and borrower income, DU will notify users when a loan casefile appears to be eligible for HomeReady but the lender has not underwritten the loan casefile as HomeReady. Resubmit the loan casefile as a HomeReady loan to obtain the appropriate HomeReady messaging. New Additional Data screen field will allow entering census tract information if DU is unable to geocode the property address.</p>
Terms	<ul style="list-style-type: none"> • Fixed Rate. (30, 25, 20, 15 and 10 Year Terms)
Temporary Interest Rate Buydowns	<ul style="list-style-type: none"> • Maximum allowable interest rate reduction is 2%. <ul style="list-style-type: none"> ▶ Available as 2/1 or 1/0 • 30 Year Fixed only • Owner occupied & Second Homes • Purchase Only. • Qualify at Note rate (not the bought down rate)
Ratio's	<ul style="list-style-type: none"> • Determined by AUS
Reserves	<ul style="list-style-type: none"> • Determined by AUS
Borrower Income Limits	<ul style="list-style-type: none"> • 80% of area median income (AMI) • Borrowers with a qualifying income of less than or equal to 50% of the applicable area median income (AMI) of the subject property's location are eligible for a \$2,500 lender credit. <ul style="list-style-type: none"> ▶ the credit must be provided directly to the borrower, such as being applied to down payment and closing costs, including escrows and mortgage insurance premiums.
Minimum Borrower Contribution	<p>1 Unit - \$0.00</p> <p>2 to 4 Units - 3% for LTV/CLTV/HCLTV >80%</p>
Mortgage Insurance (MI) Coverage	<ul style="list-style-type: none"> • 25% MI coverage for LTVs 90.01-97% • Standard MI coverage for LTVs of 90% or less • MI may be financed up to the maximum LTV for the transaction, including the financed MI



Fannie Mae HomeReady

Acceptable Sources of Funds for Down Payment and Closing Costs	<ul style="list-style-type: none"> • Gifts, grants, and Community Seconds®. • Any eligible loan may have more than one Community Seconds (i.e., third lien) up to the maximum 105% CLTV. See Community Seconds fact sheet.
Multiple Financed Properties	<ul style="list-style-type: none"> • Occupant borrower(s) may own one other financed residential property (in addition to the subject property) at the time of closing.
Non-Occupant Borrowers	<ul style="list-style-type: none"> • Non-occupant borrowers permitted to maximum 95% LTV in DU. • Income considered as part of qualifying income and subject to income limits. • No limitation on ownership of other property for non-occupant borrower.
Property Types	<ul style="list-style-type: none"> • 1-4 units, Condo's and Puds. • Manufactured Housing must meet agency guidelines. (Maximum 95% LTV) • Co-ops are not permitted
Other Income	<p>1 Unit:</p> <ul style="list-style-type: none"> • Boarder income (relatives or non-relatives): Up to 30% of qualifying income; documentation for at least 9 of the most recent 12 months (averaged over 12 months) and documentation of shared residency for the past 12 months. • Accessory dwelling units: Rental income may be used as qualifying income per rental income guidelines.
	<p>2-4 Units:</p> <ul style="list-style-type: none"> • Boarder income not eligible. • Rental income may be used as qualifying income per rental income guidelines.
Homeownership Education	<p>For HomeReady purchase transactions, if all occupying borrowers are first-time homebuyers, then at least one borrower must do one of the following, regardless of LTV:</p> <ul style="list-style-type: none"> • complete a homeownership education course from a qualified provider** prior to closing; or • complete a homeownership education course required by a Community Seconds or down payment assistance program that is provided by a HUD-approved agency prior to closing, if the HomeReady loan involves a Community Seconds or down payment assistance program; or • receive housing counseling from a HUD-approved nonprofit housing counseling agency (as evidenced by a signed Certificate of Completion of Housing Counseling (Form 1017) prior to the borrower signing a purchase contract; or • Have already completed housing counseling (as evidenced by a completed Fannie Mae Form 1017). <p>** A qualified provider must be independent of the lender, with homeownership education content that is aligned with National Industry Standards (NIS) or is offered by a housing counseling agency approved by the U.S. Department of Housing and Urban Development (HUD). Fannie Mae HomeView™ can be used to satisfy the homeownership education requirements.</p>