



# Fannie Mae HomeReady

## 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	\$806,500	\$1,209,750
	2	\$1,032,650	\$1,548,975
	3	\$1,248,150	\$1,872,225
	4	\$1,551,250	\$2,326,875

### Primary Residence Only

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

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

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

<sup>3</sup> Purchase or No Cash out Refinance

AUS Desktop Underwriter® (DU)	<ul style="list-style-type: none"> <li>• DU Approve/Eligible only</li> <li>• Manual underwriting not permitted</li> </ul>
	<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"> <li>• Fixed Rate. (30, 25, 20, 15 and 10 Year Terms)</li> </ul>
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Temporary Interest Rate Buydowns	<ul style="list-style-type: none"> <li>• Maximum allowable interest rate reduction is 2%. <ul style="list-style-type: none"> <li>▶ Available as 2/1 or 1/0</li> </ul> </li> <li>• 30 Year Fixed only</li> <li>• Owner occupied &amp; Second Homes</li> <li>• Purchase Only.</li> <li>• Qualify at Note rate (not the bought down rate)</li> </ul>
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Ratio's	<ul style="list-style-type: none"> <li>• Determined by AUS</li> </ul>
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Reserves	<ul style="list-style-type: none"> <li>• Determined by AUS</li> </ul>
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Borrower Income Limits	<ul style="list-style-type: none"> <li>• 80% of area median income (AMI)</li> </ul>
	<ul style="list-style-type: none"> <li>• 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"> <li>▶ 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.</li> </ul> </li> </ul>

Minimum Borrower Contribution	1 Unit - \$0.00
	2 to 4 Units - 3% for LTV/CLTV/HCLTV >80%

Mortgage Insurance (MI) Coverage	<ul style="list-style-type: none"> <li>• 25% MI coverage for LTVs 90.01-97%</li> <li>• Standard MI coverage for LTVs of 90% or less</li> <li>• MI may be financed up to the maximum LTV for the transaction, including the financed MI</li> </ul>
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<b>Acceptable Sources of Funds for Down Payment and Closing Costs</b>	<ul style="list-style-type: none"> <li>• Gifts, grants, and Community Seconds®.</li> <li>• 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.</li> </ul>
<b>Multiple Financed Properties</b>	<ul style="list-style-type: none"> <li>• Occupant borrower(s) may own one other financed residential property (in addition to the subject property) at the time of closing.</li> </ul>
<b>Non-Occupant Borrowers</b>	<ul style="list-style-type: none"> <li>• Non-occupant borrowers permitted to maximum 95% LTV in DU.</li> <li>• Income considered as part of qualifying income and subject to income limits.</li> <li>• No limitation on ownership of other property for non-occupant borrower.</li> </ul>
<b>Property Types</b>	<ul style="list-style-type: none"> <li>• 1-4 units, Condo's and Puds.</li> <li>• Manufactured Housing must meet agency guidelines. (Maximum 95% LTV)</li> <li>• Co-ops are not permitted</li> </ul>
<b>Other Income</b>	<p><b>1 Unit:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Accessory dwelling units: Rental income may be used as qualifying income per rental income guidelines.</li> </ul> <p><b>2-4 Units:</b></p> <ul style="list-style-type: none"> <li>• Boarder income not eligible.</li> <li>• Rental income may be used as qualifying income per rental income guidelines.</li> </ul>
<b>Homeownership Education</b>	<p><b>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:</b></p> <ul style="list-style-type: none"> <li>• complete a homeownership education course from a qualified provider** prior to closing; or</li> <li>• 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</li> <li>• 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</li> <li>• Have already completed housing counseling (as evidenced by a completed Fannie Mae Form 1017).</li> </ul> <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>