

Conventional—97% LTV Options

updated 12/5/2018

	Freddie Mac Home Possible—97% LTV Home Possible Advantage is no longer available – the programs have been merged as of 10/29/2018	Freddie Mac HomeOne Mortgage – 97% LTV	Fannie Mae HomeReady—97% LTV	Fannie Mae Standard—97% LTV
Max Mortgage	1 Unit = \$424,100 2 Unit = \$543,000 3 Unit = \$656,350 4 Unit = \$815,650	1 Unit = \$424,100 2 Unit = \$543,000 3 Unit = \$656,350 4 Unit = \$815,650	1 Unit = \$424,100 2 Unit = \$543,000 3 Unit = \$656,350 4 Unit = \$815,650	1 Unit = \$424,100 2 Unit = \$543,000 3 Unit = \$656,350 4 Unit = \$815,650
Credit Score	620, but due to MI requirements borrowers under 680 may benefit from FHA Financing due to MI amounts – price comparison is strongly suggested	620, but due to MI requirements borrowers under 680 may benefit from FHA Financing due to MI amounts – price comparison is strongly suggested	620, but due to MI requirements borrowers under 680 may benefit from FHA Financing due to MI amounts – price comparison is strongly suggested	620, but due to MI requirements borrowers under 680 may benefit from FHA Financing due to MI amounts – price comparison is strongly suggested
Max LTV	97%--1 unit 95% for 2 – 4 unit owner occupied	97% - 1 unit	97%--1 unit	97%--1 unit
Max CLTV	105% (w/Community Second)	105% (w/Affordable Second)	105% (w/Community Second)	105% (w/Community Second)
Occupancy	<ul style="list-style-type: none"> Ownership of other property permitted without any restrictions. Borrower must meet DTI requirements per AUS Non occupant co-borrower <i>is</i> allowed based on certain conditions 	<ul style="list-style-type: none"> Owner Occupied only Non occupant co-borrower is not allowed Occupying borrower may not have any ownership in any other residential property at time of closing 	<ul style="list-style-type: none"> Owner-Occupied Only Non-borrowing household member can be added as a comp factor to approve a DTI from 45% to 50%***Once the DU release on 7/29/17, the occupant borrower will be allowed to go to a max of 50% DTI without a non-occupant Owner Occupant may own other residential properties Non occupant co-borrower permitted w/reduction in LTV to 95% 	<ul style="list-style-type: none"> Owner-Occupied Only...all borrowers must live in the house Occupying borrower may not have any ownership in any other residential property at time of closing Non occupant co-borrower permitted w/ reduction in LTV to 95%
Pricing	<ul style="list-style-type: none"> LLPA's a waived on all LTVs >80% with credit scores above 680 LLPA's are capped at 1.50 under 680 	<ul style="list-style-type: none"> LLPA's are included in the pricing of this loan. 	<ul style="list-style-type: none"> LLPA's a waived on all LTVs >80% with credit scores above 680 LLPA's are capped at 1.50 under 680 	<ul style="list-style-type: none"> All LLPA's apply
Income Limits	<ul style="list-style-type: none"> Income limits are based on <u>ONLY THE BORROWER(S) LISTED ON THE MORTGAGE NOTE...NOT THE TOTAL HOUSEHOLD</u> No limits in low-income, minority, or disaster census tracts 	No limits	<ul style="list-style-type: none"> Income limits are based on <u>ONLY THE BORROWER(S) LISTED ON THE MORTGAGE NOTE...NOT THE TOTAL HOUSEHOLD</u> No limits in low-income census tracts 100% of AMI in all other areas Use the Income Eligibility Lookup tool 	No limits

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	<ul style="list-style-type: none"> Eligible annual income up to 100 percent, or more, of area median income. Use the Home Possible Income & Property Eligibility Tool 			
Property Types	<p>The property must be a one-unit principal residence, including condos, co-ops, and planned unit developments (PUDs). M</p> <p>Manufactured housing allowed with a reduction of LTV to 95%. All manufactured home requirements must be meet per selling guide</p> <p>2 – 4 unit owner occupied property is allowed – LTV will be limited to 95%</p> <p>Accessory Dwelling Unit is not permitted</p>	<p>1-unit properties, including condominiums and units in PUD’s. Manufactured housing is not permitted</p> <p>Accessory Dwelling Unit is not permitted</p>	<p>The property must be a one-unit principal residence, including condos, co-ops, and planned unit developments (PUDs). Manufactured housing is not permitted.</p> <p>Accessory Dwelling Unit is not permitted</p>	<p>The property must be a one-unit principal residence, including condos, co-ops, and planned unit developments (PUDs). Manufactured housing is not permitted.</p> <p>Accessory Dwelling Unit - rental income allowed on a 1 unit property with an ADU. Follow rent guidelines per FNMA Selling Guide. Appraisal must state the unit is an ADU and not a separate residence</p>

1 st Time Homebuyer	Home Possible mortgage does not require that borrowers be first-time home buyers.	At least one borrower must be a first-time homebuyer when the mortgage is a purchase transaction mortgage.	Our HomeReady mortgage does not require that borrowers be first-time home buyers.	<ul style="list-style-type: none"> At least one borrower is required to be a 1st Time Homebuyer <i>First-time home buyer:</i> An individual is to be considered a first-time home buyer who (1) is purchasing the security property; (2) will reside in the security property as a principal residence; and (3) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the security property. In addition, an individual who is a displaced homemaker or single parent also will
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				be considered a first-time home buyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three-year time period.
MI Coverage	<ul style="list-style-type: none"> 25% MI coverage for LTV ratios of 90.01–97% Drops off when LTV reaches 80% 97% LTV / 25% Coverage MI Choose “Constant” renewal 	<ul style="list-style-type: none"> 35% coverage for 97% LTV Following findings requirements is a lower LTV is applicable using this program. Drops off when LTV reaches 80% Constant renewal should be chosen 	<ul style="list-style-type: none"> 25% MI coverage for LTV ratios of 90.01–97% Drops off when LTV reaches 80% Choose “Constant” renewal 	<ul style="list-style-type: none"> 35% MI coverage for LTV ratios of 95.01–97% Drops off when LTV reaches 80% Choose “Constant” renewal
Reserves	Per AUS	Per AUS	Per AUS	Per AUS
Borrower Contribution	No minimum contribution from Borrower Personal Funds is required for 1 unit property 2 – 4 unit proper requires 3% minimum investment from borrower	No minimum contribution from borrowers personal funds is required	No minimum contribution from Borrower Personal Funds is required	No minimum contribution from Borrower Personal Funds is required
MAX DTI	Determined by Loan Product Advisor MI will not allow above 45% DTI	<ul style="list-style-type: none"> Per Loan Product Advisor MI will not allow above 45% DTI 	<ul style="list-style-type: none"> Determined by DU FAQ reads like DU will approve up to 50% DTI MI will not allow above 45% DTI 	Determined by DU MI will not allow above 45% DTI
Refinance	Not allowed	<ul style="list-style-type: none"> No cash out refinance allowed to 97% LTV >95% - the mortgage being refinanced must be owned or securitized by Freddie Mac TLTV >95% and secondary financing is not an Affordable Second, the mortgage being refinance must be owned or securitized by Freddie Mac 	<ul style="list-style-type: none"> Limited Cash-Out Refinance Transactions allowed to 97% The lender is responsible for verifying that the existing mortgage is currently owned or securitized by Fannie Mae. Use Fannie Mae’s Loan Lookup tool 	<ul style="list-style-type: none"> Limited Cash-Out Refinance Transactions allowed to 97% The lender is responsible for verifying that the existing mortgage is currently owned or securitized by Fannie Mae. Use Fannie Mae’s Loan Lookup tool

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Homebuyer Ed	<ul style="list-style-type: none"> Borrowers who are all first-time homebuyers or if all occupying borrowers are first time homebuyers, at least one occupying borrower must receive homebuyer counseling If a 2 – 4 unit property, borrower must complete Landlord Education requirements for purchase transactions Visit www.freddiemac.com for acceptable homebuyer education courses – currently using CreditSmart. A cost may be applicable – currently free to borrowers 	<ul style="list-style-type: none"> Required for at least one qualifying borrower if all borrowers are First Time Homebuyers Visit www.freddiemac.com for acceptable homebuyer education courses – currently using CreditSmart. A cost may be applicable – currently free to borrowers 	<ul style="list-style-type: none"> Homeownership education is required An online course is provided through Framework Cost: \$75 https://www.frameworkhomeownership.org/ 	Not required
Assets	<ul style="list-style-type: none"> Borrower’s Personal Funds Gifts, grants, and Community Seconds® can be used as a source of funds for down payment and closing costs Cash on hand: Can be used, but several restrictions apply...see Freddie Seller Guide: 4501.10(c)(i) Other eligible sources... see Freddie Seller Guide: 4501.10(c)(ii) & (iii) 	<ul style="list-style-type: none"> All funds use to qualify borrowers, including, but not limited to, funds for down payment, closing costs and reserves, must come from the eligible sources described in Guide Section 5501.3 Gift funds are eligible 3% Interested Party Contributions are allowed 	<ul style="list-style-type: none"> Gifts, grants, and Community Seconds® can be used as a source of funds for down payment and closing costs, with no minimum contribution required from the borrower’s own funds (1-unit properties). Cash On Hand: There are no policy changes associated with the use of cash on hand. Cash on hand remains an acceptable source of funds for the borrower’s down payment, closing costs and/or prepaid items. The lender must verify and document that the borrower customarily uses cash for expenses and that the amount of funds saved is consistent with the borrower’s previous payment practices, and must follow other requirements of Selling Guide section B5-6-03. Using cash-on-hand as an asset in 	<ul style="list-style-type: none"> Gifts, grants, and Community Seconds® can be used as a source of funds for down payment and closing costs, with no minimum contribution required from the borrower’s own funds (1-unit properties).

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			DU is permitted on HomeReady loan casefiles; this flexibility is exclusive to HomeReady mortgages.	
Other REO	<ul style="list-style-type: none"> ○ Borrower may own other property with our any restrictions 	The borrower may not, at the time of closing, have any ownership interest in any other residential properties.	Effective July 26, 2016, borrower(s) who intend to occupy the property may have an ownership interest in other residential property at the time of loan closing.	The borrower may not , as of the note date, have any ownership interest in any other residential properties
Accessory Dwelling Units	<ul style="list-style-type: none"> • Rental income from a 1-unit primary residence that meets the requirements of Guide Section 4501.9(a) may be considered as stable monthly income. 	<ul style="list-style-type: none"> • Not permitted 	<ul style="list-style-type: none"> • One-unit properties with accessory units are eligible for delivery to Fannie Mae, including instances in which the accessory unit does not comply with zoning requirements. The appraisal report must meet specified requirements. Refer to Selling Guide section B4-1.3-05 for details. • Acceptable income sources permitted only for HomeReady loans include rental income from a 1-unit property with an accessory dwelling unit (such as a basement apartment) • Lenders may obtain a Fannie Mae Single-Family Comparable Rent Schedule (Form 1007) from the appraiser. Even though the form applies to a single-family investment property, Fannie Mae will accept the use of this form with an explanation from the appraiser that the estimated market rent is for the rental of an accessory unit on a 1-unit, principal residence property, and that the information reported on the form is specific to the accessory unit. Rental income used for qualifying purposes can then be calculated in accordance with 	<ul style="list-style-type: none"> • One-unit properties with accessory units are eligible for delivery to Fannie Mae, including instances in which the accessory unit does not comply with zoning requirements. The appraisal report must meet specified requirements. Refer to Selling Guide section B4-1.3-05 for details.

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			Selling Guide section B3-3.1-08, Rental Income.	
Links to Info:	<ul style="list-style-type: none"> • Freddie Single Family Seller/Service Guide • Home Possible web page • Freddie Mac Home Possible® Mortgages Fact Sheet • Home Possible Advantage: A Smart Choice • Why Choose Home Possible Advantage? • Home Possible: At a Glance 	<ul style="list-style-type: none"> • Freddie Mac Selling Guide • HomeOne Fact Sheet 	<ul style="list-style-type: none"> • Fannie Selling Guide: Part B • HomeReady FAQ 13 pages • 97% Options FAQ 4 Pages • Expanded 97% LTV Options • HomeReady web page • HomeReady eLearning overview course • HomeReady eLearning training for loan officers • Marketing Materials • Homeownership Education FAQ 	<ul style="list-style-type: none"> • Fannie Selling Guide: Part B • 97% Options FAQ 4 Pages • Expanded 97% LTV Options