

## Conforming Standard and High Balance – DU

Purchase & Limited/No Cash-Out Refinance			Cash-Out Refinance <sup>4</sup>		
Property Type	Max LTV/CLTV/TLTV <sup>2</sup>	Min Credit Score	Property Type	Max LTV/CLTV/TLTV	Min Credit Score
1 Unit	95/97% <sup>3</sup>	620	1 Unit	80%	620
2 Units	85%		2-4 Units	75%	
3-4 Units	75%				
Standard and High Balance Fixed - Second Home <sup>1</sup>					
Purchase & Limited/No Cash-Out Refinance			Cash-Out Refinance <sup>4</sup>		
Property Type	Max LTV/CLTV/TLTV <sup>1</sup>	Min Credit Score	Property Type	Max LTV/CLTV/TLTV	Min Credit Score
1 Unit	90%	620	1 Unit	75%	620
Standard and High Balance Fixed – Investment Property <sup>1</sup>					
Purchase					
Property Type		Max LTV/CLTV/TLTV		Min Credit Score	
1 Unit		80%		620	
2-4 Unit		75%			
Limited Cash-Out Refinance			Cash-Out Refinance <sup>3</sup>		
Property Type	Max LTV/CLTV/TLTV	Min Credit Score	Property Type	Max LTV/CLTV/TLTV	Min Credit Score
1 Unit	75%	620	1 Unit	75%	620
2-4 Units	75%		2-4 Units	70%	
Footnotes					
<sup>1</sup> Hawaii and Texas transactions: refer to the Geographic Restrictions section for additional guidance					
<sup>2</sup> > 80% LTV requires a minimum 620 credit score and mortgage insurance (MI) Refer to the Mortgage Insurance section for additional guidance					
<sup>3</sup> 95.01-97% LTV/CLTV/TLTV • Purchase: At least one borrower must be a first-time homebuyer (DU), see homeownership education below • Limited/No Cash-Out Refinance: Existing loan must be owned (or securitized) by Fannie Mae • Non-occupant borrowers are ineligible					
<sup>4</sup> No limit on cash-out amount					

Standard and High Balance ARMs – Primary Residence <sup>1</sup>						
Purchase & Limited/No Cash-Out Refinance			Cash-Out Refinance <sup>3</sup>			
Property Type	Max LTV/CLTV/TLTV <sup>2</sup>	Min Credit Score	Property Type	Max LTV/CLTV/TLTV	Min Credit Score	
1 Unit	95%	620	1 Unit	80%	620	
2 Units	85%		2-4 Units	75%		
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Standard and High Balance ARMs – Second Home <sup>1</sup>						
Purchase & Limited/No Cash-Out Refinance			Cash-Out Refinance <sup>3</sup>			
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Purchase & Limited/No Cash-Out Refinance			Cash-Out Refinance <sup>3</sup>			
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Footnotes						
<sup>1</sup> Hawaii and Texas transactions: refer to the Geographic Restrictions section for additional guidance						
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## Conforming Standard and High Balance – DU

COVID-19 Temporary Process Effective 03/23/20	Refer to Agency Guidelines for requirements on COVID-19 Temporary Guidelines		
Conventional Lending Resource	<ul style="list-style-type: none"><li>• All loans must be underwritten to the standards contained within this matrix</li><li>• If guidance is not provided on this matrix refer to the Agency Selling Guides</li></ul>		
Ineligible Transactions	<ul style="list-style-type: none"><li>• Down payment assistance options</li><li>• Mortgage Credit Certificate (MCC) programs</li></ul>		
Geographic Restrictions	<ul style="list-style-type: none"><li>• <b>Hawaii</b><ul style="list-style-type: none"><li>○ Hawaiian Home Land transactions are ineligible</li><li>○ Properties in Lava Zones 1 or 2 not permitted (verify the appraisal to confirm if property may be in a lava zone)</li></ul></li><li>• <b>Texas Limited Cash-Out and Cash-Out Refinances</b><ul style="list-style-type: none"><li>○ 1-Unit primary residence transactions<ul style="list-style-type: none"><li>• Ineligible</li><li>• Refer to Texas Homestead Refinance Matrix</li></ul></li><li>○ Second home and 1-unit investment property transactions<ul style="list-style-type: none"><li>• Eligible when the borrower owns a primary residence homestead in the state of Texas</li></ul></li></ul></li></ul>		
Minimum Loan Amount	Conforming	High-Balance	
	\$60,000	\$1 > Conforming loan limit for the number of units for high cost areas	
Eligible Loan Amount	<ul style="list-style-type: none"><li>• <b>Standard:</b> Conforming loan limits only</li></ul>		
Debt-To-Income (DTI)	<ul style="list-style-type: none"><li>• Per DU</li></ul>		
AUS Requirements	<ul style="list-style-type: none"><li>• <b>DU Approve/Eligible:</b> Fannie Mae guidelines apply</li><li>• Manual underwriting not permitted</li></ul>		
Documentation	<ul style="list-style-type: none"><li>• Per DU</li></ul>		
Qualifying Ratios	<ul style="list-style-type: none"><li>• Per DU</li></ul>		
Qualifying Rate	Initial Fixed-Rate Period ≤ 5 years	Initial Fixed Rate Period > 5 years	
	Qualify at the greater of the Fully Indexed Rate or the Note Rate + 2.0%	Qualify at the greater of the Fully Indexed Rate or the Note Rate	
	Per DU Approve/Eligible findings; loans with MI may have more restrictive requirements		
Income/Employment	The following is general guidance and subject to AUS approval. Subject to additional documentation at the underwriter’s discretion. <ul style="list-style-type: none"><li>• Two-year employment history must be verified</li></ul>		
	Salaried Borrowers		
	<ul style="list-style-type: none"><li>• Current paystub dated within 120 days from the Note date</li><li>• W2s per AUS</li></ul>		
	Rental Income		
	Rental income is an acceptable source of stable income if it can be established that the income is likely to continue. <ul style="list-style-type: none"><li>• Rental income derived from the subject property must be one of the following:<ul style="list-style-type: none"><li>○ 2-4 unit principal residence in which the borrower occupies one of the units, or</li><li>○ 1-4 unit investment property</li></ul></li><li>• Rental income derived from non-subject property have no restrictions on the property type</li></ul>		
	Self-Employed Borrower		
	<ul style="list-style-type: none"><li>• Business in existence for at least two years (as stated on application)</li><li>• Personal signed individual tax returns, including all pages and schedules as required by DU</li><li>• Corporate or partnership signed tax returns, including all schedules as required by DU</li></ul>		
Asset Documentation	<ul style="list-style-type: none"><li>• Refer to the Agency guidelines</li></ul>		
Reserves	<ul style="list-style-type: none"><li>• Per DU</li></ul>		
Interested Party Contribution			
	Primary Residence and Second Home		
	> 90% LTV/CLTV/TLTV	75.01 -90% LTV/CLTV/TLTV	< 75% LTV/CLTV/TLTV
	3%	6%	9%
	<ul style="list-style-type: none"><li>• Investment Properties: 2% regardless of LTV/CLTV</li></ul>		

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Borrower Eligibility	Eligible	Ineligible			
	<ul style="list-style-type: none"><li>• U.S. Citizens</li><li>• Non-U.S. Citizens – Refer to Non-U.S. Citizens policy<ul style="list-style-type: none"><li>◦ Permanent Residents</li><li>◦ Non-Permanent Residents</li></ul></li><li>• Inter Vivos Revocable Trusts</li><li>• Non-Occupant Borrowers</li></ul>	<ul style="list-style-type: none"><li>• LLC</li><li>• Irrevocable Trusts</li><li>• Foreign National</li></ul>			
Property Types	Eligible <sup>1</sup>	Ineligible			
	<ul style="list-style-type: none"><li>• SFR/PUD (detached/attached)</li><li>• Condo (low/mid/high rise)</li><li>• 2-4 Units</li><li>• Co-ops</li></ul>	<ul style="list-style-type: none"><li>• Agricultural/Income producing properties</li><li>• Non-Warrantable Condo/Condotel</li><li>• Manufactured housing</li><li>• Earth homes, and geodesic domes</li><li>• Properties on more than 10 acres are typically ineligible but will be considered as an exception</li></ul>			
	<sup>1</sup> Properties with solar panels: Appraisal waivers are allowed with evidence of a connection to the public power grid (e.g. current electric bill affirming connection to the grid)				
Properties Listed for Sale	Limited Cash-Out and Cash-Out Refinance transactions: Property must be taken off the market on or before the disbursement date and the borrower must confirm their intent to occupy the subject property (primary residence refinance transaction only)				
Cash-Out Restrictions/Delayed Financing	<ul style="list-style-type: none"><li>• If property was purchased in the past 6 months, borrower is ineligible for a cash-out refinance unless following delayed financing guidelines or the borrower acquired property through an inheritance or was legally awarded the subject property (divorce, separation, or dissolution of a domestic partnership)</li><li>• Property majority-owned or controlled by a borrower(s) limited liability corporation (LLC), may be counted towards meeting the borrower’s minimum 6-month ownership requirement. In order to close the new refinance transaction, title ownership must be transferred out of the LLC and into the borrower’s name.</li></ul> <p><b>Note:</b> Title ownership from LLC to borrower’s name can be transferred at closing</p>				
Multiple Financed Properties	<ul style="list-style-type: none"><li>• Primary Residence – no limit on financed properties</li><li>• Second Home or Investment Property:<ul style="list-style-type: none"><li>◦ Max 10 financed properties,</li><li>◦ Min 720 credit score for 7- 10 financed properties</li></ul></li></ul>				
Homeownership Education and Counseling	Required for FNMA purchase transactions with LTV/CLTV, ratios greater than 95%, when <ul style="list-style-type: none"><li>• All borrowers are first-time homebuyers, at least one borrower must participate in homeownership education</li><li>• <a href="#">Fannie Mae Homeownership Education and Housing Counseling</a></li></ul>				
Mortgage Insurance	<ul style="list-style-type: none"><li>• BPMI (monthly and single premium) are eligible</li><li>• LPMI (single premium) is eligible based on program LTV eligibility</li><li>• Financed MI is not available</li><li>• Custom or reduced MI not eligible</li><li>• Acceptable renewal types are Level/Constant and Non-refundable</li></ul>				
	Standard – Required MI Coverage				
	Loan Term	LTV			
		80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%
		25 and 30 Year	12%	25%	30%
10, 15, and 20 Year	6%	12%	25%	35%	
Credit	Mortgage/Rental History				
	• Per DU				
	Installment/Revolving				
	• Per DU				

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	<table><tr><th colspan="2">Bankruptcy, Foreclosure, Deed-in-Lieu/Short Sale, Pre-foreclosure or Loan Modification</th></tr><tr><td colspan="2">Note: follow DU Approve findings, regardless of the time frames listed below.</td></tr><tr><th>Derogatory Event</th><th>Discharge/Dismissal</th></tr><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 from dismissal or discharge date</td></tr><tr><td>Foreclosure</td><td>7 years</td></tr><tr><td>Deed-in-Lieu/Short Sale</td><td rowspan="2">4 years</td></tr><tr><td>Pre-foreclosure Sale</td></tr><tr><td>Loan Modification</td><td>No Seasoning, DU will evaluate</td></tr></table>	Bankruptcy, Foreclosure, Deed-in-Lieu/Short Sale, Pre-foreclosure or Loan Modification		Note: follow DU Approve findings, regardless of the time frames listed below.		Derogatory Event	Discharge/Dismissal	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 from dismissal or discharge date	Foreclosure	7 years	Deed-in-Lieu/Short Sale	4 years	Pre-foreclosure Sale	Loan Modification	No Seasoning, DU will evaluate
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Student Loans	<div>• Student loans in repayment, deferment or forbearance:</div> <table><tr><th>If</th><th>Then</th></tr><tr><td>Payment Reflected on Credit Report</td><td>May use that amount for qualifying purposes</td></tr><tr><td>Payment Not Reflected on credit report</td><td>May use the monthly payment that is on the most recent student loan statement to qualify the borrower</td></tr><tr><td>Credit report shows \$0</td><td><div>• Use 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or</div><div>• a fully amortizing payment using the documented loan repayment terms</div><div>If income-driven payment plan is \$0:</div><div>• Obtain student loan documentation to verify the actual monthly payment is \$0, then may qualify the borrower with a \$0 payment</div></td></tr></table> <div>• Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs:</div> <table><tr><th>May be excluded from DTI with documentation that indicates</th></tr><tr><td>Monthly payments ≤ 10 remaining until the full balance is forgiven, cancelled, discharged or in the case of an employment-contingent repayment program paid, <i>OR</i></td></tr><tr><td>The monthly payment is deferred or is in forbearance and the full balance will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period,</td></tr><tr><td><i>AND</i> the borrower currently meets the requirements for the student loan forgiveness, cancellation, discharge or employment-contingent repayment program, as applicable, and the underwriter is not aware of any circumstances that will make the borrower ineligible in the future</td></tr><tr><td><i>AND</i> loan file must contain documentation indicating that the borrower is <b>Eligible</b> or <b>Approved</b> for student loan forgiveness, cancellation, discharge, or employment-contingent repayment program. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable</td></tr></table>	If	Then	Payment Reflected on Credit Report	May use that amount for qualifying purposes	Payment Not Reflected on credit report	May use the monthly payment that is on the most recent student loan statement to qualify the borrower	Credit report shows \$0	<div>• Use 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or</div> <div>• a fully amortizing payment using the documented loan repayment terms</div> <div>If income-driven payment plan is \$0:</div> <div>• Obtain student loan documentation to verify the actual monthly payment is \$0, then may qualify the borrower with a \$0 payment</div>	May be excluded from DTI with documentation that indicates	Monthly payments ≤ 10 remaining until the full balance is forgiven, cancelled, discharged or in the case of an employment-contingent repayment program paid, <i>OR</i>	The monthly payment is deferred or is in forbearance and the full balance will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period,	<i>AND</i> the borrower currently meets the requirements for the student loan forgiveness, cancellation, discharge or employment-contingent repayment program, as applicable, and the underwriter is not aware of any circumstances that will make the borrower ineligible in the future	<i>AND</i> loan file must contain documentation indicating that the borrower is <b>Eligible</b> or <b>Approved</b> for student loan forgiveness, cancellation, discharge, or employment-contingent repayment program. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable						
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Net Tangible Benefit	<div>• Every refinance transaction must offer a documented, demonstrable, Net Tangible Benefit (NTB) to the borrower</div> <div>• State-required NTB forms must be completed as applicable.</div>																			

## Conforming Standard and High Balance – DU

	Loan Program Name	Terms	Doc Plan Code
Fixed Rate	FN Conforming 10 yr Fixed	Fully Amortizing 10 Years	Plan Code FN10
	FN Conforming 15 yr Fixed	Fully Amortizing 15 Years	Plan Code FN15
	FN Conforming 20 yr Fixed	Fully Amortizing 20 Years	Plan Code FN20
	FN Conforming 30 yr Fixed	Fully Amortizing 25 Years	Plan Code FN30
	FN High Balance 15 yr Fixed	Fully Amortizing 15 Years	Plan Code FH15
	FN High Balance 30 yr Fixed	Fully Amortizing 30 Years	Plan Code FH30

Standard						High Balance				
SOFR ARM PLANS	Description	Doc Plan Code	Index	Margin	Caps	Description	Doc Plan Code	Index	Margin	Caps
	5/6 ARM		SOFR	2.75	2/1/5	5/6 ARM		SOFR	2.75%	2/1/5
	7/6 ARM				5/1/5	7/6 ARM				5/1/5
	10/6 ARM					10/6 ARM				