

**Fannie Mae Program  
 Conforming and High Balance**
**Summary**

Product Types	30yr, 25yr, 15yr and 10yr Fixed 5/1, 7/1 & 10/1 ARMs
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**Loan Limits**

For Conforming Loan Amounts, view State/County limits:

<https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx>
**Conforming & High Balance**
**Primary Residence**

Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	620	1	Fixed 97% <sup>1</sup> ARM 95%
		2	85%
		3-4	75%
Cash-Out	620	1	80%
		2-4	75%

<sup>1</sup> See below for details on 95.01% - 97% LTV restrictions

**Second Home**

Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	620	1	90%
Cash-Out	620	1	75%

**Investment Property**

Loan Purpose	Minimum FICO	Units	Max LTV
Purchase	620	1	85%
	620	2-4	75%
Refinance Rate/Term	620	1-4	75%
Refinance Cash-Out	620	1	75%
		2-4	70%

## Requirements and Eligibility

<p>95.01% - 97% LTV Restrictions</p>	<ul style="list-style-type: none"> <li>• SFR, Condo &amp; PUD, no units</li> <li>• Purchase &amp; Limited Cash-Out transactions</li> <li>• 1 borrower must be a first time homebuyer (no ownership in the last 3 years) on Purchase transactions</li> <li>• Fannie must be the owner of the loan for Limited Cash-Out transactions</li> <li>• Fixed rate only</li> <li>• High Balance and ARM loans are not permitted</li> <li>• CLTV for subordinate community seconds up to 105% on refinance transactions</li> <li>• 35% Mortgage Insurance required</li> <li>• Reserve requirements are per DU</li> </ul>
<p>Allowable with DU Approve/Eligible</p>	<ul style="list-style-type: none"> <li>• Credit follows DU on Approve/Eligible</li> <li>• No max debt ratios</li> <li>• Non-Arm's length second home and investment transactions (excluding new construction)</li> <li>• Employment gaps and recent college graduates allowed</li> <li>• Rental income does not require landlord history</li> <li>• VOD's in lieu of bank statements</li> <li>• Property Inspection Waivers (PIW's) allowed if DU approves</li> <li>• Un-permitted property additions per Fannie policy</li> </ul>
<p>AUS</p>	<ul style="list-style-type: none"> <li>• DU Only</li> <li>• Must be Approve/Eligible; No manual underwrites</li> </ul>
<p>Bankruptcy</p>	<ul style="list-style-type: none"> <li>• 48 months since discharge/dismissal for Chapter 7 or 13</li> <li>• 60 months since most recent discharge/dismissal for Borrowers with multiple Bankruptcies</li> </ul>
<p>Borrower Eligibility</p>	<ul style="list-style-type: none"> <li>• All borrowers must have legal residency - Citizen, permanent &amp; non-permanent resident aliens</li> <li>• All borrowers must have a social security number, no ITINs</li> <li>• No foreign nationals</li> </ul>
<p>Credit Report</p>	<ul style="list-style-type: none"> <li>• All borrowers must have a credit score and traditional credit history.</li> <li>• Trade line requirements determined by DU findings.</li> <li>• Inquiries: A detailed explanation letter that specifically addresses both the purpose and outcome of each inquiry is required. If additional credit was obtained, a verification of that debt/payment must be obtained and the DU must be resubmitted</li> <li>• Student Loans: Any student loan currently in default status must have a working repayment plan or be paid in full at the time of close.</li> <li>• Revolving Credit: If there is no payment on the credit report for revolving credit, use the greater of \$10 or 5% of the balance on credit.</li> </ul>
<p>Delayed Financing Exception</p>	<p>Delayed Financing Exceptions are prohibited.</p>

<p>Foreclosure / Deed in Lieu / Short Sale / Restructured Loans</p>	<p>Foreclosure:</p> <ul style="list-style-type: none"> <li>• 84 months or more since completion, or</li> <li>• 36 months since completions with a maximum 90% LTV or program maximum, whichever is less, when the foreclosure was due to documented extenuating circumstances and subject to following restrictions: <ul style="list-style-type: none"> <li>○ Purchase of primary residence only</li> <li>○ Rate/term transactions are permitted for all occupancy types subject to eligibility guidelines.</li> </ul> </li> <li>• Mortgage debt discharged through a BK follow the BK waiting period not the foreclosure waiting period</li> </ul> <p>Deed-in-Lieu of Foreclosure/Short Sale requires the following:</p> <ul style="list-style-type: none"> <li>• 4-year waiting period</li> </ul> <p>Short Payoffs, Modifications and/or Restructured loans require the following:</p> <ul style="list-style-type: none"> <li>• The borrower must make 24 timely payments between the time of the restructure to the time of refinance</li> <li>• Credit implications are in the FICO</li> </ul>
<p>Major Adverse Accounts</p>	<p>Collections/Charge-off:</p> <ul style="list-style-type: none"> <li>• \$5,000 max per individual item or in aggregate.</li> <li>• For investment properties, \$250 max per individual item or \$1K in aggregate.</li> <li>• Mortgage Charge-offs require a 4 year waiting period</li> </ul> <p>Disputed Accounts: If there is a disputed account on credit, follow DU requirements:</p> <ul style="list-style-type: none"> <li>• If the trade line <b>does not</b> belong to the borrower or the reported payment history is <b>inaccurate</b>, NDM will require written documentation from the creditor or credit reporting company validating the information being reported is not accurate. When the information is validated, DU may require no further action.</li> <li>• If the trade line <b>does</b> belong to the borrower and the reported payment history is <b>accurate</b>, the disputed trade line(s) must be considered in the risk assessment. To ensure the disputed trade line is considered, the borrower will have to take the appropriate steps to remove the dispute status with the creditor. NDM will have to obtain a new credit report with the trade line(s) no longer reported as disputed and resubmit the case file to DU.</li> </ul>
<p>Reserves</p>	<ul style="list-style-type: none"> <li>• Per DU</li> </ul>
<p>4506-T</p>	<ul style="list-style-type: none"> <li>• All loans require a signed 4506-T form.</li> <li>• Tax transcripts are required for all self-employed borrowers</li> <li>• Transcripts are not required for wage earners. This includes but is not limited to; <ul style="list-style-type: none"> <li>○ Hourly employees</li> <li>○ Salaried employees</li> <li>○ Social Security earnings</li> <li>○ Pension income</li> <li>○ VA benefits</li> </ul> </li> </ul>
<p>Properties Located in Texas</p>	<ul style="list-style-type: none"> <li>• Primary Residences (“Homestead Properties”): Please refer to the Texas Cash Out Product Matrix for cash out requirements</li> <li>• Second Homes and Investment Properties: Eligible for purchases, rate term refinances, and cash out refinances.</li> </ul>