

Fannie Mae Program Conforming and High Balance				Last Update: 11.28.2023
Primary Residence				
Loan Purpose	Minimum FICO	Units	Conforming Max LTV/CLTV ³	High Balance Max LTV/CLTV ³
Purchase or Limited Cash-Out	620 ¹	1	Fixed 97% ^{2, 3}	Fixed 97% ^{2, 3}
		Manufactured	95%	95%
		2	95%	85%
		3-4	95%	75%
Cash-Out		1	80%	80%
		Manufactured Term ≤ 20 years	65%	65%
		2-4	75%	75%
Second Home- Conforming and High Balance				
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV	
Purchase or Limited Cash-Out	620 ¹	1	90%	
		Manufactured	90%	
Cash-Out		1	75%	
Investment Property Conforming and High Balance				
Loan Purpose	Minimum FICO	Units	Max LTV	
Purchase	620 ¹	1	85%	
		2-4	75%	
Limited Cash-Out		1-4	75%	
Cash-Out		1	75%	
		2-4	70%	

¹ Minimum eligibility FICO when more than 1 borrower is present is based on the average mid scores. Average calculated eligibility score must be ≥ 620.

**Note: Loan pricing and MI pricing will be determined by the lowest mid score rather than the eligibility score.*

² Please refer to 95.01 -97% LTV requirement section for qualification.

³ 105% CLTV Ratio allowed only if the loan is part of a Community Second transaction.

Fannie Mae Program				Last Update: 10.06.2023	
Requirements					
Maximum Loan Limits			Product Types		
			10 yr,15yr, 20yr, 25yr and 30yr Fixed		
Property Type	Conforming Loan Limits ¹	High Balance Loan Limits ¹	Property Types		
			SFRs, PUDs, Warrantable Condo, Multi-Wide Manufactured Homes* , 2-4 Units		
1 Unit	\$766,550	\$1,149,825	AUS		
2 Unit	\$981,500	\$1,472,250	All loans must receive DU Approve/Eligible Findings		
3 Unit	\$1,186,350	\$1,779,525	Minimum Loan Amount		
4 Unit	\$1,474,400	\$2,211,600	\$75,000		
¹ Actual loan limits for specific counties in high-cost areas, as determined by FHFA, may be lower than the max permitted loan limit listed above.			HELOCs		
			Qualifying payment is either monthly payment as shown on credit report or monthly statement. If the HELOC does not require a payment, there is no recurring monthly debt obligation so \$0 payment may be used.		
* Manufactured Homes excluded from Premier program					

Mortgage Insurance

Standard mortgage insurance is used when required. Lender Paid MI with single premium is permitted.
BPMI monthly and Single Premium allowed.

Loan Term	LTV			
	80.01-85%	85.01-90%	90.01-95%	95.01-97%
25 & 30 Year Terms, Manufactured, ARMs	12%	25%	30%	35%
10, 15 & 20 Year	6%	12%	25%	35%

95.01% to 97% LTV Requirements

95.01-97% LTV	<p>Must meet the following:</p> <ul style="list-style-type: none"> • Must be Fixed Rate up to 30 years • 1 unit Primary Residence only. Manufactured not allowed. • Non-occupant not allowed. All borrowers must occupy. <p>• Purchase</p> <ul style="list-style-type: none"> ◦ at least one borrower must be a first-time home buyer, as indicated on 1003 declarations reflecting "No" to ownership interest in a property in the last three years. ◦ if all borrowers are first-time homebuyers, homeownership education is required. <p>• Limited Cash-Out</p> <p>Must document that the existing loan being refinanced is owned by FNMA.</p>
Temporary Buydowns	<p>Buydown Options:</p> <ul style="list-style-type: none"> ◦ 3-2-1- LTV is capped at 90% ◦ 2-1 ◦ 1-1 ◦ 1-0 <p>• Offering Seller Paid Buydown Option only.</p> <p>• Non-Owner Transactions are ineligible.</p> <p>• Refinance Transactions are ineligible.</p> <p>Ineligible Property Types:</p> <ul style="list-style-type: none"> ◦ 2-4 Unit Properties. ◦ Manufactured Homes. <p>• SFC 009 for all Buydowns except a 3-2-1 Buydown.</p> <p>• SFC 014 for all 3-2-1 Buydowns.</p> <p>Buydown Calculator- https://myndm.com/downloads/resources/NDM-Buydown-Calculator.xlsx</p>
Credit Requirements	
Age of Documents	<ul style="list-style-type: none"> • 120 Days for Credit Report, Income, Asset and Appraisal • 90 days Title <p>All items are measured from Note Date</p>
Average Eligibility Score for Multiple Borrowers	<ul style="list-style-type: none"> • DU's average median credit score will only be used in the eligibility assessment for standard FNMA Programs. RefiNow loans are excluded. • Average eligibility is calculated by adding the mid scores for all qualifying borrowers and dividing the resulting total of the mid scores by the number of qualifying borrowers • Average calculated eligibility score must be great than or equal to 620 • The lowest mid score may not be lower than 300 for any qualifying borrower • Loan pricing and MI pricing will be determine by the lowest mid score rather than the eligibility score

Borrower Eligibility	<p>Eligible Borrowers: Must have legal residency and valid Social Security Number</p> <ul style="list-style-type: none"> • US Citizens, Permanent Residents and Non Permanent Resident Aliens • Inter-Vivos Revocable Trusts <p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> • Foreign Nationals • Limited and General Partnerships • Irrevocable Trusts • ITIN borrowers
Contingent Liabilities	<p>Debts Paid by Others -</p> <ul style="list-style-type: none"> • Non-Mortgage Debt - 12months canceled checks or bank statements from the other party making the payments that document a 12 month payment history with no delinquency. The party does not have to be obligated to the non-mortgage debt. • Mortgage debt - may be excluded if: The party making the payments is obligated on the mortgage debt, No delinquencies in the most recent 12 months the borrower is not using rental income from the applicable property to qualify
Credit Refresh / Soft Pull	Required within 10 calendar days of Note date. Any additional inquiries found on soft pull must be addressed by borrower.
Debt Paid By Borrower's Business	<p>The account payment does not need to be considered as part of the borrower's DTI ratio if:</p> <ul style="list-style-type: none"> • The account in question does not have a history of delinquency, • The business provides acceptable evidence that the obligation was paid out of company funds (such as 12 months of canceled company checks), and • Tax returns show that cash flow analysis of the business took payment of the obligation into consideration.
Derogatory Credit	Per DU
DTI	Per DU
Federal Income Tax Installment Agreements	<p>The debt may include the monthly payment amount in liabilities (in lieu of requiring payment in full) if:</p> <ul style="list-style-type: none"> • There is no indication that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located. • The lender obtains the following documentation: <ul style="list-style-type: none"> o an approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and o evidence the borrower is current on the payments associated with the tax installment plan. Acceptable evidence includes the most recent payment reminder from the IRS, reflecting the last payment amount and date and the next payment amount owed and due date. At least one payment must have been made prior to closing.
Homebuyer Education	<p>To meet the homeownership education requirements, borrowers must complete an online education program that is aligned with the National Industry Standards(NIS) for Homeownership Education and Counseling or with the U.S. Dept of Housing and Urban Development(HUD) Housing Counseling program, or provided by a HUD-approved Counseling agency. Fannie Mae's Framework Homeownership program continues to be an acceptable option</p>

Interested Party Contributions	<p>Maximum Interested Party Contributions:</p> <ul style="list-style-type: none"> • >90% LTV, IPC limited to 3% • 75.01-90%, IPC is limited to 6% • 75% or less LTV, IPC is limited to 9%
Non-Occupant Co-Borrower	If the income of Non-Occupant borrower is being used to qualify, the max LTV may not exceed 95%.
Open-End or 30 day Accounts	Does not require to be included in the DTI. Must verify borrower funds to cover the account balance. The verified funds must be in addition to any funds required for closing costs and reserves.
Refinance of Payment Deferral due to COVID-19	Rate & Term: Refinance of an existing loan with payment deferral(s) due to COVID-19 as a 2nd lien is allowed. It does not have to be treated as a Cash-Out transaction. The payment deferral or 2nd lien must only be due to a deferral of the 1st lien.
Refinance Seasoning Requirements	<p>Rate and Term:</p> <ul style="list-style-type: none"> o 1 day on title as long as the existing loan was not a cash-out transaction with a note date 30 days or less prior to loan application date of new refinance. o 31 days seasoning required from prior Note date to new loan application date if the loan being paid off was done as a Cash-Out transaction within 30 days of existing note. <p>Cash-Out: 12 months from the date of the note of the existing first being refinanced.</p>
Solar Panels (Leased or PPA)	<ul style="list-style-type: none"> • Solar Lease or Power Purchase Agreement must be obtained and reviewed. • If the solar panels are included in Title and UCC fixture filing remains, the solar debt secured in real estate must be included in the CLTV ratio and subordination is required. The solar panel can then be included and given value in the property appraisal based on standard appraisal requirements. • The monthly lease payment must be included in the DTI ratio calculation unless the lease is structured to <ul style="list-style-type: none"> o provide delivery of a specific amount of energy at a fixed payment during a given period, and o have a production guarantee that compensates the borrower on a prorated basis in the event the solar panels fail to meet the energy output required for in the lease for that period. • Payments under power purchase agreements where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio.
Student Loan Cash out option	<p>Loan must be ran through DU as a Cash Out Loan. At least one student loan must be paid off in full with loan proceeds. No additional debt outside of the mortgage may be paid with loan proceeds. Cash in hand cannot exceed the lessor of 2% of \$2,000. Standard price adjustment for Cash Out will not apply (FNMA waives the LLPA). Special Feature Code 841 must be applied to the loan</p>

Student Loan Qualification	If a monthly student loan payment is provided on the credit report, that payment is used. If the credit report does not reflect the correct monthly payment, the monthly payment on the student loan documentation may be used. If the credit report does not provide a monthly payment or if the credit report shows \$0 as the monthly payment, the following must be determined for qualifying monthly payment: <ul style="list-style-type: none">• If the borrower is on an income-driven payment plan and there is documentation to verify the actual monthly payment is \$0. This amount may be used.• For deferred loans or loans in forbearance, calculate<ul style="list-style-type: none">o a payment equal to 1% of the outstanding student loan balance (even if the amount is lower than the actual fully amortizing payment) oro a fully amortizing payment using the documented loan repayment terms.		
Income / Assets			
Amended Tax Returns Overlay	• Amended tax return must be filed before loan application date. An income increase of 20% or more from the original return will not be allowed or subject to management approval.		
Assets	Per DU. Source any single large deposits that exceeds 50% of the total monthly qualifying income for Purchase transactions.		
Rental Income for 2-4 unit Principal or 1-4 unit Subject	The below chart is used to determine the amount of rental income from subject property that can be used for qualifying purposes when the borrower is purchasing or refinancing a 2-4 unit principal residence or 1-4 unit investment property.		
		If the borrower...	Then for qualifying purposes...
		<ul style="list-style-type: none">• currently owns a principal residence (or has a current housing expense), and• has at least a one-year history of receiving rental income or documented property management experience	<ul style="list-style-type: none">• there is no restriction on the amount of rental income that can be used.
		<ul style="list-style-type: none">• currently owns a principal residence (or has a current housing expense), and• has less than one-year history of receiving	<ul style="list-style-type: none">• for a principal residence, rental income in an amount not exceeding PITIA of the subject property can be
		<ul style="list-style-type: none">• does not own a principal residence, and• does not have a current housing expense	<ul style="list-style-type: none">• rental income from the subject property cannot be used.
Reserves	Per DU		
Tax Transcripts	<ul style="list-style-type: none">• All loans require a signed 4506-C form. Additional 4506-C form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN• Tax Transcripts are required for:<ul style="list-style-type: none">o Self-employed borrowerso Borrower employed by family membero Using rental income to qualify per tax returnso Relationship between the parties		
Property			

Appraisal Requirements	<ul style="list-style-type: none">• Transferred Appraisal Accepted• FNMA SSR score on Appraisal must be 4.9 or below. A FNMA SSR score of 5 is not acceptable.• Appraisal Waiver accepted per DU except for the following:<ul style="list-style-type: none">o Two- to four-unit properties;o Leasehold properties;o Community land trusts or other properties with resale restrictions, which include loans using the Affordable LTV feature;o Manufactured homeso Transactions using gifts of equity;o Texas Section 50(a)(6) loans.o Using rental income from the subject property to qualify the borrower <p>Desktop Appraisals are allowed per DU if the loan meets the following criteria:</p> <ul style="list-style-type: none">• The Desktop Appraisal must be on form 1004 Desktop, Uniform Residential Appraisal Report.<ul style="list-style-type: none">o Must include floor plan with interior walls and exterior dimensions.• Property must be a 1-unit Primary Residence.<ul style="list-style-type: none">o Condominiums and Manufactured Homes are ineligible.• HomeReady Product is ineligible.• Loans with a community 2nd or resale restrictions are ineligible.• Maximum LTV is 90%.		
Condo Review	<ul style="list-style-type: none">• Per DU• Full review will be required for New and Newly converted Condominium and over the LTVs addressed in the Streamline Review chart below and must have CPM approval.• Waiver of Project Review is not required for Detached Condo unit, 2-4 unit condo project, PUDs, FNMA to FNMA Rate/Term (evidenced by loan lookup) with max 80% LTV.		
	Maximum LTV/CLTV Ratios Eligible for Limited Review		
	Occupancy Type	Projects Not located in Florida	Projects located in Florida
	Primary Residence	90%	75%/90%
	Second Home	75%	70%/75%
Investment Property	75%	70%/75%	
Escrow Accounts / Impounds	Required if LTV is $\geq 90\%$ in CA or $> 80\%$ in all other states.		
DPA	<ul style="list-style-type: none">• Allowed per FNMA guidelines.		
Escrow Holdbacks for Minor Repairs	<ul style="list-style-type: none">• Allowed for repairs that do not present a health or safety concern and do not affect the structural integrity of the property.• \$5,000 limit on required repairs.• 1.5 times the repair to be held by escrow and released upon clearance by Nations Direct written authorization.• Repairs to be completed within 10 days of closing.		

Ineligible Properties	<ul style="list-style-type: none"> • No Land Trusts, Indian Leased Land, Vacant land • Property Condition rating C6 and/or Quality condition Q6 • Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos • Commercial Property, Boarding houses, Bed and Breakfast • Working Farms • One Time Close Construction to Perm Loans
Manufactured Homes	<ul style="list-style-type: none"> • Primary Residence and Second Home Only • Fixed Rate, Fee Simple Only • Property must not be located in a deed restricted area including restrictions for age and income • HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification • Built on or after June 15, 1976 • Built on a permanent chassis in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed. • Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area. • Must be legally classified as real property; it must be a 1-unit dwelling that is permanently affixed to a permanent foundation • Manufactured Condos not allowed • Flood insurance required for properties in flood zone • Manufactured home must be on original site, relocated homes are not permitted • HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property • New Construction will require a Structural Engineer's report to show that the property is designed to be used as a dwelling with permanent foundation and meets HUD requirements • Additions to the property are not permitted if the addition was to add GLA or if there were structural changes to the home (additions such as decks and green rooms without structural changes to the property may be accepted) • Borrower must own the land on which the home is located • Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property
Manufactured Homes Refinance	<p>Limited Cash-out Refinance: The maximum LTV ratio (and CLTV ratio, if applicable) for a limited cash-out refinance transaction for a loan secured by a manufactured home and land will be based on the lower of:</p> <ul style="list-style-type: none"> • the current appraised value of the manufactured home and land; or • if the manufactured home was owned by the borrower for less than 12 months on the loan application date and: <ul style="list-style-type: none"> o if the home and land are secured by separate liens, the lowest price at which the home was previously sold during that 12-month period plus the lower of the current appraised value of the land, or the lowest sales price at which the land was sold during that 12-month period (if there was such a sale); o if the home and land are secured by a single lien, the lowest price at which the home and land were previously sold during that 12-month period. <p>Cash Out:</p> <ul style="list-style-type: none"> • The property must be a multi-width manufactured home. • The borrower must have owned both the manufactured home and land for at least 12 months preceding the date of the loan application. The LTV, CLTV, and HCLTV ratios will be based on the current appraised value of the manufactured home and land.
Max Financed Properties	<ul style="list-style-type: none"> • Subject is Primary - Unlimited financed properties • Subject is 2nd Home and Investment - 10 Financed Properties including subject property

Maximum Loan Exposure	NDM will not extend more than 4 active loans to any one individual or an aggregate of \$2 million.
Properties Listed for Sale / Listing History	Cash Out and Rate/Term Transactions: Property must be taken off the market prior to application date and borrowers must confirm the intent to occupy for (primary residence)
State Restrictions	Please see our approved License States
LLPA Waiver Requirements	Purchase Transactions Only <ul style="list-style-type: none"> • At least one borrower is a First Time Home-buyer • Total qualifying income is at or below 100% of the applicable AMI for non-high-cost areas, and 120% for high-cost areas.
Texas R/T and Cash Out	<ul style="list-style-type: none"> • Max Loan Amount \$647,200 • Max 80% LTV/CLTV, 1 unit Principal residences and claimed as Borrower's homestead • Copy of the current mortgage or Note is required to determine previous terms are not subject to Texas 50 (a)(6). • 12 month seasoning required. • Max 10 acres • Maximum 2% fee limitation for all closing costs, fees and charges A Texas (a)(6) loan may not close until: <ul style="list-style-type: none"> o 12 days after the borrower submits the loan application or all borrower sign the 12 day notice, whichever is later o 1 day after the borrowers receives a copy of the Initial Closing Disclosure o 12 months seasoning of the existing Texas (a)(6) loan
Texas 50(a)(4)	<ul style="list-style-type: none"> • The TX (a)(6) loan being refinanced must be seasoned at least 12 months • No Cash out allowed • Max 80% LTV/CLTV • Borrower/s affidavit acknowledging the refinance of their Texas (a)(6) loan to a no-cash-out Texas(a)(4) refinance loan provided no later than 3 business days after the date of application is received AND at least 12 days before loan closing.