

Primary Residence			
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	620	1	Fixed 97%*
		Manufactured	95%
		2	85%
Cash-Out		3-4	75%
		1	80%
		Manufactured Term $\leq$ 20 years	65%
		2-4	75%
Second Home			
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	620	1	90%
		Manufactured	90%
Cash-Out			1
Investment Property			
Loan Purpose	Minimum FICO	Units	Max LTV
Purchase	620	1	85%
		2-4	75%
Rate/Term		1-4	75%
Cash-Out		1	75%
		2-4	70%

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

Premier Conventional Program - Conforming and High Balance			
Primary Residence			
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	720	1*	95%
		2	85%
		3-4	75%
Cash-Out**		1	80%
		2-4	75%
Second Home			
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	720	1*	90%
Cash-Out**			75%
Investment Property			
Loan Purpose	Minimum FICO	Units	Max LTV
Purchase	720	1*	85%
		2-4	75%
Rate/Term		1-4	75%
Cash-Out**		1*	75%
		2-4	70%

\* Manufactured Homes excluded from Premier program

\*\* Texas Cash Out excluded from Premier Program

**Requirements**

Maximum Loan Limits			Product Types
			15yr, 20yr, 25yr and 30yr Fixed
Property Type	Conforming Loan Limits <sup>1</sup>	High Balance Loan Limits <sup>1</sup>	Property Types
			SFRs, PUDs, Warrantable Condo, Multi-Wide Manufactured Homes* , 2-4 Units
1 Unit	\$548,250	\$822,375	AUS
2 Unit	\$702,000	\$1,053,000	All loans must receive DU Approve/Eligible Findings
3 Unit	\$848,500	\$1,272,750	Minimum Loan Amount
4 Unit	\$1,054,500	\$1,581,750	\$75,000
			HELOCs
<sup>1</sup> 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.			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**

<b>95.01-97% LTV</b>	Must meet the following: <ul style="list-style-type: none"> <li>• Must be Fixed Rate up to 30 years</li> <li>• 1 unit Primary Residence only. Manufactured not allowed.</li> <li>• Non-occupant not allowed. All borrowers must occupy.</li> <li>• At least one borrower must have usable credit score per DU.</li> </ul> <ul style="list-style-type: none"> <li>• <b>Purchase</b> <ul style="list-style-type: none"> <li>o 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.</li> <li>o if all borrowers are first-time homebuyers, homeownership education is required.</li> </ul> </li> <li>• <b>Limited Cash-Out</b> <ul style="list-style-type: none"> <li>Must document that the existing loan being refinanced is owned by FNMA.</li> </ul> </li> </ul>
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## Credit Requirements

<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>• 120 Days for Credit Report and Appraisal</li> <li>• 90 days Title</li> <li>• 60 days Income and Asset</li> </ul> <p>All items are measured from Note Date</p>
<b>Borrower Eligibility</b>	<p>Eligible Borrowers: Must have legal residency and valid Social Security Number</p> <ul style="list-style-type: none"> <li>• US Citizens, Permanent Residents and Non Permanent Resident Aliens</li> <li>• Inter-Vivos Revocable Trusts</li> </ul> <p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> <li>• Foreign Nationals</li> <li>• Limited and General Partnerships</li> <li>• Irrevocable Trusts</li> <li>• ITIN borrowers</li> </ul>
<b>Contingent Liabilities</b>	<p>Debts Paid by Others -</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Mortgage debt - may be excluded if: <ul style="list-style-type: none"> <li>The party making the payments is obligated on the mortgage debt,</li> <li>No delinquencies in the most recent 12 months</li> <li>the borrower is not using rental income from the applicable property to qualify</li> </ul> </li> </ul>
<b>Continuity of Obligation</b>	<p><b>Rate and Term:</b> 1 day on title</p> <p><b>Cash Out:</b> 6 months</p>
<b>Credit Refresh / Soft Pull</b>	<p>Required within 10 days of Note date. Any additional inquiries found on soft pull must be addressed by borrower.</p>
<b>Debt Paid By Borrower's Business</b>	<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"> <li>• The account in question does not have a history of delinquency,</li> <li>• The business provides acceptable evidence that the obligation was paid out of company funds (such as 12 months of canceled company checks), and</li> <li>• Tax returns show that cash flow analysis of the business took payment of the obligation into consideration.</li> </ul>
<b>Derogatory Credit</b>	<p>Per DU</p>
<b>DTI</b>	<p>Per DU</p>
<b>Federal Income Tax Installment Agreements</b>	<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"> <li>• 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.</li> <li>• The lender obtains the following documentation: <ul style="list-style-type: none"> <li>o an approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and</li> <li>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. <b>At least one payment must have been made prior to closing.</b></li> </ul> </li> </ul>

<b>Homebuyer Education</b>	<p>To meet the homeownership education requirements, borrowers must complete the Framework Homeownership online education program, unless an exception exists as described below.</p> <p>The following exceptions provide alternatives for borrowers to meet the homeownership education requirements using a source other than Framework:</p> <p>Borrowers who completed housing counseling prior to execution of the sales contract:</p> <ul style="list-style-type: none"> <li>• Borrowers who already completed housing counseling are not required to complete the Framework program. The lender must retain a copy of the Certificate of Completion of Housing Counseling (Fannie Mae Form 1017), signed by both the counseling recipient and the HUD counselor to document that the requirement was met. See the following section for additional information.</li> </ul>
<b>Non-Occupant Co-Borrower</b>	<p>If the income of Non-Occupant borrower is being used to qualify, the max LTV may not exceed 95%.</p>
<b>Open-End or 30 day Accounts</b>	<p>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.</p>
<b>Solar Panels (Leased or PPA)</b>	<ul style="list-style-type: none"> <li>• Solar Lease or Power Purchase Agreement must be obtained and reviewed.</li> <li>• 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.</li> <li>• The monthly lease payment must be included in the DTI ratio calculation unless the lease is structured to <ul style="list-style-type: none"> <li>o provide delivery of a specific amount of energy at a fixed payment during a given period, and</li> <li>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.</li> </ul> </li> <li>• Payments under power purchase agreements where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio.</li> </ul>
<b>Student Loan Qualification</b>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• For deferred loans or loans in forbearance, calculate <ul style="list-style-type: none"> <li>o a payment equal to 1% of the outstanding student loan balance (even if the amount is lower than the actual fully amortizing payment) or</li> <li>o a fully amortizing payment using the documented loan repayment terms.</li> </ul> </li> </ul>
<b>Income / Assets</b>	
<b>Assets</b>	<p>Per DU. Source any single large deposits that exceeds 50% of the total monthly qualifying income for Purchase transactions.</p>
	<p>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.</p>

<b>Rental Income for 2-4 unit Principal or 1-4 unit Subject</b>		<b>If the borrower...</b>	<b>Then for qualifying purposes...</b>
		<ul style="list-style-type: none"> <li>• currently owns a principal residence (or has a current housing expense), and</li> <li>• has at least a one-year history of receiving rental income or documented property management experience</li> </ul>	<ul style="list-style-type: none"> <li>• there is no restriction on the amount of rental income that can be used.</li> </ul>
		<ul style="list-style-type: none"> <li>• currently owns a principal residence (or has a current housing expense), and</li> <li>• has less than one-year history of receiving rental income or documented property management experience</li> </ul>	<ul style="list-style-type: none"> <li>• for a principal residence, rental income in an amount not exceeding PITIA of the subject property can be added to the borrower's gross income, or</li> <li>• for an investment property, rental income can only be used to offset the PITIA of the subject property.</li> </ul>
		<ul style="list-style-type: none"> <li>• does not own a principal residence, and</li> <li>• does not have a current housing expense</li> </ul>	<ul style="list-style-type: none"> <li>• rental income from the subject property cannot be used.</li> </ul>
<b>Reserves</b>	Per DU		
<b>Tax Transcripts</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Tax Transcripts are required for: <ul style="list-style-type: none"> <li>o Self-employed borrowers</li> <li>o Borrower employed by family member</li> <li>o Using rental income to qualify per tax returns</li> <li>o Relationship between the parties</li> </ul> </li> </ul>		
<b>Property</b>			
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Appraisal Waiver accepted per DU</li> <li>• Transferred Appraisal Accepted</li> </ul>		
<b>Condo Review</b>	<ul style="list-style-type: none"> <li>• Per DU</li> <li>• 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.</li> <li>• 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.</li> </ul>		
	<b>Maximum LTV/CLTV Ratios Eligible for Streamline Review</b>		
	<b>Occupancy Type</b>	<b>Projects Not located in Florida</b>	<b>Projects located in Florida</b>
	Primary Residence	90%	75%/90%
	Second Home	75%	70%/75%
Investment Property	75%	70%/75%	
<b>Escrow Accounts / Impounds</b>	Required if LTV is $\geq$ 90% in CA or $>$ 80% in all other states.		

<b>Escrow Holdbacks for Minor Repairs</b>	<ul style="list-style-type: none"> <li>• Allowed for repairs that do not present a health or safety concern and do not affect the structural integrity of the property.</li> <li>• \$5,000 limit on required repairs.</li> <li>• 1.5 times the repair to be held by escrow and released upon clearance by Nations Direct written authorization.</li> <li>• Repairs to be completed within 10 days of closing.</li> </ul>
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• No Land Trusts, Indian Leased Land, Vacant land</li> <li>• Property Condition rating C5 or 6, Quality condition Q6</li> <li>• Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos</li> <li>• Commercial Property, Boarding houses, Bed and Breakfast</li> <li>• Working Farms</li> <li>• Construction to Perm Loans</li> </ul>
<b>Manufactured Homes</b>	<ul style="list-style-type: none"> <li>• Primary Residence and Second Home Only</li> <li>• Fixed Rate, Fee Simple Only</li> <li>• Property must not be located in a deed restricted area including restrictions for age and income</li> <li>• HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification</li> <li>• Built on or after June 15, 1976</li> <li>• 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.</li> <li>• Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area.</li> <li>• Must be legally classified as real property; it must be a 1-unit dwelling that is permanently affixed to a permanent foundation</li> <li>• Manufactured Condos not allowed</li> <li>• Flood insurance required for properties in flood zone</li> <li>• Manufactured home must be on original site, relocated homes are not permitted</li> <li>• HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property</li> <li>• 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</li> <li>• 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)</li> <li>• Borrower must own the land on which the home is located</li> <li>• Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property</li> </ul>
<b>Max Financed Properties</b>	<ul style="list-style-type: none"> <li>• Subject is Primary - Unlimited financed properties</li> <li>• Subject is 2nd Home and Investment - 10 Financed Properties including subject property</li> </ul>
<b>Maximum Loan Exposure</b>	NDM will not extend more than 4 active loans to any one individual or an aggregate of \$2 million.
<b>Properties Listed for Sale / Listing History</b>	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)
<b>State Restrictions</b>	Please see our approved License States

<p><b>Texas R/T and Cash Out</b></p>	<ul style="list-style-type: none"> <li>• Max Loan Amount \$548,250</li> <li>• Max 80% LTV/CLTV, 1 unit Principal residences and claimed as Borrower's homestead</li> <li>• Copy of the current mortgage or Note is required to determine previous terms are not subject to Texas 50 (a)(6).</li> <li>• 12 month seasoning required.</li> <li>• Max 10 acres</li> </ul> <p>Maximum 2% fee limitation for all closing costs, fees and charges</p> <p>A Texas (a)(6) loan may not close until:</p> <ul style="list-style-type: none"> <li>o 12 days after the borrower submits the loan application or all borrower sign the 12 day notice, whichever is later</li> <li>o 1 day after the borrowers receives a copy of the Initial Closing Disclosure</li> <li>o 12 months seasoning of the existing Texas (a)(6) loan</li> </ul>
<p><b>Texas 50 (a)(4)</b></p>	<ul style="list-style-type: none"> <li>• The TX (a)(6) loan being refinanced must be seasoned at least 12 months</li> <li>• No Cash out allowed</li> <li>• Max 80% LTV/CLTV</li> <li>• 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.</li> </ul>