

Fannie Mae Program Refi Now				
Primary Residence				
Loan Purpose	Minimum Fico*	Max DTI	Units	Conforming Max LTV/TLTV
No Cash-out Refinance	620	65%	1	Fixed 97%/105% ^{1,2}
			Manufactured Home	95%
¹ Loans with Non-occupant borrowers are limited to 95% Max LTV.				
² Loans with resubordinated Community Seconds max TLTV of 105%			* Minimum Fico requirements determined by DU all borrowers must have a fico score. Loan pricing and MI pricing will be determined by the lowest mid score rather than the eligibility score.	
Matrix Updates in Yellow	NDM Overlays in Green		Product Types	Max Cash Back
Maximum Loan Limits			Fixed Rate: 10-30 Year terms in annual increments	\$250
Property Type	Conforming Loan Limits¹			
1 Unit	\$832,750		Property Types	Occupancy
			SFRs, PUDs, Warrantable Condo, Multi-Wide Manufactured Homes	Primary Residence only
Minimum Loan Amount			AUS	
\$75,000			All loans must receive DU Approve/Eligible findings with Refi Now eligibility	
Fannie Mae Loan Lookup			Fannie Mae Area Median Income Lookup	
Fannie Mae Loan Lookup			Fannie Mae AMI Look Up	
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	12%	25%	30%	35%
10, 15, & 20 Year	6%	12%	25%	35%
General Eligibility				
Borrower Benefit	The refinance loan must provide the following benefits to the borrower: <ul style="list-style-type: none"> • A reduction in interest rate of at least 50 basis points, and • A reduction in the monthly payment that includes principle, interest and the mortgage insurance payment (if applicable) 			
Borrower Income Limits	The borrower(s) income must be less than or equal to 100% of the applicable AMI limit for the subject property's location.			
Existing Loan Eligibility	The existing loan must: <ul style="list-style-type: none"> • be a conventional mortgage loan owned or securitized by Freddie Mac • be seasoned at least 12 months • not be subject to recourse, repurchase agreement, indemnification, outstanding repurchase demand, or credit enhancement. • No High Balance, temporary subsidy buydowns or Texas Equity Section 50(a)(6) Mortgage 			

Net Tangible Benefit	<p>The refinance transaction must result in both of the following:</p> <ul style="list-style-type: none"> • A mortgage interest rate reduction of at least 50 basis points (bps) and, • A reduction in the Borrower's First Lien monthly principal, interest and mortgage insurance (if applicable) payment.
New Loan Eligibility	<p>The new Refi Now loan must:</p> <ul style="list-style-type: none"> • be a fixed-rate loan. • have maximum LTV, CLTV, and HCLTV ratios as permitted in the Eligibility Matrix. • be a limited cash-out refinance with cash out less than or equal to \$250. Excess proceeds may be applied as a curtailment on the new loan. • have a loan limit that conforms to the general loan limits (high-balance loans are not permitted). • not be a Texas Section 50(a)(6) loan. • one time use only cannot refinance a Refi Now into another Refi Now • may not be combined with a Home Possible refinance transaction.
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>
Acceptable Borrowers	<ul style="list-style-type: none"> • have identical borrowers on the new loan as the existing loan. • New borrowers cannot be added or removed. <p>One or more borrowers may only be removed if:</p> <ul style="list-style-type: none"> • the remaining borrower(s) meet the payment history requirements and provides evidence that they have made at least the last 12 months of payments from their own funds (including any secondary financing, or • due to the death of a borrower documented in the loan file. <p>Non-occupant co-borrowers are permitted if he/she is on the existing loan.</p> <ul style="list-style-type: none"> • A maximum LTV, CLTV, and HCLTV ratio of 95% applies, (CLTV ratio may be up to 105% when a Community Seconds is being resubordinated).
Borrower Eligibility	<p>Eligible Borrowers:</p> <ul style="list-style-type: none"> • Must have legal residency and valid Social Security Number • 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
Secondary Financing	<p>No new secondary financing is permitted for Refi Now</p> <ul style="list-style-type: none"> • Existing junior lien must be subordinated to the Refi Possible Mortgage • Must meet the requirements for secondary financing as per Fannie Mae selling guide
Credit Refresh/Soft Pull/Undisclosed Debt Monitoring	<p>Required within 10 calendar days of Note date. NDM will run UDM on all files. Any additional inquiries found on soft pull/UDM must be addressed by borrower.</p>
DTI	<p>Per DU findings</p>

<p>Derogatory Credit</p>	<p>Follow DU Findings</p>
<p>Federal Income Tax Installment Agreements</p>	<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"> ○ an approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and ○ 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.
<p>Mortgage Payment History</p>	<p>The Mortgage being refinanced cannot have a payment history that indicates more than the following:</p> <ul style="list-style-type: none"> • 30 days delinquent in the most recent six months • 30 days delinquent more than once in the most recent 12 months • 60 or more days delinquent in the most recent 12 months.
<p>Non-Occupant Borrowers</p>	<ul style="list-style-type: none"> • Permitted to 95% LTV with Accept/Eligible transactions. • Non-occupant co-borrower cannot be an interested party to the transactions (for example, the builder, seller or broker).
<p>Open-End or 30-day accounts</p>	<ul style="list-style-type: none"> • When there is no monthly payment listed on the credit report or if there is no documentation indicating a monthly payment amount, the full amount of the outstanding account balance must be included in the DTI or • Monthly payments on 30-day accounts are not required to be included in the liabilities if the Borrower has sufficient funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the Borrower.
<p>Solar Panels (Leased or PPA)</p>	<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 remain, 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"> ○ provide delivery of a specific amount of energy at a fixed payment during a given period, and ○ 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 Qualification	<ul style="list-style-type: none"> • 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 ○ a payment equal to 1% of the outstanding student loan balance (even if the amount is lower than the actual fully amortizing payment) or ○ 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.	
Income Increase Overlay	Borrowers who have had a 20% or more increase in income within the last 4 months will be subject to additional conditions and management review as per NDM internal income increase policy.	
School Transcript Revalidation Policy	NDM will revalidate school transcripts when supplied as part of income review	
Reserves	Per DU	
Income Documentation Requirements	The Following Table describes the income documentation requirements	
	Income Type	Minimum Income Requirements
	Base (non-variable) Employment (Primary only)	<ul style="list-style-type: none"> • YTD paystub dated no earlier than 30 days prior to the loan application date. • 10-day pre-closing VOE
	Base (Variable) (primary only) Tip, bonus, overtime and commission income	<ul style="list-style-type: none"> • YTD paystub dated no earlier than 30 days prior to the loan application date. • W2 for the most recent calendar year • 10-day pre-closing VOE
	Self-employment	<ul style="list-style-type: none"> • One year's personal and business tax returns, and • Verification of the current existence of the business through a third-party source

Income Documentation Requirements Con't	Alimony, Child Support, or Separate Maintenance	<ul style="list-style-type: none"> • Copy of divorce decree, separation agreement, court order or equivalent documentation, and • one month documentation of receipt
	Military	<ul style="list-style-type: none"> • Most recent leave and earnings statement
	For all other income sources	<ul style="list-style-type: none"> • Standard guide requirements apply
Tax Transcripts	<ul style="list-style-type: none"> • All loans require a signed 8821 form. Additional 8821 form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN • NDM requires Tax Transcripts are required for: <ul style="list-style-type: none"> ○ Self-employed borrowers ○ Borrower employed by family member ○ Using rental income to qualify per tax returns ○ Relationship between the parties 	
Property		
Appraisal Requirements	<p>Standard Appraisal:</p> <ul style="list-style-type: none"> • Transferred Appraisal Accepted • Fannie SSR score on Appraisal must be 4.9 or below. A risk SSR score of 5 is not acceptable. • A \$500 credit will be provided to the borrower when a standard appraisal is required and obtained at closing. <p>Appraisal Waiver accepted per DU</p>	
Escrow Accounts	Required if LTV is > 90% in CA or > 80% in all other states.	
Escrow Holdback	<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 	
Manufactured Homes	<ul style="list-style-type: none"> • 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 	

<p>Manufactured Homes Con't</p>	<ul style="list-style-type: none"> • Manufactured homes 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
<p>Ineligible Properties</p>	<ul style="list-style-type: none"> • No Community Land Trusts, Land Trusts, • Indian Leased Land, Vacant land • Property Condition rating C5 or 6, Quality condition Q6 • Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos • Commercial Property, Boarding houses, Bed and Breakfast • Working Farms • Green Choice Mortgage • One Time Close Construction to Perm Loans • No shared appreciation or shared equity transactions
<p>Multiple Financed Properties</p>	<p>When the subject is a primary residence – unlimited financed properties are allowed.</p>
<p>Maximum Loan Exposure</p>	<p>NDM will not extend more than 4 active loans to any one individual or an aggregate of \$2 million.</p>
<p>Properties Listed for Sale</p>	<p>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).</p>
<p>LLPA Waiver Requirements</p>	<ul style="list-style-type: none"> • Total qualifying income is at or below 100% of the applicable AMI.
<p>State Restrictions</p>	<ul style="list-style-type: none"> • Please see our approved states MYNDM.COM/ApprovedStates