

Primary Residence

Loan Purpose	Minimum FICO	Units	Conforming Max LTV/CLTV	Super Conforming Max LTV/CLTV
Purchase or No Cash-Out Refinance	620	1	Fixed 97%*	95%
		Manufactured ¹	95%	NA
		2 units	95%*	85%
		3 - 4 units	95%*	80%

* A TLTV ratio may be permitted up to 105% when secondary financing is an affordable second.

¹ Conforming Loan Limits Only

Maximum Loan Limits			Product Types
			15yr, 20yr, 25yr and 30yr Fixed
Property Type	Conforming Loan Limits ¹	Super Conforming Loan Limits ¹	Property Types
			SFRs, PUDs, Warrantable Condo, 2-4 unit
			AUS
1 Unit	\$806,500	\$1,209,750	All loans must receive LPA Accept Findings
2 Unit	\$1,032,650	\$1,548,975	Minimum Loan Amount \$75,000
3 Unit	\$1,248,150	\$1,872,225	
4 Unit	\$1,551,250	\$2,326,875	
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.			Borrower Income Limits
			LP will determine the income eligibility of the mortgage. It may not exceed 50% AMI for the property location for the Very Low Income HomePossible loans Area Median Income Lookup Tool

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%	25%	25%
10, 15 & 20 Year	6%	12%	25%	25%

HomePossible

95.01% - 97% LTV Financing	<ul style="list-style-type: none"> • Fixed to 30 years, High Balance and ARMs not permitted • 1 unit Principal Residence only. Manufactured not permitted • All borrowers must occupy. Non-occupant not allowed. • No Cash-Out Refinance - Existing loan being refinanced must be owned or securitized by Freddie Mac. Document via lender's servicing system, FHLMC's loan look up tool or Servicer Letter.
Lender Credit	<p>\$2500 credit will be provided to the borrower from NDM using ID 404 and 368 & K10</p> <ul style="list-style-type: none"> • Credit may be used towards down payment, closing costs including escrow and mortgage insurance premiums. • The credit may be used to satisfy the 3% minimum borrower contribution for 1-unit properties or 2-4 unit properties with LTV ratios less than or equal to 80%. For 2-4 Unit properties with LTV ratios greater than 80%, the credit may be applied to down payment after the 5% minimum contribution is met as per guidelines
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 <ul style="list-style-type: none"> • Offering Seller Paid Buydown Option only • Non-Owner Transactions are ineligible • Refinance Transactions are ineligible <p>Ineligible Property Types:</p> <ul style="list-style-type: none"> ◦ 2-4 Unit Properties ◦ Manufactured Homes <ul style="list-style-type: none"> • SFC 009 for all Buydowns except a 3-2-1 Buydown • SFC 014 for all 3-2-1 Buydowns <p>Link to Buydown Calculator: https://myndm.com/downloads/products/conventional/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>
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 (No DACA) • Inter-Vivos Revocable Trusts <p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> • Foreign Nationals • Limited and General Partnerships • Irrevocable Trusts • ITIN borrowers

Credit Refresh / Soft Pull/ Undisclosed Debt Monitoring	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.
DTI	Per LPA
Debt paid by Borrower's Business	<p>When a self-employed Borrower is obligated on a debt that has been paid by the Borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the monthly debt payment-to-income ratio if the following requirements are met:</p> <ul style="list-style-type: none"> • The Mortgage file contains evidence that the debt has been paid timely by the Borrower's business for no less than the most recent 12 months, and • The tax returns evidence that business expenses associated with the debt (e.g., interest, lease payments, taxes, insurance) have been reported and support that the debt has been paid by the business
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	If all occupying buyers are first-time homebuyers, homeownership education is required for at least 1 borrower.
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%
Landlord Education (2 - 4 Unit Primary)	<ul style="list-style-type: none"> • A copy of a certificate evidencing successful completion of the landlord education program must be included in file. • Purchase — At least one qualifying Borrower must participate in a landlord education program before the Note Date. Landlord education must not be provided by an interested party to the transaction. • Refinance — Landlord education is not required but is recommended for Borrowers who have not previously attended a program
Non-Occupant Borrowers	Permitted for LTVs 95% and below. TLTV up to 105% permitted with Affordable Seconds.

<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>Refinance Seasoning</p>	<p>All Refinances must have</p> <ul style="list-style-type: none"> • At least one Borrower on the mortgage was a borrower on the mortgage being refinanced; OR • At least one Borrower on the mortgage held title to and resided in the subject property as Primary Residence for the most recent 12 months and can document that the Borrower, either: <ul style="list-style-type: none"> o Has been making timely mortgage payments, including secondary financing, for most recent 12 months; OR o Is related to a borrower on the mortgage being refinanced. o At least one Borrower on the refinance Mortgage inherited or was legally awarded the subject property. <p><u>No Cash-Out Refinance</u></p> <ul style="list-style-type: none"> o Paying off an existing Purchase transaction - 1 day on title subject to above o Paying off an existing Refinance transaction - 31 days from existing Note date to new Note date of the "no Cash-out" refinance loan. <p><u>Cash Out</u> - Borrower must be on title for minimum of 6 months prior to Note date. If the property has been held by an LLC or LP, the borrower must be a majority owner or had control of the LLC or LP since the date the property was acquired by the LLC or LP. Title is transferred into the Borrower's name prior to the Note date.</p>
<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 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.
<p>Income / Assets</p>	
<p>Amended Tax Returns Overlay</p>	<ul style="list-style-type: none"> • 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 with in 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.			
Rental Income from 1 unit Primary: Accessory Unit / Boarder Income	<p>Rental income from a 1-unit Primary Residence may be considered as stable monthly income provided it meets the following:</p> <ul style="list-style-type: none"> • The person providing the rental income: <ul style="list-style-type: none"> o Is not obligated on the Mortgage and does not have an ownership interest o Has resided with the Borrower for at least one year o Will continue residing with the Borrower in the new residence o Evidence of residency with the Borrower (i.e., copy of a driver's license, bill, bank statement, etc., that shows the address of that person to be the same as the Borrower's address) o Is not the Borrower's spouse or domestic partner • Rental income from the person residing in the Mortgaged Premises: <ul style="list-style-type: none"> o Has been paid to the Borrower for the past 12 months o Can be verified by the Borrower with evidence showing receipt of regular payments of rental income to the Borrower for at least nine of the past 12 months (i.e., copies of canceled checks) o Must be averaged over 12 months for qualifying purposes when fewer than 12 months of payments are documented o Does not exceed 30% of total income used to qualify for the Mortgage • The Mortgage file must contain a written statement in the form of a signed letter or e-mail directly from the Borrower affirming: <ul style="list-style-type: none"> o The source of the rental income o The fact that the person providing the rental income has resided with the Borrower for the past year and intends to continue residing with the Borrower in the new residence for the foreseeable future 			
Borrower Income Limits and Calculations	Total annual qualifying income may not exceed 80% of the AMI for the property's location. If the loan has resale restrictions, the more restrictive of the HomeReady income limit or the resale restriction income limit applies.			
Borrower Minimum Contribution from Personal Funds for Purchase	Number of Units	TLVT \leq 80%	TLVT \geq 80%	
	1	None	None	
	Manufactured Home	None	None	
	2 - 4 units	None	3% Value	
Reserves	Per LPA			

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 borrowers o Borrower employed by family member o Using rental income to qualify per tax returns o Relationship between the parties
Property	
Appraisal requirements	<ul style="list-style-type: none"> • Transferred Appraisal Accepted • Freddie SSR score on Appraisal must be 4.9 or below. A Freddie SSR score of 5 is not acceptable. • Appraisal Waiver accepted per LPA except for the following: <ul style="list-style-type: none"> o Two- to four-unit properties; o Non-Arm's length transactions o Leasehold properties; o Community land trusts or other properties with resale restrictions, which include loans using the Affordable LTV feature; o Manufactured homes o Purchases of REO properties as identified in sales contract o Texas Section 50(a)(6) loans.
Escrow Accounts	Required if LTV is \geq 90% in CA or $>$ 80% in all other states.
DPA	Allowed per FHLMC guidelines.
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.
Ineligible Properties	<ul style="list-style-type: none"> • No 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 • GreenChoice Mortgage • One Time Close Construction to Perm Loans

<p>Manufactured Homes</p>	<ul style="list-style-type: none"> • Primary Residence and Second Home Only • Conforming Loan Limits 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
<p>Multiple Financed Property</p>	<p>Occupant borrower may not have more than 2 financed properties</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>State Restrictions</p>	<p>Please see our approved License States</p>