

Primary Residence- Conforming

Loan Purpose	Minimum FICO	Units	Conforming Max LTV/CLTV ¹	High Balance Max LTV/CLTV ¹
Purchase or Rate/Term	620	1	Fixed 97%* /105%	Fixed 97%* /105%
		Manufactured	95%	95%
		2	95%	85%
		3-4	95%	75%

¹ CLV to 105% with Eligible Community Seconds See Fannie Guidelines

Maximum Loan Limits			Product Types
			15yr, 20yr, 25yr and 30yr Fixed
Property Type	Conforming Loan Limits ¹	High Balance Loan Limits ¹	Property Types
			SFRs, PUDs, Warrantable Condo, 2-4 unit
			AUS
1 Unit	\$806,500	\$1,209,750	All loans must receive DU Approve/Eligible Findings
2 Unit	\$1,032,650	\$1,548,975	Minimum Loan Amount
3 Unit	\$1,248,150	\$1,872,225	\$75,000
4 Unit	\$1,551,250	\$2,326,875	Borrower Income Limits
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.			DU will determine the income eligibility of the mortgage. It may not exceed 80% AMI for the property location for standard HomeReady 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%

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. • Limited Cash-Out Refinance - Existing loan being refinanced must be owned or securitized by Fannie Mae. Document via lender's servicing system, FNMA's loan look up tool or Servicer Letter.
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 • 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, Assets 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 • Inter-Vivos Revocable Trusts <p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> • Foreign Nationals • Limited and General Partnerships • Irrevocable Trusts • ITIN borrowers
Continuity of Obligation	<p>Limited Cash Out: 1 day on title</p>
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</p>

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.
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>If all occupying buyers are first-time homebuyers, homeownership education is required for at least 1 borrower.</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 Borrowers	<p>Permitted for LTVs below 95%</p>
Income / Assets	
Accessory Dwelling Unit Income	<p>An accessory unit is a separate dwelling with a kitchen and bathroom. Income generated from an accessory unit can be considered rental income in accordance FNMA standard rental income guidance.</p>
Income / Assets Continued	
Amended Tax Returns Overlay	<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	<p>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.</p>
School Transcript Revalidation policy	<p>NDM will revalidate school transcripts when supplied as part of income review.</p>

Assets	Per DU. Source any single large deposits that exceeds 50% of the total monthly qualifying income for Purchase transactions.														
Boarder Income	<p>The rental payments that any borrower receives from one or more individuals who reside with the borrower (who may or may not be related to the borrower) may be considered as acceptable stable income. This applies for a one-unit property in an amount up to 30% of the total gross income that is used to qualify the borrower for the mortgage if the boarder</p> <ul style="list-style-type: none"> • is not obligated on the mortgage loan and does not have an ownership interest in the property; • has lived with the borrower for the last 12 months; • can provide appropriate documentation to demonstrate a history of shared residency (such as a copy of a driver's license, bill, or bank statement that shows the boarder's address as being the same as the borrower's address); and • can demonstrate the payment of rental payments (such as with copies of canceled checks) to the borrower for <ul style="list-style-type: none"> o the last 12 months, or o at least 9 of the most recent 12 months provided the rental income is averaged over a 12-month period. <p>Payment of rent by the boarder directly to a third party is not acceptable.</p>														
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 Contribution for Purchase	<table border="1" data-bbox="418 1050 1003 1354"> <thead> <tr> <th data-bbox="418 1050 565 1176">Number of Units</th> <th data-bbox="565 1050 776 1176">Minimum Borrower Contribution</th> <th data-bbox="776 1050 1003 1176">Minimum Down Payment</th> </tr> </thead> <tbody> <tr> <td data-bbox="418 1176 565 1218">1</td> <td data-bbox="565 1176 776 1218">None¹</td> <td data-bbox="776 1176 1003 1218">3%</td> </tr> <tr> <td data-bbox="418 1218 565 1281">2</td> <td data-bbox="565 1218 776 1281">3%</td> <td data-bbox="776 1218 1003 1281">15%</td> </tr> <tr> <td data-bbox="418 1281 565 1354">3-4 units</td> <td data-bbox="565 1281 776 1354">3%</td> <td data-bbox="776 1281 1003 1354">25%</td> </tr> </tbody> </table> <p data-bbox="324 1365 909 1417">¹ 3% required if sweat equity is being used.</p>			Number of Units	Minimum Borrower Contribution	Minimum Down Payment	1	None ¹	3%	2	3%	15%	3-4 units	3%	25%
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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 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 • 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 HomeStyle Energy loans; 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 Transactions using gifts of equity; o Texas Section 50(a)(6) loans. o Using rental income from the subject property to qualify the borrower
Escrow Accounts	Required if LTV is $\geq 90\%$ in CA or $> 80\%$ in all other states.
DPA	Allowed per FNMA 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 C6 and/or, 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
Multiple Financed Property	Occupant borrower may not have more than 2 financed properties
Properties Listed for Sale	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