

Primary Residence

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

Maximum Loan Limits

Product Types

15yr, 20yr, 25yr and 30yr Fixed

Property Types

SFRs, PUDs, Warrantable Condo, 2-4 unit

AUS

All loans must receive DU Approve/Eligible Findings

Minimum Loan Amount

\$75,000

Borrower Income Limits

DU will determine the income eligibility of the mortgage. It may not exceed 80% AMI for the property location.

[Area Median Income Lookup Tool](#)

¹Actual loan limits for specific counties in high-cost areas, as determined by FHFA, may be lower than the max permitted loan limit listed above.

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**

- 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.

Credit Requirements

Age of Documents	<ul style="list-style-type: none"> • 120 Days for Credit Report and Appraisal • 90 days Title • 60 days Income and Asset <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	Limited Cash Out: 1 day on title
Credit Refresh / Soft Pull	Required within 10 days of Note date. Any additional inquiries found on soft pull must be addressed by borrower.
DTI	Per DU
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	If all occupying buyers are first-time homebuyers, homeownership education is required for at least 1 borrower.
Non-Occupant Borrowers	Permitted for LTVs below 95%
Income / Assets	
Accessory Dwelling Unit Income	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.

Income / Assets Continued

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		Number of Units	Minimum Borrower Contribution	Minimum Down Payment
		1	None	3%
		2	3%	15%
		3-4 units	3%	25%
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	Follow DU Appraisal Transfer permitted			
Escrow Accounts	Required if LTV is \geq 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.
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 • Construction to Perm Loans
Multiple Financed Property	<p>Occupant borrower may not have more than 2 financed properties</p>
Properties Listed for Sale	<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>
State Restrictions	<p>Please see our approved License States</p>