

Primary Residence – Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	620	1 - Unit	97% Conforming; 95% High Balance
		2 - Units	85
		3-4 Units	75
Cash-Out Refinance	620	1 - Unit	80
		2-4 Units	75
Second Home			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	620	1 – Unit	90
Cash-Out Refinance	620	1 – Unit	75
Investment Property – Non-Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase	620	1 – Unit	80
		2-4 Units	75
Rate / Term	620	1-4 Units	75
Cash-Out Refinance	620	1 – Unit	75
		2-4 Units	70

Platinum Conforming ARM DU Product Codes:			
5/1 ARM	1700-77	5/1 ARM LPMI	1711-77
7/1 ARM	1800-77	7/1 ARM LPMI	1811-77
10/1 ARM	1900-77	10/1 ARM LPMI	1911-77
Platinum Conforming ARM DU High Balance Product Codes:			
5/1 ARM High Balance	1733-77		
7/1 ARM High Balance	1833-77		

Highlights

Topic	Description
1031 Exchange	Not Allowed.
4506 Transcripts	Transcripts are required per documentation type in the loan file.
Appraisal Requirements	<ul style="list-style-type: none"> • Transferred appraisals are not allowed. • Full appraisals are required for the following regardless of DU findings: <ul style="list-style-type: none"> ▪ Purchase of REO or auctioned properties; ▪ Purchase of properties where the most recent transaction was a foreclosure sale; ▪ Identity of Interest transactions; and ▪ Properties with age related deed restrictions. • Appraisers appearing on the Fannie Mae AQM list as “subject to 100% review” or as “ineligible” are not allowed. • Disaster Areas: <ul style="list-style-type: none"> ▪ Prior to loan closing: A PIW offer may not be exercised. A full appraisal is required. ▪ After loan closing: A re-inspection with interior inspection and photos is required. • Properties with unpermitted structural additions must meet the following requirements: <ul style="list-style-type: none"> ▪ The quality of the work must be described in the appraisal and deemed acceptable (“workmanlike quality”) by the appraiser. ▪ The addition does not result in a change in the number of units

	<p>comprising the subject property.</p> <ul style="list-style-type: none"> ▪ If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance using comparable sales with similar additions and the appraiser must make the following statements in the appraisal report: <ul style="list-style-type: none"> ○ “Non-permitted additions are typical for the market area and a typical buyer would consider the ‘unpermitted’ additional square footage to be part of the overall square footage of the property”; and ○ “The appraiser has no reason to believe the addition would not pass inspection for a permit”.
ARM Parameters	<p>5/1 ARM:</p> <ul style="list-style-type: none"> • Caps: 2/2/5 • Margin: 2.25% • Index: One Year Libor • Qualify at the greater of: <ul style="list-style-type: none"> ▪ The Note rate plus 2%; or ▪ The fully indexed rate. <p>5/1 ARMS are not eligible if the subject property is investment property and the borrower owns any financed 1-4 unit residential properties other than the subject property.</p> <p>7/1 and 10/1 ARMS</p> <ul style="list-style-type: none"> • Caps: 5/2/5 • Margin: 2.25% • Index: One Year Libor • Qualify at the greater of: <ul style="list-style-type: none"> ▪ The Note rate; or ▪ The fully indexed rate.
Assets	<p>Cryptocurrency, such as Bitcoin and Ethereum may NOT be used for down payment funds or closing funds. These types of funds must be backed out of the borrower’s assets.</p>
AUS	<p>A DU “Approve/Eligible” decision is required.</p>
Bank Accounts	<p>When a bank account or asset statement indicates “FBO” (for the betterment of) or “ITF” (trust account) confirmation is required that the borrower has access to the account and is either the beneficiary or the trustee. The following documentation may be used to satisfy this requirement:</p> <ul style="list-style-type: none"> • A copy of the Trust or Trust Certificate indicating the borrower is the beneficiary or trustee; and <p>The borrower’s name matches the name on the FBO/ITF account.</p>
Borrower Eligibility	<ul style="list-style-type: none"> • Maximum four borrowers per transaction. • Maximum four loans to the same borrower(s). • Borrowers must be natural persons or an eligible <i>inter-vivos</i> living trust. • All borrowers must have a valid social security number. A social security card may not be used to validate employment authorization. • ITINs are not allowed. • Permanent Resident Aliens: <ul style="list-style-type: none"> ▪ An unexpired Permanent Resident Alien card (green card) is required. • Non-Permanent Resident Aliens: <ul style="list-style-type: none"> ▪ An unexpired Employment Authorization Document (EAD card) is required. ▪ If a non-permanent resident alien does not have an EAD card, an acceptable Visa may be allowed on an exception basis only. The following Visa classifications may be acceptable: <ul style="list-style-type: none"> ○ A Series: A-1, A-2, A-3 ○ E Series: E-1, E-2, Treaty Trader ○ G Series: G-1, G-2, G-3, G-4, G-5

	<ul style="list-style-type: none"> ○ H-1, Temporary Worker ○ L-1, Intra Company Transferee ○ O Series, Individual with Extraordinary Ability or Achievement ○ R-1, Temporary Religious Worker ○ TN, NAFTA Visa ○ TC, NAFTA Visa ▪ If a non-permanent resident alien is borrowing with a U.S. citizen the above documentation is still required for the non-permanent resident alien borrower. • Non- Resident Alien or Other Status: <ul style="list-style-type: none"> ▪ Not eligible. • If the authorization for non-permanent residency status will expire within three months obtain the following: <ul style="list-style-type: none"> ▪ Confirmation from the USCIS that the employer has re-filed a petition of extension. ▪ If the borrower does not have a history of prior renewals, proof of three year continuance must be determined based on information from the USCIS. • Applicants with the following designations are not eligible: <ul style="list-style-type: none"> ▪ Diplomatic Immunity; ▪ Politically Exposed Persons; ▪ Temporary Protected Status; ▪ Deferred Enforced Departure; or ▪ Humanitarian Parole.
CEMA	Not Allowed
Community Seconds	Not Allowed
Condominium	<ul style="list-style-type: none"> • The project must meet Fannie Mae requirements. • The following project types are ineligible: <ul style="list-style-type: none"> ▪ Condo projects where any unit is < 400 square feet and where the subject unit is < 650 square feet; ▪ Condotels/Hotel Condominiums: <ul style="list-style-type: none"> ○ Condo projects that include registration services and offer the rental of units for a term of 30 days or less are not eligible; ○ Projects that have or share facilities with a hotel or motel such as maid service, management desks, maid services, or bellmen, etc. are not eligible; and ○ Condo projects that restrict the owner's ability to occupy the unit are not eligible. ▪ Conversions from hotels or motels ▪ Manufactured home condos; ▪ Multi-dwelling unit condos; ▪ New condo projects where seller concessions are not disclosed on the settlement statement and/or are being offered in excess of Agency guidelines; ▪ Non-Warrantable condo projects; and ▪ Projects subject to a ground lease.
Construction to Perm	Not Allowed
Credit Report	<ul style="list-style-type: none"> • An RMCR or traditional tri-merge credit report is required for all borrowers. • A new credit report may not be pulled once the file has been submitted for underwriting. • A new credit report is only allowed at the underwriter's direction or after the existing credit report has expired. • Any debt not reported on the credit report must be documented as being repaid in the satisfactory manner. • If the credit report does not show a required minimum payment amount and there is no supplemental documentation to support a payment, 5% of the outstanding balance must be used as the borrower's recurring monthly debt obligation.
Deed Restrictions	<ul style="list-style-type: none"> • Age related only.

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	<ul style="list-style-type: none"> Eligible occupancy and property types: <ul style="list-style-type: none"> 1-2 unit principal residences; 1 unit second home; and 1-2 unit investment properties.
Disabled Child/Elderly Parent	<ul style="list-style-type: none"> Borrowers who wish to provide housing for their physically handicapped or developmentally disabled adult child who is unable to work or does not have sufficient income to qualify for a loan, may be considered owner-occupants; or Borrowers who wish to provide housing for their parent who is unable to work or does not have sufficient income to qualify may be considered owner-occupants. The borrower must provide a detailed explanation identifying the situation and need for financing. <ul style="list-style-type: none"> Exercise caution when the borrower owns investment properties or is doing a cash-out refinance transaction. When borrowers are financing a home for their disabled child or parents the following apply: <ul style="list-style-type: none"> The disabled child or parent is not required to be on title or on the mortgage loan. Acceptable documentation must be included in the loan file to support the transaction. Documentation may include tax returns of the borrower that show the disabled adult child as a dependent or tax returns of the parent which documents insufficient income to qualify.
DAPs/MCCs	Not Allowed
Escrow Impounds	<p>Required for all loans with LTVs > 80% unless prohibited by state law.</p> <ul style="list-style-type: none"> Flood insurance must be escrowed if the loan is secured by a primary residence or a second home located in a mandatory flood zone regardless of whether or not any other funds are escrowed. Impounds for mortgage insurance may never be waived.
Escrow Withholds for Repairs	Not Allowed
Future Employment/Income	The borrower must begin employment before the loan is closed. Income documentation per AUS findings must be provided.
High Balance Loans	<ul style="list-style-type: none"> The following additional requirements apply: <ul style="list-style-type: none"> For properties in attached condo projects the appraisal must include two comps from outside the project.
HPML	Not Allowed
Identity of Interest/Non-Arms-Length Transactions	<ul style="list-style-type: none"> Allowed on owner occupied transactions only. Not eligible if the property had a prior sale within 180 days. Not eligible if the subject property is in foreclosure or a Notice of Default has been filed. Not eligible for Delayed Financing. Transactions must be fully disclosed in the sales contract as non-arms-length. The file must include the following documentation: <ul style="list-style-type: none"> A copy of the cancelled earnest money check to verify payment to the seller; Verification that the borrower is not now on title and has not been on title within the past 24 months; A payment history for the existing mortgage (seller's mortgage) on the subject property must be obtained and must reflect that the loan is current and has no pattern of delinquency in the past 12 months; and The borrower must provide a sensible written explanation stating the relationship to the seller and the reason for the purchase. A full appraisal must be obtained regardless of the DU findings.

	<p>PIWs are not allowed.</p> <ul style="list-style-type: none"> The appraiser must be informed of the non-arms-length transaction and address whether or not the market value has been affected by the relationship of the parties.
Ineligible Programs	<p>Any Fannie Mae Affordable Housing program including:</p> <ul style="list-style-type: none"> Community Solutions and Community HomeChoice; HomePath; HomeReady; HomeStyle Renovation; Loans with Community Seconds; and My Community Loans.
Ineligible Property Types	<ul style="list-style-type: none"> Assisted Living Properties; Board and Care Facilities; Bed and Breakfast Establishments; Boarding Houses; Condition Ratings of C5, C6, or Q6; Co-ops; Dome Homes; Land Loans; Land Trusts including Illinois Land Trusts; Leasehold Land; Legal Non-Conforming Properties if unable to rebuild to current density; Log Homes; Manufactured Homes; Mobile Homes; Native American Land: Properties on Indian (Native American) tribal or Indian Trust Land, restricted land, or where the borrower has a leasehold interest; On-Frame Modular Homes; Properties that are not suitable for year-round use; Properties where the current improvements are not the "highest and best use"; Vacant Lots; and Working Farms and Ranches.
Interested Party Contributions	<ul style="list-style-type: none"> Loans with undisclosed interested party contributions are not eligible. Loans with Payment Abatements are not eligible. Financing concessions for primary residences and second homes must be within the following allowable percentages: <ul style="list-style-type: none"> LTV/CLTV \leq 75% - 9% of value LTV/CLTV $>$ 75% - \leq 90% - 6% of value LTV/CLTV $>$ 90% - 3% of value Financing concessions for investment properties is limited to: <ul style="list-style-type: none"> 2% of value regardless of the LTV/CLTV. Value is the lesser of the sales price or appraised value. <p>Note: The property seller cannot pay for future HOA dues.</p>
Leasehold Properties	Not Eligible
Manual Underwriting	Not Allowed
Manufactured Homes	Not Eligible
Marijuana Related Business/Employment	Income from a marijuana based business or employment may not be used for qualifying purposes.
Mortgage Insurance	<p>Loans with a DTI greater than 45% and a credit score < 700 are not eligible.</p> <p>Reduced MI Levels are not eligible. Standard coverage must be obtained.</p> <p>For properties in New York:</p>

	<ul style="list-style-type: none"> • Use the appraised value only to determine if MI is required. • If MI is required, use the lesser of the sales price or the appraised value to determine the required coverage. <p>Mortgage Insurance Options:</p> <ul style="list-style-type: none"> • Borrower Paid Single Premium • Financed MI • Lender Paid Single Premium <ul style="list-style-type: none"> ▪ Must obtain MI from Genworth • Level Amount • Monthly and Zero Monthly • Standard Annual <p>Ineligible:</p> <ul style="list-style-type: none"> • Any MI where the premium is paid out of the mortgage interest received. • Borrower paid annual. • Lender paid annual. • Lender paid monthly. <p>Slit Premium.</p>
PACE/HERO Solar Lease	Not Allowed
Power of Attorney	Use of a Power of Attorney is not allowed for the following transactions: <ul style="list-style-type: none"> • Cash-out refinances; • Identity of interest or non-arms-length transactions; • Non-occupant borrowers may not use a POA; • Non-owner occupied investment properties; and • When title is taken in a trust.
Property Flipping	<p>Prior sales within 90 days are eligible if:</p> <ul style="list-style-type: none"> • The seller is a relocation agency; • The property is a foreclosure or deed-in-lieu of foreclosure sale; • The property was obtained through inheritance or divorce; and • Meets all of the below requirements. <p>Prior sales within 180 days:</p> <ul style="list-style-type: none"> • Identity of interest transactions are not allowed. • If the value has increased by 20% or more the appraiser must: <ul style="list-style-type: none"> ▪ Report the previous sale transaction's price and date; ▪ Describe in detail any improvements made since the prior sale; and ▪ Provide an explanation for the increase in the property value, considering the impact of improvements, if any, on value, as well as any recent price trends or changes in local market conditions.
Restructured Loans/Short Payoffs	Not Allowed
Second Home	<ul style="list-style-type: none"> • One unit only. • Must be suitable for year-round occupancy. • Must be occupied by the borrower for some portion of the year. • The borrower must have exclusive control of the property. • The property cannot be subject to any agreements that give a management firm control over the occupancy of the property and there must not be any rental property or timeshare arrangements. • If rental income for the second home is reported on the borrower's tax returns the loan is eligible as a second home as long as the property is not being rented for the entire year (the tax returns must not reflect that the property has been rented for 365 days). •
State Restrictions	<p>The following are ineligible:</p> <ul style="list-style-type: none"> • Hawaii properties located in Lava Flow Zones 1 and 2 are not eligible; • Illinois land trusts are not eligible; • 2-4 units in New Jersey are not eligible;

	<ul style="list-style-type: none"> • Properties in West Virginia are not eligible • Texas 50(a)(6) transactions are not eligible; and • Properties located in any U.S. Territory or Possession are not eligible.
Student Loan Cash-Out Refinance	Not Allowed
Tax Returns	<ul style="list-style-type: none"> • Amended tax returns that increase the borrower's income may not be used for qualifying purposes. • If the tax returns reflect monies owed to the IRS proof of payment is required.
Temporary Buy Down	Not Allowed
Verification of Employment/Verification of Deposit/Verification of Mortgage/Rent	<ul style="list-style-type: none"> • The use of a Verification of Employment (VOE) and/or a Verification of Deposit (VOD) only is not allowed. <ul style="list-style-type: none"> ▪ At a minimum paystubs and bank statements are required. • When the borrower's current mortgagee or landlord is a private party, the use of a Verification of Mortgage (VOM) or Verification of Rent (VOR) only is not allowed. <ul style="list-style-type: none"> ▪ Copies of the borrower's most recent, consecutive 12 months cancelled checks will be required.