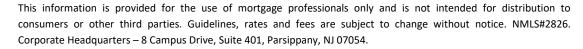


FANNIE MAE HOMEREADY™

PROGRAM SPECIFICATIONS	
Description	The HomeReady™ Mortgage is conventional community lending mortgage that offers underwriting flexibilities to
	qualified borrowers who meet specific income criteria.
Channels	• Broker
	Correspondent
	o Table Funded
	o Non-Delegated (UW)
FICO	 Delegated (UW) 620 minimum qualifying credit score for all qualifying Borrowers.
1165	AFR permits credit score used by DU eligibility assessment when there are multiple borrowers.
	o Reference SEL-2021-08 and Selling Guide B3-5.1.01
UW Method	Desktop Underwriter (DU)
AUS Recommendation	Approve/Eligible
Eligible Terms	10 Yr., 15 Yr., 20 Yr., and 30 Yr. Fully Amortizing Fixed Rate
Eligible Transaction Types	Purchase
	Limited Cash Out Refinances
Eligible Property Types	1-4 Unit Principal Residences
	• Condominiums:
	o Ineligible reviews: Properties that require PERS (Project Eligibility Review Service)
	• PUDs
	Multi-width Manufactured Housing
	Reminder: Second Homes and Investment Properties are not permitted
	Note: Single-width Manufactured home older than 10 years from the effective date of the appraisal must use
	Enact or National MI, if PMI is required. AFR must order the MI and be the lender.
Maximum LTV/CLTV/HCLTV	See Eligibility Matrix for HomeReady™ Mortgages
	https://singlefamily.fanniemae.com/media/20786/display
	Reminder:
	 HomeReady™ mortgages that are originated in connection with the HomeStyle® Renovation product or
	secured by Manufactured Housing must follow the more restrictive LTV/CLTV/HCLTV ratios that apply.
	2–4-Unit Purchase or LCOR Max of 95% LTV/CLTV
	See table below for LTVs 95.01-97%
Maximum DTI	Determined by DU Findings
Borrower Eligibility	Borrower may own other residential property at time of closing.
Lancas Electrica	Non-occupant borrowers are permitted (to max 95% LTV)
Income Eligibility	To be eligible as a HomeReady mortgage, the total annual qualifying income may not exceed 80% of the AMI for all property locations. This includes properties in law income consumers to the continuous sections.
	the AMI for all property locations. This includes properties in low-income census tracts.
	https://homeready-eligibility.fanniemae.com/homeready/
	integs///nomeready engionicy/annientae.com/nomeready/
	Rental income from a 1-unit Primary Residence must be provided by a person who is not obligated on
	the Mortgage and does not have ownership interest in the Mortgaged Premises and may not be the
	Borrower's spouse or domestic partner.
Ownership of Other Property	Occupying Borrower(s) must not have an ownership interest in more than two financed residential
	properties, including the subject property, as of the Note Date.
Minimum Borrower Contribution	<u>Property Type</u> <=80% >80% <=95% >95%
	1 Unit None None None
	2-4 Unit N/A 5% N/A Manufactured None None N/A
Homeownership Education and	At least one Borrower must complete pre-purchase homeownership education and receive a referral to housing
Housing Counseling	counseling prior to the loan closing (Note date). See B2-2-06 for all guidelines.
	Must be provided through <u>Framework</u> , an online program approved by Fannie Mae.
	Homeownership education certificate must be retained in the Mortgage file.
	Note : Loans closed on or after December 7, 2019; require homeownership education for at least one borrower
	only if all occupying borrowers are first-time homebuyers, regardless of LTV.
Mortgage Insurance	Follow DU Findings







	Reminder: Standard Coverage Required on loans with LTV ratios at or below 90%, and 25% coverage is required for loans with LTV ratios above 90% - 97%.
MI Companies	 Arch Essent Guaranty, Inc. Enact MGIC National
Geographic Restrictions	 Hawaii AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions. AFR requires the use of AFR's Texas counsel on all Texas transactions with the exception of Correspondent Delegated loans. AFR utilizes this 3rd party for document preparation and require 48
Guidelines	hours for both title review and to generate a closing package. https://www.fanniemae.com/singlefamily/originating-underwriting B5-6
Forms	See FORMS Section in the Resource Center
Resources	https://www.fanniemae.com/content/fact_sheet/homeready-overview.pdf https://www.fanniemae.com/content/fact_sheet/homeready-product- matrix.pdfhttps://www.fanniemae.com/content/faq/homeready-faqs.pdf
	OVERLAYS
Follow all overlays listed in the F	annie Mae Fully Amortizing Fixed and High Balance Program

Fannie Mae permits LTV, CLTV and HCLTV ratios to exceed 95% if certain requirements are met. The table below describes the requirements for HomeReady™ mortgage transactions with LTV ratios of 95.01-97%

Criteria	Requirements
CLTV Ratio	95.01-97% if the subordinate lien is not a Community Seconds loan
	105% if the subordinate lien is a Community Seconds loan
HCLTV	95.01-97%
Loan Purpose	Purchase Transactions or Limited Cash-Out Refinances
	For LCOR the lender must document that the existing loan being refinanced is owned or securitized by
	Fannie Mae.
Loan Type	30 Yr. Fixed Rate Loans
	Important: High Balance Manufactured Housing and HomeStyle® Renovation loans are not permitted
Property and Occupancy	1 Unit Principal Residence
	All Borrowers must occupy the Property
Underwriting Method	DU Approve Eligible Only
Reserves	Determined by DU
Other	All other HomeReady™ requirements apply

