

# FNMA HomeStyle Renovation Summary

Desktop Underwriter <sup>2</sup>		
Transaction Type	Number of Units	Maximum LTV / CLTV
<b>PRIMARY RESIDENCE</b>		
Purchase Limited Cash-Out Refinance	1 Unit	97% <sup>1</sup>
	2 Units	85%
	3-4 Units	75%
<b>SECOND HOME</b>		
Purchase Limited Cash-Out Refinance	1 Unit	90%
<b>INVESTMENT PROPERTY</b>		
Purchase Limited Cash-Out Refinance	1 Unit	85%
	2-4 Units	75%
	1-4 Units	75%

<sup>1</sup> Not permitted for high-balance loans or manufactured homes that are no MH Advantage. At least one borrower on the loan must have a credit score. At least one borrower must be a first-time homebuyer. For a limited cash-out refinance, Fannie Mae must be the owner of the existing mortgage.

<sup>2</sup> If a transaction includes a combination of HomeStyle Renovation, HomeReady, and manufactured housing, the more restrictive eligibility requirements of each of those transactions apply. DU will apply the applicable eligibility requirements, but the lender must determine eligibility for manually underwritten loans.

Manual Underwriting <sup>1</sup>						
			Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV/CLTV	Credit Score / LTV	Minimum Reserves	Credit Score / LTV	Minimum Reserves
<b>PRIMARY RESIDENCE</b>						
Purchase Limited Cash-Out Refinance	1 Unit	95%	680 if > 75%	0	720 if > 75%	0
			640 if ≤ 75%		680 if ≤ 75%	
			620 if ≤ 75%	2	700 if > 75%	
	660 if > 75%	6	660 if ≤ 75%	6		
2 Units	85%	680 if > 75%	6	700 if > 75%	6	
		640 if ≤ 75%	6	680 if ≤ 75%	6	
3-4 Units	75%	660	6	680	6	
<b>SECOND HOME</b>						
Not eligible. Must have a Desktop Underwriter Approve/Eligible (LL-2021-08 03.10.2021)						
<b>INVESTMENT PROPERTY</b>						
Not eligible. Must have a Desktop Underwriter Approve/Eligible (LL-2021-08 03.10.2021)						

<sup>1</sup> Not allowed on manufactured homes or high-balance loans.

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<b>Eligible Programs</b>	Fixed Rate
<b>Loan Terms</b>	15 or 30 year
<b>Borrower Eligibility</b>	<p><b>Eligible Borrowers:</b> U.S. Citizens Permanent Resident Aliens Non-Permanent Resident Aliens – See Visa Classification List</p> <p><b>Ineligible Borrowers:</b> Foreign Nationals Corporations or LLC's Non-Profit Organizations Local Government Agencies Individual Taxpayer Identification Numbers (ITIN) in lieu of Social Security Number</p>
<b>Documentation</b>	<p>See On Q policies for transcript and re-verification requirements</p> <p><b>Verbal Verifications of Employment</b> A Verbal Verification of Employment is required within ten (10) days prior to the Note date or Funding, whichever is later.</p> <p>For Self-Employed individuals, verification must be obtained within thirty (30) days prior to the Note date of Funding, whichever is later, to show that the business is currently open and operational.</p> <p><b>Down payment assistance or bond loans are not eligible.</b></p>
<b>Loan Purpose</b>	<p>Purchase Limited Cash-Out Refinance</p> <p><b>Ineligible:</b> Cash-out refinance PACE loans HomeStyle Energy</p>
<b>Underwriting</b>	<p>Use of the HomeStyle Renovation Maximum Mortgage Worksheet (Form 1035) to calculate the maximum mortgage is required. NOTE: IF ANY OF THE FEES ON THE MMW ARE PAID IN ADVANCE (POC) THEY CANNOT BE FINANCED IN THE LOAN AMOUNT.</p>
<b>Mortgage Insurance</b>	<p><b>Eligible Mortgage Insurance Companies:</b></p> <ul style="list-style-type: none"> <li>• Radian</li> <li>• MGIC</li> <li>• Genworth</li> <li>• Essent</li> <li>• National MI</li> <li>• Arch MI</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Reduced</li> <li>• Minimum MI</li> <li>• Lower Cost MI</li> </ul>
<b>Eligible Properties with an Accessory Dwelling Unit (ADU)</b>	<ul style="list-style-type: none"> <li>➤ A site- or modular dwelling, with an ADU; <ul style="list-style-type: none"> <li>○ The ADU may itself be a single-wide manufactured home that does not meet the requirements for MH Advantage housing but meets all standard manufactured home requirements.</li> </ul> </li> <li>➤ A manufactured home meeting the requirements for MH Advantage housing, with an ADU; <ul style="list-style-type: none"> <li>○ The ADU may itself be a single-wide manufactured home that does not meet the requirements for MH Advantage housing but meets all standard manufactured home requirements or may be factory or sitebuilt housing).</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>➤ A manufactured home with an ADU;             <ul style="list-style-type: none"> <li>○ The ADU itself must be a modular or site-built housing and not a manufactured home (regardless of whether or not it meets the MH Advantage requirements).</li> </ul> </li> </ul> <p>An ADU may have its own utility meters separate from the primary dwelling but must not have a separate address. All other ADU requirements apply per FNMA sellers guide section B2-3-04. Special Feature Code 870 when the property has an ADU as identified above.</p>
<b>Property Type</b>	<p><b>Eligible:</b></p> <ul style="list-style-type: none"> <li>• 1-4 unit dwelling</li> <li>• Attached or detached</li> <li>• PUD</li> <li>• Warrantable Condominium</li> <li>• Double Wide Manufactured Homes</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Non-warrantable Condominiums</li> <li>• Single Wide Manufactured Homes</li> <li>• Manufactured Homes on Leasehold</li> <li>• Manufactured Homes located in a Condominium project</li> <li>• Fannie Mae Special Designation Condominiums in Florida</li> <li>• Cooperatives</li> <li>• Condominium Conversions less than 3 years</li> <li>• Condo-hotels</li> <li>• Timeshares</li> <li>• Working Farms and Ranches</li> <li>• Leaseholds</li> <li>• Owner/Builder</li> <li>• Properties under construction prior to closing of the transaction</li> <li>• Property Assessed Clean Energy (PACE)</li> </ul>
<b>Property Valuations</b>	<p>A full standard interior and exterior appraisal is required.</p>
<b>Special Feature Codes</b>	<p>235 – Manufactured Homes (excluding MH Advantage) 859 – MH Advantage Home 215 – HomeStyle renovation is not complete</p>
<b>Geographic Restrictions</b>	<p>Texas 50(a)(6) and 50(a)(4) are ineligible – Refer to the On Q Texas Home Equity Guidelines</p>