

FNMA Standard Conventional Summary

Desktop Underwriter (excludes High LTV Refinance, HomeReady, HomeStyle Renovation, and Manufactured Homes)		
Transaction Type	Number of Units	Maximum LTV/CLTV
PRIMARY RESIDENCE		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97% ¹ ARM: 95%
	2 Units 3-4 Units	FRM/ARM: 85% FRM/ARM: 75%
Cash-Out Refinance	1 Unit	FRM/ARM: 80%
	2-4 Units	FRM/ARM: 75%
SECOND HOME		
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 75% ²
Cash-Out Refinance	1 Unit	FRM/ARM: 60% ²
INVESTMENT PROPERTY		
Purchase	1 Unit	FRM/ARM: 75% ²
	2-4 Units	FRM/ARM: 75%
Limited Cash-Out Refinance	1-4 Units	FRM/ARM: 75%
Cash-Out Refinance	1 Unit	FRM/ARM: 60% ²
	2-4 Units	FRM/ARM: 70%

Desktop Underwriter Manufactured Homes		
Transaction Type	Number of Units	Maximum LTV/CLTV
PRIMARY RESIDENCE		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97% ¹ ARM: 95%
Cash-Out Refinance	1 Unit Term ≤ 20 years	FRM/ARM: 65%
SECOND HOME		
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 75% ²

¹ Not permitted for high-balance loans or manufactured homes that are not 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.

² Maximum LTV regardless of DU approval.

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Manual Underwriting ¹ (excludes High LTV Refinance, HomeReady, and HomeStyle Renovations)						
			Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV/CLTV	Credit Score / LTV	Minimum Reserves	Credit Score / LTV	Minimum Reserves
PRIMARY RESIDENCE						
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 95%	680 if > 75%	0	720 if > 75%	0
			640 if ≤ 75%		680 if ≤ 75%	
			FRM: 620 if ≤ 75%	2		
			660 if > 75%	6	700 if > 75%	6
	2 Units	FRM/ARM: 85%	680 if > 75%	6	700 if > 75%	6
			640 if ≤ 75%		680 if ≤ 75%	
	3-4 Units	FRM/ARM: 75%	660	6	680	6
Cash-Out Refinance	1 Unit	FRM/ARM: 80%	680 if > 75%	0	700 if > 75%	2
			660 if ≤ 75%		680 if ≤ 75%	
			660 if > 75%	6		
			640 if ≤ 75%			
	2-4 Units	FRM/ARM: 75%	680	6	700	6
					680	12
SECOND HOME						
Not eligible. Must have a Desktop Underwriter Approve/Eligible (LL-2021-08 03.10.2021)						
INVESTMENT PROPERTY						
Not eligible. Must have a Desktop Underwriter Approve/Eligible (LL-2021-08 03.10.2021)						

¹ Not allowed on manufactured homes or high-balance loans.

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Eligible Programs	Fixed Rate Adjustable Rate
Loan Terms	15, 20, and 30 year
Eligible ARM Products	<p>Term: 5/6, 7/6, and 10/6 Index: SOFR Caps: 5/6 = 2/1/5 7/6 and 10/6 = 5/1/5 Margin: 2.75% Floor: 2.75%</p>
Temporary Buydowns	<p>Eligible Buydown Types <u>2/1 Buydown</u></p> <ul style="list-style-type: none"> • Payment calculated at 2% below the Note Rate for the first year. • Payment calculated at 1% below the Note Rate for the second year. • Payment calculated at the Note Rate for the years three through full term. <p><u>1/0 Buydown</u></p> <ul style="list-style-type: none"> • Payment calculated at 1% below the Note Rate for the first year. • Payment calculated at the Note Rate for the years two through full term. <p>Eligible Products</p> <ul style="list-style-type: none"> • 30 year fixed rate <p>Eligible Source of Subsidy</p> <ul style="list-style-type: none"> • Seller funded subject to interested party contribution limits. • Lender funded. • Borrower funded buydowns are not eligible. <p>Borrower Qualification</p> <ul style="list-style-type: none"> • The Note Rate must be used for the principal and interest qualification. <p>Transaction Types</p> <ul style="list-style-type: none"> • Purchase <p>Occupancy Type</p> <ul style="list-style-type: none"> • Primary Residence • Second Homes <p>Reserves</p> <ul style="list-style-type: none"> • If reserves are required they must be calculated at the Note Rate. <p>Property Type Restrictions</p> <ul style="list-style-type: none"> • Manufactured Homes not eligible.
Borrower Eligibility	<p>Eligible Borrowers: U.S. Citizens Permanent Resident Aliens Non-Permanent Resident Aliens – See Visa Classification List</p> <p>Ineligible Borrowers: Foreign Nationals Corporations or LLC's Non-Profit Organizations Local Government Agencies Individual Taxpayer Identification Numbers (ITIN) in lieu of Social Security Number</p>

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Minimum Credit Score	<p>Primary Residence – Minimum 620 or as determined by AUS. Second Home and Investment Properties:</p> <ul style="list-style-type: none"> ➤ > 70% LTV – minimum 720 ➤ 60.01% - 70% LTV – minimum 680 ➤ ≤ 60% LTV – minimum 620
Documentation	<p>See On Q policies for transcript and re-verification requirements</p>
Rental Income from ADU	<p>Rental income from ADU used for qualifying:</p> <ul style="list-style-type: none"> ➤ Maximum 85% LTV/CLTV ➤ Primary residence only ➤ Rental income from the ADU may be used as an acceptable source of qualifying income, provided the primary dwelling is either a manufactured home meeting the requirements of MH Advantage housing or a site- or factory-built dwelling. ➤ Rental income from the ADU used for qualifying purposes must be calculated and documented in accordance with the Selling Guide. ➤ Applicable law, including zoning, must permit the ADU to be legally rented. ➤ Single Family Comparable Rent Schedule (Form 1007) from the appraiser and request that the estimated monthly market rent be provided for the ADU only. ➤ The appraisal must reflect the highest and best use of the property as a single-family residence with an ADU and not as a two-family unit. ➤ Appraisal waivers are not eligible, regardless of DU findings. ➤ See Appraisal section for additional requirements. ➤ Underwriter may ignore the following DU Message: <ul style="list-style-type: none"> ○ DU Message ID 2865: “This loan casefile is ineligible because Accessory Unit Income is only allowed on 1-unit HFA or 1-unit HomeReady mortgage loan transactions.”
Mortgage Insurance	<p>Eligible Mortgage Insurance Companies:</p> <ul style="list-style-type: none"> • Radian • MGIC • Enact • Essent • National MI • Arch MI <p>Ineligible:</p> <ul style="list-style-type: none"> • Reduced • Minimum MI • Lower Cost MI
Property Type	<p>Eligible:</p> <ul style="list-style-type: none"> • 1-4 unit dwelling • Attached or detached • PUD • Warrantable Condominium • Double Wide Manufactured Homes • Single Wide Manufactured Homes —must be no more than 10 years old • Eligible Properties with an Accessory Dwelling Unit (ADU) – Primary Residence only: <ul style="list-style-type: none"> ➤ A site- or modular dwelling, with an ADU;

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	<ul style="list-style-type: none"> ▪ 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. ➤ A manufactured home meeting the requirements for MH Advantage housing, with an ADU; <ul style="list-style-type: none"> ▪ 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). ➤ A manufactured home with an ADU; <ul style="list-style-type: none"> ▪ 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). <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.</p> <p>Ineligible:</p> <ul style="list-style-type: none"> • Non-warrantable Condominiums • Manufactured Homes on Leasehold • Manufactured Homes located in a Condominium project • Fannie Mae Special Designation Condominiums in Florida • Cooperatives • Condominium Conversions less than 3 years • Condo-hotels • Timeshares • Working Farms and Ranches • Condition Rating of C5 or C6 or a Quality Rating of Q6
Property Valuations	Follow AUS guidelines for the required valuation option.
Special Feature Codes	009 – Temporary Buydown 127 – High LTV Refinance when FNMA owns the loan 235 – Manufactured Homes (excluding MH Advantage) 801 – Property Inspection Waiver 859 – MH Advantage Home 870 – When the property has an ADU as identified in the property eligibility section above.
Geographic Restrictions	Texas 50(a)(6) and 50(a)(4) are ineligible – Refer to the On Q Texas Home Equity Guidelines