

Primary Residence					
Conforming Purchase & Limited Cash-Out Refinance			High-Balance Purchase & Limited Cash-Out Refinance		
Property Type	Max LTV/CLTV <sup>1,2</sup>	Min Credit Score	Property Type	Max LTV/CLTV <sup>2</sup>	Min Credit Score
1 Unit	97%/NA	620	1 Unit	95%	620
	95%		2 Unit	85%	
2 Units	85%		3-4 Units	75%	
3-4 Units	75%				

  

Second Home					
Conforming Purchase & Limited Cash-Out Refinance			High-Balance Purchase & Limited Cash-Out Refinance		
Property Type	Max LTV/CLTV <sup>2</sup>	Min Credit Score	Property Type	Max LTV/CLTV <sup>2</sup>	Min Credit Score
1 Unit	90%	620	1 Unit	90%	620

**Footnotes**

<sup>1</sup> 95.01%-97% LTV

- **Purchase:** At least one borrower must be a first-time homebuyer, see homeownership education below
- **Limited Cash-Out (LCO) Refinance:** Existing loan must be owned (or securitized) by Fannie Mae (Loan Lookup Tool)
- Non-occupant co-borrower ineligible
- Subordinate financing ineligible

<sup>2</sup> > 80% LTV requires mortgage insurance (MI) and is subject to MI guidelines

<p><b>COVID-19 Temporary Process Effective 03/23/20</b></p>	<p>Refer to <a href="#">COVID-19 Communications</a> for additional guidance.</p> <p><b>Employed Borrowers: 10-Day Pre-Closing Verbal Verification of Employment (VVOE)</b> Due to COVID-19, there may be difficulty in obtaining the VVOE due to disruption to operations of the borrower's employer. An attempt to obtain the VVOE in accordance with existing requirements must be made. The following alternatives are allowed if a VVOE cannot be obtained:</p> <ul style="list-style-type: none"> <li>• Written VOE                             <ul style="list-style-type: none"> <li>◦ Email must originate from the employer's email address/ domain (e.g. @loanDepot.com)</li> <li>◦ Name and title of individual verifying the borrower's current employment status</li> </ul> </li> <li>• YTD Paystub from the pay period that immediately precedes the note date</li> <li>• Bank statements evidencing the payroll deposit from the pay period that immediately precedes the note date</li> </ul>				
	<p><b>Self-employed borrowers: Continuity of Income</b> Must confirm borrower's business is open and operating within 20 business days of the note date and prior to delivery.</p>				
	<p><b>Appraisal</b> Due to COVID-19, appraisal inspection and reporting requirements have been revised. The following table provides appraisal requirements based on mortgage purpose, loan-to-value (LTV) ratio, occupancy type and mortgage ownership:</p> <p><b>Note:</b> These flexibilities are not permitted for Fannie Mae HomeStyle Renovation.</p> <p>Appraisal waiver offers remain acceptable when eligible and provided through DU.</p>				
	Appraisal Requirements				
	Mortgage Purpose	LTV Ratio	Occupancy Type	Ownership of Mortgage being refinanced	Permissible appraisals
	Purchase Transaction, including new construction properties <sup>1</sup>	≤ 97%	Primary Residence	N/A	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal
		≤ 85%	Second Home	N/A	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal
		> 85%	Second Home	N/A	Interior and exterior inspection appraisal
	Limited Cash-out Refinance <sup>2</sup>	Refer to Program Matrix	Primary Residence or Second Home	Fannie Mae Owned	Interior and exterior inspection appraisal or exterior-only inspection
				Not Fannie Mae Owned	Interior and exterior inspection appraisal
<p><sup>1</sup>New construction loans are not eligible for exterior-only appraisals</p> <p><sup>2</sup> Verify the final AUS submission matches the agency (Fannie Mae) that owns the existing mortgage</p>					



	o Desktop Underwriter (DU) must be used for Fannie Mae to Fannie Mae transactions		
<b>Conventional Lending Resource</b>	All loans must be underwritten to the standards contained within this matrix and the <a href="#">loanDepot Conventional Lending Guide</a> <ul style="list-style-type: none"> <li>Any guidance published on this matrix supersedes any guidance referenced within the Wholesale Underwriting Guidelines</li> <li>If guidance is not provided on this matrix or within the Wholesale Underwriting Guidelines, refer to the Fannie Mae Selling Guide</li> </ul>		
<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>Down payment assistance options</li> <li>ARMs</li> <li>Second mortgages</li> <li>Multiple loanDepot loans: Maximum 2 loans for one borrower active at one time</li> </ul>		
<b>Geographic Restrictions</b>	<ul style="list-style-type: none"> <li><b>Hawaii</b> <ul style="list-style-type: none"> <li>Hawaiian Home Land transactions are ineligible</li> <li>Properties in Lava Zones 1 and 2 not permitted (verify the appraisal to confirm if property may be in a lava zone)</li> </ul> </li> <li><b>Texas Refinances</b> <ul style="list-style-type: none"> <li>Primary residence transactions ineligible, refer to <a href="#">Texas 50(a)(6) matrix</a></li> <li>Second homes and investment property transactions eligible (subject property must not be the only property owned in TX)</li> </ul> </li> </ul>		
<b>Minimum Loan Amount</b>	<b>Conforming</b>		<b>High-Balance</b>
	\$60,000		\$1 > Conforming loan limit for the number of units for high cost areas
<b>Debt-To-Income (DTI)</b>	• Per DU		
<b>AUS Requirements</b>	DU Approve/Eligible: Fannie Mae guidelines apply <ul style="list-style-type: none"> <li>Manual Underwriting not permitted</li> </ul>		
<b>Documentation</b>	• Per DU		
<b>Qualifying Ratios</b>	• Per DU		
<b>Temporary Buydown Requirements</b>	<ul style="list-style-type: none"> <li>Buydown plan must be a written agreement</li> <li>All terms of buydown must be disclosed to the MI company and the property appraiser</li> <li>Mortgage instruments must reflect permanent payment terms rather than terms of the buydown plan. In no event may the buydown plan change the terms of the note</li> <li>Terms of the Buydown: <ul style="list-style-type: none"> <li>Buydown period is 12 months</li> <li>Buydown interest rate is 1% below the note rate for the buydown period</li> <li>Loan must be underwritten at the note rate</li> </ul> </li> <li>Buydown funds requirements: <ul style="list-style-type: none"> <li>Buydown accounts must be established and fully funded by the time loan funds</li> <li>The borrower's only interest in buydown funds is to have them applied toward payments as they come due under the Note</li> <li>Buydown funds are not refundable unless the mortgage is paid off before all the funds have been applied</li> <li>Buydown funds cannot be used to pay past-due payments</li> <li>Buydown funds cannot be used to reduce the mortgage amount or LTV ratio</li> </ul> </li> </ul>		
<b>Income/Employment</b>	The following is general guidance and subject to DU approval. Subject to additional documentation at the underwriter's discretion. <ul style="list-style-type: none"> <li>Two-year employment history must be verified</li> <li>Explanation for any gaps of employment of 30 days or more is required</li> </ul>		
	<b>Salaried Borrowers</b>		
	<ul style="list-style-type: none"> <li>Current paystub dated within 120 days from the Note date</li> <li>W2s per DU</li> </ul>		
	<b>Rental Income</b>		
	<ul style="list-style-type: none"> <li>Rental income is an acceptable source of stable income if it can be established that the income is likely to continue.</li> <li>Rental income derived from the subject property must be from: <ul style="list-style-type: none"> <li>2-4 unit principal residence in which the borrower occupies one of the units</li> </ul> </li> <li>Rental income derived from non-subject property have no restrictions on the property type</li> </ul>		
	<b>Self-Employed Borrower</b>		
	<ul style="list-style-type: none"> <li>Business in existence for at least two years (as stated on application)</li> <li>Personal signed individual tax returns, including all pages and schedules per DU</li> <li>Corporate or partnership signed tax returns, including all pages and schedules per DU</li> <li>Profit and loss generally not required</li> <li>Maximum 1 business owned</li> </ul>		
<b>Asset Documentation</b>	• Refer to loanDepot Wholesale Underwriting Guidelines		
<b>Reserves</b>	• Per DU		
<b>Interested Party Contribution</b>	<b>Primary Residence and Second Home</b>		
	> 90% LTV/CLTV/TLTV	75.01 -90% LTV/CLTV/TLTV	< 75% LTV/CLTV/TLTV
	3%	6%	9%
<b>Borrower Eligibility</b>	<b>Eligible</b>		<b>Ineligible</b>
	<ul style="list-style-type: none"> <li>U.S. Citizens</li> <li>Permanent Resident –Refer to Non-U.S. Citizens</li> </ul>		<ul style="list-style-type: none"> <li>LLC</li> <li>Irrevocable Trusts</li> </ul>



	<ul style="list-style-type: none"> <li>• Non-Permanent Residents</li> <li>• Inter Vivos Revocable Trusts</li> <li>• Non-Occupant Borrowers</li> </ul>	<ul style="list-style-type: none"> <li>• Foreign National</li> </ul>		
Property Types	<b>Eligible<sup>1</sup></b>	<b>Ineligible</b>		
	<ul style="list-style-type: none"> <li>• SFR/PUD (detached/attached)</li> <li>• Condo (low/high rise)</li> <li>• 2-4 Units</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural/Income producing properties</li> <li>• Non-Warrantable Condo/Condotel</li> <li>• Manufactured housing</li> <li>• Earth homes, and geodesic domes</li> <li>• Properties on more than 10 acres are typically ineligible but will be considered as an exception</li> </ul>		
<sup>1</sup> PIW for solar is allowed with evidence of a secondary source of electricity (current electric bill affirming connection to the grid)				
Properties Listed for Sale	<ul style="list-style-type: none"> <li>• <b>Limited Cash-Out transactions:</b> Property must be taken off the market on or before the disbursement date and the borrower must confirm their intent to occupy the subject property (primary residence refinance transaction only)</li> </ul>			
Multiple Financed Properties	<ul style="list-style-type: none"> <li>• Primary Residence – no limit on financed properties</li> <li>• Second Home:             <ul style="list-style-type: none"> <li>○ Max 10 financed properties,</li> </ul> </li> <li>• Min 720 credit score for 7- 10 financed properties</li> </ul>			
Mortgage Insurance	<ul style="list-style-type: none"> <li>• BPMI (monthly and single premium) are eligible</li> <li>• LPMI (single premium) is eligible based on program LTV eligibility</li> <li>• Financed MI is not available</li> <li>• Custom or reduced MI not eligible</li> <li>• Acceptable renewal types are Level/Constant and Non-refundable</li> </ul>			
	<b>Standard – Required MI Coverage</b>			
	<b>Loan Term</b>	<b>LTV</b>		
<b>30 Year</b>	80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%
	12%	25%	30%	35%
Homeownership Education and Housing Counseling	<p><b>Required for purchase transactions with LTV ratios greater than 95%, when</b></p> <ul style="list-style-type: none"> <li>• All borrowers are first-time homebuyers, at least one borrower must participate in homeownership education</li> <li>• <a href="#">Fannie Mae Homeownership Education and Housing Counseling</a></li> </ul>			
Credit	<b>Mortgage/Rental History</b>			
	<ul style="list-style-type: none"> <li>• Per DU</li> </ul>			
	<b>Installment/ Revolving</b>			
	<ul style="list-style-type: none"> <li>• Per DU</li> </ul>			
	<b>Foreclosure, Bankruptcy, Deed-in-Lieu, Short Sale, Repossession, or Loan Modification</b>			
	<b>Derogatory Event</b>	<b>Discharge/Dismissal</b>		
	Bankruptcy — Chapter 7 or 11	4 years		
Bankruptcy — Chapter 13	2 years from discharge date 4 years from dismissal date			
Multiple Bankruptcy Filings	5 years from dismissal or discharge date			
Foreclosure	7 years			
Loan Modification	No seasoning, DU will evaluate			
Deed-in-Lieu of Foreclosure	4 years			
Pre-foreclosure Sale				
Charge-Off of Mortgage Account				
Credit	<b>Collections and Non-Mortgage Charge-Off</b>			
	<b>Transaction Type</b>	<b>Requirement</b>		
	1 Unit, Principal Residence	Payoff not required regardless of amount		
	2-4 Units, Owner Occupied and Second Home	Accounts totaling > \$5,000 must be paid in full prior to or at closing		
	Investment Property	Individual accounts ≥ \$250 and totaling > \$1,000 must be paid in full prior to or at closing		
<b>Note:</b> Collection accounts reported as medical collections are not used in the DU risk assessment				
Student Loans	Student loans in repayment, deferment or forbearance:			
	<b>If</b>	<b>Then</b>		
	Payment Reflected on Credit Report	May use that amount for qualifying purposes		
	Payment <i>Not</i> Reflected on credit report	May use the monthly payment that is on the most recent student loan statement to qualify the borrower		
Credit report shows \$0	<ul style="list-style-type: none"> <li>• Use 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or</li> </ul>			

			<ul style="list-style-type: none"> <li>• a fully amortizing payment using the documented loan repayment terms</li> <li><b>If income-driven payment plan is \$0:</b></li> <li>• Obtain student loan documentation to verify the actual monthly payment is \$0, then may qualify the borrower with a \$0 payment</li> </ul>
<b>Net Tangible Benefit</b>	<ul style="list-style-type: none"> <li>• Net Tangible Benefit Requirements – All refinance transactions must meet the more restrictive of <a href="#">loanDepot Net Tangible Benefit Policy</a> or agency/program Net Tangible Benefits Requirements.</li> </ul>		

Eligible Terms			
Conforming Fixed		High Balance Fixed	
Description	Term	Description	Term
30 Year Fixed	Fully Amortizing 30 Years	30 Year Fixed	Fully Amortizing 30 Years

