

Primary Residence			
Purchase and Limited Cash-Out Refinance			
Property Type	Max LTV/CLTV ^{2,3}		Min Credit Score
1 Unit	Fixed	ARM	Per DU ⁴
	97% ¹	95%	
2 Units	85%		620
3-4 Units	75%		

¹ 95.01% - 97.00% LTV transactions

- Limited Cash-Out Refinance: existing loan must be owned (or securitized) by Fannie Mae (Loan Lookup Tool).
- Non-occupant borrower is ineligible
- High Balance and ARMs are not permitted

² 95% LTV/CLTV transactions

- Max 95% LTV/CLTV for High Balance Loan Limits and non-occupant borrower(s)

³ > 80% LTV requires mortgage insurance (MI) and is subject to MI guidelines

⁴ MI company guidelines require minimum credit score 620

COVID-19 Temporary Process Effective 03/23/20	Refer to COVID-19 Communications for additional guidance.				
	Employed Borrowers: 10-Day Pre-Closing Verbal Verification of Employment (VVOE) 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: <ul style="list-style-type: none"> Written VOE <ul style="list-style-type: none"> Email must originate from the employer's email address/ domain (e.g. @loanDepot.com) Name and title of individual verifying the borrower's current employment status YTD Paystub from the pay period that immediately precedes the note date Bank statements evidencing the payroll deposit from the pay period that immediately precedes the note date 				
	Self-employed borrowers: Continuity of Income Must confirm borrower's business is open and operating within 20 business days of the note date and prior to delivery.				
	See COVID-19 Communications above for additional self-employed guidance.				
	Appraisal 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.				
	Note: These flexibilities are not permitted for Fannie Mae HomeStyle Renovation.				
	Appraisal waiver offers remain acceptable when eligible and provided through DU.				
	Appraisal Requirements				
	Mortgage Purpose	LTV Ratio	Occupancy Type	Ownership of Mortgage being refinanced	Permissible appraisals
	Purchase Transaction, including new construction properties ¹	Refer to Program Matrix	Primary Residence	N/A	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal
Limited Cash-out Refinance ²	Refer to Program Matrix	Primary Residence	Fannie Mae Owned	Interior and exterior inspection appraisal or exterior-only inspection	
			Not Fannie Mae Owned	Interior and exterior inspection appraisal	
¹ New construction loans are not eligible for exterior-only appraisals ² Verify the final AUS submission matches the agency (Fannie Mae) that owns the existing mortgage <ul style="list-style-type: none"> Desktop Underwriter (DU) must be used for Fannie Mae to Fannie Mae transactions 					
Minimum Loan Amount	Conforming		High Balance		
	\$60,000		\$1 > Conforming loan limit for the number of units for high cost areas		
Property Types	Eligible¹		Ineligible		
	<ul style="list-style-type: none"> Owner Occupied Principal Residence <ul style="list-style-type: none"> 1-4 Units Co-ops (Refer to Co-Op Approved Projects list) PUDs Condo (low/high rise) 		<ul style="list-style-type: none"> Agricultural/Income producing properties Non-Warrantable Condo/Condotel Manufactured home Earth homes, and geodesic domes 		
¹ PIW for solar is allowed with evidence of a secondary source of electricity (current electric bill affirming connection to the grid)					



	Eligible	Ineligible			
Borrower Types	<ul style="list-style-type: none"> • U.S. Citizens • Permanent Resident • Non-Permanent Residents • Inter Vivos Revocable Trusts • Non-Occupant Borrower(s) <ul style="list-style-type: none"> ◦ Maximum 95% LTV ◦ Income considered as part of qualifying income and subject to income limits 	<ul style="list-style-type: none"> • Foreign National 			
Ineligible Transaction Types	<ul style="list-style-type: none"> • Down payment assistance options • Community Seconds/Grants/Affordable Seconds • Sweat Equity • Multiple loanDepot loans: Maximum 2 loans (including the subject property) for one borrower active at one time 				
Geographic Restrictions	<p>Hawaii</p> <ul style="list-style-type: none"> • Properties located in Hawaii Lava Zones 1 & 2 • Hawaiian Home Land transactions are ineligible <p>Texas Refinances</p> <ul style="list-style-type: none"> • Primary residence transactions ineligible, refer to Texas 50(a)(6) matrix 				
AUS Requirements	<p>DU Approve/Eligible; Fannie Mae guidelines apply</p> <ul style="list-style-type: none"> • Manual underwriting not permitted • At least one borrower must have traditional credit • Based on income, DU will determine the income eligibility for HomeReady Mortgage <p>Note: DU findings message must include "This case is eligible for delivery as a "HomeReady" Mortgage Loan."</p> <ul style="list-style-type: none"> • Special Feature Code: SFC 900 required for HomeReady Mortgages • Standard Agency underwriting and property guidelines apply unless specifically referenced in this matrix <p>Note: When pairing HomeReady with HomeStyle Renovation select HomeReady in DU. The more restrictive of HomeReady or HomeStyle Renovation guidelines apply. Can also add the exception footnote in 95.01-97% reflected on HomeStyle Reno matrix</p>				
Mortgage Insurance	<ul style="list-style-type: none"> • BPPI (monthly premium) is eligible • LPPI (single premium) is eligible based on program LTV eligibility and 620 credit score <ul style="list-style-type: none"> ◦ LPPI is not eligible for 5/1 ARM • Financed MI is not available • Custom or reduced MI not eligible • Acceptable renewal types are Level/Constant and Non-refundable 				
	Standard – Required MI Coverage				
	Loan Term	LTV			
		80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%
	Fixed<=20 year	6%	12%	25%	25%
	Fixed>20 year	12%	25%	25%	25%
First-Time Homebuyer	<ul style="list-style-type: none"> • No requirement for the borrower(s) to be a First-Time Homebuyer 				
Homeownership Education and Housing Counseling	<ul style="list-style-type: none"> • Additional SFC 184 required when at least one borrower on the loan has received customized one-on-one assistance from a HUD-approved non-profit counseling agency, as evidenced by completion of a Certificate of Pre-purchase Housing Counseling (Form 1017) <ul style="list-style-type: none"> ◦ Loan level price adjustment credit applies.(Refer to Rate Sheet) • Fannie Mae Homeownership Education and Housing Counseling 				
Income	<p>The following is general guidance and subject to DU approval. Subject to additional documentation at the underwriter's discretion</p> <ul style="list-style-type: none"> • Two year employment history must be verified • Explanation for any gaps of employment of 30 days or more is required <p style="text-align: center;">Qualifying Income Limits</p> <ul style="list-style-type: none"> • To determine whether a mortgage is eligible under the borrower income limits, count the income used to qualify the loan <ul style="list-style-type: none"> ◦ Income (O.T., bonus, etc.) not used to qualify the borrower is not required to be included in the income limit eligibility • Total annual qualifying income must not exceed 80% of the Area Median Income (AMI) for the property's location • DU will determine if the qualifying income meets the income limits, or <ul style="list-style-type: none"> ◦ Use the HomeReady Eligibility Lookup Tool / Income Eligibility spreadsheet Census Tract Lookup ◦ The Additional Data screen field will allow entering census tract information if DU is unable to geocode the property address <p style="text-align: center;">Salaried Borrowers</p> <ul style="list-style-type: none"> • Current paystub dated within 120 days from the Note date • W2s per DU <p style="text-align: center;">Rental Income</p> <p>Rental income is an acceptable source of stable income if it can be established that the income is likely to continue.</p> <ul style="list-style-type: none"> • Rental income derived from the subject property must be one of the following: <ul style="list-style-type: none"> ◦ 1 unit principal residence with an accessory unit ◦ 2-4 unit principal residence in which the borrower occupies one of the units • Rental income derived from non-subject property have no restrictions on the property type 				



	<ul style="list-style-type: none"> Boarder income (relative or non-relative) from a 1 unit property up to 30% of the total gross income is eligible if <ul style="list-style-type: none"> The individual(s) lives with pays rent to the borrower for the last 12 months The boarder provides document history of shared residency (i.e. driver's license, bill, or bank statement with boarder's address as being the same as the borrower's address) The boarder can demonstrate (such as copies of canceled checks) the payment of rental payments to the borrower for <ul style="list-style-type: none"> the last 12 months, or at least 9 of the most recent 12 months provided the rental income is averaged over a 12-month period <p>Note: Payment of rent by the boarder directly to a third party is not acceptable</p>																
	Self-Employed Borrower																
	<ul style="list-style-type: none"> Business in existence for at least two years (as stated on application) Personal signed individual tax returns, including all pages and schedules per DU Corporate or partnership signed tax returns, including all pages and schedules per DU Profit and loss generally not required Maximum 1 business owned 																
Qualifying Rate	<table border="1"> <tr> <th>Fixed Rate</th> <th>Initial Fixed-Rate Period ≤ 5 years</th> <th>Initial Fixed-Rate Period > 5 years</th> </tr> <tr> <td>Qualify at the Note Rate</td> <td>Qualify at the greater of the fully indexed rate or the Note rate + 2.0%</td> <td>Qualify at the greater of the fully indexed rate or the Note rate</td> </tr> </table>	Fixed Rate	Initial Fixed-Rate Period ≤ 5 years	Initial Fixed-Rate Period > 5 years	Qualify at the Note Rate	Qualify at the greater of the fully indexed rate or the Note rate + 2.0%	Qualify at the greater of the fully indexed rate or the Note rate										
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Per DU Approve/Eligible findings; loans with MI may have more restrictive requirements																	
Subordinate Financing	<ul style="list-style-type: none"> Subordinate financing must comply with B2-1.1-04 Subordinate Financing Subordinate financing of a seller-held mortgage is ineligible with HomeReady Mortgage 																
Assets	<ul style="list-style-type: none"> Minimum down payment requirement: 																
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Property Ownership	<ul style="list-style-type: none"> Occupant borrowers may own one other financed residential property (in addition to the subject property) at the time of closing Non-occupant borrower(s) has no limitation on ownership of other residential property 																
Properties Listed for Sale	<ul style="list-style-type: none"> Limited Cash-Out: 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 																
Credit	Mortgage/Rental History																
	<ul style="list-style-type: none"> Per DU 																
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HPML and HPCT Loans	<ul style="list-style-type: none"> Higher-priced mortgage loan (HPML) underwriting requirements are applicable to all occupancy types (not just primary residences) 5/1 ARM not eligible as HPML or higher-priced covered transactions (HPCT) 						
Net Tangible Benefit	<ul style="list-style-type: none"> Net Tangible Benefit Requirements – All refinance transactions must meet the more restrictive of loanDepot Net Tangible Benefit Policy or agency/program Net Tangible Benefits Requirements. 						

Eligible Terms								
	Conforming				High-Balance			
	Description/Term				Description/Term			
Fixed	30 Year Fixed				30 Year Fixed			
	30 Year Fixed LPMI				30 Year Fixed LPMI			
	25 Year Fixed				25 Year Fixed			
	25 Year Fixed LPMI				25 Year Fixed LPMI			
	20 Year Fixed				20 Year Fixed			
	20 Year Fixed LPMI				20 Year Fixed LPMI			
	15 Year Fixed				15 Year Fixed			
	15 Year Fixed LPMI				15 Year Fixed LPMI			
	10 Year Fixed				10 Year Fixed			
SOFR ARM PLANS	Conforming				High-Balance			
	Description	Index	Margin	Caps	Description	Index	Margin	Caps
	5/6 ARM	SOFR	2.25%	2/1/5	5/6 ARM	SOFR	2.25%	2/1/5
	7/6 ARM			5/1/5	7/6 ARM			5/1/5
	7/6 ARM LPMI				7/6 ARM LPMI			
LIBOR ARM PLANS (last date to lock LIBOR 9/3/20)	Conforming				High-Balance			
	Description	Index	Margin	Caps	Description	Index	Margin	Caps
	5/1 ARM	LIBOR	2.25%	2/2/5	5/1 ARM	LIBOR	2.25%	2/2/5
	7/1 ARM			5/2/5	7/1 ARM			5/2/5
	7/1 ARM LPMI				7/1 ARM LPMI			

