

## Home Possible 95% LTV

Finance Type	Purchase / Rate & Term Refinance			
Property Type	Primary Residence			
LTV / TLTV/ FICO	Fixed Rate		ARM	
	Max LTV / TLTV	Min FICO	Max LTV / TLTV	Min FICO
SFR / PUD / Condo/ 2 Units	95% / 95%	620	95% / 95%	620
3-4 Units	95% / 95%	620	N / A	N / A
Eligible Loan Amounts	<ul style="list-style-type: none"> <li>Conforming Loan Limits only</li> </ul>			
Credit Score	<ul style="list-style-type: none"> <li>Minimum FICO 620 or higher as determined by Loan Product Advisor (LPA)</li> </ul>			
Eligible Terms	<ul style="list-style-type: none"> <li><b>Fixed Rate: 15, 20, or 30 years</b>, fixed fully-amortized</li> <li><b>ARMs: 5/1 ARM</b>, (Index LIBOR), Caps 2/2/5. <b>7/1 ARM &amp; 10/1 ARM</b>, (Index) LIBOR), Caps 5/2/5 <ul style="list-style-type: none"> <li>Margin 2.25</li> <li>Fully-amortized over 30 year term.</li> <li>3-4 Unit properties are not eligible for ARMs</li> </ul> </li> </ul>			
Eligible Property Types	<ul style="list-style-type: none"> <li>Owner Occupied Principal Residence <ul style="list-style-type: none"> <li>1-4 Units</li> <li>Condos</li> <li>PUDs</li> <li>Co-ops</li> </ul> </li> </ul>			
Borrower Eligibility	<ul style="list-style-type: none"> <li>U.S. Citizens</li> <li>Non-Permanent and Permanent Residents</li> <li>First Time Homebuyers</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>Foreign National</li> <li>Non-occupant borrower(s)</li> </ul>			
Appraisal Requirements	<ul style="list-style-type: none"> <li>Must obtain an appraisal with an interior and exterior inspection that meets the requirements of Agency Guide Chapter 5601</li> </ul>			



<p><b>Ineligible Transaction Types</b></p>	<ul style="list-style-type: none"> <li>• Super Conforming mortgages</li> <li>• Down payment assistance options</li> <li>• Community Seconds/Grants/Affordable Seconds</li> <li>• Sweat Equity</li> <li>• Texas 50(a)(6) loans</li> <li>• Manufactured Homes</li> <li>• HomeStyle Renovation loans</li> <li>• Properties located in <a href="#">Hawaii Lava Zones 1 &amp; 2</a></li> </ul>																			
<p><b>Loan Product Advisor (LPA)</b></p>	<ul style="list-style-type: none"> <li>• LPA Accept/Eligible required (No manual underwrites allowed)</li> <li>• Based on income, LPA will determine the income eligibility for Home Possible  <b>Note:</b> LPA feedback certificate will return Home Possible offer message(s) - "This loan meets Home Possible income limits based on property location for address entered. If you choose to deliver this loan as a Home Possible loan, it must meet all requirements of the Home Possible product selected." Or "This loan meets Home Possible income limits based on property location for address entered. This loan must also meet all other Home Possible product requirements for delivery to Agency."</li> <li>• Eligible in LPA with at least one borrower has traditional credit</li> <li>• LPA Offering Identifier Code 241</li> <li>• Standard Agency underwriting and property guidelines apply unless specifically referenced within this matrix</li> </ul>																			
<p><b>Mortgage Insurance</b></p>	<ul style="list-style-type: none"> <li>• Financed MI is not available</li> <li>• Custom or reduced MI not eligible</li> <li>• Standard MI: BPMI (monthly and single premium), LPMI (single premium) is eligible based on program LTV eligibility. LPMI is not available for 5/1 or 10/1 ARMS</li> <li>• Loans with &gt;80% LTV will require Mortgage Insurance and are subject to MI guidelines</li> <li>• Approved MI companies are Arch, Genworth, MGIC, NMI, and Radian. Max DTI 45% for FICO &lt; 700 apply and vary by MI company. Refer to the individual MI company guidelines</li> </ul> <table border="1" data-bbox="349 1402 1365 1722"> <thead> <tr> <th colspan="4">Required MI Coverage</th> </tr> <tr> <th rowspan="2">Loan Term</th> <th colspan="3">LTV</th> </tr> <tr> <th>80.01% - 85%</th> <th>85.01% - 90%</th> <th>90.01% - 95%</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate ≤20 Years</td> <td>6%</td> <td>12%</td> <td>25%</td> </tr> <tr> <td>Fixed / ARMs &gt; 20 Years</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table>	Required MI Coverage				Loan Term	LTV			80.01% - 85%	85.01% - 90%	90.01% - 95%	Fixed Rate ≤20 Years	6%	12%	25%	Fixed / ARMs > 20 Years	12%	25%	25%
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<p><b>Homebuyer Education</b></p>	<ul style="list-style-type: none"> <li>• Homeownership Education required prior to Note date for at least one qualifying borrower if all borrower(s) are First-Time Homebuyers</li> <li>• Homeownership Education must not be provided by an interested party to the transaction, the seller or by the originating Lender</li> <li>• Copy of Exhibit 20, Homeownership Education Certification or similar document (such as the CreditSmart – Steps to Homeownership Certificate of Completion) containing comparable information must be retained in the mortgage file</li> <li>• The following types of Homeownership Education are acceptable:             <ul style="list-style-type: none"> <li>▪ Programs developed by HUD-approved counseling agencies</li> <li>• Homeownership Education programs developed by mortgage insurance companies or other providers’ programs that meet the standards of the <a href="#">National Industry Standards for Homeownership Education and Counseling</a></li> <li>○ An alternative to the types listed above, Agency’s free financial literacy curriculum from CreditSmart modules: <a href="#">CreditSmart®- Steps to Homeownership Tutorial</a> 1) Module 1 Your Credit and Why It is Important, 2) Module 2 Managing Your Money, 3) Module 7 Thinking Like a Lender, 4) Module 11 Becoming a Homeowner, and 5) Module 12 Preserving Homeownership: Protecting Your Investment. The financial literacy curriculum is not provided by an interested party to the transaction, the seller or by the originating Lender</li> </ul> </li> </ul>
<p><b>Landlord Education (2 – 4 Unit Primary Residence)</b></p>	<ul style="list-style-type: none"> <li>• <b>Purchase Transaction</b> – At least one qualifying borrower must participate in a landlord education program prior to the Note date             <ul style="list-style-type: none"> <li>▪ Landlord education must not be provided by an interested party to the transaction, the seller or the originating Lender</li> <li>▪ Copy of a certificate evidencing successful completion of the landlord education must be retained in the mortgage file</li> </ul> </li> <li>• <b>Refinance Transactions</b> – Landlord education is not required but is recommended by Agency for borrower(s) refinancing particularly those who have not previously attended</li> </ul>
<p><b>Borrower Income Eligibility</b></p>	<ul style="list-style-type: none"> <li>• LPA will determine the income eligibility of the mortgage or can be validated using the <a href="#">Home Possible Income &amp; Property Eligibility tool</a></li> <li>• Determine whether or not the borrower(s) satisfied the income limits, the income must be calculated as described in Agency Guide 4501.9(e)</li> <li>• Borrower(s) qualifying income submitted to LPA cannot exceed 100% of the area median income limits or the higher percentage in designated high-cost areas as indicated in Agency Guide 4501.7</li> <li>• Income (O.T., bonus, etc.) not used to qualify the borrower is not required to be included in the income limit eligibility</li> <li>• No income limits apply if the subject property is located in an Underserved Area</li> </ul>



<p><b>Income</b></p>	<ul style="list-style-type: none"> <li>• Follow standard Agency income guideline requirements to verify qualifying income in accordance with Agency Guide Chapters 5302 through 5307</li> <li>• Any discrepancies, income underreported income, must be corrected before submitting to LPA</li> <li>• Rental income (Boarder) from a 1 unit primary residence that meets the requirements of Agency Guide 5306.1 may be considered as stable monthly income or the following:             <ul style="list-style-type: none"> <li>▪ The person providing the rental income and the borrower:                 <ul style="list-style-type: none"> <li>○ Have resided together for at least one year</li> <li>○ Will continue residing together in the new residence, and</li> <li>○ The person providing the rental income must provide documentation to evidence residency with the borrower (i.e., driver’s license, bill, bank statement, etc.) that shows the address of that person to be the same as the borrower’s address</li> </ul> </li> <li>▪ Rental income from the person residing in the mortgage premises (subject):                 <ul style="list-style-type: none"> <li>○ Rental income has been paid to the borrower for the past 12 months on a regular basis</li> <li>○ Evidence of receipt of regular payments of rental income for the past 12 months via copies of cancelled checks</li> <li>○ Rental income does not exceed 30% of total income used to qualify</li> </ul> </li> <li>▪ The file must contain a written statement from the borrower affirming:                 <ul style="list-style-type: none"> <li>○ Source of the rental income</li> <li>○ The fact that the person providing the rental income has resided with the borrower for the past year and intends to continue residing with the borrower in the new residence for the foreseeable future</li> </ul> </li> </ul> </li> <li>• Rental income from 2-4 unit primary residence that meets the requirements of Agency Guide 5306.1 may be used as qualifying income</li> </ul>
<p><b>Qualifying Ratios</b></p>	<ul style="list-style-type: none"> <li>• As determined by LPA Accept Risk Classification             <ul style="list-style-type: none"> <li>▪ Loans with Mortgage Insurance may have more restrictive requirements</li> </ul> </li> <li>• Qualifying Rate             <ul style="list-style-type: none"> <li>▪ Note rate for <b>Fixed-rate</b></li> <li>▪ Higher of note rate + 2% or fully indexed rate for <b>5/1 ARMs</b></li> <li>▪ Higher of note rate or fully indexed rate for <b>7/1 ARMs &amp; 10/1 ARMs</b></li> </ul> </li> </ul>
<p><b>Subordinate Financing</b></p>	<ul style="list-style-type: none"> <li>• Subordinate financing must comply with Agency Guide 4204.1</li> <li>• No Affordable Seconds</li> <li>• Subordinate financing of a seller-held mortgage is <b>ineligible</b> with Home Possible</li> </ul>



<b>Assets</b>	<ul style="list-style-type: none"> <li>Minimum contribution from borrower personal funds – Purchase Transaction &gt; 80% LTV: <table border="1" style="margin: 10px auto;"> <thead> <tr style="background-color: #92d050;"> <th>Number of Units</th> <th>Minimum Borrower Contribution</th> <th>Minimum Down Payment Requirement</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>One</b></td> <td style="text-align: center;">None</td> <td style="text-align: center;">5%</td> </tr> <tr> <td style="text-align: center;"><b>Two</b></td> <td style="text-align: center;">3%</td> <td style="text-align: center;">5%</td> </tr> <tr> <td style="text-align: center;"><b>Three or Four</b></td> <td style="text-align: center;">3%</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table> </li> <li>No minimum contribution required for LTV&lt;80% &amp; limited cash-out refinance transaction</li> <li>Acceptable source of funds for down payment and closing costs: <ul style="list-style-type: none"> <li>Borrower Personal Funds as described in Agency Guide 5501.3(b)</li> <li>Gifts Agency Guide 5501.3(c)</li> <li>Cash-on-hand permitted as a source of funds for down payment; Refer to Agency Guide 4501.10(i)(2) for requirements. Refer to MI company guidelines that would allow cash-on-hand for Home Possible loans</li> </ul> </li> </ul> <p><b>Note:</b> Cash-on-hand may not be used to fund the borrower’s reserve requirement, if applicable. Refer to Agency Guide 5501 and 4501.10 for more information.</p>	Number of Units	Minimum Borrower Contribution	Minimum Down Payment Requirement	<b>One</b>	None	5%	<b>Two</b>	3%	5%	<b>Three or Four</b>	3%	5%
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<b>Reserves</b>	<ul style="list-style-type: none"> <li>Must verify all reserves required by LPA as stated on feedback certificate. The below required reserves are included in the amount of reserves required by LPA: <ul style="list-style-type: none"> <li>1-unit: No reserves requirement</li> <li>2-4 unit: 2 months reserves required</li> </ul> </li> </ul> <p>Refer to Agency Guide 4501.10 for eligible sources of funds</p>												
<b>Interested Party Contribution</b>	<ul style="list-style-type: none"> <li>LTV/TLTV &gt; 90%: 3%</li> <li>LTV/TLTV 75.01 - 90%: 6%</li> <li>LTV/TLTV ≤ 75%: 9%</li> </ul>												
<b>First Time Homebuyer</b>	<ul style="list-style-type: none"> <li>No requirement for the borrower(s) to be a First Time Homebuyer</li> </ul>												
<b>HPML and HPCT Loans</b>	<ul style="list-style-type: none"> <li>Higher-priced mortgage loan (HPML) underwriting requirements are applicable to all occupancy types (not just primary residences)</li> <li>5/1 ARM not eligible as HPML or higher-priced covered transactions (HPCT)</li> </ul>												
<b>Property Ownership</b>	<ul style="list-style-type: none"> <li>All borrower(s) must occupy the subject property as a primary residence</li> <li>Borrower(s) may not have any individual or joint ownership interest in any other residential properties as of the Note date except as stated below.</li> </ul> <p>The borrower may have an ownership interest in a residential property other than the subject property if the borrower does not occupy the other property and documents the following:</p>												



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	<ul style="list-style-type: none"> <li>Borrower inherited ownership interest in the other property and shares ownership with another party; ineligible if borrower inherited other property as a sole owner</li> <li>Borrower owns the other property with another party and the debt associated with the property is assigned to the other party by a court order (i.e. divorce decree)</li> <li>Borrower is a cosigner/guarantor on the mortgage debt and someone other than the borrower has made payments for the most recent 12 months to the other property; must document most recent 12 months cancelled checks</li> </ul>																																				
<p><b>Additional Restrictions</b></p>	<ul style="list-style-type: none"> <li>Minimum credit score is required regardless of LPA Accept/Eligible decision</li> <li>No MCC</li> <li>No Temporary Buydowns</li> </ul>																																				
<p><b>Additional Underwriting Guidelines</b></p>	<p>Please access <a href="#">loanDepot DWholesale Underwriting Guidelines</a> for a complete set of guidelines. For ease of access, we have included links to popular topics by category:</p> <table border="1" data-bbox="363 814 1507 1465"> <thead> <tr> <th>Assets</th> <th>Credit</th> <th>Eligibility</th> <th>Income</th> <th>Property</th> <th>Misc. Topics</th> </tr> </thead> <tbody> <tr> <td><a href="#">Business Assets</a></td> <td><a href="#">Contingent Liabilities</a></td> <td><a href="#">Continuity of Obligation</a></td> <td><a href="#">Employment History</a></td> <td><a href="#">Accessory Units</a></td> <td><a href="#">Appraisal Policy</a></td> </tr> <tr> <td><a href="#">Gift Funds</a></td> <td><a href="#">Deferred Installment Debt</a></td> <td><a href="#">Multiple Financed Properties</a></td> <td><a href="#">Non Borrowing Spouse</a></td> <td><a href="#">Hobby Farms</a></td> <td><a href="#">Delayed Financing</a></td> </tr> <tr> <td><a href="#">Gift of Equity</a></td> <td><a href="#">Disputed Accounts</a></td> <td><a href="#">Non Arms Length Transactions</a></td> <td><a href="#">Retirement Income</a></td> <td><a href="#">Leasehold</a></td> <td><a href="#">Departure Primary Residence</a></td> </tr> <tr> <td><a href="#">Large Deposits</a></td> <td><a href="#">Payoff and Paydown of Debt</a></td> <td><a href="#">Non Occupant Co- Borrower</a></td> <td><a href="#">Temporary Leave</a></td> <td><a href="#">Non Permitted Additions</a></td> <td><a href="#">Power of Attorney</a></td> </tr> <tr> <td></td> <td></td> <td><a href="#">Non U.S Citizens</a></td> <td><a href="#">Tax Transcripts</a></td> <td><a href="#">Property Flips</a></td> <td></td> </tr> </tbody> </table>	Assets	Credit	Eligibility	Income	Property	Misc. Topics	<a href="#">Business Assets</a>	<a href="#">Contingent Liabilities</a>	<a href="#">Continuity of Obligation</a>	<a href="#">Employment History</a>	<a href="#">Accessory Units</a>	<a href="#">Appraisal Policy</a>	<a href="#">Gift Funds</a>	<a href="#">Deferred Installment Debt</a>	<a href="#">Multiple Financed Properties</a>	<a href="#">Non Borrowing Spouse</a>	<a href="#">Hobby Farms</a>	<a href="#">Delayed Financing</a>	<a href="#">Gift of Equity</a>	<a href="#">Disputed Accounts</a>	<a href="#">Non Arms Length Transactions</a>	<a href="#">Retirement Income</a>	<a href="#">Leasehold</a>	<a href="#">Departure Primary Residence</a>	<a href="#">Large Deposits</a>	<a href="#">Payoff and Paydown of Debt</a>	<a href="#">Non Occupant Co- Borrower</a>	<a href="#">Temporary Leave</a>	<a href="#">Non Permitted Additions</a>	<a href="#">Power of Attorney</a>			<a href="#">Non U.S Citizens</a>	<a href="#">Tax Transcripts</a>	<a href="#">Property Flips</a>	
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