

Finance Type	Purchase / Limited Cash-Out Refinance			
Property Type	Primary Residence			
LTV / CLTV / FICO	Fixed Rate		ARM	
	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO
SFR / PUD / CONDO	97% / 97% *	620	95% / 95%	620
2 Units	85% / 85%	620	85% / 85%	620
3-4 Units	75% / 75%	620	75%/75%	620
Max LTV Requirements*	<ul style="list-style-type: none"> • > 95% - 97% LTV Requirements: <ul style="list-style-type: none"> ▪ Purchase & Limited Cash-out Transaction Fixed Rate only. Note: Limited Cash-Out refinance loans must be owned or securitized by FNMA. ▪ 1 Unit SFR, PUD and Condo ▪ All borrower(s) must occupy the subject property; non-occupant borrower ineligible ▪ High Balance Loan Limits ineligible • Max 95% LTV Requirements: <ul style="list-style-type: none"> ▪ Purchase & Limited Cash-Out Refinance Transaction (Fixed Rate & ARM) ▪ 1 Unit SFR, PUD and Condo ▪ High Balance Loan Limits eligible 			
Eligible Loan Amounts	<ul style="list-style-type: none"> • Subject to Agency Conforming Loan Limits • Subject to Agency High Balance Loan Limits 			
Credit Score	<ul style="list-style-type: none"> • Minimum FICO 620 			
Eligible Terms	<ul style="list-style-type: none"> • Fixed Rate: 10, 15, 20, 25 or 30 years, fixed fully-amortized • ARMs: 5/1 ARM, Caps 2/2/5, 7/1 ARM, Caps 5/2/5 <ul style="list-style-type: none"> ▪ Index (LIBOR), and Margin (2.25) ▪ Fully-amortized over 30-year term 			
Eligible Property Types	<ul style="list-style-type: none"> • Owner Occupied Principal Residence <ul style="list-style-type: none"> ▪ 1-4 Unit ▪ Condos ▪ PUDs 			
Borrower Eligibility	<ul style="list-style-type: none"> • U.S. Citizens • Non-Permanent and Permanent Residents • Foreign National not eligible 			



<p>Non-occupant Borrowers</p>	<ul style="list-style-type: none"> • Non-occupant borrower(s), such as a parent, permitted to maximum 95% LTV <ul style="list-style-type: none"> ▪ Income considered as part of qualifying income and subject to income limits
<p>Ineligible Transaction Types</p>	<ul style="list-style-type: none"> • Down payment assistance options • Community Seconds • Sweat Equity • Texas 50(a)(6) loans • Manufactured Homes • HomeStyle Renovation loans • Properties on more than 10 acres are typically ineligible but will be considered as exception • Properties located in Hawaii Lava Zones 1 & 2
<p>Desktop Underwriter (DU)</p>	<ul style="list-style-type: none"> • DU Approve/Eligible required (No manual underwrites allowed) • Based on census tract and borrower income, DU will notify when a loan casefile appears to be eligible for HomeReady but the initial casefile was not underwritten as HomeReady. The Additional Data screen field will allow entering census tract information if DU is unable to geocode the property address Note: DU findings message must include “This case is eligible for delivery as a “HomeReady” Mortgage Loan.” • Eligible in DU with at least one borrower has traditional credit and contributes more than 50% of qualifying income • Standard Agency underwriting and property guidelines apply unless specifically referenced within this matrix
<p>Pre-Purchase Homeownership Education</p>	<ul style="list-style-type: none"> • Homeownership Education required prior to note date for at least one borrower on all transactions (Purchase Only): <ul style="list-style-type: none"> ○ Complete through Framework, an online program approved by Agency. A \$75 fee paid by the borrower to Framework for a simple online education; Framework certificate of course completion is required ○ Receive pre-purchase housing advising from a HUD-approved nonprofit housing counseling agency; a Certificate of Completion of Pre-purchase Housing Counseling (Form 1017) signed by both the counseling recipient and the HUD counselor • Homeownership education certificate must be retained in the mortgage file • Although one-on-one counseling is optional for HomeReady, Framework will offer borrowers a referral to a HUD-approved counseling agency for additional assistance if online education may be not appropriate for homebuyers (i.e. lack of internet access). Borrower(s) also have the option to consult a counselor of their choice. More Info



<p>Borrower Income Eligibility</p>	<p>Income Limit Search: Area Median Income (AMI) Census Tract Eligibility</p> <ul style="list-style-type: none"> No Income Limit: Properties in Low-Income Census Tracts 100% Of AMI: All Other Properties 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 <ul style="list-style-type: none"> Income Eligibility Lookup Tool 												
<p>Income</p>	<ul style="list-style-type: none"> Follow standard Agency income guideline requirements Rental income from an accessory dwelling unit (1 unit property) and/or 2 – 4 Unit property may be used as qualifying income as per Agency rental income guidelines Boarder income is eligible (relative or non-relatives) for 1-unit property up to 30 % of qualifying income if: 1) Individual(s) lives with and pays rent to the borrower for the last 12 months, 2) Boarder documents history of shared residency (i.e.: driver’s license., bill or bank statement with address same as borrower’s address), and 3) Boarder documents via cancelled checks of rental payments to the borrower for last 12 months or at least 9 of most recent 12 months (rental income must be averaged over 12 month period). Note: Boarder rent payment(s) directly to a third party is not acceptable. 												
<p>Qualifying Ratios</p>	<ul style="list-style-type: none"> As determined by DU <ul style="list-style-type: none"> Loans with Mortgage Insurance may have more restrictive requirements Qualifying Rate <ul style="list-style-type: none"> Note rate for Fixed-rate Higher of note rate + 2% or fully indexed rate for 5/1 ARMs Higher of note rate or fully indexed rate for 7/1 ARMs 												
<p>Assets</p>	<ul style="list-style-type: none"> Minimum down payment requirement: <table border="1" data-bbox="506 1262 1536 1495"> <thead> <tr> <th>Number of Units</th> <th>Minimum Borrower Contribution</th> <th>Minimum Down Payment Requirement</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>None</td> <td>3%</td> </tr> <tr> <td>Two</td> <td>3%</td> <td>15%</td> </tr> <tr> <td>Three or Four</td> <td>3%</td> <td>25%</td> </tr> </tbody> </table> No minimum contribution required for limited cash-out refinance transaction Acceptable source of funds for down payment and closing costs: <ul style="list-style-type: none"> Refer to Agency verification of deposits and assets guidelines Gifts Cash-on-hand permitted as a source of funds for down payment (1-unit property only; Refer to Selling Guide B5-6-03 for requirements). Refer to MI company guidelines that would allow cash-on-hand for HomeReady loans 	Number of Units	Minimum Borrower Contribution	Minimum Down Payment Requirement	One	None	3%	Two	3%	15%	Three or Four	3%	25%
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	<p>Note: Cash-on-hand may not be used to fund the borrower's reserve requirement, if applicable.</p>																								
Reserves	<ul style="list-style-type: none"> As determined by DU 																								
Mortgage Insurance	<ul style="list-style-type: none"> Financed MI is not available LPMI (single premium) is eligible based on program LTV eligibility. LPMI is not available for: 1) 10 year fixed term or 2) 5/1 ARM Loans with >80% LTV will require Mortgage Insurance and are subject to MI guidelines Approved MI companies are Arch, Genworth, MGIC, NMI, and Radian. Max DTI 45% for FICO < 700 apply and vary by MI Company. Refer to the individual MI company guidelines <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="5">Required MI Coverage</th> </tr> <tr> <th rowspan="2">Loan Term</th> <th colspan="4">LTV</th> </tr> <tr> <th>80.01-85%</th> <th>85.01-90%</th> <th>90.01-</th> <th>95.01 – 97%</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate ≤ 20 Years</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Fixed / ARMs > 20 Years</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table>	Required MI Coverage					Loan Term	LTV				80.01-85%	85.01-90%	90.01-	95.01 – 97%	Fixed Rate ≤ 20 Years	6%	12%	25%	25%	Fixed / ARMs > 20 Years	12%	25%	25%	25%
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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 																								
Interested Party Contribution	<ul style="list-style-type: none"> Owner Occupied Principal Residence: <ul style="list-style-type: none"> LTV/CLTV of 90% or greater: 3% LTV/CLTV of 75.01 - 90%: 6% LTV/CLTV of 75% or less: 9% 																								
First Time Homebuyer	<ul style="list-style-type: none"> No requirement for the borrower(s) to be a First Time Homebuyer 																								
Property Ownership	<ul style="list-style-type: none"> Occupant borrower(s) may have an ownership interest in any other residential dwelling at the time of loan closing Non-occupant borrower(s) has no limitation on ownership of other residential property 																								
Additional Restrictions	<ul style="list-style-type: none"> Minimum credit score is required regardless of DU Approve/Eligible decision Special Feature Code: SFC 900 required for all HomeReady loans 																								
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) 																								



Additional Underwriting Guidelines

Please access [loanDepot Wholesale Underwriting Guidelines](#) for a complete set of guidelines. For ease of access, we have included links to popular topics by category:

Assets	Credit	Eligibility	Income	Property	Misc. Topics
Business Assets	Contingent Liabilities	Continuity of Obligation	Employment History	Accessory Units	Appraisal Policy
Gift Funds	Deferred Installment Debt	Multiple Financed Properties	Non Borrowing Spouse	Hobby Farms	Delayed Financing
Gift of Equity	Disputed Accounts	Non Arms Length Transactions	Retirement Income	Leasehold	Departure Primary Residence
Large Deposits	Payoff and Paydown of Debt	Non Occupant Co- Borrower	Temporary Leave	Non Permitted Additions	Power of Attorney
		Non U.S Citizens	Tax Transcripts	Property Flips	

