

## Conforming-Fannie Mae (DU)

### Primary Residence

#### Purchase and Rate & Term Refinance

| Units | LTV              | CLTV             | Max HCLTV        | Credit Score |
|-------|------------------|------------------|------------------|--------------|
| 1     | 97% <sup>1</sup> | 97% <sup>1</sup> | 97% <sup>1</sup> | 620          |
| 2-4   | 95%              | 95% <sup>4</sup> | 95% <sup>4</sup> | 620          |

#### Cash Out Refinance<sup>3</sup>

|     |     |     |     |     |
|-----|-----|-----|-----|-----|
| 1   | 80% | 80% | 80% | 620 |
| 2-4 | 75% | 75% | 75% | 620 |

### Second Home

#### Purchase and Rate & Term Refinance

| Units | LTV              | CLTV | Max HCLTV | Credit Score |
|-------|------------------|------|-----------|--------------|
| 1     | 90% <sup>2</sup> | 90%  | 90%       | 620          |

#### Cash Out Refinance<sup>3</sup>

|   |     |     |     |     |
|---|-----|-----|-----|-----|
| 1 | 75% | 75% | 75% | 620 |
|---|-----|-----|-----|-----|

### Investment Properties

| Units                                 | LTV              | CLTV | Max HCLTV | Credit Score |
|---------------------------------------|------------------|------|-----------|--------------|
| <b>Purchase</b>                       |                  |      |           |              |
| 1                                     | 85% <sup>2</sup> | 85%  | 85%       | 620          |
| 2-4                                   | 75%              | 75%  | 75%       | 620          |
| <b>Rate &amp; Term Refinance</b>      |                  |      |           |              |
| 1-4                                   | 75%              | 75%  | 75%       | 620          |
| <b>Cash Out Refinance<sup>3</sup></b> |                  |      |           |              |
| 1                                     | 75%              | 75%  | 75%       | 620          |
| 2-4                                   | 70%              | 70%  | 70%       | 620          |

<sup>1</sup> Max 105% CLTV if the subordinate lien is a Community Second. Purchase transactions, at least one borrower must be a first-time home buyer. Limited cash-out refinances, Fannie Mae must be the owner of the existing mortgage. Homebuyer Education is required when all borrowers are first-time homebuyers.

<sup>2</sup> LTV > 80% subject to MI requirements

<sup>3</sup> Existing First Mortgage must be seasoned at least 12 months (time between the Note Date of exiting mortgage and Note Date of the cash out mortgage. This requirement does not apply: to any existing subordinate liens being paid off through the transaction, or when buying out a co-owner pursuant to a legal agreement. At least one borrower must have been on title for at least six months prior to the disbursement date of the new loan.

<sup>4</sup> LTV/C:TV. Or HCLTV for High-Balance 2-4-unit properties: 2 unit: ≤85%, 3-4 unit: ≤75%

| 2024 Loan Limits |             |
|------------------|-------------|
| Units            | Standard    |
| <b>1</b>         | \$766,550   |
| <b>2</b>         | \$981,500   |
| <b>3</b>         | \$1,186,350 |
| <b>4</b>         | \$1,474,400 |

Use this [link](#) to determine geographic eligibility and maximum loan amount.  
 Note: Minimum loan amount is \$100k. Loan amounts < \$100k allowed on an exception only basis.

# High Balance Fixed - DU Approve/Eligible Only

## PRIMARY RESIDENCE

| Units   | LTV              | CLTV | Maximum HCLTV | Credit Score |
|---|------------------|------|---------------|--------------|
| <b>Purchase and Rate &amp; Term Refinance</b> |                  |      |               |              |
| 1   | 97% <sup>1</sup> | 97%  | 97%           | 620          |
| 2-4   | 95% <sup>1</sup> | 95%  | 95%           |              |
| <b>Cash Out Refinance<sup>2</sup></b>         |                  |      |               |              |
| 1   | 80%              | 80%  | 80%           | 620          |
| 2 - 4   | 75%              | 75%  | 75%           |              |
| <b>SECOND HOME</b>                            |                  |      |               |              |
| <b>Purchase and Rate &amp; Term Refinance</b> |                  |      |               |              |
| 1   | 90% <sup>1</sup> | 90%  | 90%           | 620          |
| <b>Cash-Out Refinance<sup>2</sup></b>         |                  |      |               |              |
| 1   | 75%              | 75%  | 75%           | 620          |
| <b>INVESTMENT PROPERTIES</b>                  |                  |      |               |              |
| <b>Purchase</b>                               |                  |      |               |              |
| 1   | 85% <sup>1</sup> | 85%  | 85%           | 620          |
| 2 - 4   | 75%              | 75%  | 75%           |              |
| <b>Rate &amp; Term Refinance</b>              |                  |      |               |              |
| 1 - 4   | 75%              | 75%  | 75%           | 620          |
| <b>Cash-Out Refinance<sup>2</sup></b>         |                  |      |               |              |
| 1   | 75%              | 75%  | 75%           | 620          |
| 2 - 4   | 70%              | 70%  | 70%           |              |

<sup>1</sup> LTV > 80% subject to MI requirements.

<sup>2</sup> Existing First Mortgage must be seasoned at least 12 months (time between the Note Date of exiting mortgage and Note Date of the cash out mortgage. This requirement does not apply: Existing subordinate liens being paid off through the transaction or buying out a co-owner pursuant to a legal agreement. At least one borrower must have been on title for at least six months prior to the disbursement date of the new loan.

| 2024 High Balance Loan Amounts  |                     |                     |
|---|---------------------|---------------------|
|   | Minimum Loan Amount | Maximum Loan Amount |
| <b>1</b>  | \$766,550           | \$1,149,825         |
| <b>2</b>  | \$981,500           | \$1,472,250         |
| <b>3</b>  | \$1,186,350         | \$1,779,525         |
| <b>4</b>  | \$1,474,400         | \$2,211,600         |
| Use this <a href="#">link</a> to determine geographic eligibility and maximum loan amount |                     |                     |

# HomeReady

## Primary Residence

| Units  | LTV <sup>3,4,6</sup> | CLTV <sup>1,4</sup> | Maximum HCLTV <sup>4</sup> | Credit Score |
|--|----------------------|---------------------|----------------------------|--------------|
| <b>Purchase &amp; Limited Cash Out Refinance<sup>2</sup></b> |                      |                     |                            |              |
| 1 unit   | 97%                  | 105%                | 97%                        | 620          |
| Manufactured Home <sup>5</sup>                               | 95%                  | 95%                 | 95%                        |              |
| 2 Units  | 95%                  | 105%                | 85%                        |              |
| 3-4 Units  | 95%                  | 105%                | 75%                        |              |

<sup>1</sup> 1-unit (excluding Manufactured Homes): The CLTV ratio may be up to 105% only if the mortgage is part of a Community Seconds transaction. Maximum 97% CLTV if the subordinate lien is not a Community Seconds loan.

<sup>2</sup> If the borrower has been on title for at least 6 months but cannot demonstrate an acceptable continuity of obligation, the loan is not eligible for a limited cash-out refinance.

<sup>3</sup> LTV over 80% is subject to MI approval.

<sup>4</sup> LTV/CLTV/HCLTV 95.01-97%:

- DU only. CLTV can be up to 105% if the subordinate lien is a Community Second.
- All borrowers must occupy the property.
- At least one borrower on the loan must have a credit score.
- For limited cash-out refinance, Fannie Mae must be the owner of the existing mortgage.
- High balance loans or loans with a non-occupant borrower are not permitted.
- Manufactured housing is not permitted.
- Reserve requirements determined by DU.

<sup>5</sup> Combination of HomeReady and Manufactured Housing: If a transaction includes a combination of HomeReady and manufactured housing, the more restrictive eligibility requirements apply. DU will apply the applicable eligibility requirements.

## Eligibility (General)

\*For Origination through closing, follow all Fannie Mae guides\*

|                                    |  |  |
|------------------------------------|--|--|
| <b>Agency Guideline Link</b>       | <a href="#">Fannie Mae</a>   |  |
| <b>Accessory Unit (ADU)</b>        | Follow Fannie Mae Guides   |  |
| <b>Age of Credit documentation</b> | Credit/Income/Employment verifications must be dated no more than 120 calendar days before the Note Date.  |  |
| <b>Appraisal</b>                   | <p>Per AUS Findings</p> <p>Full Appraisal:</p> <ul style="list-style-type: none"> <li>• A full interior/exterior appraisal report.</li> <li>• Acceptable appraisal reports (based on property type) include:                             <ul style="list-style-type: none"> <li>• Uniform Residential Appraisal Report (Form 1004)</li> <li>• Individual Condominium Unit Appraisal Report (Form 1073)</li> <li>• Manufactured Home Appraisal Report (form 1004C)</li> <li>• Small Residential Income Property Appraisal Report (Form 1025)</li> </ul> </li> </ul> <p>Desktop appraisal</p> <ul style="list-style-type: none"> <li>• Must be completed on the Desktop form (1004 Desktop)</li> </ul> <p>Appraisal transfers:</p> <ul style="list-style-type: none"> <li>• Follow Appraisal Independence Requirement Policy and Procedures</li> </ul> |  |
| <b>Appraisal (Condo)</b>           | Follow AUS (Fannie Mae Guides)   |  |
| <b>Appraisal Waivers</b>           | Per DU Findings (Approve/eligible Only)  |  |
|                                    | <b>Eligible Transactions</b>   | <b>Ineligible Transactions</b>   |
|                                    | <ul style="list-style-type: none"> <li>• one-unit properties, including condos;</li> <li>• principal residence and second home transactions;</li> <li>• investment property refinance transactions;</li> <li>• certain purchase, limited cash-out, and cash-out refinance transactions; and</li> <li>• DU loan casefiles that receive an Approve/Eligible recommendation.</li> </ul>   | <ul style="list-style-type: none"> <li>• 2–4-unit properties</li> <li>• Cooperative units</li> <li>• Manufactured homes</li> <li>• Proposed construction</li> <li>• Construction to perm loans (single-close and two-close)</li> <li>• Leasehold properties</li> <li>• Homestyle Renovation and Homestyle energy loans</li> <li>• Texas 50(a)(6) refinance loans</li> <li>• community land trusts or other properties with resale price restrictions, which include loan casefiles using the Affordable LTV feature.</li> <li>• Gifts of equity</li> <li>• DU ineligible finding</li> <li>• Manually underwritten loans</li> <li>• HPML loans</li> <li>• Properties listed in disaster area</li> <li>• Loans for which rental income from the subject property is used to qualify the borrower</li> </ul> <p><b>*Note:</b> In order for an inspection waiver offer to be issued on an investment property casefile, the <i>negative</i> subject net cash flow entered on the DU loan application must be at least the amount of the PITIA for the subject property.</p> <p><b>Properties with a Recent Appraisal</b><br/>DU will not offer an appraisal waiver when an appraisal has been uploaded to the Uniform Collateral Data Portal (UCDP) within the prior 120 days from any lender.</p> |
| <b>Assets</b>                      | Follow AUS for required documentation (i.e. 2 months Bank Statement or VOD).   |  |

|                                      |   |
|--------------------------------------|---|
|                                      | <p>Bank statements or investment portfolio statements must:</p> <ul style="list-style-type: none"> <li>• clearly identify the financial institution,</li> <li>• clearly identify the borrower as the account holder,</li> <li>• include at least the last four digits of the account number,</li> <li>• include the time period covered by the statement,</li> <li>• include all deposits and withdrawal transactions (for depository accounts),</li> <li>• include all purchase and sale transactions (for financial portfolio accounts), and</li> <li>• include the ending account balance.</li> </ul> <p>If the most recent bank statement is &gt;45 days earlier than the date of the loan application, a more recent, supplemental, bank-generated form is required that shows at least the last four digits of the account number, balance, and date. The statements may be computer-generated forms, including online account or portfolio statements downloaded by the borrower from the Internet.</p> <p>Documents that are faxed or downloaded from the Internet must clearly identify the name of the depository or investment institution and the source of information, for example, by including that information in the Internet or fax banner at the top of the document.</p> |
| <b>AUS</b>                           | DU Approve/Eligible Required. Manual UW not allowed   |
| <b>Bankruptcy</b>                    | Bankruptcy docs and discharge notice not required if reflected on credit report, unless clarification is needed by UW   |
| <b>Borrower Eligibility</b>          | <p><b>Maximum of 4 borrowers</b></p> <ul style="list-style-type: none"> <li>• U. S. Citizens</li> <li>• Permanent Resident <ul style="list-style-type: none"> <li>○ Provide Alien Registration Card (USCIS Form I-551)</li> </ul> </li> <li>• Non-Permanent Resident Alien <ul style="list-style-type: none"> <li>○ Must be a legally present as evidence by a social security number; and</li> <li>○ Have current, verified status, with a valid employment authorization document (EAD), and documentation showing immigration status is current (i.e., Green Card, work visa, etc.) <ul style="list-style-type: none"> <li>▪ Visa Must be valid for at least 90 days from the funding date. The name of the employer sponsoring the visa must appear on the visa documentation.</li> </ul> </li> </ul> </li> <li>• Inter-Vivos Revocable (Living) Trust</li> </ul> <p><b>Ineligible Borrowers</b></p> <ul style="list-style-type: none"> <li>• Foreign Nationals</li> <li>• Trailing income borrowers</li> <li>• Tax Identification Number (TIN)</li> </ul>  |
| <b>Borrower Minimum Contribution</b> | <p><b>Manufactured Homes</b></p> <p>A minimum down payment of 5% must come from the borrower's own funds unless:</p> <ul style="list-style-type: none"> <li>• the LTV or CLTV ratio is less than or equal to 80%.</li> <li>• the borrower is purchasing a one-unit principal residence and meets the requirements to use gifts, donated grant funds, or funds received from an employer to pay for some or all of the borrower's minimum contribution. See <a href="#">B3-4.3-04, Personal Gifts</a>; <a href="#">B3-4.3-06, Donations From Entities</a>; and <a href="#">B3-4.3-08, Employer Assistance</a>, for additional information; or</li> <li>• the property meets the MH Advantage requirements and the loan meets the requirements for LTV ratios of 95.01-97%. In this case, the borrower must contribute a minimum down payment of 3%, which must come from their own funds unless the loan meets the gift, grant, or funds from an employer policy referenced above.</li> </ul> <p><b>2-4 units and Second Homes</b></p> <p>The borrower must make a 5% minimum contribution from his or her own funds. After the minimum borrower contribution has been met, gifts can be used to supplement the down payment, closing costs, and reserves.</p>                                 |
| <b>Credit</b>                        | <ul style="list-style-type: none"> <li>• Frozen Credit <ul style="list-style-type: none"> <li>• If the borrower's credit information is frozen at one of the credit repositories for borrowers who have traditional credit, the credit report is still acceptable as long as: <ul style="list-style-type: none"> <li>○ Credit data is available from two repositories,</li> <li>○ A credit score is obtained from at least one of those two repositories, and</li> <li>○ A three-in-file merged report was obtained</li> </ul> </li> </ul> </li> </ul> <p><b>Note:</b> Loans for borrowers with credit data frozen at two or more of the credit repositories will not be eligible.</p> <p><b>30-day accounts</b></p> <ul style="list-style-type: none"> <li>• Documentation is required to verify that the borrower has sufficient funds to cover the unpaid balance of all 30-day charge accounts. <ul style="list-style-type: none"> <li>• Example: American Express balance is paid monthly. The current balance is \$1300. The borrower must provide evidence of funds to pay the entire balance in addition to any regular reserve requirements and closing costs. The \$1300 balance is not counted in the DTI ratios.</li> </ul> </li> </ul>   |

|                         |   |
|-------------------------|---|
|                         | <ul style="list-style-type: none"> <li>• Disputed Accounts <ul style="list-style-type: none"> <li>• Follow AUS.</li> </ul> </li> <li>• Judgments and liens must be paid off and released at or prior to closing.</li> <li>• <b>Debts Paid by Others (Contingent Liability)</b> <ul style="list-style-type: none"> <li>• Non-Mortgage Debt Exclusion must meet the following: <ul style="list-style-type: none"> <li>○ Most recent 12 months' cancelled checks (or bank statements) from the other party making payments that document a 12-month payment history with no delinquent payments. <ul style="list-style-type: none"> <li>▪ If any delinquent payments in the most recent 12 months are made debt must be included in the ratios regardless of the number of cancelled checks provided.</li> </ul> </li> </ul> </li> </ul> </li> </ul> <p>Mortgage Debt Exclusion must meet the following:</p> <ul style="list-style-type: none"> <li>○ Most recent 12 months' cancelled checks (or bank statements) from the other party making payments that document a 12-month payment history with no delinquent payments.</li> <li>○ The party making the payments is obligated on the mortgage debt,</li> <li>○ There are no delinquencies in the most recent 12 months, and</li> <li>○ The borrower is not using rental income from the applicable property to qualify.</li> <li>○ When a borrower is obligated on a mortgage debt, regardless of whether or not the other party is making the monthly mortgage payments, the referenced property must be included in the count of financed properties.</li> </ul> <ul style="list-style-type: none"> <li>• <b>Business Debt in Borrowers Name</b> <ul style="list-style-type: none"> <li>• When a self-employed borrower claims that a monthly obligation that appears on his/her personal credit report (such as a Small Business Administration loan) is being paid by the borrower's business, the lender must confirm that it verified that the obligation was actually paid out of company funds and that this was considered in its cash flow analysis of the borrower's business. <ul style="list-style-type: none"> <li>○ The account payment does not need to be considered as part of the borrower's DTI ratio if: <ul style="list-style-type: none"> <li>▪ the account in question does not have a history of delinquency,</li> <li>▪ the business provides acceptable evidence that the obligation was paid out of company funds (such as 12 months of canceled company checks), and</li> <li>▪ The lender's cash flow analysis of the business took payment of the obligation into consideration.</li> </ul> </li> </ul> </li> </ul> </li> </ul> |
| <b>DTI</b>              | <p>Determined by AUS</p> <ul style="list-style-type: none"> <li>• Cash-out refinance transactions with DTI &gt; 45% must have at least 6 months' reserves.</li> </ul> <p>DTI Must Include:</p> <ul style="list-style-type: none"> <li>• Lease Payments – regardless of time remaining on lease.</li> <li>• Student Loans, whether deferment, in forbearance, or in repayment (not deferred), must include a monthly payment in the borrower's recurring monthly debt obligation when qualifying the borrower. <ul style="list-style-type: none"> <li>○ If a monthly payment is provided on the credit report, use that amount as the monthly payment for qualifying purposes.</li> <li>○ If the credit report does not reflect the correct monthly payment, the lender may use the monthly payment that is on the student loan documentation (the most recent student loan statement) to qualify the borrower.</li> <li>○ If the credit report does not provide a monthly payment for the student loan, or if the credit report shows \$0 as the monthly payment, the lender must determine the qualifying monthly payment using one of the options below: <ul style="list-style-type: none"> <li>▪ If the borrower is on an income-driven payment plan, the lender may obtain student loan documentation to verify the actual monthly payment is \$0. The lender may then qualify the borrower with a \$0 payment.</li> <li>▪ For deferred loans or loans in forbearance, the lender may calculate: <ul style="list-style-type: none"> <li>• 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or</li> <li>• A fully amortizing payment using the documented loan repayment terms.</li> </ul> </li> </ul> </li> </ul> </li> </ul>  |
| <b>Federal Tax Debt</b> | <p><b>Tax Installment Agreement</b></p> <ul style="list-style-type: none"> <li>• When a borrower has entered into an installment agreement with the IRS to repay delinquent federal income taxes, the lender may include the monthly payment amount as part of the borrower's DTI (in lieu of requiring payment in full) if: <ul style="list-style-type: none"> <li>○ There is no indication that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located.</li> <li>○ The lender obtains the following documentation: <ul style="list-style-type: none"> <li>▪ An approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and</li> <li>▪ Evidence the borrower is current on the payments associated with the tax installment plan. Acceptable evidence includes the most recent payment reminder from the IRS,</li> </ul> </li> </ul> </li> </ul>   |

|   | reflecting the last payment amount and date and the next payment amount owed and due date. At least one payment must have been made prior to closing.  |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
|---|--|----------------------------|--------------------------------|------------------------|----------|---|----|--------------|-----|--------------|-----|--------------|-----|--------------|-----|--------------|-----|--------------|-----|--------------|-----|
| <b>Employment/Income</b>                                | Follow AUS findings for employment and income documentation requirements.  |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| <b>Higher Priced Mortgage Loans (HPML)</b>              | <p>QM Higher Priced Mortgage Loans</p> <ul style="list-style-type: none"> <li>Must follow guidelines stated in the <a href="#">Rebuttable Presumption</a> Section below. <ul style="list-style-type: none"> <li>Appraisal waivers are ineligible for HPML.</li> </ul> </li> </ul> <p>Section 35 Higher Priced Mortgage Loans</p> <ul style="list-style-type: none"> <li>Must follow guidelines stated in the <a href="#">Rebuttable Presumption</a> Section below; and</li> <li>Escrow account must be established and maintained for at least five (5) years; and</li> </ul> <p>Master Insurance Policy Exemption: Insurance premiums are exempt for units in a condominium or PUD when the unit's property is covered by a master insurance policy.</p>  |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| <b>Homeownership Education</b>                          | Follow AUS findings  |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| <b>HomeReady</b>  | <a href="#">Fannie Mae HomeReady Agency guidelines</a><br><a href="#">Fannie Mae Area Median Income Lookup Tool</a>  |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| <b>Mortgage Insurance</b>                               | <p>Required on all loans exceeding 80% LTV.</p> <ul style="list-style-type: none"> <li>Borrower Paid Financed – must qualify for QM. (Must also meet financed guidelines below)</li> <li>Borrower Paid Single Premium MI Option</li> <li>Monthly</li> <li>Reduced MI; Per AUS</li> <li>Lender Paid MI</li> <li>Split Premium MI <ul style="list-style-type: none"> <li>Upfront portion may be financed if: <ul style="list-style-type: none"> <li>Standard MI coverage only <ul style="list-style-type: none"> <li>The loan amount, including the financed mortgage insurance premium, does not exceed the maximum loan limit.</li> <li>The loan purpose is purchase or limited cash-out refinance.</li> <li>The subject property is a 1-unit primary residence or second home.</li> <li>The MI coverage amount is determined based on the base LTV ratio (the LTV ratio calculated without the financed premium; however, in no instance can the maximum LTV be exceeded with the financed premium).</li> </ul> </li> </ul> </li> </ul> </li> </ul> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>LTV</th> <th>&lt;=20 year</th> <th>LTV</th> <th>&gt;20 Year</th> </tr> </thead> <tbody> <tr> <td>80.01% - 85%</td> <td>6%</td> <td>80.01% - 85%</td> <td>12%</td> </tr> <tr> <td>85.01% - 90%</td> <td>12%</td> <td>85.01% - 90%</td> <td>25%</td> </tr> <tr> <td>90.01% - 95%</td> <td>25%</td> <td>90.01% - 95%</td> <td>30%</td> </tr> <tr> <td>95.01% - 97%</td> <td>35%</td> <td>95.01% - 97%</td> <td>35%</td> </tr> </tbody> </table> <p><b>Acceptable Mortgage Insurance Companies:</b></p> <ul style="list-style-type: none"> <li>MGIC (<a href="http://www.mgic.com">http://www.mgic.com</a>)</li> <li>Enact (Formerly Genworth) (<a href="http://www.mortgageinsurance.genworth.com">www.mortgageinsurance.genworth.com</a>)</li> <li>Essent Guaranty (<a href="http://essent.us">http://essent.us</a>)</li> <li>National MI (<a href="http://www.nationalmi.com">www.nationalmi.com</a>).</li> <li>Radian (<a href="http://www.radian.biz/page?name=HomePage">http://www.radian.biz/page?name=HomePage</a>)</li> </ul> | LTV                        | <=20 year                      | LTV                    | >20 Year | 80.01% - 85%  | 6% | 80.01% - 85% | 12% | 85.01% - 90% | 12% | 85.01% - 90% | 25% | 90.01% - 95% | 25% | 90.01% - 95% | 30% | 95.01% - 97% | 35% | 95.01% - 97% | 35% |
| LTV   | <=20 year  | LTV                        | >20 Year                       |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| 80.01% - 85%  | 6%   | 80.01% - 85%               | 12%                            |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| 85.01% - 90%  | 12%  | 85.01% - 90%               | 25%                            |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| 90.01% - 95%  | 25%  | 90.01% - 95%               | 30%                            |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| 95.01% - 97%  | 35%  | 95.01% - 97%               | 35%                            |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| <b>Multiple Financed Properties</b>                     | <p>If the mortgage is secured by the borrower's primary residence, there are no limitations on the number of other financed properties the borrower has. If the mortgage is secured by a second home or investment property, the multiple financed properties policy below will apply:</p> <p><b>1-6 Financed Properties:</b></p> <ul style="list-style-type: none"> <li>Standard Community Wholesale eligibility guidelines apply (i.e., LTV, minimum credit scores, etc.)</li> </ul> <p><b>7-10 Financed Properties:</b></p> <ul style="list-style-type: none"> <li>Minimum 720 Fico Score. All other L Mortgage standard eligibility guidelines apply.</li> <li>Manual Underwrite not allowed</li> </ul> <p><b>Financed property limit:</b></p> <ul style="list-style-type: none"> <li>Applies to the number of one- to four-unit residential properties where the borrower is personally obligated on the mortgage(s), even if the monthly housing expense is excluded from the borrower's DTI.</li> <li>Applies to the total number of properties financed, not to the number of mortgages on the property or the number of mortgages sold to Fannie Mae; includes the borrower's principal residence, if financed; and</li> <li>Is cumulative for all borrowers (though jointly financed properties are only counted once).</li> </ul> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Type of Property Ownership</th> <th>Counted in Financed Properties</th> </tr> </thead> <tbody> <tr> <td>Commercial Real Estate</td> <td>No</td> </tr> <tr> <td>Multifamily property consisting of more than four units</td> <td>No</td> </tr> </tbody> </table>  | Type of Property Ownership | Counted in Financed Properties | Commercial Real Estate | No       | Multifamily property consisting of more than four units | No |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| Type of Property Ownership                              | Counted in Financed Properties   |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| Commercial Real Estate                                  | No   |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |
| Multifamily property consisting of more than four units | No   |                            |                                |                        |          |   |    |              |     |              |     |              |     |              |     |              |     |              |     |              |     |

|  |   |     |
|--|---|-----|
|  | Ownership in a timeshare  | No  |
|  | Ownership of a vacant lot (residential or Commercial),  | No  |
|  | Ownership of a manufactured home on a leasehold estate not titled as real property (chattel lien on home)   | No  |
|  | The borrower is personally obligated on mortgages securing two investment properties and the co-borrower is personally obligated on mortgages securing three other investment properties, and they are jointly obligated on their principal residence mortgage. The borrower is refinancing the mortgage on one of the two investment properties. Thus, the borrowers have six financed properties.   | Yes |
|  | The borrower and co-borrower are purchasing an investment property, and they are already jointly obligated on the mortgages securing five other investment properties. In addition, they each own their own principal residence and are personally obligated on the mortgages. The new property being purchased is considered the borrowers' eighth financed property.  | Yes |
|  | The borrower is purchasing a second home and is personally obligated on his or her principal residence mortgage. Additionally, the borrower owns four two-unit investment properties that are financed in the name of a limited liability company (LLC) of which he or she has 50% ownership. Because the borrower is not personally obligated on the mortgages securing the investment properties, they would not be included in the property count and the result is only two financed properties.  | No  |
|  | The borrower is purchasing and financing two investment properties simultaneously. The borrower does not have a mortgage lien against his or her principal residence but does have a financed second home and is personally obligated on the mortgage, two existing financed investment properties and is personally obligated on both mortgages, and a financed building lot. In this instance, the borrower will have five financed properties because the financed building lot does not need to be included in the property count.  | No  |
|  | <b>Reserve Requirements</b> - See <a href="#">Reserve Requirement</a> section below   |     |
| <b>Non-Arm's Length Transactions</b>     | <p>Non-arm's length transactions are purchase transactions in which there is a relationship or business affiliation between the seller and the buyer of the property. Non-arm's length transactions are allowed for the purchase of existing properties unless specifically forbidden for the particular scenario, such as delayed financing.</p> <p>For the purchase of newly constructed properties, if the borrower has a relationship or business affiliation (any ownership interest, or employment) with the builder, or seller of the property, only purchase mortgage loans secured by a principal residence will be allowed. Newly constructed homes secured by a second home or investment property will not be allowed if the borrower has a relationship or business affiliation with the builder, developer, or seller of the property</p>   |     |
| <b>Non-Occupant Borrowers/Co-Signors</b> | <p><b>Non-Occupant Borrowers/Co-Signor</b></p> <ul style="list-style-type: none"> <li>Maximum LTV/CLTV/HCLTV may not exceed 95% unless Community Seconds is part of the transaction, in which case the CLTV may not exceed 105%.</li> </ul>   |     |
| <b>Power of Attorney</b>                 | For requirements refer to <a href="#">Power of Attorney Job Aid</a> .   |     |
| <b>Principal Curtailment</b>             | <p>A principal curtailment (principal reduction) is allowed for the following reasons:</p> <ul style="list-style-type: none"> <li>The lender may apply a curtailment to refund the overpayment of fees or charges paid by the borrower, in any amount, in accordance with applicable regulatory requirements.</li> <li>If the borrower receives more cash back than is permitted for limited cash-out refinances, the lender can apply a curtailment to reduce the amount of cash back to the borrower to bring the loan into compliance with the maximum cash-back requirement. The maximum amount of the curtailment cannot exceed the lesser of \$2,500 or 2% of the original loan amount for the subject loan. For example, if the borrower received \$3,500 cash back at closing on a loan amount of \$200,000, the lender could apply a \$1,500 curtailment. This would result in "net cash back" to the borrower of \$2,000, thus meeting the limited cash-out refinance requirements.</li> </ul> <p>If the curtailment is made at the time of closing, the amount must be clearly documented on the settlement statement. If the curtailment is applied after closing, but before delivery, the mortgage loan file must be documented with the amount of the curtailment and the reason or source of the curtailment (i.e., lender refund or borrower).</p> |     |
| <b>Property Types</b>                    | <p><b>Eligible</b></p> <ul style="list-style-type: none"> <li>1 – 4 units</li> <li>Condos</li> <li>PUDs</li> <li>Leasehold Estates</li> <li>Manufactured Homes</li> </ul>   |     |



|                                      |   |
|--------------------------------------|---|
|                                      | <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• Properties in C-5 or C-6 condition</li> <li>• Co-ops</li> <li>• Working Farms</li> <li>• Condotel</li> <li>• Condo <ul style="list-style-type: none"> <li>○ Significant deferred maintenance</li> <li>○ Unsafe conditions</li> </ul> </li> </ul>  |
| <p><b>Rebuttable Presumption</b></p> | <p>If the APR is 1.5 percentage points or higher than the APOR the loan has a Rebuttable Presumption of Compliance with ATR and will require borrower to provide Fully Executed Budget Letter and meet Residual Income Requirements. Refer to <a href="#">General QM Final Rule Job Aid</a> for specific requirements.</p>  |
| <p><b>RefiNow</b></p>                | <p>Follow AUS-Fannie Mae</p>  |
| <p><b>Refinance</b></p>              | <p><b>HomeStyle Energy Mortgages</b></p> <ul style="list-style-type: none"> <li>• For limited cash-out refinances, all outstanding PACE debt may be paid off up to the maximum allowable LTV for the transaction and occupancy type. The PACE loan must be paid off in full. Partial payoffs are not permitted.</li> <li>• When a loan is originated as a limited cash-out refinance, the loan must meet all of the standard requirements for limited cash-out refinances. The LTV ratio is determined by dividing the original loan amount by the appraised value of the property.</li> <li>• All HomeStyle Energy loans require an appraisal based on an interior and exterior property inspection and must be completed on the appropriate form depending on the property type.</li> <li>• Proceeds may be used to pay off an existing PACE loan. The standard cash back allowance of the lesser of 2% of the loan amount of \$2,000 is permitted on these loans.</li> <li>• The payoff amount of any existing PACE loan should <u>not</u> be included in line d. of the Details of Transaction.</li> <li>• Documentation in the file must show that the funds are used solely to pay off the PACE loan obtained for energy improvements on the subject property.</li> </ul> <p><b>Delayed Financing</b><br/>Borrowers who purchase the subject property within the past 6 months are eligible for cash-out refinance if all of the following conditions are met:</p> <ul style="list-style-type: none"> <li>• Not eligible for High Balance or Super Conforming.</li> <li>• Must be locked as cash-out.</li> <li>• The purchase transaction was an arms-length transaction.</li> <li>• The borrower may have initially purchased the property as one of the following; <ul style="list-style-type: none"> <li>○ A natural person;</li> <li>○ An eligible <i>inter vivos</i> revocable trust, when the borrower is both the individual establishing the trust and the beneficiary of the trust;</li> <li>○ An eligible land trust when the borrower is the beneficiary of the land trust; or</li> <li>○ An LLC or partnership in which the borrower(s) has an individual or joint ownership of 100%.</li> </ul> </li> <li>• The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and point on the new mortgage loan (subject to the maximum LTV/CLTV/HCLTV ratios for the cash-out transaction based on the current appraised value.)</li> <li>• The transaction is documented by the HUD-1, which confirms that no mortgage financing was used to obtain the subject property. A recorded trustee's deed (or similar alternative) confirming the amount paid by the grantee to the trustee may be substituted for a HUD-1 if a HUD-1 was not provided to the purchaser at the time of sale.</li> <li>• If the Source of funds used to acquire the property was an unsecured loan or a loan secured by an asset other than the subject property (such as a HELOC secured by another property), the HUD-1 for the refinance transaction must reflect that all cash-out proceeds be used to pay off or pay down, as applicable, the loan used to purchase the property. Any payments on the balance remaining from the original loan must be included in the debt-to-income ratio calculation for the refinance transaction. <ul style="list-style-type: none"> <li>○ Note: Funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan.</li> </ul> </li> <li>• All other cash-out refinance eligibility requirements are met, and cash-out pricing is applied.</li> </ul> |
| <p><b>Reserves</b></p>               | <p>Follow AUS Findings</p> <p><b>Multiple financed properties</b><br/>DU is required to indicate the # of multiple financed properties in order to calculate accurate reserves</p> <p><b>Simultaneous Second Home or Investment Property Transactions</b></p>   |

|                                  |   |                |
|----------------------------------|---|----------------|
|                                  | If a lender is processing multiple second home or investment property applications simultaneously, the same assets may be used to satisfy the reserve requirements for both mortgage applications. Reserves are not cumulative for multiple applications.   |                |
| <b>Seller Contributions</b>      | <b>Occupancy Type and LTV/TLTV</b>  | <b>Maximum</b> |
|                                  | <b>Primary Residence and Second Homes</b>   |                |
|                                  | LTV/TLTV <=75%  | 9%             |
|                                  | LTV/TLTV 75.01% - 90.00%  | 6%             |
|                                  | LTV/TLTV >= 90.01   | 3%             |
| <b>All Investment Properties</b> | <b>2%</b>   |                |
|                                  | <b>High Balance</b>   | <b>Maximum</b> |
|                                  | <b>Primary Residence and Second Homes</b>   | <b>3%</b>      |
|                                  | <b>Investment Properties</b>  | <b>2%</b>      |
|                                  | <b>Super Conforming</b>   | <b>3%</b>      |
| <b>Subordinate Financing</b>     | Follow Fannie guides: <ul style="list-style-type: none"> <li>Maximum CLTV of 105% when using Community Seconds</li> </ul>   |                |
| <b>Termite Reports</b>           | Termite reports and clearances are required when the appraiser notes termite damage and suggests or requires an inspection as "subject to" or purchase agreement refers to possible termite damage.<br><br><b>Note:</b> The termite report may not be conditioned merely because it is reflected in the purchase contract by checking the inspection box. Community Wholesale will condition for the termite report if the contract reflects it being a part of the agreement between the buyer and seller, that the seller pays for all "Section 1" items, or that the property is being transferred free of any active infestation. |                |

## Eligibility (Manufactured Homes)

### Primary Residence

#### Purchase and Rate & Term

| Units | LTV | CLTV | Max HCLTV | Credit Score |
|-------|-----|------|-----------|--------------|
| 1     | 95% | 95%  | 95%       | 620          |

#### Cash-out Refinance

|   |     |     |     |     |
|---|-----|-----|-----|-----|
| 1 | 65% | 65% | 65% | 620 |
|---|-----|-----|-----|-----|

### Second Homes

| Units | LTV | CLTV | Max HCLTV | Credit Score |
|-------|-----|------|-----------|--------------|
| 1     | 90% | 90%  | 90%       | 620          |

|                  |  |
|------------------|--|
| <b>Appraisal</b> | <p>The appraisal must be on a Manufactured Home Appraisal (Form 1004C) and include the following:</p> <ul style="list-style-type: none"> <li>• Manufacture's name</li> <li>• Trade or Model Number</li> <li>• Year of Manufacture</li> <li>• Serial/VIN Number</li> <li>• Certification label number(s) from either HUD Data Plate or Certification Label(s). either one is acceptable and only if all HUD Data Plates (all sections) and the Certification label are missing, verify at <a href="http://www.ibts.org/services/services-in-the-public-good/cert-label-verification.html">http://www.ibts.org/services/services-in-the-public-good/cert-label-verification.html</a></li> <li>• Type of foundation and utility connections, <ul style="list-style-type: none"> <li>○ A foundation certificate may be required if there are any apparent foundation issues, if the appraiser makes any negative comments or states that the foundation is 'unknown'.</li> </ul> </li> <li>• Detailed and supported cost approach,</li> <li>• Construction quality and property condition,</li> <li>• Opinion of the market value of the site,</li> <li>• Property's conformity to the neighborhood.</li> <li>• Appraiser must indicate a value conclusion based solely on the real property as completed consisting of the manufactured home, site improvements, and land on which the home is situated. The value conclusion cannot include any non-realty items including, but not limited to, insurance, warranties, and furniture. Solely using the cost approach is unacceptable.</li> <li>• Modifications made to an existing manufactured home must be approved by a licensed professional engineer of the local, State or Federal authority and appraiser must support value given to additions.</li> </ul> <p><b>Comparable Selection Requirements (excluding MH Advantage)</b></p> <ul style="list-style-type: none"> <li>• A minimum of two comparable sales of similar manufactured homes. <ul style="list-style-type: none"> <li>○ If there is not a third manufactured home comp, there must be an explanation as to why one was not available and make and support appropriate adjustments in the appraisal report.</li> </ul> </li> </ul> |
|------------------|--|

|  | <ul style="list-style-type: none"> <li>Comparable sales cannot be created by combining vacant land sales with the contract purchase price of the home.</li> </ul> <p><b>MH Advantage Appraisal Comparable Selection Requirements</b><br/> For MH Advantage properties, appraisers must use other MH Advantage homes, when available, for comparable sales. If fewer than three MH Advantage sales are available, then the appraiser must supplement with the best and most appropriate sales available, which may include site-built homes.</p>  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|--|--|---|--------------------------------|--|---|--|---|--|--|--|------------------|--|---|--|---|--|---|--|--|--|---|--|--|--|--|--|---|--|--|
| <b>Non-Occupying co-borrower and/or co-signers</b> | Not allowed  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
| <b>Mortgage Insurance</b>                          | Follow Mortgage Insurance requirements per Conventional Guidelines (see above)   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
| <b>Property</b>                                    | <table border="1"> <thead> <tr> <th data-bbox="316 527 430 569">✓</th> <th data-bbox="430 527 1479 569">Manufactured Home Requirements</th> </tr> </thead> <tbody> <tr> <td data-bbox="316 569 430 646"></td> <td data-bbox="430 569 1479 646">Must be constructed on or after June 15, 1976. (Manufactured homes produced before this date are unacceptable).</td> </tr> <tr> <td data-bbox="316 646 430 724"></td> <td data-bbox="430 646 1479 724">The manufactured home must be one-unit dwelling comprised of multiple sections (multi-wide manufactured home) that is legally classified as real property – No single wide.</td> </tr> <tr> <td data-bbox="316 724 430 863"></td> <td data-bbox="430 724 1479 863"> Must be at least 12 feet wide and have at least 600 square feet of gross living area.<br/><br/> Except for MH Advantage properties, FNMA does not specify other minimum requirements for size, roof pitch, or any other specific construction details for HUD-coded manufactured homes. </td> </tr> <tr> <td data-bbox="316 863 430 919"></td> <td data-bbox="430 863 1479 919">Maximum 10 acres</td> </tr> <tr> <td data-bbox="316 919 430 997"></td> <td data-bbox="430 919 1479 997">Must have a HUD Certification Label permanently affixed in a way that makes it part of the real property.</td> </tr> <tr> <td data-bbox="316 997 430 1096"></td> <td data-bbox="430 997 1479 1096">The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer's lot as a new unit.</td> </tr> <tr> <td data-bbox="316 1096 430 1176"></td> <td data-bbox="430 1096 1479 1176">The towing hitch, wheels, and axles must be removed, and the anchoring system must comply with HUD codes. The dwelling must assume the characteristics of site-built housing.</td> </tr> <tr> <td data-bbox="316 1176 430 1232"></td> <td data-bbox="430 1176 1479 1232">The borrower must own the land on which the manufactured home is situated in fee simple.</td> </tr> <tr> <td data-bbox="316 1232 430 1289"></td> <td data-bbox="430 1232 1479 1289">Site preparation for delivery of the manufactured home must be completed.</td> </tr> <tr> <td data-bbox="316 1289 430 1465"></td> <td data-bbox="430 1289 1479 1465"> The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer's requirements for anchoring, support, stability, and maintenance.<br/><br/> The foundation system must be appropriate for the soil conditions for the site and meet local and state codes. </td> </tr> <tr> <td data-bbox="316 1465 430 1564"></td> <td data-bbox="430 1465 1479 1564">The manufactured home must be permanently connected to a septic tank or sewage system, and to other utilities in accordance with local and state requirements.</td> </tr> <tr> <td data-bbox="316 1564 430 1761"></td> <td data-bbox="430 1564 1479 1761"> If the property is not situated on a publicly dedicated and maintained street, then it must be situated on a street that is community owned and maintained, or privately owned and maintained.<br/><br/> There must be adequate vehicular access and there must be an adequate and legally enforceable agreement for vehicular access and maintenance. </td> </tr> <tr> <td data-bbox="316 1761 430 1873"></td> <td data-bbox="430 1761 1479 1873">Mortgages secured by <i>existing</i> manufactured homes that have incomplete items, such as a partially completed addition or renovation, or defects, or needed repairs that affect safety, soundness, or structural integrity, are not allowed until the necessary work is completed.</td> </tr> </tbody> </table> | ✓ | Manufactured Home Requirements |  | Must be constructed on or after June 15, 1976. (Manufactured homes produced before this date are unacceptable). |  | The manufactured home must be one-unit dwelling comprised of multiple sections (multi-wide manufactured home) that is legally classified as real property – No single wide. |  | Must be at least 12 feet wide and have at least 600 square feet of gross living area.<br><br>Except for MH Advantage properties, FNMA does not specify other minimum requirements for size, roof pitch, or any other specific construction details for HUD-coded manufactured homes. |  | Maximum 10 acres |  | Must have a HUD Certification Label permanently affixed in a way that makes it part of the real property. |  | The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer's lot as a new unit. |  | The towing hitch, wheels, and axles must be removed, and the anchoring system must comply with HUD codes. The dwelling must assume the characteristics of site-built housing. |  | The borrower must own the land on which the manufactured home is situated in fee simple. |  | Site preparation for delivery of the manufactured home must be completed. |  | The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer's requirements for anchoring, support, stability, and maintenance.<br><br>The foundation system must be appropriate for the soil conditions for the site and meet local and state codes. |  | The manufactured home must be permanently connected to a septic tank or sewage system, and to other utilities in accordance with local and state requirements. |  | If the property is not situated on a publicly dedicated and maintained street, then it must be situated on a street that is community owned and maintained, or privately owned and maintained.<br><br>There must be adequate vehicular access and there must be an adequate and legally enforceable agreement for vehicular access and maintenance. |  | Mortgages secured by <i>existing</i> manufactured homes that have incomplete items, such as a partially completed addition or renovation, or defects, or needed repairs that affect safety, soundness, or structural integrity, are not allowed until the necessary work is completed. |
| ✓  | Manufactured Home Requirements   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | Must be constructed on or after June 15, 1976. (Manufactured homes produced before this date are unacceptable).  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
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|  | Must be at least 12 feet wide and have at least 600 square feet of gross living area.<br><br>Except for MH Advantage properties, FNMA does not specify other minimum requirements for size, roof pitch, or any other specific construction details for HUD-coded manufactured homes.   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | Maximum 10 acres   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | Must have a HUD Certification Label permanently affixed in a way that makes it part of the real property.  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer's lot as a new unit.  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | The towing hitch, wheels, and axles must be removed, and the anchoring system must comply with HUD codes. The dwelling must assume the characteristics of site-built housing.  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | The borrower must own the land on which the manufactured home is situated in fee simple.   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | Site preparation for delivery of the manufactured home must be completed.  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer's requirements for anchoring, support, stability, and maintenance.<br><br>The foundation system must be appropriate for the soil conditions for the site and meet local and state codes.   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | The manufactured home must be permanently connected to a septic tank or sewage system, and to other utilities in accordance with local and state requirements.   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | If the property is not situated on a publicly dedicated and maintained street, then it must be situated on a street that is community owned and maintained, or privately owned and maintained.<br><br>There must be adequate vehicular access and there must be an adequate and legally enforceable agreement for vehicular access and maintenance.  |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |
|  | Mortgages secured by <i>existing</i> manufactured homes that have incomplete items, such as a partially completed addition or renovation, or defects, or needed repairs that affect safety, soundness, or structural integrity, are not allowed until the necessary work is completed.   |   |                                |  |   |  |   |  |  |  |                  |  |   |  |   |  |   |  |  |  |   |  |  |  |  |  |   |  |  |

|                                       |  |               |   |                  |   |  |
|---------------------------------------|--|---------------|---|------------------|---|--|
|                                       | <p>Manufactured homes that have an addition or have had a structural modification are eligible under certain conditions. If the state in which the property is located requires inspection by a state agency to approve modifications to the property, then the lender is required to confirm that the property has met the requirement. However, if the state does not have this requirement, then the structural modification must be inspected and be deemed structurally sound by a third party who is regulated by the state and is qualified to make the determination. In all cases, a satisfactory Structural Engineer Report is required and must be retained in the loan file.</p> <p>PUD projects consisting of double-wide manufactured homes acceptable.</p>  |               |   |                  |   |  |
| <p><b>Property (MH Advantage)</b></p> | <p style="text-align: center;"><b>MH Advantage Property Eligibility Requirements</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Lender</b></td> <td> <ul style="list-style-type: none"> <li>• Ensure the property meets the MH Advantage requirements by reviewing appraisal photos evidencing the presence of the MH Advantage <a href="#">Sticker</a> (placed in proximity to the HUD Date Plate), HUD Data Plate, and HUD certification labels.</li> <li>• Verify through appraisal or final inspection photos               <ul style="list-style-type: none"> <li>○ The presence of a driveway leading to the home (or to the garage or carport, if one is present). The driveway must consist of blacktop, pavers, bricks, concrete, cement, or gravel, and;</li> <li>○ The presence of a sidewalk connecting either the driveway, or a detached garage or carport, to a door or attached porch of the home. The sidewalk must consist of blacktop, pavers, flagstone, bricks, concrete, or cement.</li> </ul> </li> <li>• For new construction, the lender is responsible for compliance with Fannie Mae's standard appraisal requirements for appraisals based on plans and specifications. This will ensure site improvements that are not attached to the home, such as detached garages, are complete.</li> </ul> </td> </tr> <tr> <td><b>Appraisal</b></td> <td>Standard valuation requirements for manufactured homes apply. The Manufactured Home Appraisal Report (1004C) or Appraisal Completion Report (1004D) must include photos of the MH Advantage <a href="#">Sticker</a>, HUD Data Plate, HUD certification labels, and the site showing all driveways, sidewalks, and detached structures located on the site.</td> </tr> </table> <p>Unless stated otherwise, loans secured by manufactured homes that meet the MH Advantage criteria are subject to the same requirements that apply to all manufactured homes.</p> <p>Note that loans secured by MH Advantage properties are afforded a number of flexibilities over standard manufactured housing, including higher LTV ratios, standard mortgage insurance, and reduced LLPA.</p> | <b>Lender</b> | <ul style="list-style-type: none"> <li>• Ensure the property meets the MH Advantage requirements by reviewing appraisal photos evidencing the presence of the MH Advantage <a href="#">Sticker</a> (placed in proximity to the HUD Date Plate), HUD Data Plate, and HUD certification labels.</li> <li>• Verify through appraisal or final inspection photos               <ul style="list-style-type: none"> <li>○ The presence of a driveway leading to the home (or to the garage or carport, if one is present). The driveway must consist of blacktop, pavers, bricks, concrete, cement, or gravel, and;</li> <li>○ The presence of a sidewalk connecting either the driveway, or a detached garage or carport, to a door or attached porch of the home. The sidewalk must consist of blacktop, pavers, flagstone, bricks, concrete, or cement.</li> </ul> </li> <li>• For new construction, the lender is responsible for compliance with Fannie Mae's standard appraisal requirements for appraisals based on plans and specifications. This will ensure site improvements that are not attached to the home, such as detached garages, are complete.</li> </ul> | <b>Appraisal</b> | Standard valuation requirements for manufactured homes apply. The Manufactured Home Appraisal Report (1004C) or Appraisal Completion Report (1004D) must include photos of the MH Advantage <a href="#">Sticker</a> , HUD Data Plate, HUD certification labels, and the site showing all driveways, sidewalks, and detached structures located on the site. |  |
| <b>Lender</b>                         | <ul style="list-style-type: none"> <li>• Ensure the property meets the MH Advantage requirements by reviewing appraisal photos evidencing the presence of the MH Advantage <a href="#">Sticker</a> (placed in proximity to the HUD Date Plate), HUD Data Plate, and HUD certification labels.</li> <li>• Verify through appraisal or final inspection photos               <ul style="list-style-type: none"> <li>○ The presence of a driveway leading to the home (or to the garage or carport, if one is present). The driveway must consist of blacktop, pavers, bricks, concrete, cement, or gravel, and;</li> <li>○ The presence of a sidewalk connecting either the driveway, or a detached garage or carport, to a door or attached porch of the home. The sidewalk must consist of blacktop, pavers, flagstone, bricks, concrete, or cement.</li> </ul> </li> <li>• For new construction, the lender is responsible for compliance with Fannie Mae's standard appraisal requirements for appraisals based on plans and specifications. This will ensure site improvements that are not attached to the home, such as detached garages, are complete.</li> </ul>  |               |   |                  |   |  |
| <b>Appraisal</b>                      | Standard valuation requirements for manufactured homes apply. The Manufactured Home Appraisal Report (1004C) or Appraisal Completion Report (1004D) must include photos of the MH Advantage <a href="#">Sticker</a> , HUD Data Plate, HUD certification labels, and the site showing all driveways, sidewalks, and detached structures located on the site.  |               |   |                  |   |  |
| <p><b>Purchase</b></p>                | <p>Purchase money transactions are those in which the mortgage proceeds are used to finance the purchase of the manufactured home or the manufactured home and the land. The land may be previously owned by the borrower, either free of any mortgage or subject to a mortgage that will be paid off with the new purchase money mortgage. <b>Note:</b> The borrower does not receive any cash back with a purchase money transaction.</p> <p><b>New Manufactured Homes</b><br/>The LTV ratio (and CLTV/HCLTV ratio, if applicable) for a loan secured by a newly built manufactured home that is being attached to a permanent foundation system in connection with a purchase transaction will be based on the lower of:</p> <ul style="list-style-type: none"> <li>• The sales price of the manufactured home plus:       <ul style="list-style-type: none"> <li>○ The lowest sales price at which the land was sold during that 12-month period if the land was purchased in the 12 months preceding the loan application date; or</li> <li>○ The current appraised value of the land if the land was purchased more than 12 months preceding the loan application date.</li> </ul> </li> <li>• The "as completed" appraised value of the manufactured home and land.</li> </ul> <p><b>Existing Manufactured Homes</b><br/>The LTV ratio (and CLTV/HCLTV ratio, if applicable) for a loan secured by a manufactured home that already exists on its foundation will be based on the lowest of:</p> <ul style="list-style-type: none"> <li>• The sales price of the manufactured home and land;</li> <li>• The current appraised value of the manufactured home and land; or</li> <li>• If the manufactured home was built in the 12 months preceding the loan application date, the lowest price at which the home was previously sold during that 12-month period, plus the lower of:       <ul style="list-style-type: none"> <li>○ The current appraised value of the land, or</li> <li>○ The lowest price at which the land was sold during that 12-month period (if there was such a sale).</li> </ul> </li> </ul>   |               |   |                  |   |  |
| <p><b>Refinance</b></p>               | <p><b><u>Properties Held in Trust</u></b></p> <ul style="list-style-type: none"> <li>• Refinance transactions are not eligible to be held in trust regardless of occupancy.</li> </ul>   |               |   |                  |   |  |

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|  | <p><b><u>Rate and Term Refinance</u></b></p> <p>The transaction may involve the following scenarios:</p> <ul style="list-style-type: none"> <li>• Payoff of an existing personal property lien on a new manufactured home (or an existing lien on the home and a mortgage on the land if encumbered by separate liens), or</li> <li>• Payoff of a first lien mortgage secured by an existing manufactured home and land (or existing mortgages for the home and land if encumbered by separate liens).</li> </ul> <p>The maximum LTV ratio (and CLTV/HCLTV ratio, if applicable) for a limited cash-out refinance transaction for a loan secured by a manufactured home and land will be based on the lower of:</p> <ul style="list-style-type: none"> <li>• The current appraised value of the manufactured home and land; or</li> <li>• If the manufactured home was owned by the borrower for less than 12 months on the loan application date and: <ul style="list-style-type: none"> <li>○ If the home and land are secured by separate liens, the lowest price at which the home was previously sold during that 12-month period plus the lower of the current appraised value of the land, or the lowest sales price at which the land was sold during that 12-month period (if there was such as sale);</li> <li>○ If the home and land are secured by a single lien, the lowest price at which the home and land were previously sold during that 12-month period.</li> </ul> </li> </ul> <p>The proceeds may be used to:</p> <ul style="list-style-type: none"> <li>• Pay off the outstanding principal balance of an existing personal property lien or first lien mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate first liens);</li> <li>• Pay off the outstanding principal balance of an existing subordinate mortgage or lien secured by the manufactured home and/or land, but only if it was used to purchase the manufactured home and/or land;</li> <li>• Finance cost of construction.</li> <li>• Finance closing costs (including prepaid expenses); and</li> <li>• Provide cash back to the borrower in an amount not to exceed the lesser of 2% of the balance of the new refinance mortgage or \$2,000.</li> <li>• Properties that have been listed for sale must be taken off the market prior to disbursement date, and the borrower must provide written confirmation of their intent to occupy as their primary residence</li> <li>• Borrower cannot have taken cash-out within the last 6 months.</li> <li>• Any refinance where the borrower paid off non-purchase money second in the past 6 months is considered cash out.</li> </ul> <p><b><u>Cash Out Refinance</u></b></p> <ul style="list-style-type: none"> <li>• Payoff of an existing first lien mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate first liens); or</li> <li>• Obtain a mortgage on a property that does not already have a mortgage lien against it and take equity out of the property in the form of mortgage proceeds that may be used for any purpose.</li> <li>• The borrower must have owned both the manufactured home and land for at least 12 months preceding the date of the loan application.</li> <li>• LTV/CLTV/HCLTV is based on the current appraised value of the manufactured home and land.</li> <li>• Term must be ≤ 20 Years.</li> </ul> <p><b><u>Ineligible</u></b></p> <ul style="list-style-type: none"> <li>• One-time close construction-to-permanent loans</li> </ul> |
| <p><b>Shared Roads, Wells and Septic Systems</b></p> | <p>Roads, wells and septic systems that are not publicly governed and maintained must have a recorded maintenance agreement or easement that runs with the land (i.e., is expressly stated to belong to the successors or assigns of the owner), assures the mortgagor or owner and future owners of subject property the right to access and use of the road, well and/or septic system as long as the mortgagor or owner and future owners fulfill reasonable conditions. This agreement must provide for mutual upkeep of the road, well or septic system.</p>  |
| <p><b>Special Feature Codes</b></p>                  | <ul style="list-style-type: none"> <li>• Must use SFC 235 when delivering a loan secured by manufactured housing.</li> <li>• MH Advantage loans must be delivered with SFC 859.</li> </ul>   |