



CONFORMING ADJUSTABLE RATE MORTGAGE
Fully Amortizing
5/1, 7/1, 10/1
ARM

PRODUCT MATRIX

Fannie Mae Selling Guide link:

<https://www.fanniemae.com/content/guide/selling/b/index.html>

ALL LOANS MUST SCORE DU APPROVE/ELIGIBLE OR LP ACCEPT

5/1	Rate fixed for the first 60 months, then adjusts every 12 months						
7/1	Rate fixed for the first 84 months, then adjusts every 12 months						
10/1	Rate fixed for the first 120 months, then adjusts every 12 months						
Amortization	30 Years						
Max Loan Limits	# of Units	Continental US					
	1	\$453,100					
	2	\$580,150					
	3	\$701,250					
	4	\$871,450					
PRIMARY RESIDENCE							
		Fannie Mae DU Loans			Freddie Mac LP Loans⁴		
Transaction Type¹	# of Units	LTV	CLTV	HCLTV^{2/3}	LTV	CLTV	HCLTV^{2/3}
Purchase and No Cash Out Refinance	1	95%	95%	95%	95%	95%	95%
	2	85%	85%	85%	85%	85%	85%
	3-4	75%	75%	75%	80%	80%	80%
Cash Out Refinance	1	80%	80%	80%	80%	80%	80%
	2-4	75%	75%	75%	75%	75%	75%
SECOND HOMES							
		Fannie Mae DU Loans			Freddie Mac LP Loans⁴		
Transaction Type¹	# of Units	LTV	CLTV	HCLTV^{2/3}	LTV	CLTV	HCLTV^{2/3}
Purchase and No Cash Out Refinance	1	90%	90%	90%	90%	90%	90%
Cash Out Refinance	1	75%	75%	75%	75%	75%	75%
INVESTMENT							
		Fannie Mae DU Loans			Freddie Mac LP Loans⁴		
Transaction Type¹	# of Units	LTV	CLTV	HCLTV^{2/3}	LTV	CLTV	HCLTV^{2/3}
Purchase	1	85%	85%	85%	85%	85%	85%
	2-4	75%	75%	75%	75%	75%	75%
No Cash Out Refinance	1-4	75%	75%	75%	75%	75%	75%
Cash Out Refinance	1	75%	75%	75%	75%	75%	75%
	2-4	70%	70%	70%	70%	70%	70%
Underwriting	ARM's are Investor specific and subject to Chase and Wells overlays						
Index	12 month LIBOR - the average of the London Interbank Offered Rates (LIBOR) for one-year U.S. dollar denominated deposits, as published in the Wall Street Journal						
Margin	2.25%						
CAPs	5/1: 2/2/5						
	7/1: 5/2/5						
	10/1: 5/2/5						
Interest Rate Adjustment	The interest rate is fixed for the initial period and is then subject to change on an annual basis thereafter, using the most recent index figure 45 days prior to the interest rate adjustment. The interest rate is rounded to the nearest 1/8 of one percent point after adding the mortgage margin to the index.						

¹ Loans submitted as "Construction-Perm end-loans" are considered two separate closing transactions and are subject to standard rate/term or cash-out refinance eligibility guidelines.
² Maximum allowable LTV may not apply to certain mortgage loans secured by properties in Texas or by condominium projects in Florida. Refer to Geographic Restrictions section in the guidelines form additional information.
³ HCLTV stands for Home equity Combined Loan to Value. The HCLTV ratio is 5% greater than the CLTV ratio. If the secondary financing includes a HELOC, then the loan amount plus the draw amount at time of closing cannot exceed the CLTV ratio and the loan amount plus the total available line amount cannot exceed the HCLTV. Currently both requirements are the same in all cases.
⁴ LP loans- reduce maximum LTV by 5% if there is subordinate financing.



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Qualifying Rate	5/1 - Greater of Note rate + 2.00% or the Fully Index Rate
	7/1 and 10/1, EMM will require the qualifying rate to be calculated at the greater of the fully indexed rate or the note rate. You must include the index and margin when running the AUS to ensure proper findings
Maximum DTI	5/1, 7/1 and 10/1 - 50.00% Note: There will be a pricing adjustment for loans run through LP with DTIs between 45.01% and 50.00%.
Assumable	5/1, 7/1 and 10/1 - Assumable after the initial fixed period
Temporary Buydown	Not Available
Conversion Option	Not Available
Minimum Credit Score	Minimum Credit score is 620 for all Conforming ARM transactions, regardless of Desktop Underwriter (DU) or Loan Prospector (LP) recommendation.
Cash out Refinances	Cash out Refinances are not eligible if subject property is owned by Borrower for less than six (6) months except when the Delayed Financing requirements are met.
Higher Priced Mortgage Loans (HPML)	Higher Priced Mortgage Loans are acceptable if all federal and state guidelines are met.
Higher Priced Covered Transactions:	EMM will NOT purchase Conventional loans that are considered Higher Priced Covered Transactions under the Ability to Repay and Qualified Mortgage Standards Under the Truth in Lending Act (Regulation

See Conventional Underwriting Guidelines for Complete Information

Product Codes and Product Descriptions

ARM Product Codes	Short Descriptions	Long Descriptions	AUS
CA51	CONF 5 YR ARM	CA51 - Conforming 5-1 ARM	DU/LP
CA71	CONF7 YR ARM	CA71 - Conforming 7-1 ARM	DU/LP
CA101	CONF10 YR ARM	CA101 - Conforming 10-1 ARM	DU/LP