



**Fannie Mae HomeReady
Conforming Fixed Rate and
High Balance
Fully Amortizing
10, 15, 20, 25 and 30 Year Terms**

PRODUCT MATRIX

**Fannie Mae HomeReady Selling Guide link:
<https://www.fanniemae.com/singlefamily/homeready>**

ALL LOANS MUST SCORE DU APPROVE/ELIGIBLE

Max Loan Limits - Conforming	# of Units	Continental US
	1	\$453,100
	2	\$580,150
	3	\$701,250
	4	\$871,450
Max Loan Limits -High Balance ³	# of Units	Continental US
	1	\$679,650
	2	\$870,225
	3	\$1,051,875
	4	\$1,307,175

PRIMARY RESIDENCE

Transaction Types	# of Units	LTV/CLTV ¹	Minimum Credit Score
Purchase and Limited Cash-out Refinance	1	97%/105% FRM Purchase	620
	1	95%/105% FRM No Cash out	620
	2 ²	85%/105% FRM	640
	3-4 ²	75%/105% FRM	640

¹CLTV up to 105% with eligible community seconds (Refer to Fannie Mae guidance for details).

² Purchase or No Cash out Refinance

³These are the maximum potential loans limits for designated high-cost areas. Actual loan limits are established for each county (or equivalent) and the loan limits for specific high-cost areas may be lower. The original principal balance of a mortgage must not exceed the maximum loan limit for the specific area in which the mortgaged premises is located.

Borrower Income Limits No income limits in low-income census tracts
100% of area median income

Minimum Borrower Contribution (own funds)
1 Unit - \$0.00
2 to 4 Units - 3% for LTV/CLTV/HCLTV >80%

Acceptable Sources of Funds for Down Payment and Closing Costs Gifts, grants, and Community Seconds[®]. Cash-on-hand for 1 -unit properties only. Any eligible loan may have more than one Community Seconds (i.e., third lien up to the maximum 105% CLTV. See Community Seconds fact sheet.

Ownership of other Property Occupant borrower(s) may have an ownership interest in any other residential property at the time of closing. See Section B-2 for HomeReady guidelines in the Fannie Mae Selling guide.

Non-Occupant Borrowers Non-occupant borrowers permitted to maximum 95% LTV in DU; DTI for occupying borrower. Income considered as part of qualifying income and subject to income limits. No limitation on ownership of other property for non-occupant borrower.

Mortgage Insurance (MI) Coverage and Financed MI 25% MI coverage for LTVs 90.01-97%
Standard MI coverage for LTVs of 90% or less
MI may be financed up to the maximum LTV for the transaction, including the financed MI (Minimum MI Coverage Option may be used with additional LLPA; the HomeReady LLPA waiver or cap does not apply). NOTE: IF USING REDUCED MI YOU MUST CONTACT SECONDARY MARKETING AS LLPA RULES APPLY

Desktop Underwriter[®] (DU) Based on the census tract and borrower income, DU will notify users when a loan casefile appears to be eligible for HomeReady but the lender has not underwritten the loan casefile as HomeReady. Resubmit the loan casefile as a HomeReady loan to obtain the appropriate HomeReady messaging. New Additional Data screen field will allow entering census tract information if DU is unable to geocode the property address.
DU recommendation of Approve/Eligible required. DU will determine qualifying ratios and reserves.
Eligible in DU if at least one borrower has traditional credit and contributes more than 50% of qualifying income.

Other Income
1 Unit
Boarder income (relatives or non-relatives): Up to 30% of qualifying income; documentation for at least 9 of the most recent 12 months (averaged over 12 months) and documentation of shared residency for the past 12 months.
Accessory dwelling units: Rental income may be considered in qualifying the borrower per rental income guidelines.
2 Unit
Boarder income - not eligible
Accessory dwelling units: Rental income may be used as qualifying income per rental income guidelines.

Non-Borrower Household Income
Permitted as a compensating factor in DU only to allow a debt-to-income (DTI) ratio >45% up to 50% (non-borrower income is not considered qualifying income and is not applied to income limits). The following additional requirements apply:
Non-borrower income must total at least 30% of the total monthly qualifying income being used by the borrower(s). (Note: Income from more than one non-borrower household member may be considered.)
Non-borrower household members may be relatives or non-relatives.
Non-borrower household income must be documented in accordance with standard Selling Guide policy based on the income type.
Non-borrowers must sign a statement of intent to reside with the borrower for a minimum of 12 months. (See optional Fannie Mae Form 1019.) The income must be reflected in DU as Other Income type of "Non-Borrower Household Income" (new income type will be added with DU implementation). This income will not be included as qualifying income, and would not impact the DTI ratio used in the risk assessment or displayed on the DU Underwriting Findings report.



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Pre -Purchase Homeownership Education	Pre-purchase homeownership education is required for all HOMEReady purchase mortgage loans. Refer to B2-2-06, Homeownership Education and Housing Counseling, of the Fannie Mae Selling guide for options on meeting this requirement.
Homeownership Education	Fannie Mae believes that high-quality homeownership education and housing counseling can provide the borrower with the additional information and resources to make informed decisions that support long-term homeownership sustainability. There are 3 options for borrowers to meet the pre-purchase homeownership education requirements: Framework Homeownership LLC, receive pre-purchase housing counseling and complete homeownership education from a HUD-approved non-profit housing counseling agency, or complete a homeownership education course required by a Community Seconds or Down Payment Assistance Program by a HUD-approved agency. Refer to B-2-06 Homeownership Education and Housing Counseling in the Fannie Mae Selling Guide for complete details on meeting this requirement.
Homeownership Education Previous Home-Buyer Education	In lieu of the Framework course, Fannie Mae will allow lenders to accept a certificate of pre-purchase education/counseling from a HUD-approved counseling agency dated within the previous six months before the loan application date and before September 30, 2016.
Homeownership Education Landlord Education	1-4 units Not applicable
Max DTI of 50.00% Regardless of AUS approval	
Escrow Waiver Escrow Waiver is permitted up to a maximum of LTV of 80% (89.99% in California). Refer to rate sheet for pricing adjustments. Flood Insurance Escrows required when applicable. Escrow Waiver is not permitted if taxes are 60 days or more delinquent.	
Temporary Buydowns are not permitted	
Prepayment Penalties are not permitted	
Property Types	1 unit -Principal residences owner occupied - Eligible Condo and Puds, no co-ops, or manufactured homes, or any other property type not eligible to EMM and/or Fannie Mae. 2 to 4 units - Principal residence owner occupied - No condo's, co-ops or manufactured housing or any other property type not eligible to EMM and/or Fannie Mae.
Home Style Renovation Product	Not Permitted
Higher Priced Mortgage Loans (HPML): 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 Z)	
<p align="center">Refer to Fannie Mae HomeReady Selling Guide @ https://www.fanniemae.com/singlefamily/homeready for HomeReady loan guidance</p>	



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Product Codes and Product Descriptions

Fixed Rate Product Codes	Product Descriptions	AUS
CF30HR	Conforming Fixed 30 Year HomeReady	DU
CF25HR	Conforming Fixed 25 Year HomeReady	DU
CF20HR	Conforming Fixed 20 Year HomeReady	DU
CF15HR	Conforming Fixed 15 Year HomeReady	DU
CF10HR	Conforming Fixed 10 Year HomeReady	DU
Fixed Rate Product Codes	Product Descriptions	AUS
CF30HRLI	Conforming Fixed 30 Year HomeReady LPMI	DU
CF25HRLI	Conforming Fixed 25 Year HomeReady LPMI	DU
CF20HRLI	Conforming Fixed 20 Year HomeReady LPMI	DU
CF15HRLI	Conforming Fixed 15 Year HomeReady LPMI	DU
CF10HRLI	Conforming Fixed 10 Year HomeReady LPMI	DU
Fixed Rate - High Balance Product Codes	Product Descriptions	AUS
CF30HBHR	High Balance Fixed 30 Year HomeReady	DU

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