

CORRESPONDENT NON-DELEGATED UNDERWRITING CONFORMING FANNIE MAE GUIDELINES WITH OVERLAYS

FANNIE MAE STANDARD CONFORMING AND HIGH-BALANCE LTV MATRIX ³					
OCCUPANCY	PURCHASE & LIMITED CASH OUT REFINANCE			CASH OUT REFINANCE	
	PROPERTY TYPE**	MAX LTV/CLTV/HCLTV		PROPERTY TYPE ²	MAX LTV/CLTV/HCLTV
		PURCH	LTD C/O		
PRINCIPAL RESIDENCE	SFR/PUD/CONDO	97% ¹	97% ¹	SFR/PUD/CONDO	80%
	MANUFACTURED	95%	95%	MANUFACTURED	65%
	2 UNITS	95%	95%	2 UNITS	75%
	3-4 UNITS	95%	95%	3-4 UNITS	75%
SECOND HOME	SFR/PUD/CONDO	90%	90%	SFR/PUD/CONDO	75%
	MANUFACTURED	90%	90%		
INVESTMENT PROPERTY	SFR/PUD/CONDO	85%	75%	SFR/PUD/CONDO	75%
	2-4 UNITS	75%	75%	2-4 UNITS	70%

¹Max LTV 95% for High Balance Loans
² Manufactured Homes: limited to 1-unit property; cash-out refinance term limited to ≤ 20 years
³Subject properties located in Essex County, NJ and Baltimore City, MD are temporarily ineligible (Subject properties in Baltimore County, MD remain eligible)

FANNIE MAE HOMEReady LTV MATRIX ³						
OCCUPANCY & PROPERTY TYPE	PURCHASE			LIMITED CASH OUT REFINANCE		
	PRODUCT	MAX LTV/CLTV/HCLTV		PRODUCT	MAX LTV/CLTV/HCLTV	
		SINGLE LIEN	WITH DPA 2ND		SINGLE LIEN	WITH 2ND
PRINCIPAL RESIDENCE SFR/PUD/CONDO	CONFORMING	95.01 – 97%	97%/105%	CONFORMING	95.01 – 97% [◇]	105%/105%
	HIGH BALANCE	95%	95%/105%	HIGH BALANCE	95%	95%/95%
PRINCIPAL RES. 2 UNITS	CONFORMING	95%	N/A	CONFORMING	95%	N/A
PRINCIPAL RES. 3-4 UNITS		95%	N/A		95%	N/A

[◇] Loan must be currently owned by Fannie Mae.

PRODUCT OFFERINGS	
Fixed Rate Products	10, 15, 20, 25, 30 year fixed - Nonstandard terms available

CORRESPONDENT NON-DELEGATED UNDERWRITING CONFORMING FANNIE MAE GUIDELINES WITH OVERLAYS

2025 CONFORMING LOAN LIMITS 1-4 UNITS (https://singlefamily.fanniemae.com/originating-underwriting/loan-limits)			
UNIT S	GENERAL LIMITS	HIGH COST LIMITS	ALASKA & HAWAII
1	\$806,500	\$1,209,750	\$1,209,750
2	\$1,032,650	\$1,548,975	\$1,548,975
3	\$1,248,150	\$1,872,225	\$1,872,225
4	\$1,551,250	\$2,326,875	\$2,326,875
TOPIC		OVERLAY	
BASIC GUIDELINES		Overlays in this matrix apply to FNMA (Fannie Mae) loans. Refer to FNMA Selling Guide for additional guidance. Information in this matrix is subject to change without notice.	
Amended Tax Returns		Accepted for the following amendment reasons: • Amended for clerical items only (i.e., modifying a prior ITIN number to a newly issued SSN) • Amended for income-related items, under the following conditions: ○ Amended at least sixty (60) days before mortgage application taken ○ Amendment shows on transcripts (stamped returns not acceptable) ○ Documentation supplied to support the increase, including but not limited to: ▪ 1099 or W2 showing missed/updated income ▪ Canceled Checks or Bank Statements showing missed/updated rental income	
Appraisal		• Condition ratings must be C1 through C4 ○ C5 and C6 condition ratings are ineligible • Eligible Appraisal Alternatives ○ PIW/Value Acceptance • Ineligible Appraisal Alternatives ○ Value Acceptance + Property Data ○ Hybrid Appraisals ○ 1004D Alternatives • Transferred appraisals allowed with restrictions as outlined in LSM Seller Guide Section 7.3.5.	
Assets		• Internet Statements, obtained from a financial institution's website, must contain the same information found on a standard bank statement • VOD as a stand-alone document is not permitted unless obtained from a third-party vendor	
Condominiums		• FNMA PERS approved condos are eligible • Leasehold is not permitted • Minimum square footage: 400 Sq Ft	
Credit		All borrowers must have at least one (1) valid credit score to be eligible for an 'Approved' recommendation (by DU); extenuating circumstances are not allowed for Bankruptcy or Foreclosure	

CORRESPONDENT NON-DELEGATED UNDERWRITING CONFORMING FANNIE MAE GUIDELINES WITH OVERLAYS

TOPIC	OVERLAY
Electronic Signatures/eSigning	- eSigning is allowed for most documents - eSigning is <u>not</u> allowed for: - Note/Note Rider(s) - Notice of Right to Cancel - Security Instrument/Security Instrument Rider(s)
Escrow Holdback	Not allowed.
Ineligible Programs – FNMA	- Community Land Trust - High-LTV Refinance - HomePath - HomeReady with Reduce Mortgage Insurance Option (HomeReady with standard mortgage insurance coverage is eligible) - HomeStyle - HomeStyle Renovation - Land Trust - Native American Conventional Lending Initiative (NACLI) - Single-Closing Construction Transaction
Ineligible Properties	- Cooperative (Co-Op) - Native American Leased Land - Resale type Deed restrictions - Solar panels that affect first lien position
Manufactured Home	- Fixed rate programs only - Leased Land property is not allowed - Manufactured Home subject to Deed restrictions not allowed - Maximum 95% LTV - Not eligible in condo, co-op, or PUD project - Seller assumes indemnification obligations as described in FNMA Selling Guide Section A2-1-03, Indemnification for Losses - Single-wide manufactured home ineligible - Must meet all other FNMA guidelines
Mortgage Credit Certificate (MCC)	Not permitted
Mortgage Insurance (MI)	- Eligible: - Monthly Borrower Paid MI - Ineligible: - Financed MI

CORRESPONDENT NON-DELEGATED UNDERWRITING CONFORMING FANNIE MAE GUIDELINES WITH OVERLAYS

TOPIC	OVERLAY
	○ Single Premium ○ Split Premium ○ Reduced MI ○ Monthly Lender Paid MI
Multiple Financed Properties	• Allowed per FNMA Guidelines • HomeReady, no more than one (1) financed property • Maximum ten (10) financed properties for all borrowers on the loan • Minimum credit score of 720 when borrower(s) has/have more than six (6) financed properties
Non-Permanent Resident Aliens	These borrowers accepted under the following conditions: • Evidence of an unexpired visa under one of these eligible visa classes: ○ A Series (A-1, A-2, A-3) ○ E Series (E-1, E-2, E-3) ▪ NOTE: E-2 ineligible with Investor CNMI ○ G Series (G-1, G-2, G-3, G-4, G-5) ○ H-1, H-4 (when income used for H-4 borrower, current EAD also required) ○ L-1, L-2 (when income used for L-2 borrower, current EAD also required) ○ O-1A, O-1B, O-2 ○ TN (NAFTA visa) • Borrowers with an expired visa are eligible subject to the following: ○ The expired visa is one of the eligible classes listed above ○ Documentation verifying an application for extension or permanent status has been submitted to the USCIS • Borrowers with only a current Employment Authorization Document (EAD) are subject to the following: ○ EAD card must be current (unexpired) ○ If the EAD card is to expire within one year of Note date the underwriter should address the likelihood of income/employment continuance (i.e., previous EAD renewals, USCIS documentation, etc.) • All borrowers must have a valid Social Security Number (SSN) • DACA recipients with Category C33 work status under deferred action • Borrowers with diplomatic immunity are ineligible
Power of Attorney (POA)	A POA may not be eSigned and must be specific to the transaction
Social Security Number (SSN)	All borrowers must have a valid SSN
Tax Transcripts	• Transcripts are required for all tax returns used in the underwriting decision; this includes both personal and business returns, where applicable

CORRESPONDENT NON-DELEGATED UNDERWRITING CONFORMING FANNIE MAE GUIDELINES WITH OVERLAYS

TOPIC	OVERLAY
	○ Note: Transcripts will not be required for loans with W2 only income, 1099 only income, or other income not documented with tax returns, unless otherwise required by applicable program requirements. • If the most recent year's tax returns have been filed, but not processed by the IRS, the following alternative documentation is allowed: ○ Copy of eFiled tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower ○ Letter from CPA who filed taxes stating the Adjusted Gross Income and copy of tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower ○ IRS stamped tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower ○ Borrower's copy of transcripts pulled directly from the IRS website Note: A copy of the "Where's My Refund" screen from IRS site can be provided in lieu of proof of deposit for tax refund.
Temporary Buydowns	• 30-Year Fixed Rate • Allowed in conjunction with FNMA HomeReady program • Borrower must qualify off Note rate • Buydown Options ○ 2-1 ○ 1-0 • Primary Residence and Second Homes • Purchase • Seller, Lender, or Interested Party Paid (Borrower-paid not allowed)
Underwriting Method	Manual Underwriting not allowed. All loans must receive AUS approval: FNMA DU Approve/Eligible
Unpaid Federal Tax Debt	• LoanStream considers all unpaid tax debt from prior years as delinquent, even if a lien has not been filed; one monthly payment is required • Borrower with delinquent Federal Tax Debt is ineligible NOTE: Record of Account can be used in lieu of a canceled check or proof of electronic payment
Verification of Employment	• Ineligible forms of Verification ○ Bank Statements ○ Paystubs