

Documentation Standards	All loans must meet standard loan documentation and qualification requirements		
Exceptions	Exceptions to guideline requirements will be made on a case by case basis		
Minimum Loan Amount	For loans under \$50,000, please contact your AE.		
Products and terms	<ul style="list-style-type: none"> • 30, 25, 20, 15, and 10 Year terms under standard conforming product • Custom amortizations available under Retained product only • DU Refi Plus- 30, 20, and 15 year terms • Fannie Mae Home Ready 30 year Term (retained product) 		
Transaction Type		Purchase/Rate Term Refinance	Cash Out Refinance
Maximum LTV/CLTV	Property Type	Up to \$453,100	Up to \$453,100
Owner Occupied		FRM	FRM
	1 Unit/Condo/PUD	97%	80%
	2 Unit	85%	75%
Second Home	3-4 Unit	75%	75%
	1 Unit/Condo/PUD	90%	75%
	2 Unit	N/A	N/A
Investment Property	3-4 Unit	N/A	N/A
	1 Unit/Condo/PUD	85%	75%
	2 Unit	75%	70%
DU/LP Eligibility	3-4 Unit	75%	70%
	<ul style="list-style-type: none"> • DU Approve or LP approval – AUS approval required • No Manual Underwrites 		
Qualifying Ratios	<ul style="list-style-type: none"> • Per DU/LP 		
97 LTV Conforming	<ul style="list-style-type: none"> • The 97% LTV purchase requires at least one borrower to be a first-time homebuyer unless using the Home Ready program • 97% Rate/Term refinance - FNMA must be the owner of the existing mortgage 		
Home Ready Product Matrix	<ul style="list-style-type: none"> • https://www.fanniemae.com/content/fact_sheet/homeready-product-matrix.pdf 		
Fannie Mae Originating and Underwriting link	<ul style="list-style-type: none"> • https://www.fanniemae.com/singlefamily/originating-underwriting 		
Fannie Mae Eligibility Matrix	<ul style="list-style-type: none"> • https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf 		
Fannie Mae Day 1 Certainty Link Validation Services	<ul style="list-style-type: none"> • https://www.fanniemae.com/singlefamily/day-1-certainty 		
Freddie Mac Eligibility Matrix	<ul style="list-style-type: none"> • http://www.freddiemac.com/singlefamily/factsheets/sell/ltv_tltv.htm 		
Credit Scores	<ul style="list-style-type: none"> • Minimum Credit Score 620 • Full Tri Merged Credit Report (minimum 2 scores) • All borrowers must have open active trade lines • No non-traditional credit 		
Eligible Borrowers	<ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens • Non-Permanent Resident Alien • All borrowers must have valid S/S# 		
3rd Party Processing Services	<ul style="list-style-type: none"> • If utilizing a 3rd party for processing services- The loan must be locked and submitted under the Retained Product 		

Down Payment	<ul style="list-style-type: none"> • 1-unit properties do not require 5% down payment from borrower. All funds can come from acceptable gift sources. • 2-4 unit properties require a minimum 5% from borrower's own funds. Gift funds permitted after 5% down payment has been met. • Investment Property – requires borrowers own funds for down payment. • Gift funds not permitted on Investment Property purchase treated like an inducement and deducted dollar for dollar from the sales price for purposes of calculating LTV • Second homes require minimum of 5% borrower's own funds
Seller Assist/ICP	<ul style="list-style-type: none"> • Standard FNMA guidelines apply. • Seller side disbursements are examined closely. All real estate commissions and non-lien related expenses (marketing expense, finder's fee, referral fees, and consultant fees) must not exceed 8% of the sales price. • Any combination of these disbursements exceeding 8% will treated like an inducement and deducted dollar for dollar from the sales price for purposes of calculating LTV
Non Occupant Co-borrower	<ul style="list-style-type: none"> • LP or DU allowed. Preferred AUS DU
Bankruptcy and/or Foreclosure	<ul style="list-style-type: none"> • BK Discharge must be seasoned 4 years • Foreclosure must be seasoned 7 years • Short sale charge off must be seasoned 4 years
Property Type	<p>The following property/occupancy types are permitted</p> <ul style="list-style-type: none"> • 1-4 unit residences (manufactured housing now eligible – please refer to back of guide) • Condominiums • Freddie Mac does not allow limited review in Florida • Townhouse • PUD • Subject property over 20 acres must be submitted on Retained Product
Number of Financed Properties	<ul style="list-style-type: none"> • 5-10 Financed Properties Permitted (Retained product only) • Mid America Mortgage will not extend more than 4 loans to any one individual
Closing in a Trust	<ul style="list-style-type: none"> • Revocable Trusts only – see your Account Executive regarding specific documents to collect of file submission
4506T	<ul style="list-style-type: none"> • Required on all files. Please review IRS transcript policy on page 3 of this document
Cash Out	<ul style="list-style-type: none"> • A loan is defined as cash out if the amount exceeds \$2000 or 2% of the loan amount. Non purchase money seconds are considered cash out. Previous note date must be greater than 6 months from application date • Texas Cash out. Please indicate A06 product in pricing engine for appropriate product delivery
Properties Flipping	<ul style="list-style-type: none"> • Follow FNMA Guidelines
Temporary Buy downs	<ul style="list-style-type: none"> • Not Permitted
Mortgage Insurance	<ul style="list-style-type: none"> • Mortgage insurance is required on all loans over 80% LTV • Do allow financed Single Premium mortgage insurance • LPMI is available

Reserves	<ul style="list-style-type: none"> • Must meet AUS • Please verify requirements that are determined by # of financed properties owned in you AUS findings.
DP Assistance	<ul style="list-style-type: none"> • Down payment programs are not permitted.
Appraisals	<ul style="list-style-type: none"> • Appraisals must be ordered via an approved Mid America Mortgage (AMC) • If Correspondent- Correspondent must order through the AIR compliant AMC and the appraisal must be in the correspondent's name
Desk Reviews	<ul style="list-style-type: none"> • If DU collateral Underwriter comes back with a score of 3.8 and higher – this will trigger a desk review requirement.
Properties Listed For Sale	<ul style="list-style-type: none"> • On any refinance transaction, property may not be listed for sale at time of application. For cash out transactions, if listed for sale within the last 6 months, the property must be taken off the market prior to application date and the max LTV/CLTV is 70%
Non Arm's Length Transactions	<ul style="list-style-type: none"> • Flip transactions are not permitted. Family transfers/Title changes examined closely.
Eligible States	<ul style="list-style-type: none"> • Eligible in all Mid America Mortgage licensed states
IRS Tax Transcripts and W2 Transcript policy	<ul style="list-style-type: none"> • No Transcripts are required when all income information used to decision a loan is made exclusively of wage earner income reported on a W-2 and /or fixed income reported on a 1099 (Ex. Social Security or VA benefits), unless required by AUS. • Self-employed, commissioned and rental income will require tax transcripts • Instances where Tax Transcripts would be required regardless of income and employment sources. <ul style="list-style-type: none"> ▪ Handwritten paystubs are used as verification of income ▪ Borrower(s) is employed by a family member ▪ Relationship between the parties ▪ Borrower and Seller are related ▪ Borrower is employed by the Third Party Originator Company ▪ the underwriter's or QC discretion, if needed to verify income calculations or to address red flags ▪ If Tax returns are delivered with the file at time of application ▪ Use of Dividends, Interest income, and Capital Gains income, will require full tax Transcripts
Why use the Retained product over the Released product	<ul style="list-style-type: none"> • 5-10 Financed Properties • Manufactured Housing • Texas Cash out. Please indicate A06 in Mortgage Machine pricing engine for appropriate product • 1 day off MLS for rate and term • Collection accounts totaling over \$2000 • 1031 Exchanges • Custom amortizations available under retained product only • Subject property over 20 acres • Borrower starting new employment and loan closing prior to having 30 days-time on the job- with 30 days of paychecks from the new employer

Conventional Retained Eligibility Matrix

Standard Eligibility Requirements	Excludes DURP, HomeStyle, HomeReady, HomePossible, Man Homes		
Transaction Type	Number of Units	Max LTV/CLTV/HCLTV	Minimum Credit Score
Principal Residence			
Purchase And Limited Cash-Out Refinance	1 Unit	FRM 97% / ARM 95%	Per AUS
	2 Units	FRM / ARM 85%	Per AUS
	3-4 Units	FRM / ARM 80%	Per AUS
Cash-Out Refinance	1 Unit	FRM / ARM 80%	Per AUS
	2-4 Units	FRM / ARM 75%	Per AUS
Second Home			
Purchase and Limited Cash-Out Refinance	1 Unit	FRM / ARM 90%	Per AUS
Cash-Out Refinance	1 Unit	FRM / ARM 75%	Per AUS
Investment Property			
Purchase	1 Unit	FRM / ARM 85%	Per AUS
	2-4 Units	FRM / ARM 75%	Per AUS
Limited Cash-Out Refinance	1-4 Units	FRM / ARM 75%	Per AUS
Cash-Out Refinance	1 Unit	FRM / ARM 75%	Per AUS
	2-4 Units	FRM / ARM 70%	Per AUS

Max DTI on all products is 50% or per AUS.

If the borrower is financing a second home or investment property that is underwritten through DU, the maximum number of financed properties the borrower can have is ten. If the borrower will have one to six financed properties, Fannie Mae's standard eligibility policies apply (for example, LTV ratios and minimum credit scores). If the borrower will have seven to ten financed properties, the mortgage loan must have a minimum representative credit score of 720; all other standard eligibility policies apply.

Cash-out refinances: If the property was purchased within the prior six months, the borrower is ineligible for a cash-out transaction unless the loan meets the delayed financing exception in the Selling Guide (B2-1.2-03, Cash-Out Refinance Transactions).

Condos: Lower LTV, CLTV, and HCLTV ratios may be required for certain mortgage loans depending on the type of project review the lender performs for properties in condo projects.

HomeReady Mortgage – FNMA DU Only			
Transaction Type	Number of Units	Max LTV/CLTV/HCLTV	Minimum Credit Score
Principal Residence - Only			
Purchase and Limited Cash-Out Refinance	1 Unit	FRM 97%* / ARM 95%	≥ 620
Purchase and Limited Cash-Out Refinance	2 Units	FRM / ARM 85%	≥ 620
	3-4 Units	FRM / ARM 75%	≥ 620

Homeownership education is required for all HomeReady purchase mortgage loans.

Income Limits - In determining whether a mortgage is eligible under the borrower income limits, the lender must count the income from all of the borrowers who will sign

Existing loans - For limited cash-out refinances: Existing loan must be owned by FNMA.

Property and Occupancy - One-unit principal residence. All borrowers must occupy the property.

Credit Score Requirements - At least one borrower must have a credit score.

Subordinate financing from a seller-held mortgage is not permitted with HomeReady mortgages.

HomeReady mortgage transactions can be secured by fixed-rate or ARM loans. See FNMA Eligibility Matrix for acceptable ARM plans.

Home Possible Mortgage – FHLMC LP Only			
Transaction Type	Number of Units	Max LTV/CLTV/HCLTV	Minimum Credit Score
Principal Residence - Only			
Purchase and Limited Cash-Out Refinance	1-4 Unit*	95% / 95% / 95%	Per LP

Reduced MI Coverage requirements

Income Limits Currently Being Waived for properties in FEMA Declared Disaster Area. All other Borrower's must meet Income Limits.

No Reserves required for 1 unit properties

Can be combined with Freddie Renovation Mortgages as per Freddie Seller Guide Chapter 4602

*2-4 Unit requires 3% minimum contribution from borrower personal funds

*2-4 Unit requires minimum reserves of 2 months. *2-4 Unit requires Landlord Education.

All Borrowers must occupy as Primary Residence

Homebuyer Education Required

Home Possible Advantage – FHLMC LP Only			
Transaction Type	Number of Units	Max LTV/CLTV/HCLTV	Minimum Credit Score
Principal Residence - Only			
Purchase and Limited Cash-Out Refinance	1 Unit	97% / 105% / n/a	Per LP

Reduced MI Coverage requirements for LTV's greater than 90%

Income Limits Currently Being Waived for properties in FEMA Declared Disaster Area

No Reserves required for 1 unit properties

No Manufactured Homes

Can be combined with Freddie Renovation Mortgages as per Freddie Seller Guide Chapter 4602

All Borrower's must occupy as Primary Residence

Homebuyer Education Required

Manufactured Housing FNMA			
Transaction Type	Number of Units	Max LTV/CLTV/HCLTV	Minimum Credit Score
Principal Residence			
Purchase and Limited Cash-Out Refinance	1 Unit	FRM / ARM 95%	Per DU
Cash-Out Refinance	1 Unit (Must have loan Term of ≤ 20 years)	FRM / ARM 80% per DU	Per DU

All Manufactured Homes are required to be reviewed by Internal Staff Appraiser.

Any dwelling unit built on a permanent chassis and attached to a permanent foundation system is a manufactured home for purposes of Fannie Mae's guidelines.

The manufactured home and the land on which it is situated must be titled as real property, and must be a one unit dwelling.

No manual underwrites.

In addition to the cost of the manufactured home and land, if applicable, the original loan amount may also include the financing of borrower-purchased mortgage insurance premiums and also, the cost of bona fide and documented transportation, site preparation, and dwelling installation at the site.

Lot / Land Equity and Trade Equity can be used as part of the Borrower's minimum down payment requirement. Please see the Fannie Seller Guide for more information on this.

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. The dwelling must assume the characteristics of site-built housing.

Single wide homes are not eligible.

Property / Appraisal Requirement: The HUD Data Plate/Compliance Certificate is a paper document located on the interior of the subject property that contains, among other things, the manufacturer's name and trade/model number. In addition to the data required by Fannie Mae, the Data Plate includes pertinent information about the unit, including a list of factory-installed equipment. The HUD Certification Label, sometimes referred to as a HUD "seal" or "tag," is a metal plate located on the exterior of each section of the home. The Manufactured Home Appraisal Report (Form 1004C) must show evidence of both the HUD Data Plate/Compliance Certificate and the HUD Certification Label.

DU Refi Plus (DURP)			
Transaction Type	Number of Units	Max LTV/CLTV/HCLTV	Minimum Credit Score
Limited Cash-Out Refinance, Fixed Rate			
Principal Residence	1-4 Units	No Limit	No Minimum
Second Home	1 Unit	No Limit	No Minimum
Investment Property	1-4 Units	No Limit	No Minimum
Limited Cash-Out Refinance, ARMs with Initial Fixed Period \geq 5 years			
Principal Residence	1-4 Units	105%	No Minimum
Second Home	1 Unit	105%	No Minimum
Investment Property	1-4 Units	105%	No Minimum

The new loan amount can include payoff of the unpaid principal balance on the existing mortgage, closing costs, prepaid items and discount points.

New subordinate financing is only permitted if it replaces existing subordinate financing.

Existing subordinate financing may not be satisfied with the proceeds of the new DU Refi Plus or Refi Plus mortgage loan.

Cash back to the borrower not to exceed \$250.00, or \$0.00 in the great state of Texas.

An existing borrower(s) may be removed from the new loan provided that at least one of the original borrower(s) is retained on the new loan.

Borrower(s) may be added to the new loan, provided the existing borrower(s) is retained.

All property types are eligible including detached, attached, manufactured housing, and units in a PUD or condo.

The existing mortgage and the new DU Refi Plus or Refi Plus mortgage loan do not have to represent the same occupancy. The occupancy of the subject property may have changed by the time of the new mortgage transaction. Because the loan represents existing Fannie Mae risk, there is no requirement that the occupancy has stayed the same.