

<b>Documentation Standards</b>	All loans must meet standard loan documentation and qualification requirements		
<b>Exceptions</b>	Exceptions to guideline requirements will be made on a case by case basis		
<b>Minimum Loan Amount</b>	For loans under \$50,000, please contact your AE.		
<b>Products and terms</b>	<ul style="list-style-type: none"> <li>• 30, 25, 20, 15, and 10 Year terms under standard conforming product</li> <li>• Custom amortizations available under Retained product only</li> <li>• DU Refi Plus- 30, 20, and 15 year terms</li> <li>• Fannie Mae Home Ready 30 year Term (retained product)</li> </ul>		
<b>Transaction Type</b>		<b>Purchase/Rate Term Refinance</b>	<b>Cash Out Refinance</b>
<b>Maximum LTV/CLTV</b>	<b>Property Type</b>	Up to \$484,350	Up to \$484,350
<b>Owner Occupied</b>		FRM	FRM
	<b>1 Unit/Condo/PUD</b>	97%	80%
	<b>2 Unit</b>	85%	75%
<b>Second Home</b>	<b>3-4 Unit</b>	75%	75%
	<b>1 Unit/Condo/PUD</b>	90%	75%
	<b>2 Unit</b>	N/A	N/A
<b>Investment Property</b>	<b>3-4 Unit</b>	N/A	N/A
	<b>1 Unit/Condo/PUD</b>	85%	75%
	<b>2 Unit</b>	75%	70%
<b>3-4 Unit</b>		75%	70%
<b>DU/LP Eligibility</b>	<ul style="list-style-type: none"> <li>• DU Approve or LP approval – AUS approval required</li> <li>• No Manual Underwrites</li> </ul>		
<b>Qualifying Ratios</b>	<ul style="list-style-type: none"> <li>• Per DU/LP</li> </ul>		
<b>97 LTV Conforming</b>	<ul style="list-style-type: none"> <li>• The 97% LTV purchase requires at least one borrower to be a first-time homebuyer unless using the Home Ready program</li> <li>• 97% Rate/Term refinance - FNMA must be the owner of the existing mortgage</li> </ul>		
<b>Home Ready Product Matrix</b>	<ul style="list-style-type: none"> <li>• <a href="https://www.fanniemae.com/content/fact_sheet/homeready-product-matrix.pdf">https://www.fanniemae.com/content/fact_sheet/homeready-product-matrix.pdf</a></li> </ul>		
<b>Fannie Mae Originating and Underwriting link</b>	<ul style="list-style-type: none"> <li>• <a href="https://www.fanniemae.com/singlefamily/originating-underwriting">https://www.fanniemae.com/singlefamily/originating-underwriting</a></li> </ul>		
<b>Fannie Mae Eligibility Matrix</b>	<ul style="list-style-type: none"> <li>• <a href="https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf">https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf</a></li> </ul>		
<b>Fannie Mae Day 1 Certainty Link Validation Services</b>	<ul style="list-style-type: none"> <li>• <a href="https://www.fanniemae.com/singlefamily/day-1-certainty">https://www.fanniemae.com/singlefamily/day-1-certainty</a></li> </ul>		
<b>Freddie Mac Eligibility Matrix</b>	<ul style="list-style-type: none"> <li>• <a href="http://www.freddiemac.com/singlefamily/factsheets/sell/ltv_tltv.htm">http://www.freddiemac.com/singlefamily/factsheets/sell/ltv_tltv.htm</a></li> </ul>		
<b>Credit Scores</b>	<ul style="list-style-type: none"> <li>• Minimum Credit Score 620</li> <li>• Full Tri Merged Credit Report (minimum 2 scores)</li> <li>• All borrowers must have open active trade lines</li> <li>• No non-traditional credit</li> </ul>		
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Alien</li> <li>• All borrowers must have valid S/S#</li> </ul>		
<b>3rd Party Processing Services</b>	<ul style="list-style-type: none"> <li>• If utilizing a 3rd party for processing services- The loan must be locked and submitted under the Retained Product</li> </ul>		

<b>Down Payment</b>	<ul style="list-style-type: none"> <li>• 1-unit properties do not require 5% down payment from borrower. All funds can come from acceptable gift sources.</li> <li>• 2-4 unit properties require a minimum 5% from borrower's own funds. Gift funds permitted after 5% down payment has been met.</li> <li>• Investment Property – requires borrowers own funds for down payment.</li> <li>• 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</li> <li>• Second homes require minimum of 5% borrower's own funds</li> </ul>
<b>Seller Assist/ICP</b>	<ul style="list-style-type: none"> <li>• Standard FNMA guidelines apply.</li> <li>• 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.</li> <li>• 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</li> </ul>
<b>Non Occupant Co-borrower</b>	<ul style="list-style-type: none"> <li>• LP or DU allowed. Preferred AUS DU</li> </ul>
<b>Bankruptcy and/or Foreclosure</b>	<ul style="list-style-type: none"> <li>• BK Discharge must be seasoned 4 years</li> <li>• Foreclosure must be seasoned 7 years</li> <li>• Short sale charge off must be seasoned 4 years</li> </ul>
<b>Property Type</b>	<p>The following property/occupancy types are permitted</p> <ul style="list-style-type: none"> <li>• 1-4 unit residences (manufactured housing now eligible – please refer to back of guide) *Manufactured homes require a 650 fico unless it is Home Possible.</li> <li>• Condominiums</li> <li>• Freddie Mac does not allow limited review in Florida</li> <li>• Townhouse</li> <li>• PUD</li> <li>• Subject property over 20 acres must be submitted on Retained Product</li> </ul>
<b>Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>• 5-10 Financed Properties Permitted (Retained product only)</li> <li>• Mid America Mortgage will not extend more than 4 loans to any one individual</li> </ul>
<b>Closing in a Trust</b>	<ul style="list-style-type: none"> <li>• Revocable Trusts only – see your Account Executive regarding specific documents to collect of file submission</li> </ul>
<b>4506T</b>	<ul style="list-style-type: none"> <li>• Required on all files. Please review IRS transcript policy on page 3 of this document</li> </ul>
<b>Cash Out</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Texas Cash out. Please indicate A06 product in pricing engine for appropriate product delivery</li> </ul>
<b>Properties Flipping</b>	<ul style="list-style-type: none"> <li>• Follow FNMA Guidelines</li> </ul>
<b>Temporary Buy downs</b>	<ul style="list-style-type: none"> <li>• Not Permitted</li> </ul>
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Mortgage insurance is required on all loans over 80% LTV</li> <li>• Do allow financed Single Premium mortgage insurance</li> <li>• LPMI is available</li> </ul>

<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Must meet AUS</li> <li>• Please verify requirements that are determined by # of financed properties owned in you AUS findings.</li> </ul>
<b>DP Assistance</b>	<ul style="list-style-type: none"> <li>• Down payment programs are not permitted.</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• Appraisals must be ordered via an approved Mid America Mortgage (AMC)</li> <li>• If Correspondent- Correspondent must order through the AIR compliant AMC and the appraisal must be in the correspondent's name</li> </ul>
<b>Desk Reviews</b>	<ul style="list-style-type: none"> <li>• If DU collateral Underwriter comes back with a score of 3.8 and higher – this will trigger a desk review requirement.</li> </ul>
<b>Properties Listed For Sale</b>	<ul style="list-style-type: none"> <li>• 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%</li> </ul>
<b>Non Arm's Length Transactions</b>	<ul style="list-style-type: none"> <li>• Flip transactions are not permitted. Family transfers/Title changes examined closely.</li> </ul>
<b>Eligible States</b>	<ul style="list-style-type: none"> <li>• Eligible in all Mid America Mortgage licensed states</li> </ul>
<b>IRS Tax Transcripts and W2 Transcript policy</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Self-employed, commissioned and rental income will require tax transcripts</li> <li>• Instances where Tax Transcripts would be required regardless of income and employment sources.           <ul style="list-style-type: none"> <li>▪ Handwritten paystubs are used as verification of income</li> <li>▪ Borrower(s) is employed by a family member</li> <li>▪ Relationship between the parties</li> <li>▪ Borrower and Seller are related</li> <li>▪ Borrower is employed by the Third Party Originator Company</li> <li>▪ the underwriter's or QC discretion, if needed to verify income calculations or to address red flags</li> <li>▪ If Tax returns are delivered with the file at time of application</li> <li>▪ Use of Dividends, Interest income, and Capital Gains income, will require full tax Transcripts</li> </ul> </li> </ul>
<b>Why use the Retained product over the Released product</b>	<ul style="list-style-type: none"> <li>• 5-10 Financed Properties</li> <li>• Manufactured Housing</li> <li>• Texas Cash out. Please indicate A06 in Mortgage Machine pricing engine for appropriate product</li> <li>• 1 day off MLS for rate and term</li> <li>• Collection accounts totaling over \$2000</li> <li>• 1031 Exchanges</li> <li>• Custom amortizations available under retained product only</li> <li>• Subject property over 20 acres</li> <li>• 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</li> </ul>

## 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
<b>Principal Residence</b>			
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
<b>Second Home</b>			
Purchase and Limited Cash-Out Refinance	1 Unit	FRM / ARM 90%	Per AUS
Cash-Out Refinance	1 Unit	FRM / ARM 75%	Per AUS
<b>Investment Property</b>			
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.

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

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.

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

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
<b>Principal Residence - Only</b>			
<b>Purchase and Limited Cash-Out Refinance</b>	<b>1 Unit</b>	<b>97% / 105% / n/a</b>	<b>Per LP</b>

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	Min Credit Score
<b>Principal Residence</b>			
<b>Purchase and Limited Cash-Out Refinance</b>	<b>1 Unit</b>	<b>FRM / ARM 95%</b>	<b>Per DU</b>
<b>Cash-Out Refinance</b>	<b>1 Unit (Must have loan Term of ≤ 20 years)</b>	<b>FRM / ARM 65% per DU</b>	<b>Per DU</b>

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.