

Home Possible (LPA) <sup>1</sup>					
Transaction Type	Number of Units	Maximum LTV/TLTV <sup>2,3</sup>			
Primary Residence		Conforming		Super Conforming	
		Fixed	ARM	Fixed	ARM
Purchase and No Cash-Out Refinance	1	97%	95%	95%	95%
	2	95%	95%	85%	85%
	3-4		75%	80%	75%

**Footnotes**

<sup>1</sup> Hawaii and Texas transactions: refer to the Geographic Restrictions section for additional guidance

<sup>2</sup> > 80% LTV requires a minimum 620 credit score and mortgage insurance (MI)

Refer to the Mortgage Insurance section for additional guidance <sup>3</sup> 95% LTV/CLTV transactions

<sup>3</sup> Non-occupant coborrowers

- Max 95% LTV/TLTV

<b>COVID-19 Temporary Process Effective 03/23/20</b>	<ul style="list-style-type: none"> <li>Refer to the Conventional Lending Guide COVID-19 Temporary Guidelines for guidance</li> </ul>	
<b>Geographic Restrictions</b>	<p><b>Hawaii</b></p> <ul style="list-style-type: none"> <li>Properties in Lava Zones 1 or 2 not permitted (verify the appraisal to confirm if property may be in a lava zone)</li> <li>Hawaiian Home Lands transactions are ineligible</li> </ul> <p><b>Texas Limited Cash-Out Refinances</b></p> <ul style="list-style-type: none"> <li>1-Unit primary residence transactions <ul style="list-style-type: none"> <li>Ineligible</li> <li>Refer to the Texas Homestead Refinance Matrix (LPA)</li> </ul> </li> </ul>	
<b>Property Types</b>	<b>Eligible <sup>1</sup></b>	<b>Ineligible</b>
	<ul style="list-style-type: none"> <li>Owner Occupied Principal Residence <ul style="list-style-type: none"> <li>SFR/PUD (detached/attached)</li> <li>Condo (detached/low/mid/high rise)</li> <li>2-4 units</li> <li>Co-ops<sup>2</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Agricultural/Income producing properties</li> <li>Non-Warrantable Condo/Condotel</li> <li>Manufactured home</li> <li>Earth homes, and geodesic domes</li> </ul>
<sup>1</sup> For properties with solar panels, appraisal waivers are permitted subject to the Conventional Lending Guide Properties with Solar Panels policy, and no indication that the property is off-the-grid <sup>2</sup> Refer to the Co-ops section for additional guidance		
<b>Co-ops</b>	<ul style="list-style-type: none"> <li>Subordinate financing is permitted</li> <li>IL, NJ, and NY states only</li> <li>Fixed rate only</li> <li>Investor project approval required</li> </ul>	
<b>Minimum Loan Amount</b>	<b>Conforming</b>	<b>High Balance</b>
	\$60,000	\$1 > Conforming loan limit for the number of units for high cost areas
<b>Borrower Eligibility</b>	<b>Eligible</b>	<b>Ineligible</b>
	<ul style="list-style-type: none"> <li>U.S. Citizens</li> <li>Non U.S. Citizens – Refer to Non-U.S. Citizens policy <ul style="list-style-type: none"> <li>Permanent Residents</li> <li>Non-Permanent Residents</li> </ul> </li> <li>Inter Vivos Revocable Trusts</li> <li>Non-occupant coborrower <ul style="list-style-type: none"> <li>Non-occupant coborrower is eligible for 1 unit only</li> <li>Funds used to qualify may come from occupying and/or non-occupying coborrower</li> </ul> </li> <li>First-Time Homebuyer <ul style="list-style-type: none"> <li>No requirement for borrower(s) to be a First-Time Homebuyer</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Foreign National</li> <li>LLC</li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>Full interior/exterior appraisal is required unless LPA offers an ACE finding for an appraisal waiver</li> </ul>	
<b>Ineligible Transactions Types</b>	<ul style="list-style-type: none"> <li>Down payment assistance options</li> <li>Community Seconds/Grants/Affordable Seconds</li> <li>Mortgage Credit Certificate (MCC) programs</li> <li>Sweat Equity</li> <li>Texas 50(a)(6) loans</li> <li>HomeStyle Renovation loans</li> </ul>	
<b>Loan Product Advisor (LPA)</b>	<p>LPA Eligible/Accept for loans underwritten using Freddie Mac guidelines</p> <ul style="list-style-type: none"> <li>Manual Underwriting not permitted</li> <li>Based on income, LPA will determine the income eligibility for Home Possible Mortgages</li> </ul> <p>Note: LPA feedback certificate will return Home Possible Mortgages offer message(s) - "This loan meets Home Possible income limits based on property location for address entered. If you choose to deliver this loan as a Home Possible loan, it must meet all requirements of the Home Possible product selected." Or "This loan meets Home Possible income limits based on property location for address entered. This loan must also meet all other Home Possible product requirements for delivery to Agency."</p> <ul style="list-style-type: none"> <li>LPA Offering Identifier Home Possible Mortgages</li> <li>Standard Agency underwriting and property guidelines apply unless specifically referenced within this matrix</li> </ul>	

<p><b>Mortgage Insurance</b></p>	<ul style="list-style-type: none"> <li>• BPMI (monthly premium) is eligible</li> <li>• LPMI is not available</li> <li>• Financed MI is not available</li> <li>• Custom or reduced MI not eligible</li> <li>• Acceptable renewal types are Level/Constant and Non-refundable</li> </ul> <table border="1" data-bbox="354 281 1537 424"> <thead> <tr> <th colspan="5">Standard – Required MI Coverage</th> </tr> <tr> <th rowspan="2">Loan Term</th> <th colspan="4">LTV</th> </tr> <tr> <th>80.01-85.00%</th> <th>85.01-90.00%</th> <th>90.01-95.00%</th> <th>95.01-97.00%</th> </tr> </thead> <tbody> <tr> <td>Fixed&lt;=20 year</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Fixed&gt;20 year</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table> <p><i>Note: ARMs MI coverage follow fixed &gt; 20 year table regardless of term, up to 95% LTV</i></p>	Standard – Required MI Coverage					Loan Term	LTV				80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%	Fixed<=20 year	6%	12%	25%	25%	Fixed>20 year	12%	25%	25%	25%
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<p><b>Homeownership Education and Housing Counseling</b></p>	<ul style="list-style-type: none"> <li>• Homeownership Education required prior to Note date for at least one qualifying borrower if all borrower(s) are First-Time Homebuyers</li> <li>• Homeownership education must not be provided by an interested party to the transaction including the originating lender</li> <li>• Homeownership Education Certification (exhibit 20) or similar document (such as the CreditSmart – Steps to Homeownership Certificate of Completion) containing comparable information must be retained in the mortgage file</li> <li>• The following types of Homeownership Education are acceptable: <ul style="list-style-type: none"> <li>○ Programs developed by HUD-approved counseling agencies</li> <li>○ Homeownership Education programs developed by mortgage insurance companies or other providers’ programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling</li> <li>○ An alternative to the types listed above, CreditSmart- Steps to Homeownership Tutorial</li> </ul> </li> </ul>																								
<p><b>Landlord Education (2-4 Unit Primary Residence)</b></p>	<ul style="list-style-type: none"> <li>• Purchase Transaction – At least one qualifying borrower must participate in a landlord education program prior to the Note date <ul style="list-style-type: none"> <li>○ Landlord education must not be provided by an interested party to the transaction, the seller or the originating Lender</li> <li>○ Copy of a certificate evidencing successful completion of the landlord education must be retained in the mortgage file</li> </ul> </li> <li>• Refinance Transactions – Landlord education is not required but is recommended by Agency for borrower(s) refinancing particularly those who have not previously attended</li> </ul>																								
<p><b>Borrower Income</b></p>	<p>The following is general guidance and subject to LPA approval. Follow standard agency income guideline requirements to verify qualifying income in accordance with Agency Guide Chapters 5302 through 5307. Subject to additional documentation at the underwriter’s discretion.</p> <ul style="list-style-type: none"> <li>• Two year employment history must be verified</li> </ul> <table border="1" data-bbox="354 995 1537 1024"> <thead> <tr> <th>Qualifying Income Limits</th> </tr> </thead> </table> <ul style="list-style-type: none"> <li>• LPA will determine if the qualifying income meets the income limits, or use the Home Possible Income &amp; Property Eligibility Tool</li> <li>• Determine whether or not the borrower(s) satisfied the income limits, the income must be calculated as described in Agency Guide 4501.9</li> <li>• Borrower’s qualifying income must not exceed 80% of Area Median Income (AMI) limits</li> <li>• Income (O.T., bonus, etc.) not used to qualify the borrower is not required to be included in the income limit eligibility</li> </ul> <table border="1" data-bbox="354 1163 1537 1192"> <thead> <tr> <th>Salaried Borrowers</th> </tr> </thead> </table> <ul style="list-style-type: none"> <li>• Current paystub dated within 120 days from the Note date</li> <li>• W2s per LPA</li> </ul> <table border="1" data-bbox="354 1247 1537 1276"> <thead> <tr> <th>Rental Income</th> </tr> </thead> </table> <p>Rental income (boarder income) from a 1 unit primary residence that meets the requirements of Agency Guide Chapter 4501.9 may be considered as stable monthly income or the following:</p> <ul style="list-style-type: none"> <li>• The person providing the rental income and the borrower: <ul style="list-style-type: none"> <li>○ Have resided together for at least one year</li> <li>○ Will continue residing together in the new residence, and</li> <li>○ The person providing the rental income provides appropriate documentation to evidence residency with the borrower (i.e., copy of a driver’s license, bill, bank statement, etc., that shows the address of that person to be the same as the borrower’s address)</li> </ul> </li> <li>• Rental income from the person residing in the mortgage premises (subject): <ul style="list-style-type: none"> <li>○ Has been paid to the borrower for the past 12 months on a regular basis</li> <li>○ Can be verified by the borrower with evidence showing receipt of regular payments of rental income to the borrower for at least 9 of the past 12 months (i.e., copies of canceled checks)</li> <li>○ Must be averaged over 12 months for qualifying purposes when fewer than 12 months of payments are documented</li> <li>○ Rental income does not exceed 30% of total income used to qualify</li> </ul> </li> <li>• The file must contain a written statement from the borrower affirming: <ul style="list-style-type: none"> <li>○ Source of the rental income</li> <li>○ The fact that the person providing the rental income has resided with the borrower for the past year and intends to continue residing with the borrower in the new residence for the foreseeable future</li> </ul> </li> <li>• Rental income from 2-4 unit primary residence that meets the requirements of Agency Guide 5306.1 may be used as qualifying income</li> </ul> <table border="1" data-bbox="354 1780 1537 1810"> <thead> <tr> <th>Self-Employed Borrower</th> </tr> </thead> </table> <ul style="list-style-type: none"> <li>• Business in existence for at least two years (as stated on application)</li> <li>• Personal signed individual tax returns, including all pages and schedules as required by LPA</li> <li>• Corporate or partnership signed tax returns, including all pages and schedules as required by LPA</li> </ul>	Qualifying Income Limits	Salaried Borrowers	Rental Income	Self-Employed Borrower																				
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<b>Qualifying Rate</b>	<b>Fixed Rate</b>	<b>Initial Fixed-Rate Period of 5 years</b>	<b>Initial Fixed-Rate Period &gt; 5 years</b>														
	Qualify at the Note Rate	Qualify at the greater of the fully indexed rate or the Note rate + 2.0%	Qualify at the greater of the fully indexed rate or the Note rate														
<i>Per LPA Accept/Eligible findings; loans with MI may have more restrictive requirements</i>																	
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Subordinate financing must comply with Agency Guide 4204.1</li> <li>Permitting standard secondary financing, including HELOCs, for a Mortgage with a TLTV/HTLTV ratio of less than or equal to 97%</li> <li>No Affordable Seconds</li> <li>Subordinate financing of a seller-held mortgage is ineligible with Home Possible Mortgages</li> </ul>																
<b>Assets</b>	<ul style="list-style-type: none"> <li>Minimum contribution from borrower personal funds – Purchase Transaction &gt; 80% LTV: <table border="1" data-bbox="461 405 1430 499"> <thead> <tr> <th>Number of Units</th> <th>Minimum Borrower Contribution</th> <th>Minimum Down Payment</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>None</td> <td>3%</td> </tr> <tr> <td>Two to Four</td> <td>3%</td> <td>15%</td> </tr> </tbody> </table> </li> <li>No minimum contribution required for ≤ 80% LTV/TLTV</li> <li>Acceptable source of funds for down payment and closing costs: <ul style="list-style-type: none"> <li>Borrower Personal Funds as described in Agency Guide 5501.3(b)</li> <li>Cash-on-hand permitted as described in Agency Guide 4501.10(i)(2) for requirements <ul style="list-style-type: none"> <li>Refer to MI company guidelines that would allow cash-on-hand for Home Possible Mortgages</li> </ul> </li> <li>Gift funds as described in Agency Guide 5501.3(c)</li> </ul> </li> <li>Refer to Agency Guide 4501.10 and 5100 for additional asset requirements</li> </ul>			Number of Units	Minimum Borrower Contribution	Minimum Down Payment	One	None	3%	Two to Four	3%	15%					
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<b>Reserves</b>	<ul style="list-style-type: none"> <li>Reserves must be verified as required by the LPA feedback certificate <ul style="list-style-type: none"> <li>1-unit: No reserves required</li> <li>2-4 unit: 2 months reserves required</li> </ul> </li> </ul>																
<b>Interested Party Contribution</b>	<b>LTV/CLTV &gt; 90%</b>	<b>LTV/CLTV 75.01-90%</b>	<b>LTV/CLTV ≤ 75%</b>														
	3%	6%	9%														
<b>Property Ownership</b>	<ul style="list-style-type: none"> <li>At least one borrower must occupy the property as their primary residence</li> </ul>																
<b>Additional Restrictions</b>	<ul style="list-style-type: none"> <li>No MCC</li> <li>No Temporary Buydowns</li> </ul>																
<b>Properties Listed for Sale</b>	<ul style="list-style-type: none"> <li><b>No Cash-Out Refinance transactions:</b> Property must be taken off the market on or before the disbursement date and the borrower must confirm their intent to occupy the subject property (primary residence refinance transaction only)</li> </ul>																
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	• Per LPA																
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	<b>Foreclosure, Bankruptcy, Deed-in-Lieu, Short Sale</b>																
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<b>Collections and Non-Mortgage Charge-Off</b>																	
• Per LPA																	

<b>Student Loans</b>	Student loans in repayment, deferment, or forbearance:	
	<b>If</b>	<b>Then</b>
	<b>Payment Reflected on Credit Report</b>	May use that amount for qualifying purposes
	<b>Payment Not Reflected on credit report</b>	May use the monthly payment that is on the most recent student loan statement to qualify the borrower
	<b>Credit report shows \$0</b>	Use 0.5% of the outstanding loan balance reported on the credit report
<b>Net Tangible Benefit</b>	Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs:	
	<b>May be excluded from DTI with documentation that indicates</b>	
	Monthly payments ≤ 10 remaining until the full balance is forgiven, cancelled, discharged or in the case of an employment-contingent repayment program paid, OR	
	The monthly payment is deferred or is in forbearance and the full balance will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period,	
	AND the borrower currently meets the requirements for the student loan forgiveness, cancellation, discharge or employment-contingent repayment program, as applicable, and the underwriter is not aware of any circumstances that will make the borrower ineligible in the future	
AND loan file must contain documentation indicating that the borrower is <b>Eligible</b> or <b>Approved</b> for student loan forgiveness, cancellation, discharge or employment-contingent repayment program. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable		
• Every refinance transaction must offer a documented, demonstrable, Net Tangible Benefit (NTB) to the borrower.		

<u>Product Description</u>		<u>Terms</u>	<u>Doc Plan Code</u>
<b>Fixed</b>	HomePossible Conventional 30 Year Fixed	Fully Amortizing 30 Years	C.homepossible30yrfix

<b>SOFR ARM Plans</b>	<b>Description</b>	<b>Doc Plan Code</b>	<b>Index</b>	<b>Margin</b>	<b>Caps</b>
	Conv Home Possible ARM 5/6		SOFR	2.75%	2/1/5
	Conv Home Possible ARM 7/6				5/1/5
	Conv Home Possible ARM 10/6				