Product Guidelines

CONVENTIONAL CONFORMING HIGH BALANCE PROGRAM

PROGRAM CODES: H15FCONF, H30FCONF

Version 3.3 – 06/30/20

CARRINGTON MORTGAGE SERVICES, LLC

PURCHASE & RATE/TERM REFINANCE - FIXED RATE									
Occupancy		Max Loan Amount	Maximum LTV	Maximum CLTV	Min FICO	Max Ratios	Minimum Cash Investments	Mortgage/Rental History	Reserves
Primary	1 Unit	$765,600	95%	95%	620	AUS Approved Eligible / Accept Eligible - Up to 50% Maximum DTI	Review the Minimum Down Payment section in the Income/Assets table below	Evaluated by AUS	Refer to minimum reserves section for requirements
Primary	2 Units	$980,325	85%	85%	620				
Primary	3 Units	$1,184,925	75%	75%	620				
Primary	4 Units	$1,472,550	75%	75%	620				
2nd Homes	1 Unit	$765,600	90%	90%	620**	AUS Approved Eligible / Accept Eligible	Review the Minimum Down Payment section in the Income/Assets table below	Evaluated by AUS	Refer to minimum reserves section for requirements
Non-Owner	1 Unit	$765,600	85%	85%	620	AUS Approved Eligible / Accept Eligible - Up to 50% Maximum DTI	Entire Down Payment From Borrowers Own funds*	Evaluated by AUS	Refer to minimum reserves section for requirements
Non-Owner	2 Units	$980,325	75%	75%	620				
Non-Owner	3 Units	$1,184,925	75%	75%	620				
Non-Owner	4 Units	$1,472,550	75%	75%	620				

*Does not apply to Rate/Term Refinance

**Second Home Florida Condo minimum credit score = 740

CASH OUT - FIXED RATE									
Occupancy		Max Loan Amount	Maximum LTV	Maximum CLTV	Min FICO	Max Ratios	Minimum Cash Investments	Mortgage/Rental History	Reserves
Primary	1 Unit	$765,600	80%	80%	620	AUS Approved Eligible / Accept Eligible - Up to 50% Maximum DTI	NA	Evaluated by AUS	Refer to minimum reserves section for requirements
Primary	2 Units	$980,325	75%	75%	620				
Primary	3 Units	$1,184,925	75%	75%	620				
Primary	4 Units	$1,472,550	75%	75%	620				
2nd Homes	1 Unit	$765,600	75%	75%	620	AUS Approved Eligible / Accept Eligible - Up to 50% Maximum DTI	NA	Evaluated by AUS	Refer to minimum reserves section for requirements
Non-Owner	1 Unit	$765,600	75%	75%	620	AUS Approved Eligible / Accept Eligible - Up to 50% Maximum DTI	NA	Evaluated by AUS	Refer to minimum reserve section for requirements
Non-Owner	2 Units	$980,325	70%	70%	620				
Non-Owner	3 Units	$1,184,925	70%	70%	620				
Non-Owner	4 Units	$1,472,550	70%	70%	620				

MANUFACTURED HOMES			
Occupancy		Loan Purpose	Max LTV/CLTV/HCLTV
Primary	1 Unit	Purchase & Rate/Term Refinance	95%
Primary	1 Unit Max Term ≤ 15 Years	Cash-Out Refinance	65%
2nd Homes	1 Unit	Purchase & Rate/Term Refinance	90%
Non-Owner	Not Permitted		

CONVENTIONAL Underwriting Guidelines Requirements (Loan MUST be submitted through AUS)	
COLLATERAL	
Appraisal	Transferred appraisals are permitted with proof the appraisals comply with Appraisal Independence Requirements (AIR). Re-use of an appraisal report is not permitted. HPML loans may require second appraisal. One-Unit Residential Appraisal Field Review Report (Form 2000) also is required if the property value is > $1 million and LTV/CLTV/HCLTV > 75%. Use the lower of original appraised value, Field Review value, or sales price (for purchases) to calculate LTV. If the appraisal report is marked "subject-to" a final inspection 1004D will always be required, processor certifications will not be accepted in lieu of.
Second Appraisals	When a new appraisal is obtained, CMS must document the deficiencies that are the basis for ordering the new appraisal and select the most reliable appraisal. CMS must either document the resolution of the noted deficiencies in the original appraisal or detail the reasons for relying on a second opinion of market value.
Appraisal Updates	Permitted. Follow guidelines and acceptable extension dates. The appraisal may be no older than 240 days at closing with an appraisal update.
Appraisal Acknowledgment	Borrowers must acknowledge that they received all appraisal reports three (3) days prior to close.
Appraisal Waiver	Permitted. Follow FNMA Appraisal Waiver requirements. Not eligible for manufactured homes, 2-4 unit properties, TX Home Equity 50(a)(6) or 50(a)(6) Conversion, values of $1M or greater, leaseholds, properties with resale restrictions, when satisfying construction financing, using rental income from the subject property to qualify, gifts of equity, or an appraisal has already been obtained.
Condo	All condos must be warranted & must have completed warranty forms. Acceptable condo project approvals are PERS approval, Lender Full Review completed by InterIsland, and Limited Review (DU). **Not eligible**: Condotels, including projects that allow short-term rentals, vacation rentals, timeshares, or segmented ownership. Condo projects that have resort-type amenities such as restaurants, room service, maid service, central telephone or key systems, or share facilities with a hotel, Condo projects restricting owner's ability to occupy, Condo projects that do not contain full-sized kitchen appliances, Nonresidential use exceeding 25%, Pending litigation, Cooperative projects, Project with multi-dwelling units: A project in which an owner may hold a single deed evidencing ownership of more than one dwelling unit, Project with excessive commercial or non-residential space, Tenancy-in Common apartment project **<u>Limited Review</u>**: Primary Residence = LTV 90% or below Second Home = LTV 75% or below Investment Property = LTV 75% or below **<u>Full Review</u>**: All established projects not eligible for Limited Review. All manufactured housing projects require a Fannie Mae PERS Review or a Full Review. All new projects (see exceptions requiring PERS approval below). **<u>PERS Review:</u>** The standard PERS submission MUST be used for the following project types: New or newly converted condo projects consisting of attached units in Florida, newly converted non-gut rehabilitation projects consisting of more than four attached units, and new condo projects consisting of manufactured homes.

COLLATERAL, continued	
Condo, continued	**<u>Florida Specific</u>** **<u>Limited Review</u>**: Primary Residence = LTV 75% or below Second Home = LTV 70% or below Must be an established project and FNMA warrantable, Must be arm's length transaction; no at-interest characteristics, Borrower does not live in immediate area or own property in immediate area (includes partial interest). Investment Property = LTV 70% or below **<u>Full Review</u>**: Primary Residence = LTV 75.01% and above. Second Home = LTV 70.01% and above Investment Property = LTV 70.01% and above Florida new construction, projects constructed within the previous three (3) years and projects converted within the previous three (3) years are not eligible regardless of LTV and review type.
Property Condition	Minor conditions and deferred maintenance are typically due to normal wear and tear from the aging process and the occupancy of the property. While such conditions generally do not rise to the level of a required repair, they must be reported. Examples of minor conditions and deferred maintenance include worn floor finishes or carpet, minor plumbing leaks, holes in window screens, or cracked window glass. Condition Ratings C1, C2, C3, C4, and C5 are eligible for delivery in "as is" condition. Properties with a Condition Rating of C6 are eligible for sale to Fannie Mae provided any deficiencies that impact the safety, soundness, or structural integrity of the property are repaired prior to delivery of the loan.
Ineligible Properties	Co-ops, On-frame modular construction, Single wide manufactured homes, Boarding houses, Bed and Breakfast properties, properties that are not suitable for year-round occupancy regardless of location, Agricultural properties, such as farms or ranches, properties that are not readily accessible by roads that meet local standards, vacant land or land development properties, properties serviced by hauled water, properties encumbered with Property Assessed Clean Energy (PACE) or Home Energy Renovation Opportunity (HERO) obligations, State-approved medical marijuana producing properties, properties with more than one dwelling unit where one or more of the units (includes accessory dwelling units) is a manufactured home, properties with water sourced by a river, properties located on Tribal Lands which include section 184, Hawaiian properties in Lava Zones 1 and 2, properties located in the Department of Hawaiian Home Lands Leasehold (DHHL). See complete ineligible property list in CMS CONV guidelines.
Resale/Deed Restrictions	Fannie Mae will purchase mortgages that are subject to one or more of the following types of resale restrictions (although some restrictions are likely to occur only in combination with others): income limits, age-related requirements (senior communities must comply with applicable laws), purchasers must be employed by the subsidy provider, principal residence requirements, as designated by the subsidy provider, properties that are group homes or that are principally used to serve disabled residents, and resale price limits.
Maximum Number of Financed Properties	For second home and investment property transactions - FNMA is the Agency that allows for up to 10 properties (financed means the # of properties not the number of loans on it), FNMA requires a 720 Fico for this feature. DU cannot count the number of properties so the lender must apply the 720 FICO restriction manually to the file.

COLLATERAL, continued	
Private Transfer Fee	Not permitted
Subordinate Financing	2nd liens permitted as long as they meet LTV/CLTV requirements of the property and transaction type. Seller Carry Back: If financing provided by the property seller is more than 2% below current standard rates for second mortgages, the subordinate financing must be considered a sales concession and the subordinate financing amount must be deducted from the sales price. (Run LPA if seller carry back rate is more than 2% below current standard rates for second mortgages)
Rent Loss Insurance	Not required
TYPES OF FINANCING	
Rate & Term/ Limited Cash Out Refi	Limited cash-out refinance transactions must meet the following requirements: Final Closing Disclosures are required from any transaction within past 6 months. The current transaction is being used to pay off an existing first mortgage loan (including an existing HELOC in first-lien position) by obtaining a new first mortgage loan secured by the same property. Only subordinate liens used to purchase the property may be paid off and included in the new mortgage. Receiving cash back in an amount that is not more than the lesser of 2% of the new refinance loan amount or $2,000. A short-term refinance mortgage loan that combines a first mortgage and a non-purchase-money subordinate mortgage into a new first mortgage or any refinance of that loan within six (6) months is not eligible.
Listed for sale or purchase < 6 months	Properties listed for sale are ineligible for refinance. Property must be taken off the market prior to the loan application date. C/O Refi not allowed if property purchased in prior six (6) months. Max 70% LTV on cash out refinances, if property listed for sale within the last six (6) months.
Cash-Out Refinance	No continuity of obligation - The property must have been purchased (or acquired) by the borrower at least six months prior to the disbursement date of the new mortgage loan except for the following: see FNMA guidelines properties listed in the last six (6) months MAX LTV 70%. For a manufactured home, the borrower must have owned both the manufactured home and land for at least 12 months preceding the date of the loan application. Follow AUS findings for Non Owner Occupant(s).
Down Payment Assistance	Down Payment Assistance Programs are not permitted.
Delayed Financing	Permitted on cash-out transactions for borrowers who purchased the subject property within the previous six (6) months. Refer to the CMS Conventional Lending Guide for additional requirements.
Non-Arm's Length/Identity of Interest	Non-arm's length transactions are purchase transactions in which there is a relationship or business affiliation between the seller and the buyer of the property. Fannie Mae allows non-arm’s length transactions for the purchase of existing properties unless specifically forbidden for the particular scenario, such as delayed financing. Fannie Mae will not purchase mortgage loans on newly constructed homes secured by a second home or investment property if the borrower has a relationship or business affiliation with the builder, developer, or seller of the property.

TYPES OF FINANCING, continued	
Property Flip	Property flips less than 90 days are permitted. Underwriter must review for valid transaction, acceptable transfer/chain of title, and inflation of value or sales price is properly supported. CMS must confirm and document in the mortgage file that the property seller in a purchase money transaction or the borrower in a refinance transaction is the owner of the subject property when an appraisal is required. Examples of acceptable documentation include, but are not limited to: • the appraiser's analysis and conclusions in the appraisal report, • a copy of a recorded deed, mortgage, or deed of trust, • a recent property tax bill or tax assessment notice, • a title report, • a title commitment or binder, or • property sale history report. This documentation is especially important for transactions involving an assignment (or sale) of a contract for sale and back-to-back, simultaneous, double transaction closings, or double escrows to support the property acquisition, financing, and closing.
Texas	Cash out permitted on Non Owner Occupied Properties only. Subject Property cannot be a Homestead. Borrower cannot transfer their homestead interest if they do not own another property as their principal residence. No Cash out permitted on Owner Occupied and Homestead Properties. If existing 1st & 2nd to be paid are Texas Section 50(a)(6), all subsequent financing is considered cash out and is not eligible. This rule applies whether or not the borrower is getting cash back. If the 1st mortgage is not (never was) a Texas Section 50(a)(6) loan and the 2nd mortgage is a Texas Section 50(a)(6), the 2nd lien must subordinate. Borrower cannot receive any cash back from 1st mortgage refinance - not even $1. Transactions with subordinate financing subject to Section 50(a)(6) provisions are limited to max LTV/TLTV/CLTV of lesser of 80% or max program allowed.
Texas Conversion (Refinance) Transactions	To convert (refinance) a Texas 50(a)(6) loan to a Rate/Term loan the following are required: • Existing Texas 50(a)(6) loan must be seasoned for at least 12 months at time of closing • Borrower(s) must be provided a copy of Notice Concerning Refinance of Existing Home Equity Loan to Non-Home Equity Loan Under Section 50(f)(2) disclosure • Borrower(s) must receive disclosure within 3 business days of application and 12 calendar days prior to consummation • Maximum 80% LTV/CLTV • No cash out permitted
All Refinances	Must have Net Tangible Benefit to Borrower.

CREDIT	
Manual Underwrite	Not permitted. Must receive DU Approve/Eligible.
Bankruptcy	**Chapter 13**: Must be discharged > 2 years prior to application. BK discharge must be > 2 years seasoned. BK dismissal must be >4 years seasoned. **Chapter 7**: Must be discharged > 4 years prior to application. BK discharge must be > 4 years seasoned. BK dismissal must be > 4 years seasoned. Multiple Bankruptcy filings within past 7 years must be discharged/dismissed > 5 years. Loan MUST receive DU Approve/Eligible recommendation in order to be FNMA eligible.
Bankruptcy (with extenuating circumstances)	**BK7 or BK 11**: A two-year waiting period is permitted if extenuating circumstances can be documented, and is measured from the discharge or dismissal date of the bankruptcy action. **BK13**: A two-year waiting period is permitted after a Chapter 13 dismissal, if extenuating circumstances can be documented. There are no exceptions permitted to the two-year waiting period after a Chapter 13 discharge. Loan MUST receive DU Approve/Eligible recommendation in order to be FNMA eligible.
Short Sale/Pre-Foreclosure/Deed in Lieu of Foreclosure	A four-year waiting period is required from the completion date of the deed-in-lieu of foreclosure, preforeclosure sale, or charge-off as reported on the credit report or other documents provided by the borrower. Loan MUST receive DU Approve/Eligible recommendation in order to be FNMA eligible.
Short Sale/Pre-Foreclosure/Deed in Lieu of Foreclosure (with extenuating circumstances)	A two-year waiting period is permitted if extenuating circumstances can be documented. Note: Deeds-in-lieu and preforeclosure sales may not be accurately or consistently reported in the same manner by all creditors or credit reporting agencies. See Identification of Significant Derogatory Credit Events in the Credit Report above for additional information. Loan MUST receive DU Approve/Eligible recommendation in order to be FNMA eligible.
Collections/Charge Offs	Refer to AUS stipulations
Judgments/Liens	Outstanding judgments and liens must be paid at or prior to loan closing. Documentation required.
Federal Income Tax Installment Agreements	The monthly payment amount may be included as part of the borrower's monthly debt obligations (in lieu of requiring payment in full) if no Federal Tax Lien has been filed against the borrower. Refer to CMS Conventional FNMA guidelines for additional requirements.
Foreclosure	A seven-year waiting period is required, and is measured from the completion date of the foreclosure action as reported on the credit report or other foreclosure documents provided by the borrower. Loan MUST receive DU Approve/Eligible recommendation in order to be FNMA eligible.
Foreclosure (with extenuating circumstances)	A three-year waiting period is permitted if extenuating circumstances can be documented, and is measured from the completion date of the foreclosure action. Additional requirements apply between three and seven years, which include: Maximum LTV, CLTV, or HCLTV ratios of the lesser of 90% or the maximum LTV, CLTV, or HCLTV ratios for the transaction per the Eligibility Matrix. The purchase of a principal residence is permitted. Limited cash-out refinances are permitted for all occupancy types pursuant to the eligibility requirements in effect at that time. Note: The purchase of second homes or investment properties and cash-out refinances (any occupancy type) are not permitted until a seven-year waiting period has elapsed. Loan MUST receive DU Approve/Eligible recommendation in order to be FNMA eligible.

CREDIT, continued	
Inaccurately Reported Foreclosure	Enter in DU: “Confirmed CR FC Incorrect” when the foreclosure on the credit report is reporting inaccurately.
Minimum FICO	CMS requires a minimum of one (1) reported credit score for each borrower with a trimerge credit report. Non-traditional credit not permitted. Refer to the Mortgage Insurance section for additional requirements.
Debts/Minimum Payment	If the credit report does not show a required minimum payment amount and there is no supplemental documentation to support a payment of less than 5%, the lender must use 5% of the outstanding balance as the borrower's recurring monthly debt obligation. For DU loan casefiles, if a revolving debt is provided on the loan application without a monthly payment amount, DU will use the greater of $10 or 5% of the outstanding balance as the monthly payment when calculating the total debt-to-income ratio.
Minimum Payment Student Loans	For all student loans, if a monthly student loan payment amount is provided on the credit report, use that amount for qualifying purposes. If the credit report does not reflect the correct monthly payment, use the monthly payment that is on the student loan documentation (the most recent student loan statement) to qualify the borrower. If the credit report does not provide a monthly payment for the student loan, or if the credit report shows $0 as the monthly payment, Determine the qualifying monthly payment using one of the options below. • If the borrower is on an income-driven payment plan, obtain student loan documentation to verify the actual monthly payment is $0 and then qualify the borrower with a $0 payment. • For deferred loans or loans in forbearance, calculate a payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or a fully amortizing payment using the documented loan repayment terms.
30-day Charge Accounts	Open 30–day charge accounts require the balance to be paid in full every month. Fannie Mae does not require open 30–day charge accounts to be included in the debt-to-income ratio.
Mortgage History	Mortgage History evaluated by AUS
Long Term Debts	Revolving charge accounts and unsecured lines of credit are open-ended and should be treated as long-term debts and must be considered part of the borrower's recurring monthly debt obligations. The monthly payment on every revolving and open-end account with a balance must be included in ratio calculation. Payoff or paydown of debt solely to qualify must be carefully evaluated and considered in the overall loan analysis. The borrower’s history of credit use should be a factor in determining whether the appropriate approach is to include or exclude debt for qualification. Generally • Installment loans that are being paid off or paid down to 10 or fewer remaining monthly payments do not need to be included in the borrower’s long-term debt. • If a revolving account balance is to be paid off at or prior to closing, a monthly payment on the current outstanding balance does not need to be included in the borrower's long-term debt, i.e., not included in the debt-to-income (DTI) ratio. Such accounts do not need to be closed as a condition of excluding the payment from the DTI ratio.

CREDIT, continued	
Court Ordered Debt	Court-Ordered Assignment of Debt: When a borrower has outstanding debt that was assigned to another party by court order (such as under a divorce decree or separation agreement) and the creditor does not release the borrower from liability, the borrower has a contingent liability. The lender is not required to count this contingent liability as part of the borrower's recurring monthly debt obligations. The lender is not required to evaluate the payment history for the assigned debt after the effective date of the assignment. The lender cannot disregard the borrower's payment history for the debt before its assignment.
Non-Occupant Co-borrowers and Blended Ratios	For DU loan casefiles, if the income of a guarantor, co-signer, or co-borrower is used for qualifying purposes, and that guarantor, co-signer, or co-borrower will not occupy the subject property, the maximum LTV, CLTV, and HCLTV ratio may not exceed 95%. The DTI ratio is calculated using the income and liabilities of all borrowers; there is no separate DTI ratio requirement for the occupant borrower.
Soft pull expiration	14 days
Disputed	DU will issue the disputed tradeline message. If it is determined that the disputed tradeline information is accurate and complete, the lender must ensure the disputed tradelines are considered in the credit risk assessment by either obtaining a new credit report with the tradeline no longer reported as disputed and resubmitting the loan casefile to DU. If DU does not issue the disputed tradeline message, the lender is not required to: • further investigate the disputed tradeline on the credit report, • obtain an updated credit report (with the undisputed tradeline).
INCOME/ASSETS	
Debt Ratios	Max 50% regardless of AUS Findings.
Future Income	Permitted - borrower must provide a contract or employment offer prior to documents and a 30 day pay stub prior to funding.
Residual Income	Residual Income is required on HPML loans only.
Non-Taxable Income	Must verify and document source of income is non-taxable. Documentation includes award letters, policy agreements, account statements or any other documents that address the non-taxable status of the income. All disclosed, non-taxable income must be grossed-up even if not being used for qualification.
Rental Income from Other Real Estate Owned	At least two (2) years complete taxes are required. 24-month average from Schedule E for calculation. The full amount of the mortgage payment (PITIA) must be included in the borrower's total monthly obligations when calculating the DTI ratio.
Tax Return Transcripts/W2 transcripts	Fannie Mae's policy regarding use of the IRS Form 4506-T to validate borrower income documentation for underwriting and QC purposes requires the lender to have each borrower (regardless of income source) complete and sign a separate IRS Form 4506-T for each type of transcript required at or before closing and the execution of IRS Form 4506-T with the IRS to its written QC plan. Amended Returns: Silent.

INCOME/ASSETS, continued	
Income from Departure Residence	When the borrower owns mortgaged real estate, the status of the property determines how the existing property's PITIA must be considered in qualifying for the new mortgage transaction. If the mortgaged property owned by the borrower is a current principal residence converting to investment use, the borrower must be qualified in accordance with, but not limited to the following: • Lease Agreements. When current lease agreements are used, the lender must calculate the rental income by multiplying the gross rent(s) by 75%. The remaining 25% of the gross rent will be absorbed by vacancy losses and ongoing maintenance expenses. • DU will determine the reserve requirements based on the overall risk assessment of the loan, the minimum reserve requirement that may be required for the transaction, and whether the borrower has multiple financed properties. • If the mortgage loan being delivered to Fannie Mae is secured by the borrower's principal residence, there are no limitations on the number of other properties that the borrower will have financed. • If the mortgage is secured by a second home or an investment property, the multiple financed properties policy applies.
Gift Equity	A gift or a gift of equity from a related person that does not have to be repaid is an eligible source of borrower funds for a Primary Residence or Second Home, but is not eligible source of borrower funds for an investment property. For 2-4 Unit Primary Residence AND Second Home transactions, if a gift from a related person is used for a mortgage with a LTV greater than 80%, the gift is permitted source of borrower funds only if the borrower has made a down payment of at least 5% from borrower personal funds.
Minimum Down Payment	• Primary < 80% LTV= None • Primary > 80% LTV = None • Primary 2-4 Unit = 5% • Second < 80% LTV = None • Second > 80% LTV = 5% • Investment = Entire down payment
Verification of Deposits	Not permitted as standalone documentation – must be accompanied by computer printout or other statements directly from the banking institution.
Large Deposits	Purchase Money Transactions Only: Deposits > 50% of the borrower's qualifying monthly income are considered large deposits and must be sourced.
Custodial Accounts for Minors	These accounts are not an allowable asset for down payment, closing costs or reserves. Accounts that are in a minors name where the borrower is only the custodian of the funds are not eligible to be used for a transaction in closing costs, reserves or down payment.
Gifts	Follow FNMA Guidance: • 1-Unit Primary Residences (including High Balance): no minimum borrower contribution is required • 2-4 Units, 2nd Homes: LTV's > 80% require the borrower have a minimum 5% of their own funds in the transaction • Gifts are not permitted on Investment Properties. Gifts are not permitted on Non-Owner Properties. A gift can be provided by a relative, defined as the borrower's spouse, child, or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship; or a fiancé, fiancée, or domestic partner. The donor may not be, or have any affiliation with, the builder, the developer, the real estate agent, or any other interested party to the transaction. If DU requires reserves, it can be gifted after the minimum borrower contribution is met.
Business Assets	Business Assets are allowed for down payment; however, the borrower must be the 100% owner of the Business. The effect on borrower's business must be established by the underwriter.

CARRINGTON MORTGAGE SERVICES, LLC

GENERAL	
Age of Documents	Must be <120 days old at time of closing. Appraisal must be <120 days old.
Ineligible Programs	Refi Plus, Homestyle/Homepath Renovations, HomeStyle Energy, Temp Buydown, Adjustable Rate and Interest Only Loan Programs
Alaska/Hawaii Loan Amounts	Alaska and Hawaii loans follow conventional conforming loan amounts.
Short Payoffs	Ineligible. FNMA will NOT accept a refinance transaction where the loan CMS is paying off was a Short Payoff.
Loan Terms Available	10, 15, 20, & 30 Year Fixed Please note: the 10- and 20-year terms are rolled up to the 15- and 30-year product codes, respectively.
Borrower Eligibility	Permanent and Non-Permanent Resident Aliens allowed with supporting documentation. Foreign Nationals or borrowers with Diplomatic Immunity are not eligible. Loans with title or interest held in various forms/legal entities such as Life Estates, Non-Revocable Trusts, Guardianships, LLC's, Corporations or Partnerships are not eligible.
High Balance Loans DU Refi Plus	The eligibility parameters for DU Refi Plus supersede those for the high-balance feature. The new loan may have a high-balance feature, subject to current loan limits.
Mortgage Insurance	Borrower-paid MI and lender-paid MI options are permitted, as are monthly, single, and split premium plan options. Monthly MI premiums may be refundable or non-refundable. Borrower paid single premium must be refundable. Financed borrower-purchased mortgage insurance is permitted; however, the maximum gross LTV (after the inclusion of the financed premium) cannot exceed 95%. Two FICO scores required per MI provider guidelines. MI provider Credit Score guidelines prevail when MI coverage is required.
Lender Paid Mortgage Insurance (LPMI)	CMS allows lender-purchased mortgage insurance (LPMI) coverage. • MI certificate must be obtained prior to clear to close. • Full credit file needs to be submitted to MI Company. • Lender Paid Disclosure Form must be provided to the borrower. • CMS must deliver the loan with Special Feature Code (SFC) 019. • Lump-sum (single) premium plan that provides coverage for the life-of-the loan is required. • Mortgage insurance coverage must remain in effect until the mortgage is paid in full. • Use Program Code H30FLPMI

GENERAL, continued

Mortgage Insurance Coverage Requirements

The table below provides the mortgage insurance coverage requirements for first–lien mortgages.
CMS requires standard coverage for the transaction type.

LTV Range				
Transaction Type	**80.01 – 85.00%**	**85.01-90.00%**	**90.01-95.00%**	**95.01-97.00%**
All property types other the standard manufactured homes				
Fixed-rate, term ≤ 20 years	6%	12%	25%	35%
Fixed-rate, term > 20 years	12%	25%	30%	35%
Standard manufactured homes				
Fixed-rate, any term	12%	25%	30%	Not Applicable