

## Correspondent Lending Fannie Mae Standard Fixed Rate and ARM Product Profile

*Excludes: DU Refi Plus, High-Balance, HomeStyle Renovation and HomeReady Mortgage*

Most recent updates in **red font**

ELIGIBILITY MATRIX & SUMMARY GUIDELINES									
Agency	10, 15, 20, 25 & 30 YR Fixed Rates 5/6, 7/6 & 10/6 ARM <b>DU Approve/Eligible</b> Version 11.0			10, 15, 20, 25 & 30 YR Fixed Rates 5/6, 7/6 & 10/6 ARM <b>DU Approve/Eligible</b> Version 11.0			10, 15, 20, 25 & 30 YR Fixed Rates 5/6, 7/6 & 10/6 ARM <b>DU Approve/Eligible</b> Version 11.0		
Purpose	PURCHASE								
Occupancy	Primary Residence			Second Home			Investment Property		
	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score
	1 Unit	97% [1]	620	1 Unit	90%	620	1 Unit	85%	620
	2 Unit	85%	620	2 Unit	N/A	N/A	2 Unit	75%	620
	3-4 Units	75%	620	3-4 Units	N/A	N/A	3-4 Units	75%	620
Purpose	RATE AND TERM / LIMITED CASH OUT								
Occupancy	Primary Residence			Second Home			Investment Property		
	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score
	1 Unit	97% [1] [2]	620	1 Unit	90%	620	1 Unit	75%	620
	2 Unit	85%	620	2 Unit	N/A	N/A	2 Unit	75%	620
	3-4 Units	75%	620	3-4 Units	N/A	N/A	3-4 Units	75%	620
Purpose	CASH OUT REFINANCE								
Occupancy	Primary Residence			Second Home			Investment Property		
Footnotes	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score
	1 Unit	80%	620	1 Unit	75%	620	1 Unit	75%	620
	2 Unit	75%	620	2 Unit	N/A	N/A	2 Unit	70%	620
	3-4 Units	75%	620	3-4 Units	N/A	N/A	3-4 Units	70%	620
[1] Max LTV for ARM is 95% [2] For rate/term refinances loans >95%, Fannie Mae must be the owner of the loan									

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Agency										MANUFACTURED HOME ELIGIBILITY MATRIX & SUMMARY GUIDELINES										
<b>Products</b>	10, 15, 20, 25 & 30 YR Fixed Rates 7/6 & 10/6 ARM <b>DU Approve/Eligible</b> Version 11.0					10, 15, 20, 25 & 30 YR Fixed Rates 7/6 & 10/6 ARM <b>DU Approve/Eligible</b> Version 11.0					Not Available									
	<b>PURCHASE</b>																			
<b>Purpose</b>																				
<b>Occupancy</b>	<b>Primary Residence</b>					<b>Second Home</b>					<b>Investment Property</b>									
	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>					
	1 Unit	95%	620	1 Unit	90%	620	1 Unit	N/A	N/A	1 Unit	N/A	N/A	1 Unit	N/A	N/A					
<b>Purpose</b>	<b>RATE AND TERM / LIMITED CASH OUT</b>																			
<b>Occupancy</b>	<b>Primary Residence</b>					<b>Second Home</b>					<b>Investment Property</b>									
	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>					
	1 Unit	95%	620	1 Unit	90%	620	1 Unit	N/A	N/A	1 Unit	N/A	N/A	1 Unit	N/A	N/A					
<b>Purpose</b>	<b>CASH OUT REFINANCE</b>																			
<b>Occupancy</b>	<b>Primary Residence [1]</b>					<b>Second Home</b>					<b>Investment Property</b>									
	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>	<b>Property Type</b>	<b>Max LTV / CLTV / HCLTV</b>	<b>Min Credit Score</b>					
	1 Unit	65%	620	1 Unit	N/A	N/A	1 Unit	N/A	N/A	1 Unit	N/A	N/A	1 Unit	N/A	N/A					
<b>Footnotes</b>	[1] Primary cash out refinance limited to max term of 20 Years																			
<b>Eligibility Requirements*</b>																				

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<b>Appraisals</b>	<ul style="list-style-type: none"> <li>Determined by DU</li> <li>Fannie Mae will offer enforcement relief on reps and warranties related to the property value for certain case files secured by a one-unit detached, attached or condo property. The enforcement relief will be offered when the appraisal received a CU Risk Score of 2.5 or below. Note: 2-4 unit properties and manufactured homes are not eligible for the enforcement relief.</li> <li>Appraisal Waivers through DU are acceptable</li> <li>SSR Report must include the Collateral Underwriter (CU) risk scores, flags and messaging. In order for Computershare Loan Services to access the information in CU, Sellers must select Computershare Loan Services from the aggregator drop down list in UCDP which permits sharing of data. See Resource section below for link to UCDP Appraisal Sharing Job Sharing .</li> </ul> <p><u>Computershare Loan Services will purchase loans secured by properties with "unpermitted" structural additions under the following conditions:</u></p> <ul style="list-style-type: none"> <li><u>The subject addition complies with all investor guidelines</u></li> <li><u>The quality of the work is described in the appraisal and deemed acceptable ("workmanlike quality") by the appraiser</u></li> <li><u>The addition does not result in a change in the number of units comprising the subject property (e.g. a 1 unit converted into a 2 unit)</u></li> <li><u>If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance by the use of comparable sales with similar additions and state the following in the appraisal:</u> <ul style="list-style-type: none"> <li><u>Appraiser must comment on the quality and appearance of the work and its impact, if any, on the market value of the subject property</u></li> <li><u>Appraiser comments and photos should validate the addition was completed in a workmanlike manner and conforms to the rest of the property</u></li> <li><u>The impact, if any, to the local zoning must be reviewed to ensure the property meets guidelines</u></li> </ul> </li> <li>Properties with solar panels permitted, refer to Fannie Mae Seller Guide Section B2-3-04</li> <li>Disclosure of Information to Appraisers: Currently, FNMA requires the lender to provide the appraiser with all amendments made to a sales contract, including amendments that are made after completion of the appraisal. With this FNMA update, they have clarified when the appraiser must be provided with updates to the sales contract and circumstances that warrant updates to the appraisal. For example, if the contract is amended in a way that affects the description of the real property used by the appraiser, then the lender must provide the updated contract to the appraiser and the appraisal should be updated. However, minor updates to the contract, such as changes to seller paid closing costs or changes to the contract price, do not require an updated appraisal. In addition, we have updated the policy to require disclosure of changes to financing information (such as loan fees and charges, and subordinate financing provided by interested parties) to the appraiser only for purchase transactions.</li> </ul>
<b>Property</b>	<ul style="list-style-type: none"> <li>For California and Colorado purchase transaction or when required by an appraiser, CO (Carbon Monoxide) detector is required.</li> </ul>
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>Credit documents must be no more than four months old on the date the note is signed for all mortgage loans (existing and new construction)</li> <li>Preliminary Title Policies must be no more than 120 days old on the date the note is signed</li> <li>Appraisal can be no more than 4 months old on the date of the note and mortgage</li> <li>Flood Hazard Determination Certification must be no more than 180 days old on the date the note is signed</li> </ul>
<b>Assignment of Mortgages</b>	<ul style="list-style-type: none"> <li><u>All loans must be registered with MERS at time of delivery to Computershare Loan Services and a MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller, to Specialized Loan Servicing LLC (MERS ORG ID # 1003225), within 24-hours of purchase</u></li> </ul>

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<b>AUS &amp; Underwriting Method</b>	<ul style="list-style-type: none"> <li>• <u>Desktop Underwriter (DU) with "Approve/Eligible" findings is required</u></li> <li>• <u>Manual underwriting is not permitted</u></li> </ul>
<b>Borrowers: Eligible</b>	<ul style="list-style-type: none"> <li>• U.S. Citizens</li> <li>• Permanent resident aliens, with proof of lawful residence</li> <li>• Nonpermanent resident alien immigrants, with proof of lawful nonpermanent residence</li> <li>• Refer to 'Borrower Eligibility' and 'Citizenship, Residency and Immigration Status ' sections of the Seller Guide regarding requirements for each Borrower's citizenship, residency and immigration status; including documentation necessary for lawful proof of residency</li> <li>• <u>Inter Vivos Revocable Trust and Power of Attorney: Refer to Seller Guide for eligibility requirements</u></li> </ul>
<b>Condominiums / PUDS</b>	<ul style="list-style-type: none"> <li>• Must follow Fannie Mae published Condominium Eligibility Guidelines - See <b>Resources</b> below for a link to the guidelines</li> <li>• <u>Computershare Loan Services only accepts projects approved via Limited Reviews; in accordance with Fannie Mae guidelines</u></li> <li>• <u>Lender Full Review and other types of reviews are <b>not</b> allowed unless Correspondent is granted specific approval from Computershare Loan Services</u></li> <li>• Limited Review for attached Condominium Units in Established Condominium Projects not located in Florida :             <ul style="list-style-type: none"> <li>▪ Primary Residence up to 90% LTV/CLTV/HCLTV</li> <li>▪ Second Homes up to 75% LTV/CLTV/HCLTV</li> <li>▪ Investment Property eligible to 75% LTV/CLTV/HCLTV</li> <li>▪ Computershare Loan Services will not allow any project (condo, or PUD) for which the homeowners' association is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project. Refer to Condominium Litigation section of Computershare Loan Services Seller Guide for allowances and restrictions.</li> </ul> </li> </ul> <p>Note: Projects for which the lender determines that pending litigation involves minor matters are not considered ineligible projects, provided the lender concludes that the pending litigation has no impact on the safety, structural soundness, habitability, or functional use of the project. The following are defined to be minor matters:</p> <ul style="list-style-type: none"> <li>▪ Non-monetary litigation involving neighbor disputes or rights of quiet enjoyment;</li> <li>▪ Litigation for which the claimed amount is known, the insurance carrier has agreed to provide the defense, and the amount is covered by association's insurance; or</li> <li>▪ The homeowners' association is named as the plaintiff in a foreclosure action, or as a plaintiff in an action for past due homeowners' association dues</li> </ul> <ul style="list-style-type: none"> <li>• Florida Condos are allowed in accordance with Fannie Mae requirements with the exception of newly converted condo projects (see ineligible section):             <ul style="list-style-type: none"> <li>▪ <u>Computershare Loan Services only allows projects approved via Limited Reviews; in accordance with Fannie Mae guidelines</u> <ul style="list-style-type: none"> <li>– Primary Residence up to 75/90/90% LTV/CLTV/HCLTV</li> <li>– Second Homes up to 70/75/75% LTV/CLTV/HCLTV</li> <li>– Investment Property eligible to 70% LTV/CLTV/HCLTV</li> </ul> </li> <li>▪ <u>Lender Full Review and other types of reviews are <b>not</b> allowed unless Correspondent is granted specific approval from Computershare Loan Services</u></li> </ul> </li> <li>▪ Site condos do not require full condo review</li> </ul>
<b>Continuity of Obligation</b>	<ul style="list-style-type: none"> <li>• Continuity of obligation occurs on a refinance transaction when at least one of the borrower(s) on the existing mortgage is also a borrower on the new refinance transaction secured by the subject property. When there is no continuity of obligation, <u>Cash Out refinance transactions require a 0x30 12 month mortgage rating on the existing mortgage</u></li> <li>• No additional requirements for rate/and term /limited cash out refinance</li> </ul>

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<b>Credit</b>	<ul style="list-style-type: none"> <li>• All borrowers must have a minimum of one credit score to be eligible</li> <li>• <u>Borrower letter of explanation is required for recent credit report inquiries made within in the previous 90 days</u></li> <li>• Correspondents are responsible for determining that all debts incurred or closed by the borrower, up to and concurrent with settlement on the subject mortgage loan, are disclosed on the final loan application that is signed by the borrower at closing. These debts must be evaluated and included in the qualification for the subject mortgage loan; pursuant to Fannie Mae requirements</li> <li>• Gap Report is required within <b>7</b> business days of mortgage Note date; prior to closing/funding of the transaction             <ul style="list-style-type: none"> <li>▪ New debts, liabilities, inquiries and/or public records must be addressed pursuant to Fannie Mae requirements</li> <li>▪ Material discrepancies from the prior credit report must be addressed pursuant to Fannie Mae requirements</li> <li>▪ Note: A Gap Report is also known as a LQI Report, Undisclosed Debt Monitoring Report or Credit Refresh Report). It is intended to identify any changes in a borrower's credit report (excluding credit scores) between original credit report pull date and pre-funding. It is not intended to pull new credit scores</li> </ul> </li> <li>• Federal Tax Installment Plans             <ul style="list-style-type: none"> <li>▪ LLN follows FNMA guidelines for Federal Tax debts on an installment plan except in regard to the following: <u>LLN requires at least 3 consecutive payments must have been made prior to closing.</u></li> </ul> </li> </ul>
<b>Derogatory Credit</b>	<ul style="list-style-type: none"> <li>• <u>All transactions require a DU Approve/Eligible decision regardless of which timeframe for derogatory credit is met; standard or extenuating circumstances. Refer to Fannie Mae Selling Guide for additional requirements</u></li> </ul>
<b>Disaster Policy</b>	<ul style="list-style-type: none"> <li>• <u>See Computershare Loan Services Disaster Policy in Seller Guide for details</u></li> </ul>
<b>Documentation Type, Tax Transcripts &amp; 4506-T</b>	<ul style="list-style-type: none"> <li>• Determined by DU</li> <li>• When Day 1 Certainty tools are utilized and validation messages appear on the DU recommendation, follow DU findings for documentation requirements.</li> <li>• The following documentation requirements apply when Day 1 Certainty tools are not utilized:             <ul style="list-style-type: none"> <li>• <u>Tax Transcripts are required when 1040 income tax returns are used to document the borrower's qualifying income</u></li> <li>• Follow Fannie Mae guidelines that provide specific guidance by application date/disbursement date when tax returns are required that include all of the following if the most recent year's taxes are not provided..                 <ul style="list-style-type: none"> <li>• Extension</li> <li>• Review of tax liability to prior years as a measure of income stability and continuance</li> <li>• Transcripts to validate no transcripts available</li> <li>• Returns for 2 prior years</li> <li>• <a href="https://www.fanniemae.com/content/guide/selling/b1/1/03.html">https://www.fanniemae.com/content/guide/selling/b1/1/03.html</a></li> </ul> </li> </ul> </li> <li>• A 4506-T, signed at closing, is required for all transactions</li> <li>• See FNMA seller guide requirements for additional information: <a href="https://www.fanniemae.com/content/guide/selling/b1/1/03.html">https://www.fanniemae.com/content/guide/selling/b1/1/03.html</a></li> </ul>

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<b>Down Payment Assistance</b>	<ul style="list-style-type: none"> <li>• <u>Down Payment Assistance is allowed as long as the assistance is provided by a government entity. Evidence of the terms and provider must be included in the loan file and must meet Fannie Mae requirements</u></li> <li>• Employer assistance is acceptable in accordance with Fannie Mae guidelines</li> </ul>							
<b>Eligible Mortgage Products</b>	<p>Computershare Loan Services will purchase the following products*:</p> <ul style="list-style-type: none"> <li>• Agency Fixed Rate 10, 15, 20, 25 and 30 yr</li> <li>• Agency 5/6, 7/6 and 10/6 ARM</li> </ul> <p><b><i>*Subject to availability of pricing the day the loan is locked with Computershare Loan Services</i></b></p>							
<b>ARM Information</b>	ARM Type	Caps	Conversion Feature	Index	Look Back Period	Floor	DU ARM Plan	Delivery ARM Plan
	5/6 SOFR	First Change: 2% Subsequent Change: 1% Life Cap: 5%	None	30-day Avg SOFR	45 days	Margin - 2.75%	Gen5	4927
	7/6 SOFR	5% First Change: 5% Subsequent Change: 1% Life Cap: 5%	None	30-day Avg SOFR	45 days	Margin - 2.75%	Gen5	4928
	10/6 SOFR	5% First Change: 5% Subsequent Change: 1% Life Cap: 5%	None	30-day Avg SOFR	45 days	Margin - 2.75%	Gen5	4929
<b>Ineligible Mortgage Products and Features</b>	<ul style="list-style-type: none"> <li>• <u>Fannie Mae Community Seconds</u></li> <li>• HomeStyle Renovation Mortgage</li> <li>• Loans with PACE or PACE-like assessments</li> </ul>							
<b>Assets</b>	<ul style="list-style-type: none"> <li>• <u>Custodial accounts are an ineligible asset source</u></li> <li>• <u>Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</u></li> </ul>							

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#### Employment / Income Documentation

- For salaried employees the verbal verification of employment must be completed within 10 business days prior to the note date Business days do not include Saturday, Sundays, or Federal holidays when obtaining the VVOE.
- For self-employed borrowers provide third party verification such as CPA, regulatory agency or applicable licensing bureau or verifying a phone listing and address for the borrower's business using a telephone book, the Internet or directory assistance -within 120 days prior to the note date. Lender must document the source of the information obtained and the name and title of the employee who obtained the information
- For borrowers in the military, a military Leave and Earnings Statement dated within 30 days prior to the note date is acceptable in lieu of a verbal verification of employment.
- Borrowers with employment contracts: borrowers must begin employment before the lender delivers the loan to Computershare Loan Services. The lender must obtain a paystub from the borrower that includes sufficient information to support the income used to qualify the borrower prior to delivering the loan to Computershare Loan Services
- Allimony or maintenance payments with more than 10 months remaining must be deducted from borrower's gross month income. The reduced monthly income should be used to qualify the borrower. Child support will continue to be treated as a debt when calculating the monthly debt payment- to -income
- See 'Documentation Type, Tax Transcripts & 4506-T' section of this Product Profile for additional requirements

#### Escrow Holdbacks (Postponed Repairs / Improvements)

- Escrow holdbacks are allowed according to Fannie Mae guidelines; including , but not limited to the following requirements/restrictions:
  - Holdbacks permitted for inclement **weather related** reasons only during inclement weather season (November through March)
  - Holdbacks permitted for **external** repairs/improvements only
  - Must hold back minimum of 120% of cost of repairs/improvements
  - Cost of improvements or repairs may not exceed \$15,000 or 10% of 'as completed' appraised value, whichever is less.
  - Improvements or repairs must be completed within 60 days of the note unless it is during inclement weather season. Inclement weather repairs must be completed by April 30 or 60 days from the note, whichever is further out.
  - Repairs/improvements may not affect safety, soundness, habitability and structural integrity of subject property. Unacceptable repairs/improvements include but are not limited to the following:
    - Plumbing, electrical, septic, or HVAC systems not fully functional
    - Kitchen not fully functional
    - Partially completed addition or renovation
    - Roofing issues, including coupling /curling shingles and leaks, past or present ,unless certified as having been repaired
    - Foundation cracks or settling including leaks past or present unless certified as having been repaired
    - Water seepage, including water in basement
    - Siding or fascia along eaves that is missing or has significant damage
    - Mold of any significance
- Post funding stipulation for 1004D confirming completion will be placed on loans where appraisal is "subject to" completion of improvements
- Post funding stipulation for a final title policy endorsement that ensures the priority of the first lien will be placed on loans where the appraisal is "subject to" completion of improvements. Holdbacks may not adversely affect title. Clear title required

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<b>Financing Concessions</b>	<ul style="list-style-type: none"> <li>• Financing concessions for primary residences and second homes must be within the following allowable percentages:                         <ul style="list-style-type: none"> <li>▪ 9% of value with LTV/CLTV/HCLTV ratios less than or equal to 75%</li> <li>▪ 6% of value with LTV/CLTV/HCLTV ratios greater than 75% up to and including 90%</li> <li>▪ 3% of value with LTV/CLTV/HCLTV ratios greater than 90%</li> </ul> </li> <li>• The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio</li> <li>• Value is the lesser of the sales price or appraised value</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>• Follow Fannie Mae's guidelines for gift funds. See B3-4.3-04 for additional details</li> <li>• Generally, the borrower is not required to provide a 5% contribution on a 1 unit, owner occupied, standard balance purchase</li> </ul>
<b>High Cost / Higher Priced Mortgage Loans</b>	<ul style="list-style-type: none"> <li>• <u>Computershare Loan Services will not purchase High Cost Loans</u></li> <li>• <u>Computershare Loan Services will purchase Higher Priced Mortgage Loans (HPML) that comply with all state and federal laws, including Regulation Z and Home Mortgage Disclosure Act (HMDA) amendments, as well as underwriting and consumer protection requirements. Additional requirements are as follows:</u> <ul style="list-style-type: none"> <li>▪ Submission of the rate spread (difference) as required by Regulation Z, HMDA, and any other local or state statutes. This may be evidenced by a providing a screenshot of the results from the Federal Financial Institutions Examination Council's <a href="#">FFIEC Rate Spread Calculator</a> or results from Mavent, ComplianceEase or similar compliance testing software for the rate spread,</li> <li>▪ The loan must be a Qualified Mortgage</li> <li>▪ An escrow account must be established for taxes and insurance premiums (including flood insurance) on any transaction secured by a principal residence                             <ul style="list-style-type: none"> <li>○ Escrow account must be established for a minimum of 60 months</li> <li>○ Note: For condominium loans, if the Homeowners' Association (HOA) maintains a master policy insuring the unit (meeting Computershare Loan Services Credit Policy requirements), only the tax portion is required to be escrowed</li> </ul> </li> <li>▪ A full internal/external appraisal is required</li> <li>▪ A second appraisal is required if the property was:                             <ul style="list-style-type: none"> <li>○ Acquired by the seller 90 or fewer days prior to the consumer's agreement to purchase the property and price has increased by more than 10% . See Property Flipping Policy section of this document for additional information</li> <li>○ Acquired by the seller between 91 and 180 prior to the consumer's agreement to purchase the property, and price has increased by more than 20%</li> </ul> </li> <li>▪ No waiver of appraisal waiting periods prior to closing is permitted</li> <li>▪ Prepayment Penalty is not permitted (Note that Computershare Loan Services does not purchase loans with Prepayment Penalties regardless of HPML status)</li> <li>▪ <u>Loan must receive DU Approve/Eligible</u></li> <li>▪ Borrower must meet minimum Residual Income requirements that mirror VA requirements</li> <li>▪ PITI reserves as required by product guideline and/or AUS findings</li> </ul> </li> </ul>



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### Home Ownership Education and Counseling

Refer to Fannie Mae Selling Guide B2-2-06, Homeownership Education and Housing Counseling for complete details about the following items when all borrowers are first-time homebuyers:

- At least one borrower on each purchase mortgage must do one of the following :
  - Complete the Framework homeownership education course; or
  - Receive pre-purchase housing counseling from a HUD-approved nonprofit housing counseling agency (as evidenced by a signed Certificate of Completion of Pre-Purchase Housing Counseling (Form 1017) or
  - Complete a homeownership education course required by a Down Payment Assistance Program that is provided by a HUD-approved agency, if the HomeReady loan involves a Down Payment Assistance Program.

Loan file must include evidence of the homeownership education or Certificate of Completion of Pre-purchase housing Counseling (Form 1017)

### Identity of Interest and Non- ARM's Length Transactions

- The mortgage loan must contain a payment history for all mortgages on the subject property (i.e. verification of the property seller's payment history). The mortgage loan(s) must be current and show no 60 day delinquencies.

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<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase             <ul style="list-style-type: none"> <li>• <u>Assignment of purchase contract to someone other than the property seller or buyer named on the contract is not permitted</u></li> </ul> </li> <li>• Limited Cash Out Refinance             <ul style="list-style-type: none"> <li>▪ Proceeds can be used to pay off a first mortgage regardless of age</li> <li>▪ Proceeds can be used to pay off any junior liens related to the purchase of the subject property</li> <li>▪ Pay related Closing Costs and Prepaid items</li> <li>▪ Disburse cash out to the Borrower in an amount not to exceed 2% of the new Mortgage or \$2,000, whichever is less</li> </ul> </li> <li>• Cash Out             <ul style="list-style-type: none"> <li>▪ 1003 must clearly document purpose of Cash Out (i.e., home improvement, debt consolidation, etc.) under "Purpose of Refinance" section. <u>Student Loan Cash Out Refinance is not currently available.</u></li> <li>▪ 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 as note in the Seasoning section of this document</li> <li>▪ Fannie Mae's delayed financing provision is acceptable if all of the following requirements are met:                 <ul style="list-style-type: none"> <li>– The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing</li> <li>– of closing costs, prepaid fees, and points (subject to the maximum LTV/CLTV/HCLTV ratios for the transaction)</li> <li>– The original purchase transaction was an arms-length transaction</li> <li>– The original purchase transaction is documented by the HUD-1, which confirms that no mortgage financing was used to obtain the subject property. A recorded trustee's deed (or similar alternative) confirming the amount paid by the grantee to trustee may be substituted for a HUD-1 if a HUD-1 was not provided to the purchaser at time of sale</li> <li>– The sources of funds for the purchase transaction are documented (such as, bank statements, personal loan documents, HELOC on another property)</li> <li>– All other cash out refinance eligibility requirements are met and cash out pricing is applied</li> </ul> </li> <li>▪ Cash out refinance transactions must meet Continuity of Obligation requirements</li> </ul> <p><b>Note:</b> The preliminary title search or report must not reflect any existing liens on the subject property. If the source of funds to acquire the property was an unsecured loan or HELOC (secured by another property), the new HUD-1 must reflect that all cash out proceeds be used to pay down, if applicable, the loan (unsecured or secured by an asset other than the subject property) used to purchase the new property. Any payments on the balance remaining from the original loan must be included in the debt-to-income ratio calculation for the refinance transaction. Funds received as gifts and used to purchase the property any not be reimbursed with proceeds of the new mortgage loan.</p> </li></ul>
<b>Minimum Loan Amount</b>	<ul style="list-style-type: none"> <li>• <u>\$10,000</u></li> </ul>
<b>Modular Home Definition</b>	<p>The property must meet all the of the following criteria to be a modular home:</p> <ul style="list-style-type: none"> <li>• Modular homes are built in sections at a factory</li> <li>• Modular homes are built to conform to all state, local or regional building codes at their destinations</li> <li>• Sections are transported to the building site on truck beds, then joined together by local contractors</li> <li>• Local building inspectors check to make sure a modular home's structure meets requirements and that all finish work is done properly</li> <li>• These structures are not titled until installed onsite and become part of the real property</li> <li>• Taxed as real estate (not taxed as personal property)</li> <li>• Assembled on a permanent foundation</li> </ul>

## Correspondent Lending Fannie Mae Standard Fixed Rate and ARM Product Profile

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Most recent updates in **red font**

<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Standard Coverage required</li> <li>• The gross LTV cannot exceed Computershare Loan Services' program maximum</li> <li>• <b>Acceptable MI Types:</b></li> <li>• Borrower paid month premium</li> <li>• Borrower paid single premium</li> <li>• Lender paid single premium                         <ul style="list-style-type: none"> <li>• The closed loan must include copy of the LPMI disclosure and paid receipt evidencing proof of payment of LPMI policy . The correspondent is responsible for pricing loan with sufficient premium pricing to cover the cost of the single premium LPMI</li> </ul> </li> <li>• <u>Split Premium MI is <b>ineligible</b></u></li> <li>• <u>Financed MI is <b>ineligible</b></u></li> <li>• <u>Reduced MI is <b>ineligible</b></u></li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Primary Residence; 1-4 units</li> <li>• Second Homes; 1 unit only</li> <li>• Investment Properties; 1-4 units</li> </ul>
<b>Points and Fees</b>	<ul style="list-style-type: none"> <li>• Lenders may not charge borrowers points and fees (whether or not financed) in an amount that exceeds the greater of (i) 5 percent of the principal amount of the mortgage loan, or (ii) \$1,000. Points and fees must be adequately disclosed in accordance with applicable law and regulation</li> </ul>
<b>Principal Reductions (Curtailments)</b>	<ul style="list-style-type: none"> <li>• Principal reductions permitted in accordance with applicable Agency guidelines</li> </ul>
<b>Property: Eligible Title to Property and Estate Type &amp; Resale Deed Restrictions</b>	<ul style="list-style-type: none"> <li>• <u>Title to property must be held in Fee Simple only</u></li> <li>• <u>Other forms of property ownership, including but not limited to Life Estates, Leasehold Estates, Fee Tail Estates, Cooperatives, etc. are <b>not</b> eligible for sale to LenderLive</u></li> <li>• Resale Deed Restrictions:                         <ul style="list-style-type: none"> <li>▪ Mortgage Loans subject to Age Related deed restrictions are acceptable - refer to Fannie Mae seller guide section B5-5.3-01 for details</li> <li>▪ <u>Computershare Loan Services does not purchase Mortgage Loans subject to Affordability related deed restrictions.</u></li> </ul> </li> </ul>

## Correspondent Lending Fannie Mae Standard Fixed Rate and ARM Product Profile

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Most recent updates in red font

### Property: Eligible Property Types

- Single Family Detached Single Unit
- Single Family Attached Single Unit
- 2-4 Unit Attached/Detached
- PUDs
- Low-rise and High-rise Condominiums (must be Fannie Mae eligible)
- Rural Properties (in accordance with agency guidelines, loans must be residential in nature)
- Modular homes (see definition in this document)
- Manufactured Homes (except in condominium projects) - Homes cannot be a single-wide property. All manufactured homes must be permanently affixed to a foundation, been de-titled/converted to real property and must assume the characteristics of a site-built home. The wheels, axles and trailer hitches must be have been removed. All foundations, both perimeter and piers, must have footing that are located below the frost line. If state law requires anchors, they must be provided. See Fannie Mae guidelines for more details : [https://www.fanniemae.com/content/eligibility\\_information/manufactured-housing-guidelines.pdf](https://www.fanniemae.com/content/eligibility_information/manufactured-housing-guidelines.pdf)
- Log Homes
- Hobby Farms, subject to the following:
  - Tax returns required to verify no or very minimal revenue reported from property use
  - Appraisal must support no significant commercial activity
- Property cannot contain large commercial type structures. Barns and/or outbuildings are acceptable but improvements cannot be commercial in nature

### Property: Ineligible Property Types

- Bed and breakfast properties
- Boarding houses
- Condition Rating of C5/C6 or a Quality Rating of Q6
- Condominium Conversions that were converted within the last three years
- Units in condo or co-op hotels
- Cooperatives
- Condo/Co-Op projects with "significant deferred maintenance or projects that have received a directive from a regulatory authority or inspection agency to make repairs due to unsafe condition".
- Geodesic Domes
- Homes being purchased using HomeStyle Financing
- Hawaii properties in lava zones 1 and 2
- Hotel Condominiums
- Land Trusts, including Illinois Land Trusts
- Leaseholds
- Property currently in litigation (for condominiums, refer to Condominium Litigation section of Computershare Loan Services Seller Guide for allowances and restrictions)
- Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same
- Properties that are not readily accessible by roads that meet local standards
- Properties that are not suitable for year round occupancy regardless of location
- Timeshares
- Unimproved Land

## Correspondent Lending Fannie Mae Standard Fixed Rate and ARM Product Profile

*Excludes: DU Refi Plus, High-Balance, HomeStyle Renovation and HomeReady Mortgage*

Most recent updates in **red font**

<b>Property: Maximum Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>• When the subject property is a second home or investment , DU will use the number of financed properties to apply the following eligibility guidelines:                             <ul style="list-style-type: none"> <li>• Borrowers are limited to a maximum of 10 financed properties</li> <li>• 720 minimum credit score is required for borrowers with 7-10 financed properties</li> <li>▪ Refer to the Fannie Mae Seller Guide, section B2-2-03 for details</li> </ul> </li> </ul>
<b>Property Flipping Policy</b>	<ul style="list-style-type: none"> <li>• <u>Flip or Rapid Resale of Property within 90 days after Prior Sale Date</u> <ul style="list-style-type: none"> <li>▪ <u>If subject property had a prior sale within 90 days previous to the purchase contract date of the subject transaction, then the Mortgage Loan is not eligible for sale to Computershare Loan Services unless:</u> <ul style="list-style-type: none"> <li>○ <u>Property was acquired by a relocation agency in connection with the relocation of an employee, and then resold to someone who is not an employee or affiliate of the original employee's company, or</u></li> <li>○ <u>Resale by a lender when property is obtained through foreclosure or deed in lieu of foreclosure, or</u></li> <li>○ <u>Resale of a property obtained through an inheritance or as part of the property settlement in a divorce agreement , or</u></li> <li>○ <u>Any increase in value is substantiated/supported by bona fide and verified improvements</u></li> <li>○ <u>Sale of property that the property seller acquired at below market value after purchasing as a result of a distress sale (i.e. REO sale, short sale, tax lien sale, bankruptcy trustee's sale, etc.), where any increase in the sales price over the property seller's acquisition cost can be clearly shown to be a result of the difference (if any) in the market's reaction to distress sales and typical arms-length market sales</u></li> </ul> </li> </ul> </li> <li>• <u>Properties that involve a re-sale occurring within the last 180 days and have a non-arms length relationship between the buyer and seller are prohibited.</u> The time frame is established by seller's date of acquisition as the date of settlement on the seller's purchase of that property and the execution of a sales contract to another party</li> <li>• Lenders must pay particular attention and institute extra due diligence for those loans in which the appraised value is believed to be excessive or where the value of the property has experienced significant appreciation in a short time period since the prior sale. Computershare Loan Services believes that one of the best ways lenders can reduce the risk associated with excessive values and/or rapid appreciation is by receiving accurate appraisals from knowledgeable, experienced appraisers</li> <li>• Computershare Loan Services recommends an additional value product to support the subject appraised value in instances of greater than 20% appreciation</li> <li>• Refer to Flip or Rapid Resale of Property between 91 and 180 Days after Prior Sale Date section of Computershare Loan Services Seller Guide for additional requirements/restrictions</li> </ul>
<b>Qualifying Rates</b>	<ul style="list-style-type: none"> <li>• 5/6 ARMs are qualified at the greater of the Note rate plus 2% or the fully indexed rate</li> <li>• 7/6 &amp; 10/6 ARMs are qualified at the greater of the note rate or fully indexed rate</li> </ul>
<b>Ratios / DTI</b>	<ul style="list-style-type: none"> <li>• Determined by DU</li> </ul>
<b>Recently Listed Properties</b>	<ul style="list-style-type: none"> <li>• For a Limited Cash Out Refinance:                             <ul style="list-style-type: none"> <li>▪ The subject property must not be currently listed for sale. It must be taken off the market on or before the disbursement date of the new mortgage loan. Borrowers must confirm their intent to occupy the subject property (for principal residence transactions)</li> </ul> </li> <li>• For a Cash Out Refinance:                             <ul style="list-style-type: none"> <li>▪ Properties that were listed for sale must be taken off the market on or before the disbursement date of the new mortgage loan</li> </ul> </li> </ul>

## Correspondent Lending Fannie Mae Standard Fixed Rate and ARM Product Profile

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Most recent updates in **red font**

<b>1031 Exchange</b>	<ul style="list-style-type: none"> <li>The intermediary handling the transaction must provide written certification that the transaction is in compliance with the IRS code 1031.</li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>When the borrower has a history of owning rental property, net rental income or loss is calculated by:                         <ul style="list-style-type: none"> <li>The lesser of the gross rent (minus a 25% expense factor) or the market rent established by the appraiser for properties not reflected on the borrower's tax returns</li> <li>When the property is reflected on the borrower's tax returns, analyze the borrower's cash flow and calculate the net rental income (or loss), making sure that depreciation or any interest, taxes, or insurance expenses were added back in the borrower's cash flow analysis</li> <li>The full PITI for the rental property must be factored into the amount of the net rental income or loss</li> </ul> </li> <li><u>If rental income is being used to qualify and the borrower has acquired more than one investment property in the last 12 months;</u> <ul style="list-style-type: none"> <li><u>A minimum of one-year prior landlord experience is required OR</u></li> <li><u>2-months reserves in addition to the minimum FNMA reserve requirements (for each property) can be used to offset the lack of landlord experience</u></li> </ul> </li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Refer to the Fannie Mae Seller Guide, section B2-2-03</li> <li>Primary Residence - Follow DU findings</li> <li>Second Home and Investment Property - Follow DU Findings</li> <li><u>Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</u></li> </ul>
<b>Seasoning</b>	<ul style="list-style-type: none"> <li>Cash Out Refinance                         <ul style="list-style-type: none"> <li>The borrower must have owned the property at least 6 months to be eligible for a Cash Out refinance unless at least one borrower on the Cash Out refinance either inherited or was legally awarded the subject property (divorce, separation, or dissolution of marriage of a domestic partnership) or;</li> <li>The delayed financing requirements are met</li> </ul> </li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li><u>Illinois Land Trust vestings - not eligible</u></li> <li><u>US Territories and Possessions, including but not limited to American Samoa, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands - not eligible</u></li> </ul>
<b>Temporary Buydowns</b>	<ul style="list-style-type: none"> <li><u>Not permitted</u></li> </ul>

## Correspondent Lending Fannie Mae Standard Fixed Rate and ARM Product Profile

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Most recent updates in **red font**

<b>97% Requirements</b>	<ul style="list-style-type: none"> <li>• Available to Standard Fixed Rate products only</li> <li>• LTV: 95.01 - 97%</li> <li>• CLTV: 95.01 - 97%</li> <li>• HCLTV: 95.01 - 97%</li> <li>• Eligible property types: Single Family, PUD, Condo (Manufactured Homes are <b>not</b> permitted)</li> <li>• Purchase                         <ul style="list-style-type: none"> <li>▪ At least one borrower must be a first time homebuyer as indicated on the 1003 in Section VIII. Borrowers may not have had any ownership interest in a property in the last 3 years</li> </ul> </li> <li>• Limited Cash Out Refinance                         <ul style="list-style-type: none"> <li>▪ The existing loan being refinanced must be owned by Fannie Mae. Link to Fannie Mae Loan Look up is provided in Resources section below</li> </ul> </li> </ul>
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<b>New York CEMA</b>	<ul style="list-style-type: none"> <li>• Computershare Loan Services permits Refinance and Purchase Consolidation and Extension Modification Agreement (CEMA) loans</li> <li>• Refer to Computershare Loan Services' Correspondent Seller Guide for requirements and applicable fees</li> </ul>
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<b>Texas 50(a)(6)</b>	<ul style="list-style-type: none"> <li>• Correspondents must obtain specific Seller approval from Computershare Loan Services to deliver Texas 50(a)(6) transactions</li> <li>• Refer to Texas Section 50(a)(6) Refinance Eligibility Matrix and Summary Guidelines for loan eligibility requirements</li> <li>• LTV/CLTV/HCLTV must not exceed 80%</li> <li>• Eligible Products                         <ul style="list-style-type: none"> <li>▪ Fixed Rate                                 <ul style="list-style-type: none"> <li>○ 10 Yr FNMA TXHE50a6</li> <li>○ 15 Yr FNMA TXHE50a6</li> <li>○ 20 Yr FNMA TXHE50a6</li> <li>○ 25 Yr FNMA TXHE50a6</li> <li>○ 30 Yr FNMA TXHE50a</li> </ul> </li> <li>• ARM                                 <ul style="list-style-type: none"> <li>• 5/6 FNMA TXHE50a6</li> <li>• 7/6 FNMATXHE50a6</li> <li>• 10/6 FNMA TXHE50a6</li> </ul> </li> </ul> </li> </ul>
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<b>Title</b>	<ul style="list-style-type: none"> <li>• Attorney title opinion letters are not permitted, lender's title insurance policy to be obtained.</li> </ul>
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***\*Seller shall deliver loans originated in accordance with Fannie Mae Single Seller Guidelines unless otherwise noted in the Computershare Loan Services Product Profile or Seller Guide. Product Profile is as an aid to help determine whether a Mortgage Loan qualifies for certain financing. It is not intended as a replacement for Fannie Mae guidelines.***

**Overlays to Fannie Mae guidelines are underlined**

***\* In the event that Computershare Loan Services Product Profile is silent on an issue affecting the qualifications or eligibility of a borrower or property, or underwriting of a loan, agency guidelines should be consulted and adhered to.***

<b>Resources</b>	<p><b>Fannie Mae Originating and Underwriting</b> <span style="float: right;"><i>Link to website</i> <a href="https://www.fanniemae.com/singlefamily/originating-underwriting">https://www.fanniemae.com/singlefamily/originating-underwriting</a></span></p> <p><b>Fannie Mae Loan Lookup</b> <span style="float: right;"><i>Link to website</i> <a href="https://knowyouroptions.com/loanlookup">https://knowyouroptions.com/loanlookup</a></span></p>
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Overlays to Fannie Mae guidelines are underlined



## Correspondent Lending

Fannie Mae

### Standard Fixed Rate and ARM Product Profile

*Excludes: DU Refi Plus, High-Balance, HomeStyle Renovation and HomeReady Mortgage*

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**Fannie Mae Single Family Selling Guide**

*Link to website*

[https://www.fanniemae.com/content/guide/selling/index.html?cmpid=sg\\_home0414](https://www.fanniemae.com/content/guide/selling/index.html?cmpid=sg_home0414)

**Fannie Mae Condominium and PUD Eligibility**

*Link to website*

<https://www.fanniemae.com/singlefamily/project-eligibility>