

Overlays to Fannie guidelines are underlined

## Correspondent Lending Fannie Mae HomeReady™ Fixed Rate and High Balance Product Profile

*Excludes: FNMA Standard, DU Refi Plus, and HomeStyle Renovation*

Most recent updates in **red font**

**Agency** **ELIGIBILITY MATRIX & SUMMARY GUIDELINES**

**25 & 30 YR HomeReady Fixed**  
**25 & 30 YR HomeReady High Balance Fixed**  
**DU Accept** Version 11.0

**PURCHASE**

**Occupancy** **Primary Residence** **Second Home** **Investment Property**

	Primary Residence					Second Home					Investment Property				
	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score	Property Type	Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score
1 Unit	97% <sup>1</sup>	620	95%	620	1 Unit	97% <sup>1</sup>	620	95%	620	1 Unit	N/A	N/A	N/A	N/A	
2 Unit	85%	620	85%	620	2 Unit	85%	620	85%	620	2 Unit	N/A	N/A	N/A	N/A	
3-4 Units	75%	620	75%	620	3-4 Units	75%	620	75%	620	3-4 Units	N/A	N/A	N/A	N/A	

<sup>1</sup> See 95.01-97% LTV/CLTV/HCLTV section below for requirements

**Eligibility\***

- 95.01-97% LTV/ CLTV/ HCLTV - Requirements**
- Purchase transactions
  - Rate/Term refinance transactions permitted up to 97% LTV/CLTV/HCLTV when the mortgage being refinanced is owned by Fannie Mae. The requirement that the existing mortgage being refinanced be owned by Fannie does not apply when the LTV is 95% or less. Please refer to Fannie Mae Look Up in the Resources section below.
  - 1-unit principal residence (including condos and PUDs)
  - \$424,100 maximum loan amount (No High Balance)
  - Manufactured homes are not eligible for 97% financing
  - Non-Occupant borrowers are not eligible for 97% financing

- Ineligible Attributes**
- Community Seconds® subordinate financing
  - Community Solutions
  - Community HomeChoice
  - HomeStyle Renovation
  - Manual underwriting
  - ARM loans
  - Non-traditional credit / No credit score
  - Sweat equity
  - Cash-on-hand as a source of funds for down payment, funds for closing costs, prepaid items, assets or reserves
  - Temporary Buydowns

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<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>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>• Property Inspection Waivers through DU are acceptable</li> <li>• SSR Report must include the Collateral Underwriter (CU) risk scores, flags and messaging. In order for LenderLive to access the information in CU, Sellers must select LenderLive 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> </ul> </li> <li>• <u>The impact, if any, to the local zoning must be reviewed to ensure the property meets guidelines</u></li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Standard Fannie Mae assets and reserves requirements apply</li> <li>• <u>Custodial accounts are an ineligible asset source</u></li> <li>• <u>Cash-on-hand is NOT an acceptable source of funds for down payment, funds for closing costs, prepaid items, assets or reserves</u></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 LenderLive and a MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller, to Computershare Loan Services (MERS ORG ID # 1010320), within 24-hours of purchase</u></li> </ul>
<b>AUS / 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> <li>• <u>Non-Traditional Credit with DU approval is not permitted</u></li> </ul>

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<b>Borrower Eligibility</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> <li>• <u>Borrowers with traditional credit</u></li> <li>• Pre-purchase homeownership education is required for all HomeReady Purchase mortgage loans. Please refer to Homeownership Counseling section below for complete details.</li> </ul>
<b>Borrower Income Limits and Calculations (AMI)</b>	<ul style="list-style-type: none"> <li>• DU will apply the following income guidelines for Home Ready loan casefile eligibility:             <ul style="list-style-type: none"> <li>• <b>No Limit</b> for properties located in low-income census tracts</li> <li>• <b>100% of Area Median Income (AMI)</b> for all other properties</li> </ul> </li> <li>• Refer to Fannie Mae Census Tract Look Up in Resource section below</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 LenderLive</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> </ul> </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 LenderLive Seller Guide for allowances and restrictions</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> </ul> </li> <li>▪ <u>Lender Full Review and other types of reviews are <b>not</b> allowed unless Correspondent is granted specific approval from LenderLive</u></li> </ul> </li> <li>▪ Site condos do not require full condo review</li> <li>▪ FNMA to FNMA Limited Cash out Transactions - see FNMA for project review waiver criteria</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>▪ CLS follows FNMA guidelines for Federal Tax debts on an installment plan except in regard to the following:                 <ul style="list-style-type: none"> <li>• <u>CLS requires at least 3 consecutive payments must have been made prior to closing.</u></li> </ul> </li> </ul> </li> </ul>
<b>Derogatory Credit</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Disaster Policy</b>	<ul style="list-style-type: none"> <li>• See Computershare Loan Services Disaster Policy in Seller Guide for details</li> <li>• Computershare Loan Services adopt flexibilities for loans impacted by disaster as outlined in FNMA Letter 2017-04</li> </ul>
<b>Documentation Type, Tax Transcripts &amp; 4506-T</b>	<ul style="list-style-type: none"> <li>• Determined by DU</li> <li>• A 4506-T, signed at application and 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> <li>• Tax Transcripts are required when 1040 income tax returns are used to document the borrower's qualifying income</li> </ul>

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<b>Eligible Mortgage Products</b>	<p>Computershare Loan Services will purchase the following products*:</p> <ul style="list-style-type: none"> <li>• 30 yr HomeReady Conforming Fixed</li> <li>• 25 yr HomeReady Conforming Fixed</li> <li>• 30 yr Home Ready High Balance Fixed</li> <li>• 25 yr HomeReady High Balance Fixed</li> </ul>
<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>Employment / Income Documentation</b>	<ul style="list-style-type: none"> <li>• For salaried employees the verbal verification of employment must be completed within 10 business days prior to the note dat. Business days do not include Saturday, Sundays, or Federal holidays when obtaining the VVOE.</li> <li>• For self-employed borrowers the verbal verification of employment must be completed within 30 days prior to the note date</li> <li>• 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.</li> <li>• <u>Borrowers with employment contracts: borrowers must begin employment before the lender delivers the loan to LenderLive.</u> 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 LenderLive</li> <li>• <u>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.</u></li> <li>• See 'Documentation Type, Tax Transcripts &amp; 4506-T' section of this Product Profile for additional requirements</li> </ul>
<b>Escrow Holdbacks (Postponed Repairs / Improvements)</b>	<ul style="list-style-type: none"> <li>• <u>Not permitted</u></li> </ul>

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### Financing Concessions

- Financing concessions for primary residences and second homes must be within the following allowable percentages:
  - 9% of value with LTV/CLTV/HCLTV ratios less than or equal to 75%
  - 6% of value with LTV/CLTV/HCLTV ratios greater than 75% up to and including 90%
  - 3% of value with LTV/CLTV/HCLTV ratios greater than 90%
- The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio
- Value is the lesser of the sales price or appraised value

### Funds for Down Payment/ Closing Costs

#### Eligible Sources

- Personal gifts, gifts or grants from a qualified entity, and employer assistance, mortgages as defined by Fannie Mae Selling Guide
- 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
- Minimum borrower contribution from own funds MUST be met before other acceptable sources of funds are permitted

#### Ineligible Sources

- Cash-on-hand is NOT an acceptable source of funds for down payment, funds for closing costs, prepaid items, assets or reserves

### High Cost / Higher Priced Mortgage Loans

- Computershare Loan Services will not purchase High Cost Loans
- 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:
  - 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 [FFIEC Rate Spread Calculator](#) or results from Mavent, ComplianceEase or similar compliance testing software for the rate spread,
  - The loan must be a Qualified Mortgage
  - An escrow account must be established for taxes and insurance premiums (including flood insurance) on any transaction secured by a principal residence
    - Escrow account must be established for a minimum of 60 months
    - Note: For condominium loans, if the Homeowners' Association (HOA) maintains a master policy insuring the unit (meeting LenderLive Credit Policy requirements), only the tax portion is required to be escrowed
  - A full internal/external appraisal is required
  - A second appraisal is required if the property was:
    - 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
    - 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%
  - No waiver of appraisal waiting periods prior to closing is permitted
  - Prepayment Penalty is not permitted (Note that LenderLive does not purchase loans with Prepayment Penalties regardless of HPML status)
  - Loan must receive DU Approve/Eligible
  - Borrower must meet minimum Residual Income requirements that mirror VA requirements
  - PITI reserves as required by product guideline and/or AUS findings

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<b>Home Ownership Education and Counseling</b>	<p>Refer to Fannie Mae Selling Guide B2-2-06, <i>Homeownership Education and Housing Counseling</i> for complete details about the following items when all borrowers are first-time homebuyers:</p> <ul style="list-style-type: none"> <li>• At least one borrower on each HomeReady purchase mortgage must do one of the following : <ul style="list-style-type: none"> <li>• Complete the Framework homeownership education course; or</li> <li>• 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</li> <li>• 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.</li> </ul> </li> </ul> <p>Loan file must include evidence of the homeownership education or Certificate of Completion of Pre-purchase housing Counseling (Form 1017)</p>
<b>Identity of Interest and Non Arm's Length Transactions</b>	<p><u>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.</u></p>
<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 onther that the property seller or buyer named on the contract is not permitted</u></li> </ul> </li> <li>▪ Rate &amp; Term / Limited Cash-Out Refinance 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 <ul style="list-style-type: none"> <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 - <b>not eligible</b></li> </ul>
<b>Minimum Loan Amount</b>	<ul style="list-style-type: none"> <li>• <u>\$10,000</u></li> </ul>

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<b>Minimum Borrower Contribution - Purchase Transactions</b>	<ul style="list-style-type: none"> <li>No minimum borrower contribution from borrower's own funds when LTV/CLTV/HCLTV is <math>\leq 80\%</math></li> <li>If the LTV, CLTV, or HCLTV ratio is greater than 80%, the minimum borrower contribution for the borrower's own funds is dependent on the number of units, as follows:</li> </ul> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Number of Units</th> <th style="text-align: left;">Minimum Borrower Contribution<sup>1,2</sup></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>None</td> </tr> <tr> <td>2</td> <td>3%</td> </tr> <tr> <td>3-4</td> <td>3%</td> </tr> </tbody> </table> <p><sup>1</sup> Minimum borrower contribution requirements also apply to High Balance mortgage loans  <sup>2</sup> <u>Sweat Equity is not permitted</u></p>	Number of Units	Minimum Borrower Contribution <sup>1,2</sup>	1	None	2	3%	3-4	3%				
Number of Units	Minimum Borrower Contribution <sup>1,2</sup>												
1	None												
2	3%												
3-4	3%												
<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>												
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>Lender paid single premium and borrower paid single premium MI is acceptable             <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>The gross LTV cannot exceed LenderLive's program maximum</li> <li><u>Split Premium MI is ineligible</u></li> <li><u>Financed MI is ineligible</u></li> </ul> <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Coverage requirements</th> <th style="text-align: left;">Term <math>\leq 20</math> Years</th> <th style="text-align: left;">Term <math>&gt; 20</math> Years</th> </tr> </thead> <tbody> <tr> <td>LTV</td> <td></td> <td></td> </tr> <tr> <td>LTV 80.01–85%</td> <td>6%</td> <td>12%</td> </tr> <tr> <td>LTV 85.01–90%</td> <td>12%</td> <td>25%</td> </tr> </tbody> </table>	Coverage requirements	Term $\leq 20$ Years	Term $> 20$ Years	LTV			LTV 80.01–85%	6%	12%	LTV 85.01–90%	12%	25%
Coverage requirements	Term $\leq 20$ Years	Term $> 20$ Years											
LTV													
LTV 80.01–85%	6%	12%											
LTV 85.01–90%	12%	25%											
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Primary Residence only</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>												



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<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>
<b>Property: Eligible Property Types</b>	<ul style="list-style-type: none"> <li>Single Family Detached Single Unit</li> <li>Single Family Attached Single Unit</li> <li>2-4 Unit Attached/Detached</li> <li>PUDs</li> <li>Low-rise and High-rise Condominiums (must be Fannie Mae eligible)</li> <li>Rural Properties (in accordance with agency guidelines, loans must be residential in nature)</li> <li>Modular homes (see definition in this document)</li> <li>Manufactured Homes</li> <li>Log Homes</li> </ul>
<b>Property: Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>Agricultural properties such as farms and ranches</li> <li>2-4 unit Condominiums</li> <li>Bed and breakfast properties</li> <li>Boarding houses</li> <li><u>Condition Rating of C5/C6 or a Quality Rating of Q6</u></li> <li><u>Condominium Conversions that were converted within the last three years</u></li> <li>Units in condo or co-op hotels</li> <li><u>Cooperatives</u></li> <li><u>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".</u></li> <li>Geodesic Domes</li> <li><u>Homes being purchased using HomeStyle Financing</u></li> <li><u>Hawaii properties in lava zones 1 and 2</u></li> <li><u>Land Trusts, including Illinois Land Trusts</u></li> <li><u>Leaseholds</u></li> <li>Property currently in litigation (for condominiums, refer to Condominium Litigation section of LenderLive Seller Guide for allowances and restrictions)</li> <li><u>Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same</u></li> <li>Properties that are not readily accessible by roads that meet local standards</li> <li>Properties that are not suitable for year round occupancy regardless of location</li> <li>Timeshares</li> <li>Vacant land or lend development projects</li> </ul>

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Most recent updates in red font

<b>Property: Maximum Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>Borrowers may have a maximum of 2 financed properties (including the subject property)</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>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 LenderLive unless: <ul style="list-style-type: none"> <li>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</li> <li>Resale by a lender when property is obtained through foreclosure or deed in lieu of foreclosure, or</li> <li>Resale of a property obtained through an inheritance or as part of the property settlement in a divorce agreement, or</li> <li>Any increase in value is substantiated/supported by bona fide and verified improvements, or</li> <li>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</li> </ul> </li> </ul> </li> <li>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. 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. LenderLive 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 LenderLive Seller Guide for additional requirements/restrictions</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Determined by DU</li> <li>Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</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> </ul>

Overlays to Fannie guidelines are underlined

## Correspondent Lending Fannie Mae HomeReady™ Fixed Rate and High Balance Product Profile

*Excludes: FNMA Standard, DU Refi Plus, and HomeStyle Renovation*

Most recent updates in red font

<b>Income</b>	<ul style="list-style-type: none"> <li>• Boarder Income - Please refer HomeReady Mortgage Underwriting Methods and Requirements Section B5-6-03             <ul style="list-style-type: none"> <li>• Up to 30% of the rental payments may be used as qualifying income</li> <li>• Must document shared residency for the past 12 months (i.e. copy boarder's of drivers license, bills, bank statements ) showing boarder's address as being the same as the borrower's address</li> <li>• 12 months rental payments (cancelled checks) or at least 9 of the most recent 12 months provided the income is averaged of 12 month period. Payment of rent by boarder directly to a third part is not acceptable</li> <li>• Available for 1-unit properties only. Boarder income may not be used for 2- 4 unit properties</li> </ul> </li> <li>• Accessory Unit             <ul style="list-style-type: none"> <li>• May be considered in qualifying the borrower per rental income guidelines</li> </ul> </li> <li>• Non-Borrower Household income may be used as a compensating factor to allow DTI ratios &gt;45%             <ul style="list-style-type: none"> <li>• Non-Borrower income must be at least 30 percent of the total monthly qualifying income being used by the borrower(s)</li> <li>• File must include a signed statement by the Non-Borrower affirming his or her intent to reside with the borrower for a minimum of 12 months</li> <li>• The income must be reflected in DU as an other income type of 'Non-Borrower Household Income' and cannot be included as qualifying income.</li> </ul> </li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Determined by DU</li> <li>• Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</li> </ul>
<b>Seasoning</b>	<ul style="list-style-type: none"> <li>• No Seasoning requirements</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>• Subordinate financing is permitted with the exception of the following types of subordinate financing:             <ul style="list-style-type: none"> <li>▪ <u>Community Seconds - not eligible</u></li> <li>▪ Subordinate financing from a seller-held mortgage is not permitted with HomeReady</li> </ul> </li> </ul>
<b>States Restrictions</b>	<ul style="list-style-type: none"> <li>• <u>Illinois Land Trust vestings - not eligible</u></li> <li>• <u>Texas 50(a)(6) refinances - 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>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 LenderLive Correspondent Seller Guide for requirements and applicable fees</li> </ul>
<b>Temporary Buydowns</b>	<ul style="list-style-type: none"> <li>• <u>Not permitted</u></li> </ul>

Overlays to Fannie guidelines are underlined

## Correspondent Lending

### Fannie Mae

### HomeReady™ Fixed Rate and High Balance Product Profile

*Excludes: FNMA Standard, DU Refi Plus, and HomeStyle Renovation*

Most recent updates in red font

#### Title

- Attorney title opinion letters are not permitted, lender's title insurance policy to be obtained.

***\*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.***

#### Resources

<b>Fannie Mae HomeReady</b>	<i>Link to website</i>	<a href="https://www.fanniemae.com/singlefamily/homeready">https://www.fanniemae.com/singlefamily/homeready</a>
<b>Fannie Mae Single Family Selling Guide</b>	<i>Link to website</i>	<a href="https://www.fanniemae.com/content/guide/selling/index.html?cmpid=sg_home0414">https://www.fanniemae.com/content/guide/selling/index.html?cmpid=sg_home0414</a>
<b>Fannie Mae Census Tract Look Up</b>	<i>Link to website</i>	<a href="https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx">https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx</a>
<b>FNMA Condominium Eligibility Guidelines</b>	<i>Link to website</i>	<a href="https://www.fanniemae.com/singlefamily/project-eligibility">https://www.fanniemae.com/singlefamily/project-eligibility</a>
<b>Fannie Mae Loan Look Up</b>	<i>Link to website</i>	<a href="https://www.knowyouroptions.com/loanlookup">https://www.knowyouroptions.com/loanlookup</a>
<b>Framework</b>	<i>Link to website</i>	<a href="https://homeready.frameworkhomeownership.org/Default.aspx">https://homeready.frameworkhomeownership.org/Default.aspx</a>