

12/14/2009

Purchase									
Occupancy		Max Loan Amt	Maximum				MAX D/R ⁽¹³⁾	Mortgage History ⁽¹²⁾ (last 12 mos)	BK History ⁽⁶⁾
			LTV / CLTV	FICO ⁽¹⁰⁾	LTV / CLTV	FICO ⁽¹⁰⁾			
Primary	1 unit	\$417,000	97% FLEX ⁽²⁷⁾	660	80% / 95%	620	45%	0 x 60	See Below
			95% / 95%						
Primary	2 unit	\$533,850	80% / 80%	620	80% / 80%	620	45%	0 x 60	See Below
Primary	3-4 unit	\$533,850	75% / 75%	620	75% / 75%	620	45%	0 x 60	See Below
Second Home	1unit	\$417,000	90% / 90% ⁽²⁾	660	80% / 90% ⁽²⁾	620	45%	0 x 60	See Below
Investment	1-2 unit	\$417,000	90% / 90% ⁽²⁾	660	80% / 90% ⁽²⁾	620	45%	0 x 60	See Below
Investment	3-4 unit	\$417,000	75% / 75%	620	75% / 75%	620	45%	0 x 60	See Below

Rate / Term Refi & Cashout Refinance									
Occupancy		Max Loan Amt	Maximum		FICO	MAX D/R	Mortgage History ⁽¹²⁾ (last 12 mos)	BK History	
			LTV / CLTV	Restricted LTV					
Primary	1 unit		Not Available						
	Condo/Attached Housing								

Underwriting Guideline Requirements		
Collateral		
1	Appraisal	No appraisal required. Utilize purchase price as property value. Verify property is eligible for FNMA HomePath financing on www.HomePath.com/Financing
2	Max LTV	75% max LTV if borrower owns more than 4 properties. Additional Guidelines per Announcement 9-02 apply.
3	Maximum Number of Financed Properties	10 if subject property is owner-occupied. Max 4 financed properties allowed if the subject property is a second home or investment property unless Guidelines per Announcement 9-02 are met.
4	Condo	Must check project status in CPM. If anything other than "unavailable" appears, no other research required. Condo hotels are ineligible.
5	Mfg Homes	Not Eligible
Credit		
6	Bankruptcy	Chapter 13: Must be filed > 4 years and discharged > 2 years prior to closing. BK dismissals must be > 4 years seasoned. Chapter 7: Must be discharged or dismissed > 4 years prior to closing. Multiple Bankruptcy filings within past 7 years must be discharged/dismissed > 5 years.
7	Collections/Chargeoffs	Refer to DU/LP stipulations
8	Judgments/Liens	Outstanding judgments and liens must be paid at or prior to loan closing
9	Foreclosure	Must be >5 yrs. If < 7 years, rate/term refinance or primary purchase only with minimum 680 FICO and 10% down payment. Deeds in Lieu of Foreclosure must be > 4 years. > 7 years if LTV ≥ 90%.
10	FICO	Use the lowest FICO (middle of 3; lower of 2) for all borrowers.
11	Minimum Payment	5% of balance for revolving/installment accounts if payment not available on credit bureau.
12	Mortgage History	Full 12 month history required; must be < 30 at closing
Income / Assets		
13	Debt Ratio	45% max DTI (exceptions to 50% with AUS Approval)
14	Non-Taxable Income	Nontaxable Social Security, Pension, Workers Comp and Disability Retirement income may be grossed up 25% provided continuation for minimum 3 yrs and nontaxable is verified via tax returns. If more than 50% of total income is nontaxable, maximum DTI is 45%. Grossup on other types of nontaxable income and DTI up to 50% will be considered on an exception basis. DU approval required.
15	Documentation/4506T	Full income documentation loans only; DU/LP stipulations are acceptable. In addition, IRS form 4506T must be executed on all loans prior to closing.
16	Second Homes	Rental Income is not considered in DTI.
17	Minimum Reserves	As required by DU/LP; 6 mos. (PITIA) required on subject property if it is an investment property. 2 mos. reserves on each additional investment property owned up to 4 total. 2 mos. reserves required if second home. 70% of stocks, bonds or mutual funds and 60% value of retirement funds may be used as reserves.
Purchase Money		
18	Conversion of Primary	Conversion to a second home or investment requires both current and proposed mortgage payments be included in DTI to qualify the borrower. 6 months PITI for both properties is required to be in reserves.
19	Rental Income	May be used to offset the mortgage payment if 30% equity exists. (Per AVM, BPO, or Appraisal) in the existing property. Fully executed lease and verification security deposit from tenant deposited in borrowers account required.
20	Buyer Contribution	3% Minimum (If > 95% see Flex Guidelines). 5% Minimum own funds if second home, investment or 2-4 Unit.
21	Seller Contribution	Owner Occupied - Max 6%
Products		
22	Minimum Loan Size	Minimum Loan Amount \$50,000
23	Maximum Loan Size	See Matrix above. For loans >\$417,000 see High Balance Loan Matrix.
24	Recommendations	DU approved eligible (AE); DU expanded approval (EA 1, 2 or 3) ratings allowed
25	Credit Report	Must be < 90 days old at time of closing.
26	Cashout Refi	Not Allowed.
27	Flex Mortgage	A Flex Mortgage is a mortgage with an LTV > 90% where borrower is not contributing at least 5% of their own funds. SFC 206 is required on these loans.
28	Special Feature Codes	057 - For all HomePath Loans 206 - For Flex Mortgage (i.e.. LTV / CLTV of 95.01% to 97.0%) • 716 - For any EA recommendation from DU • Project type codes • V = Condo • E = PUD • G = All Others • MI code 98 if > 80% • Any other applicable Special Feature Codes