

# Fannie Mae HomeReady

**Wholesale Program Codes:** HR (DU) -30, -20, -15, 10 & HRHB (DU) -30  
**Correspondent Program Codes:** C-HR (DU) -30, -20, -15, 10 & C-HRHB (DU) -30

## Primary – Purchase & Rate/Term

Min FICO	Unit	Max LTV/CLTV/HCLTV
620	1 Unit	97% <sup>1,2</sup>
	2-4 Units	95%

<sup>1</sup> Max LTV 95% for transactions with Non-Occupant Co-Borrower

<sup>2</sup> Max LTV 95% for High Balance Rate/Term

\*Max CLTV up to 105% with Community Seconds only

## General Requirements

<b>Occupancy</b>	<ul style="list-style-type: none"> <li>▪ Primary</li> </ul>
<b>Product Type</b>	<ul style="list-style-type: none"> <li>▪ <b>Conforming:</b> 30-Yr Fixed, 20-Yr Fixed, 15-Yr Fixed, 10-Yr Fixed</li> <li>▪ <b>High Balance:</b> 30-Yr Fixed</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>▪ Purchase</li> <li>▪ Rate/Term</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ 2-4 Units</li> <li>▪ Condo</li> <li>▪ PUD</li> <li>▪ Manufactured Home</li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>▪ FL Condo: Up to 7 stories. No High Rise Condo (8+)</li> </ul>

## General Underwriting Guidelines

<b>AUS</b>	<ul style="list-style-type: none"> <li>▪ Must have DU recommendation of Approved/Eligible</li> </ul>
<b>Income Restriction</b>	<ul style="list-style-type: none"> <li>▪ Borrower income must be below or equal to 80% Area Median Income (AMI) <a href="#">Please click here to look up AMI.</a></li> </ul>
<b>Manufactured Home</b>	<ul style="list-style-type: none"> <li>▪ In accordance with standard MH guidelines</li> <li>▪ DU Required</li> <li>▪ Max LTV/CLTV 95%</li> <li>▪ Fixed Rate Mortgage (FRMs) only</li> <li>▪ No buydowns</li> <li>▪ Only 1 unit allowed</li> <li>▪ Only 30,20, and 15 Yr Fixed Allowed</li> <li>▪ Multi-wide manufactured home only</li> <li>▪ Build Date: After 6/15/1976</li> </ul>

<p><b>Asset</b></p>	<ul style="list-style-type: none"> <li>▪ Borrower's earned real estate commission can be used towards down payment and closing costs when the borrower is a licensed real estate agent.</li> </ul>
<p><b>Mortgage Insurance</b></p>	<ul style="list-style-type: none"> <li>▪ Standard MI Coverage for LTVs of 90% or less</li> <li>▪ 25% MI Coverage for LTVs 90.01-97%</li> </ul>
<p><b>Min Borrower Contribution</b></p>	<ul style="list-style-type: none"> <li>▪ 1 Unit: None</li> <li>▪ 2-4 Units: 3% required</li> </ul>
<p><b>Homeownership Education</b></p>	<ul style="list-style-type: none"> <li>▪ At least one borrower on each Purchase Transaction must do one of the following: <ul style="list-style-type: none"> <li>○ complete the Framework homeownership education course (\$75 paid by borrower to Framework) prior to closing go to <a href="https://homeready.frameworkhomeownership.org/">https://homeready.frameworkhomeownership.org/</a></li> <li>○ complete a homeownership education course required by a Community Second or Down Payment Assistance Program that is provided by a HUD-approved agency prior to closing, if the HomeReady loan involves a Community Second or Down Payment Assistance Program</li> <li>○ receive housing counseling from a HUD-approved nonprofit housing counseling agency (as evidenced by a signed Certificate of Completion of Housing Counseling -Form 1017) prior to the borrower signing a purchase contract</li> </ul> </li> </ul> <p><b>NOTE: Homeownership education certificate or Form 1017 must be retained in the mortgage file</b></p>
<p><b>Room Boarder Income</b></p>	<ul style="list-style-type: none"> <li>▪ Rent from a Boarder (relative or non-relative) may be considered as acceptable stable income for 1 Unit Properties. The amount of rental income used may not exceed 30% of the total monthly gross income of the borrower and must meet the following considerations: <ul style="list-style-type: none"> <li>○ The Boarder must provide documentation to demonstrate a history of shared residency (such as copy of driver's license, bills, or bank statement to show the boarder's address as being the same as the borrower's address) <b>AND</b></li> <li>○ Document Rental Payments for the last 12 months. (If 9 of most recent 12 months' rent is provided, the rental income may be averaged over 12 months)</li> </ul> </li> </ul>