



FNMA High Balance Overlay

All loans must follow Conforming Agency guidelines unless specifically noted in this overlay.

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Product Information

Loan Programs

Available on Conforming Fixed Rate and Conforming Libor ARM

Product Codes

- CF30J - 30 Year Fixed Rate
- CF15J - 15 year Fixed Rate
- C31L - 3/1 Intermediate LIBOR ARM
- C51L - 5/1 Intermediate LIBOR ARM
- C71L - 7/1 Intermediate LIBOR ARM
- ~~• C101L - 10/1 Intermediate LIBOR ARM~~
- CFMILJ30 – 30 year high balance fixed rate LPMI

Minimum and Maximum Loan Amounts Available in High Cost Areas

Continental U.S.: \$417,001 - \$800,000

Alaska & Hawaii: \$625,501 - \$800,000

HSOA maximum loan limits are based on the limits accepted by FNMA per subject property county location. Available limits are available at <https://entp.hud.gov/idapp/html/hicostlook.cfm>; be sure to choose 'Fannie/Freddie' as limit type and the current calendar year.

LTV and Credit Score

Note: For FNMA High Balance DU Refi Plus loans, follow the DU Refi Plus Overlay for maximum LTV/CLTV-HCLTV Limitations and credit score minimums.

For loans >80% LTV, matrix applies to **both LPMI and** borrower-paid MI (BPMI), and investor requirements.

FIXED RATE		
Purchase		
Property Type	Maximum LTV/CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	90% / 90%	700
1 unit Primary Residence	75% / 75%	660
2-4 unit Primary Residence	75% / 75%	740
1 unit Second Home	65% / 65%	740
1 unit Investment	65% / 65% 60%/60%	740
Rate/Term Refinance		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	90% / 90%	700
1 unit Primary Residence	75% / 75%	660
2-4 unit Primary Residence	75% / 75%	740
1 unit Second Home	65% / 65%	740
1 unit Investment	65% / 65% 60%/60%	740
Cashout Refinance		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	60% / 60%	740
1 unit Second Home	N/A	N/A
2-4 unit Primary Residence		
1 unit Investment		

ADJUSTABLE RATE		
Purchase		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	75% / 75%	680
2-unit Primary Residence	75% / 75%	740
1 unit Second Home	65% / 65%	740
1 unit Investment	65% / 65% 60%/60%	740
Rate/Term Refinance		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score

1 unit Primary Residence	75% / 75%	680
2 unit Primary Residence	75% / 75%	740
1 unit Second Home	65% / 65%	740
1 unit Investment	65% / 65% 60%/60%	740
Cash Out Refinance		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	60% / 60%	740
1 unit Second Home	N/A	N/A
1 unit Investment	N/A	N/A

Property Eligibility

Property Types

- One, two, three or four unit properties as indicated above ~~or Two unit properties only: 3-4 units are not eligible~~
- Condominiums:
 - Established projects only (new construction not allowed).
 - Lender full project review is required, regardless of AUS findings (Limited Review is not accepted)
 - Appraisal must contain 2 comparable sales outside the subject's project

Borrower Eligibility

First Time Home Buyer

A first time homebuyer is a borrower who has not owned a residential property in the last 3 years.

- Permitted on owner occupied properties only.
- A 12 month housing payment history with no late payments may be required by DU findings. Follow DU recommendations for housing history.

Non-occupying Co-Borrowers

- Only allowed on one-unit primary residences, if permitted by DU findings
- Non-occupant co-borrowers may be family members or someone who has an established relationship to the occupant borrower, provided the non-occupant borrower is not a party to the transaction such as the seller, builder or real estate broker.
- The occupying borrower must contribute 5% from their own funds.
- The owner occupant must qualify at 35%/43% ratios unless higher ratios are approved by AUS, maximum combined DTI 45%.

Transaction Requirements

Refinance Transactions

Texas 50 (a) (6) loans are not allowed.

Transactions involving Delayed Financing cash out Exception are not allowed.

Two – four unit property restrictions

CitiCoreLogic pass, or Desk or

Borrowers cannot own any other properties other than subject.

Cash-Out

No limit to the amount of cash out. **However, see field review requirements**

Financed Properties

No limit if financing a primary residence; borrowers may own no more than four financed residential properties if financing a second home or investment property

Mortgage Insurance

LTVs greater than 85% on condominiums or properties located in soft markets may not be eligible for mortgage insurance.

LPMI is not allowed. Borrower-paid monthly MI is the only payment option allowed

Note: LPMI and Borrower-paid MI options have the same LTV/credit score requirements, as indicated in the matrix, above; and are subject to the same MI guideline restrictions, as summarized in the MI Comparison charts.

Community Second Liens

Not Allowed

Seller/Interested Party Contributions

Maximum 3% for owner-occupied and Second Homes; 2% for investment properties.

Appraisal Requirements

A full interior/exterior appraisal (1004/1073 as applicable) is required for

- **all LTVs >80% and**
- **all investment properties regardless of AUS requirements.**

Two appraisals are required on all 3-4 unit properties. Lowest value will be utilized.

Field Review

A field review is required if:

- **LTV/CLTV >75% and value >=\$1Million, or**
- **Cash back (including any non-mortgage debt being paid off) to borrower > \$100,000**
- **Two unit properties**
- **This requirement applies when DU requires an appraisal; this does not apply if a PIW or 2075 are utilized as allowed by DU findings.**

See Property types – Condominiums for comp requirements.

Underwriting and Qualifying Ratios

DU Findings and DTI Ratio Limitations

- **All loans must receive an Approve/Eligible through DU. See the applicable conforming Product Summaries for any version requirements.**
- **For <=80% LTV, follow DU for income and asset documentation (subject to the same HSOA requirements as standard loan sizes). For >80% LTV, no DU documentation waivers. All borrowers must have two years W-2s and all paystubs for the most recent 30-day period (for self-employed borrowers – two years tax returns) and two months bank statements.**

Maximum qualifying ratios

For >80% LTV transactions, the mortgage insurance company may have a lower debt to income ratio requirements.

- Maximum 50% DTI for LTV \leq 80%.
- Maximum 41% DTI for LTV > 80% with credit score 700-719.
- Maximum 45% DTI for LTV > 80% with credit score 720 and above.
- The ratios **may not** be exceeded regardless of AUS.

Wage earner documentation requirements

YTD pay stub and W-2 are required for wage earners regardless of DU findings.

Credit History

- Mortgage history must be 0x60 in the last 12 months, regardless of AUS.
- Rental history only needs to be documented if required by AUS findings.

Reserves

- 2 months PITI required for primary residences, regardless of DU.
- 6 months PITI for second homes & non-owner occupied properties.
- When the subject property is an investment property or second home, and the borrower owns one to four financed properties, 2 months reserves are required on each additional financed second home or investment property. Gifts may not be used for reserves

Paying off Debt to Qualify

Pay off of revolving debt to qualify is not permitted, including paying off and closing the account