



## 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
- Not eligible: Interest only, Flex, My Community Mortgage, and Expanded Approvals (EA)

#### **Product Codes**

- CF30J - 30 Year Fixed Rate
- CF15 - 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

#### **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 2010 limits accepted by FNMA. Available limits are posted on the HSOA website, at [http://www.myhsoa.com/broker\\_login/broker\\_resources.php](http://www.myhsoa.com/broker_login/broker_resources.php)

## LTV and Credit Score

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

<b>FIXED RATE</b>		
<b>Purchase</b>		
<b>Property Type</b>	<b>Maximum LTV/CLTV</b>	<b>Minimum Credit Score</b>
1 unit Primary Residence	90% / 90%	700
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%	740
<b>Rate/Term Refinance</b>		
<b>Property Type</b>	<b>Maximum LTV/CLTV</b>	<b>Minimum Credit Score</b>
1 unit Primary Residence	90% / 90% up to \$625,500 80% / 80% if loan exceeds \$625,500	700
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%	740
<b>Cashout Refinance</b>		
<b>Property Type</b>	<b>Maximum LTV/CLTV</b>	<b>Minimum Credit Score</b>
1 unit Primary Residence	60% / 60%	740
1 unit Second Home	N/A	N/A
1 unit Investment	N/A	N/A
<b>ADJUSTABLE RATE</b>		
<b>Purchase</b>		
<b>Property Type</b>	<b>Maximum LTV/CLTV</b>	<b>Minimum Credit Score</b>
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%	740
<b>Rate/Term Refinance</b>		
<b>Property Type</b>	<b>Maximum LTV/CLTV</b>	<b>Minimum Credit Score</b>
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%	740

Cash Out Refinance		
Property Type	Maximum LTV/CLTV	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 or Two unit properties only: *3-4 units are not eligible*
- Condominiums:
  - Established projects only (new construction not allowed).
  - Appraisal must contain 2 comparable sales outside the subject's project
  - ~~Condominiums require Full Lender Review (Limited Review or GPM Expedited Review not eligible).~~

## ***Transaction Requirements***

### **Refinance Transactions**

- Refinance transactions require a minimum of six months of seasoning (i.e. six payments made) since the date of purchase.

### **Borrower Eligibility**

- *Non-Permanent Resident Alien is not eligible.*

### **Two unit Property restrictions**

- *Desk or field review required on all transactions.*
- *Two Unit Properties: Borrowers cannot own any other properties other than subject*

### **Cash-Out**

- No limit to the amount of cash out.

### **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

### **Temporary Buydowns**

- Not Allowed

### **Mortgage Insurance**

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

### **Gifts**

- Accepted under same terms as conforming limits. Consult the Conforming Fixed or Conforming LIBOR ARM Product Summaries for details

## Community Second Liens

- Not Allowed

## Seller/Interested Party Contributions

- Maximum 3%

## Appraisal Requirements

- On all transactions except DU Refi Plus, a field review is required if:
  - LTV/CLTV >75% and value >=\$1Million, or
  - LTV/CLTV>80% and loan amount >\$625,500.

On FNMA High Balance DU Refi Plus transactions, follow the DU Refi Plus Overlay and the DU findings appraisal requirements

- See Property types – Condominiums for comp requirements.

## Title Vesting

Title must be held as individuals, or in a FNMA-eligible revocable living trust.

*If title vesting is in a trust:*

- *The trust may be the only title holder. A Trust in title jointly with an individual or another Trust is not allowed.*
- *The subject property must be included in the listing of the Trust's assets.*
- Accepted on all occupancies.

## ***Underwriting and Qualifying Ratios***

### DU Findings and DTI Ratio Limitations

- All loans must receive an Approve/Eligible through DU 8.0, which has been updated with current FNMA loan limits.
- 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
  - determined by DU if <=80% LTV.
  - *may not exceed 41%, even with DU approval, if >80% LTV.*