



Home Savings Direct High Balance Overlay

All loans must follow Home Savings Direct guidelines unless specifically noted in this overlay.

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Product Information

Loan Programs

- Available in conjunction with Home Saving Direct Conforming Fixed Rate and Conforming Libor ARM

Product Codes

HCF30J - 30 year high balance fixed
HCF30JCMA – 30 year high balance fixed CEMA

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

For loans >80% LTV, matrix applies to 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
1-4 unit Investment	65% / 65%	740
Rate/Term Refinance		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	90% / 90% up to \$625,500 80% / 80% if loan exceeds \$625,500	700
1 unit Primary Residence	75% / 75%	660
2 unit Primary Residence	75% / 75%	740
1 unit Second Home	65% / 65%	740
1-4 unit Investment	65% / 65%	740
Cashout Refinance		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	60% / 60%	740
1 unit Second Home 2-4 unit primary residence 1-4 unit Investment	N/A	N/A
ADJUSTABLE RATE		
Purchase		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	75% / 75%	680
2-4 unit Primary Residence	75% / 75%	740
1 unit Second Home	65% / 65%	740
1-4 unit Investment	65% / 65%	740
Rate/Term Refinance		
Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	75% / 75%	680
2-4 unit Primary Residence	75% / 75%	740
1 unit Second Home	65% / 65%	740
1-4 unit Investment	65% / 65%	740
Cash Out Refinance		

Property Type	Maximum LTV/ CLTV-HCLTV	Minimum Credit Score
1 unit Primary Residence	60% / 60%	740
1 unit Second Home 2-4 unit Primary Residence 1-4 unit Investment	N/A	N/A

Property Eligibility

Property Types

- 1-4 units
- Condominiums:
 - Established projects only (new construction not allowed).
 - Appraisal must contain 2 comparable sales outside the subject's project

Transaction Requirements

Refinance Transactions

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

Transactions involving Delayed Financing cash out Exception are allowed on Owner Occupied transactions only, not allowed on Second Homes or Investment properties.

Two-Four unit Property restrictions

- *CoreLogic pass, or Desk or field review required on all transactions.*

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

Consult the Conforming Fixed or Conforming LIBOR ARM Product Summaries for details.

Community Second Liens

- Not Allowed

Seller/Interested Party Contributions

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

Appraisal Requirements

- On all transactions except DU Refi Plus, a field review is required if LTV/CLTV >75% and value >=\$1Million
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.*
- Accepted on all occupancies.

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).
- Maximum qualifying ratios
 - Determined by DU.
 - For >80% LTV transactions, the mortgage insurance company may have a lower debt to income ratio requirements.