

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%^{1,2}
	2-4 Units	95%
¹ Max LTV 95% for transactions with Non-Occupant Co-Borrower ² Max LTV 95% for High Balance Rate/Term *Max CLTV up to 105% with Community Seconds only		
General Requirements		
Occupancy	<ul style="list-style-type: none"> ▪ Primary 	
Product Type	<ul style="list-style-type: none"> ▪ Conforming: 30-Yr Fixed, 20-Yr Fixed, 15-Yr Fixed, 10-Yr Fixed ▪ High Balance: 30-Yr Fixed 	
Loan Purpose	<ul style="list-style-type: none"> ▪ Purchase ▪ Rate/Term 	
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units ▪ Condo ▪ PUD ▪ Manufactured Home 	
State Restrictions	<ul style="list-style-type: none"> ▪ FL Condo: Up to 7 stories. No High Rise Condo (8+) 	
General Underwriting Guidelines		
AUS	<ul style="list-style-type: none"> ▪ Must have DU recommendation of Approved/Eligible 	
Income Restriction	<ul style="list-style-type: none"> ▪ Borrower income must be below or equal to 80% Area Median Income (AMI) Please click here to look up AMI. 	
Manufactured Home	<ul style="list-style-type: none"> ▪ In accordance with standard MH guidelines ▪ DU Required ▪ Max LTV/CLTV 95% ▪ Fixed Rate Mortgage (FRMs) only ▪ No buydowns ▪ Only 1 unit allowed ▪ Only 30,20, and 15 Yr Fixed Allowed ▪ Multi-wide manufactured home only ▪ Build Date: After 6/15/1976 	

Asset	<ul style="list-style-type: none"> ▪ Borrower's earned real estate commission can be used towards down payment and closing costs when the borrower is a licensed real estate agent.
Mortgage Insurance	<ul style="list-style-type: none"> ▪ Standard MI Coverage for LTVs of 90% or less ▪ 25% MI Coverage for LTVs 90.01-97%
Min Borrower Contribution	<ul style="list-style-type: none"> ▪ 1 Unit: None ▪ 2-4 Units: 3% required
Homeownership Education	<ul style="list-style-type: none"> ▪ At least one borrower on each Purchase Transaction must do one of the following: <ul style="list-style-type: none"> ○ complete the Framework homeownership education course (\$75 paid by borrower to Framework) prior to closing go to https://homeready.frameworkhomeownership.org/ ○ 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 ○ 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 <p>NOTE: Homeownership education certificate or Form 1017 must be retained in the mortgage file</p>
Room Boarder Income	<ul style="list-style-type: none"> ▪ 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"> ○ 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) AND ○ 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)