

## FANNIE MAE PROGRAM OVERVIEW

### AGENCY MATRIX

#### STANDARD & HIGH BALANCE MATRIX

Occupancy	Purchase – Limited Cash-Out Refinance					Cash-Out Refi		
	Property Type	MAX LTV/CLTV/HCLTV				Property Type	MAX LTV/CLTV/HCLTV	
		Fixed		ARM			Fixed	ARM
		Purchase	Limited C/O	Purchase	Limited C/O			
Primary Residence	SFR/PUD/Condo	97% <sup>1</sup>	97% <sup>1</sup>	95%	95%	SFR/PUD/Condo	80%	80%
	Manufactured	95%	95%	N/A	N/A	Manufactured	N/A	N/A
	2 Units	85%   95% <sup>2</sup>	85%   95% <sup>2</sup>	85%   95% <sup>2</sup>	85%   95% <sup>2</sup>	2 Units	75%	75%
	3-4 Units	75%   95% <sup>3</sup>	75%   95% <sup>3</sup>	75%   95% <sup>3</sup>	75%   95% <sup>3</sup>	3-4 Units	75%	75%
Second Home	SFR/PUD/Condo	90%	90%	90%	90%	SFR/PUD/Condo	75%	75%
Investment	SFR/PUD/Condo	85%	75%	85%	75%	SFR/PUD/Condo	75%	75%
	2-4 Units	75%	75%	75%	75%	2-4 Units	70%	70%
	1-4 Unit LTD C/O	75%	75%	75%	75%			

#### 2024 CONFORMING LOAN LIMITS

Units	Standard Conforming	High Cost	AK, Guam, HI, US Virgin Islands
1	\$766,550	\$1,149,825	\$1,149,825
2	\$981,500	\$1,472,250	\$1,472,250
3	\$1,186,350	\$1,779,525	\$1,779,525
4	\$1,474,400	\$2,211,600	\$2,211,600

#### FANNIE MAE HOMEREADY MATRIX

Primary Residence Only	Purchase		Limited Cash-Out Refinance	
	Product	MAX LTV/CLTV/HCLTV	Product	MAX LTV/CLTV/HCLTV
		Single Lien		Single Lien
SFR/PUD/Condo	Conforming	95.01 – 97%	Conforming	95.01 – 97% <sup>4</sup>
	High Balance	95%	High Balance	95%

<sup>1</sup> MAX LTV 95% for High Balance Transactions

<sup>2</sup> MAX LTV 85% for High Balance Transactions

<sup>3</sup> MAX LTV 75% for High Balance Transactions

<sup>4</sup> Loan must be currently owned by Fannie Mae



## FANNIE MAE PROGRAM OVERVIEW

Complete Guidelines	Where not specified within, refer to the respective agency guidelines <b>FNM</b> <a href="#">Fannie Mae - Selling Guide</a>
Amended Tax Returns	Accepted for the following amendment reasons: <ul style="list-style-type: none"> <li>• Amended for clerical items only (i.e., modifying a prior ITIN number to a newly issued SSN)</li> <li>• Amended for income-related items, under the following conditions: <ul style="list-style-type: none"> <li>○ Amended at least thirty (30) days before mortgage application taken.</li> <li>○ Amendment shows on transcripts (stamped returns not acceptable)</li> <li>○ Documentation supplied to support the increase, including but not limited to: <ul style="list-style-type: none"> <li>▪ 1099 or W2 showing missed/updated income.</li> <li>▪ Canceled Checks or Bank Statements showing missed/updated rental income</li> </ul> </li> </ul> </li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>• Full appraisal required if auctioned property or REO.</li> <li>• Collateral Underwriter (CU) score is required for all properties</li> </ul>
Assets	<ul style="list-style-type: none"> <li>• Bank Statements must show account activity for a full two (2) month period.</li> <li>• Internet Statements, obtained from financial institution’s website, must contain the same information found on a standard bank statement.</li> <li>• VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor.</li> </ul>
Contingent Liabilities	Non-mortgage debts paid by others may be excluded with evidence of 12 months of on-time payments made by a non-borrower.
DTI	Per AUS Approval
Electronic Signatures/eSigning	<ul style="list-style-type: none"> <li>• eSigning is permitted for most documents.</li> <li>• eSigning is not permitted for: <ul style="list-style-type: none"> <li>○ Note</li> <li>○ Note Rider(s)</li> <li>○ Notice of Right to Cancel</li> <li>○ Security Instrument</li> <li>○ Security Instrument Rider(s)</li> </ul> </li> </ul>
Hazard Insurance	Replacement Cost is required on all files to ensure sufficient coverage is documented.
HomeReady	<p><b>Homeownership Education Requirement</b></p> <ul style="list-style-type: none"> <li>• Must be completed prior to Note date.</li> <li>• If all occupying borrowers are first-time homebuyers, then at least one borrower is required to take homeownership education, regardless of LTV. Fannie Mae HomeView® can be used to satisfy the homeownership education requirement.</li> </ul> <p>Please refer to the <a href="#">Fannie Mae Selling Guide</a> for complete details.</p>
Social Security Number	All borrowers must have a valid SSN.
Solar Panels	<p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>• STG must take into consideration ownership of the solar panels and any liens upon the property relating to debt or lease payments used to obtain the solar panels.</li> <li>• Solar panels financed with PACE loans must be paid in full prior to or at closing.</li> </ul> <p>Please refer to the <a href="#">Fannie Mae Selling Guide</a> for complete details.</p>



## FANNIE MAE PROGRAM OVERLAYS

Appraisal	CDA / Desk Review required Collateral Underwriter score is 3.5 or higher
Assets	<p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Sweat Equity</li> <li>• 1031 Exchanges</li> <li>• Chenoa Fund Down Payment assistance</li> <li>• Assets used for Qualifying income.</li> <li>• Marijuana related business assets</li> </ul>
AUS Findings	<ul style="list-style-type: none"> <li>• Approve/Eligible</li> </ul> <p>Note: Second review required if loan has one of the following:</p> <ul style="list-style-type: none"> <li>• Mortgage history indicates 1x30 in 12 months.</li> <li>• The borrower is in an IRS tax repayment plan.</li> <li>• Active disputed tradelines</li> <li>• The subject loan was previously a restructured/modified mortgage.</li> <li>• A minimum of 12 months of 0x30 payments have been made on the modified loan.</li> </ul>
Credit	<ul style="list-style-type: none"> <li>• All borrowers must have at least 2 valid credit score.</li> <li>• Soft pull credit/LQI report is required within 10 days of Note date.</li> <li>• RMCR or traditional tri-merge is required.</li> <li>• All material inquiries within the last 90 days requires a letter of explanation from the borrower unless the AUS identifies a letter is not required.</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• Frozen credit report</li> <li>• Non-traditional credit</li> </ul>
Credit Score	MIN 620 required for all borrowers
Condominiums	<ul style="list-style-type: none"> <li>• FNMA PERS Approved condos are eligible.</li> <li>• Minimum square footage: 650 Sq Ft</li> <li>• HOA dues must be current prior to closing; HOA may not be seller of subject unit.</li> <li>• Ineligible review types: PEWs; single loan project eligibility waivers</li> <li>• Ineligible: Leasehold / Manufactured Home Condo Projects / New Construction / Gut Rehabs</li> </ul>
Deed Restrictions	<ul style="list-style-type: none"> <li>• Mortgage loans that are subject to resale restrictions are not eligible, except for age-related restrictions that meet the FNM Selling Guide requirements.</li> </ul>
Escrow Repair/Holdbacks	Not permitted
Escrow/Impound Accounts	<ul style="list-style-type: none"> <li>• Required with LTV &gt; 80% unless in violations of state law.</li> <li>• <b>Primary / Second homes:</b> flood insurance must be escrowed unless paid by an HOA.</li> </ul>
Family-Owned Business	When a borrower is employed (wage-earner) by a family-owned business - Two years tax returns are required regardless of AUS recommendation.
Future Income	Not permitted
Gift Letters	<p>When using gift funds, a signed and dated gift letter is required to provide all of the following information:</p> <ul style="list-style-type: none"> <li>• Donor's name, address, phone, and relationship to borrower (donor must be a relative); and</li> <li>• Dollar amount of gift; and</li> <li>• Date funds were transferred; and</li> <li>• Donor's statement that no repayment is expected; and</li> <li>• Dated prior to the Note date</li> </ul>
HomeReady	<ul style="list-style-type: none"> <li>• Allowed on 1-unit single family residence only.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• 2-4 units</li> <li>• Sweat equity.</li> <li>• Cash on hand</li> <li>• Boarder income</li> <li>• Non-Borrower household income</li> </ul>



	<ul style="list-style-type: none"> <li>• Secondary Financing: Transactions with lender-funded grants or down payment assistance provided under a FNMA variance</li> </ul>
Income - Ineligible	<ul style="list-style-type: none"> <li>• Cryptocurrency / Virtual currency</li> <li>• Self-employed or wage-earner income related to Marijuana related business's</li> </ul>
Ineligible Properties	<ul style="list-style-type: none"> <li>• Adult family home, group homes, care facilities</li> <li>• Build to own.</li> <li>• Co-Ops</li> <li>• Condo-tels</li> <li>• Community Land Trusts</li> <li>• Energy Efficient Mortgages, Weatherization, Solar and Wind Technologies.</li> <li>• Deed restrictions other than age restrictions</li> <li>• Farm Residence Loans</li> <li>• Graduated Payment Mortgage (GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• High-Cost Loans</li> <li>• Higher-Priced Mortgage Loans (HPML)</li> <li>• Indian Leased Land</li> <li>• Indian Leaseholds</li> <li>• Indian Reservations or Native American Direct Loans</li> <li>• Leasehold</li> <li>• Loan Assumptions</li> <li>• Loans with resale deed restrictions, except for age restricted properties</li> <li>• Prepayment Penalties</li> <li>• Properties located in lava zone 1 or 2.</li> <li>• Properties in Redemption</li> <li>• Properties with Individual Purification Water Systems</li> <li>• Properties with PACE obligations or PACE-like assessments</li> <li>• Property Flip of Non-Arm's Length Transaction</li> <li>• Property ratings of C5, C6 or Q6 are not allowed unless the issues that caused these ratings are cured prior to loan delivery.</li> <li>• Proposed and under construction properties.</li> <li>• Properties not suitable for year-round occupancy or a not readily accessible by roads that meet local standards.</li> <li>• REO properties</li> <li>• Renovation loan or construction to perm.</li> <li>• Solar and Wind technologies</li> <li>• Solar Panels that affect first lien position</li> <li>• TX 50 (f) (2)</li> <li>• TX 50 (a)(6)</li> <li>• TX 50 (a)(4)</li> <li>• Units in condominium projects identified on the Exclusionary List "Excluded Condo Projects"</li> <li>• <b>Unusual properties such as:</b> 3D printed homes; Barndominiums; Container homes; Shouses; Tiny homes; bed &amp; breakfast; berm homes, log homes, and geodesic dome homes; houseboats, working farms or ranches; timeshares; mixed use properties.</li> <li>• Vacant land</li> <li>• Weatherization</li> </ul>
Ineligible Programs	<ul style="list-style-type: none"> <li>• Affordable Housing loans</li> <li>• A-Minus</li> <li>• Community Land Trusts</li> </ul>



	<ul style="list-style-type: none"> <li>• Construction</li> <li>• Energy Efficient Mortgages</li> <li>• HFA Advantage / HFA Programs/ HFA Preferred Advantage</li> <li>• High-LTV Refinance</li> <li>• Home Energy Opportunity (HERO) loans</li> <li>• HomeOne</li> <li>• HomePath©, HomeStyle©</li> <li>• HomeReady© with reduced Mortgage Insurance Options</li> <li>• Homestyle Energy</li> <li>• Homestyle Renovations</li> <li>• Loans with negative amortization or balloon payments on subordinate financing</li> <li>• Assumptions Mortgages</li> <li>• MHAdvantage</li> <li>• Native American Lands</li> <li>• Open Access</li> <li>• Property Assessed Clean Energy (PACE)</li> <li>• RefiNow</li> <li>• Renovation Mortgages</li> <li>• Rural High-Needs Waiver</li> <li>• Student Loan Cash-Out Refinance</li> </ul>
Layered Risk	<p>If any of the following are present, Underwriting Management review and approval is required.</p> <ul style="list-style-type: none"> <li>• Unstable work history</li> <li>• Payment shock that exceeds 150%</li> <li>• Less than 3 tradelines that have been active within the past 3 years for a minimum of 24-month duration.</li> <li>• Any late payment in the last 12 months</li> </ul>
Manual Underwriting	Not permitted
Manufactured Housing	<ul style="list-style-type: none"> <li>• MIN FICO 620</li> <li>• Fixed rate programs only</li> <li>• Primary Residence only</li> <li>• Purchase only.</li> <li>• Must not have been installed or occupied previously at any other site or location.</li> <li>• Max 95% LTV/CLTV</li> <li>• Must be taxed as real property prior to application.</li> <li>• Photos of HUD data plate and certification label required.</li> <li>• Property must be complete when sold – newly built not permitted.</li> <li>• Manufactured Homes that are subject to deed restrictions are not permitted.</li> <li>• Leased Land property is not permitted.</li> <li>• Single-wide homes not permitted.</li> <li>• Must not have been installed or occupied previously at any other site or location.</li> <li>• Max 95% LTV/CLTV</li> <li>• Property must be complete when sold – newly built not permitted.</li> <li>• Must meet all other agency guidelines.</li> </ul>
Minimum Loan Amount	\$100,000
Mortgage Credit Certificate	Not permitted
Mortgage Insurance (MI)	Standard coverage only permitted
Multiple Loans to One Borrower	STG Mortgage allows up to six (6) loans for one borrower, including the subject property, or a total of \$3.5MM in financing, whichever is less.



Non-Arm's Length Transaction	<ul style="list-style-type: none"> <li>PIWs are not acceptable, a full appraisal is required – regardless of AUS</li> </ul> <p><b>Ineligible on:</b></p> <ul style="list-style-type: none"> <li>Newly constructed homes</li> <li>Existing properties secured by a second home or investment property.</li> <li>Purchase transactions if property transferred within 90 days</li> </ul>
Non-Permanent Resident Aliens	<p>Non-Permanent Resident Aliens will be accepted under the following conditions:</p> <ul style="list-style-type: none"> <li>Evidence of an acceptable Visa required.</li> <li>Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS.</li> <li>Borrower has valid Social Security Number (SSN)</li> <li>Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen.</li> <li>DACA: With Category C33 work status under deferred action, DACA borrowers eligible FNM only Diplomatic Immunity</li> <li>Borrowers with Diplomatic Immunity ineligible</li> </ul>
Non-Traditional Credit/Credit Reports	Not permitted
Power of Attorney (POA)	<ul style="list-style-type: none"> <li>POA permitted closing documents only.</li> <li>POA not permitted on initial disclosures.</li> <li>Must be specific to the transaction.</li> <li>A POA is not eligible for: <ul style="list-style-type: none"> <li>Cash-out transactions</li> <li>Properties held in Trust.</li> <li>Investment properties</li> <li>eSigned transactions</li> <li>Identity of interest or non-arm's length transactions</li> <li>Non-occupant co-borrowers</li> </ul> </li> </ul>
Purchases	Assignment of contract not permitted
Refinances	Not eligible if there is evidence of churning and/or Net Tangible Benefit is not established.
Subordinate Financing	<p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>Max CLTV cannot exceed LTV limits for ARMs or 2-4 units</li> <li>Down Payment Assistance is permitted as long as the assistance is provided by a government entity or a non-profit organization that is affiliated with a government entity. Employer assistance is permitted.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>Community Seconds© loans</li> <li>No liens on the subject property provided by tribal governments and its sovereign instrumentalities.</li> <li>Rate/Term refinance transactions are not permitted with loan proceeds will pay off a PACE or PACE-like obligation.</li> <li>Equity Sharing</li> </ul>
Tax Transcripts	<p><b>Required when qualifying on:</b></p> <ul style="list-style-type: none"> <li>Self-employed income</li> <li>Commission income greater than 25% of the borrower's total earnings</li> <li>Rental income documented on schedule E.</li> <li>Employed by a family-owned business.</li> <li>Fixed income when the 1040s are used in lieu of alternative documentation.</li> <li>Nontaxable income is grossed up.</li> <li>Other income types such as auto allowance, capital gains/losses, dividend/interest, or farm income/loss</li> <li>Handwritten income documentation</li> <li>Loan files where there is relationship between the Borrower and an interested party of the subject transaction such as Seller, or Loan Officer, or employee of a Mortgage Broker</li> <li>Seller has relationship to the Loan Officer</li> <li>Business transcripts required if income is not validated on personal returns.</li> </ul>



Temporary Buydowns	<p><b>Allowed for:</b></p> <ul style="list-style-type: none"> <li>• Primary residence</li> <li>• Purchase transactions only</li> <li>• Fixed rate products</li> <li>• 2-1 and 1-0 buydown option only.</li> <li>• Buydown fee must be paid by Seller/builder funded</li> </ul> <p><b>Ineligible:</b> Manufactured home properties</p>
Title Insurance	Title insurance policy required; attorney title opinion letter in lieu of a title insurance policy is not allowed
Unpaid Federal Tax Debt	<p>STG Mortgage considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed. Evidence of one of the following required:</p> <ul style="list-style-type: none"> <li>• A payment plan must be established and at least one payment made in accordance with the agreement. Payment plan arrangements and evidence of payment required.</li> <li>• Delinquent Federal Tax Debt must be paid in full prior to or at closing.</li> </ul>

