

# Agency Product Overview



	AGENCY PROGRAMS			
	Fannie Standard Freddie Mac Standard	Fannie High Balance Freddie Super Conforming	Fannie 97% Freddie HomeOne	Fannie HomeReady Freddie HomePossible
<b>Minimum LTV</b>	0	0	95%	0
<b>Maximum LTV</b>	95%	95%	97%	97%
<b>Non-Occupant CoBorrowers</b>	Permitted	Permitted	Not Permitted	Permitted
<b>HomeBuyer Education</b>	Not Required	Not Required	Required if all Brws are First Time Homebuyer	Required if all Brws are First Time Homebuyer
<b>Income Limits</b>	None	Not Required	None	Max File Income = 80% Area Median Income (AMI)
<b>First Time Homebuyer Requirement</b>	None	None	Purchases - At least 1 brw must be a FTHB	None
<b>Mortgage Insurance Coverage</b>	Standard Coverage	Standard Coverage	Standard Coverage	LTV 90%-97% - 25% MI LTV <90% - Standard MI
<b>Manufactured Homes</b>	Allowed	Not Allowed (STG Overlay)	Not Allowed	Allowed
<b>Max Financed Properties</b>	Prim. Occupancy- No Limit 2nd Hm & NOO - 10 >6 Fin. REO - Need 720 Fico	Prim. Occupancy- No Limit 2nd Hm & NOO - 10 >6 Fin. REO - Need 720 Fico	Prim. Occupancy- No Limit 2nd Hm & NOO - 10 >6 Fin. REO - Need 720 Fico	Occupant brws may only own 1 other REO (combined).
<b>Allowed Occupancies</b>	All	All	Primary Res. Only	Primary Res. Only
<b>Allowed Loan Purposes</b>	All	All	Purchase & R/T Only	Purchase & R/T Only
<b>Additional Property Type Restrictions</b>	None	No Manufactureds (STG Overlay)	1-Unit Only No Manufactureds	None
<b>Minimum Borrower Contribution</b>	Primary - Not Required 2nd Hm > 80 LTV- 5% NOO - Only Brw Funds	Primary - Not Required 2nd Hm > 80 LTV- 5% NOO - Only Brw Funds	None	1-Unit : None 2-4 Unit >80LTV : 3%
<b>Refinance Restrictions</b>	Cash Out - Seasoned 12 Months	Cash Out - Seasoned 12 Months	Loan being refi'd must be owned by Fannie.	Loan being refi'd must be owned by Fannie.



# Fannie Mae / Freddie Mac Difference Comparison



	FANNIE MAE			
<b>Deferred Student Loan Payment %</b>	Use 1% of the Loan Balance or Amount Verified from Servicer			
<b>DACA (C33 EAD Code) Borrowers</b>	Permitted (.250 Exception Fee Applies)			
<b>Assets as Income (# Months to Divide)</b>	The number of months of the loan term (generally 360)			
<b>ADU Restrictions</b>	Allowed on 1-Unit only. No multiple ADUs. ADU rental income not permitted.			
<b>Standard Bank Statements Required</b>	Purchases: 2 Months   Refinances: 1 Month Always refer to AUS which can be more restrictive.			
<b>Limited Cash Out Refi Max Cash Back</b>	The LESSER of \$2000 or 2% of the loan amount.			
<b>Rental Income</b>	<p><b>Investment Property Purchase:</b> To use from subject Borrower must either own a primary or have Primary Housing Expense Document rental income with lease (if exists) and 1007. To use positive income (more than PITIA offset), must have landlord history</p> <p><b>Rental from Non Subject Properties</b> Appears on Schedule E - Need Tax Returns <b>Not owned long enough to appear on Schedule E</b> Need a CD + Signed Lease + (either a 1007 OR 2 months Rental Receipt.)</p> <p><b>Rental from a Departing Primary</b> Signed Lease + (either a 1007 or 2 Months Rental Receipt) Rental Income may only offset PITIA of departing primary, unless brw has 1 yr landlord experience, then can use positive rental income. <b>Newly Converted Rentals</b> - need to document why does not appear on taxes. (Rehab, property damage, etc) <b>Rental Income from Primary Residence 2-4 units</b> is added to income, and does not lower PITIA of subject.</p>			
<b>Allowable Unpaid Collection Accounts</b>	<b>Follow AUS findings</b> - 1 unit Primary N/A   2-4 Unit Primary & 2nd Home \$5000   Investment - \$250 per account & \$1000 combined			
<b>Future Income</b>	New Job must start within 15 days of closing. Borrower must be Salaried. (Employer cannot be Family) Obtain Offer Letter and send 1st Paystub after closing. <b>.250 Pricing Adjustment Required.</b> STG Does Not Permit FNMA Option 2 due to Investor Restrictions.			
<b>IRS Tax Plans</b>	Must be Approved by IRS and 1 On-Time Payment Completed. No tax liens can exist.			
<b>Continuity of Obligation</b>	Not Required			
<b>Appraisal Waivers</b>	DU does not allowed Appraisal Waiver on 2-4 Units, Investment properties where Rental income used to qualify, loans with Gifts of Equity, Texas Cash Outs, or Manufactured Homes.			
<b>Reserve Requirement</b> Note: AUS may alter these requirements	<b>Basic Reserve Requirements</b>		<b>Add'l Reserve Requirements for Other REO</b>	
	1 Unit Primary	None	1 - 4 Financed Properties	2% of UPB
	2-4 Unit Primary	6 Months	5 - 6 Financed Properties	4% of UPB
	Second Home	2 Months	7 -10 Financed Properties	6% of UPB
	Investment Property	6 Months	Additional Reserves are only required when subject property is a 2nd Home or Investment.	
	Cash Out with DTI > 45	6 Months		

	FREDDIE MAC			
<b>Deferred Student Loan Payment %</b>	Use 0.5% of the Loan Balance or Amount Verified from Servicer			
<b>DACA (C33 EAD Code) Borrowers</b>	Not Permitted			
<b>Assets as Income (# Months to Divide)</b>	240			
<b>ADU Restrictions</b>	ADUs allowed on 1, 2, & 3 Unit Properties. No multiple ADUs. Separate entrance required. ADU Rental Income may only be used on a 1-unit Primary that is Purchase or Rate/Term.			
<b>Standard Bank Statements Required</b>	1 Month -with Streamline Accept. (Always follow AUS, sometimes AUS will require 2 months)			
<b>Limited Cash Out Refi Max Cash Back</b>	The GREATER of 1% of the loan amount or \$2000.			
<b>Rental Income</b>	<p><b>Investment Property Purchase:</b> To use from subject Borrower must either own a primary or have Primary Housing Expense Document rental income with lease (if exists) and 1007. To use positive income (more than PITIA offset), must have landlord history</p> <p><b>Rental from Non Subject Properties</b> Appears on Schedule E - Need Tax Returns <b>Not owned long enough to appear on Schedule E</b> Need a CD + Signed Lease + (either a 1007 OR 2 months Rental Receipt.)</p> <p><b>Rental from a Departing Primary</b> Signed Lease + (either a 1007 or 2 Months Rental Receipt) Rental Income may only offset PITIA of departing primary, unless brw has 1 yr landlord experience, then can use positive rental income. <b>Newly Converted Rentals</b> - need to document why does not appear on taxes. (Rehab, property damage, etc) <b>Rental Income from Primary Residence 2-4 units</b> is added to income, and does not lower PITIA of subject.</p>			
<b>Allowable Unpaid Collection Accounts</b>	<b>Follow AUS</b> - Generally if borrower has a usable credit score and an Accept, collections will not be required to be paid off			
<b>Future Income</b>	1-Unit Primary Residence Only. Purchase & Rate/Term. New Job must start within 15 days of closing. Borrower must be Salaried. Obtain Offer Letter and send 1st Paystub after closing. Extra Reserves Required <b>.250 Pricing Adjustment Required.</b> STG Does Not Permit FHLMC Option 2 due to Investor Restrictions.			
<b>IRS Tax Plans</b>	<p><b>Option 1:</b> Approved by IRS and 1 On-Time Payment Completed.</p> <p><b>Option 2:</b> Proposed payment arrangement. Must show amount of taxes owed, divide by 72 and include in DTI. No Tax Liens Can Exist</p>			
<b>Continuity of Obligation</b>	On Refi's, must either be on the mortgage being paid off, OR lived in the property as a primary for 12 months & show proof of paying the mortgage for 12 months, OR have recently inherited or been awarded the property			
<b>Appraisal Waivers</b>	LPA does not allowed Appraisal Waiver on 2-4 Units or Investment properties, Manufactured, Non Arms Length, and Texas Cash Outs			
<b>Reserve Requirement</b> Note: AUS may alter these requirements	<b>Basic Reserve Requirements</b>		<b>Add'l Reserve Requirements for Other REO</b>	
	1 Unit Primary	None	1 - 6 Financed Properties	2 Months
	2-4 Unit Primary	6 Months	7 -10 Financed Properties	8 Months
	Second Home	2 Months	Reserves are calculated based on each REO's PITIA	
	Investment Property	6 Months	Additional Reserves are only required when subject property is a 2nd Home or Investment.	
	Cash Out with DTI > 45	6 Months		

