



CONFORMING HOME POSSIBLE

ELIGIBILITY MATRIX

OCCUPANCY	PURPOSE	PROPERTY TYPE	CREDIT SCORE	LTV/CLTV	DTI
Primary Residence	Purchase Rate & Term Refinance	1 Unit	620	97%	Per LPA
		2 Units		95%	
		3-4 Units		95%	
		Manufactured Homes (1 Unit)	640	95%	Per LPA

- MAX 105% CLTV WITH AFFORDABLE SECOND
- SUPER CONFORMING NOT PERMITTED
- NON-OCCUPANT CO-BORROWER
 - MAX 95% LTV/CLTV
 - MAX 105% CLTV WITH AFFORDABLE SECOND

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REFERENCE	DESCRIPTION
PURPOSE	<ul style="list-style-type: none"> ✓ Purchase Mortgage ✓ Rate & Term Refinance
LOAN TERMS	<ul style="list-style-type: none"> ✓ Fixed Rate: 10 to 30 Year terms in annual increments.
TEMPORARY BUYDOWN	<ul style="list-style-type: none"> ✓ Not Permitted.
NET TANGIBLE BENEFIT (NTB)	<ul style="list-style-type: none"> ✓ NTB is required for all refinance transactions ✓ Colorado, Maryland, Virginia, and New Jersey (Primary Residence) require state specific forms. ✓ North Carolina – Requires generic form to be completed.
LOAN LIMITS	<p>https://singlefamily.fanniemae.com/originating-underwriting/loan-limits https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx</p>
ELIGIBLE AUS DECISION	<p>LPA Accept per Freddie Mac guidelines</p> <ul style="list-style-type: none"> ✓ Enter loans into LPA using the “Offering Identifier” field found in the Mortgage Type and Loan Terms section. Must reflect Home Possible to obtain an LPA decision indicating eligibility for Home Possible Mortgage program. ✓ LPA certificate must state that the loan casefile is eligible for delivery as a Home Possible Mortgage loan.
INELIGIBLE AUS DECISION	<ul style="list-style-type: none"> ✓ LPA Caution
MANUAL UNDERWRITING	<ul style="list-style-type: none"> ✓ Not Permitted
QUALIFYING RATE	<ul style="list-style-type: none"> ✓ Fixed Rate: Note Rate
TYPES OF FINANCING	<ul style="list-style-type: none"> ✓ Purchase Mortgage ✓ Rate and Term Refinance (No Cash Out Refinance)

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INCIDENTAL CASH BACK	✓ Maximum incidental cash back to the borrower is the greater of 1% of the loan amount or \$2,000
PROPERTIES LISTED FOR SALE	<ul style="list-style-type: none"> ✓ Property must be taken off the market before the Note date. ✓ Borrower must provide signed and dated letter of explanation and must indicate intent to occupy as a primary residence. ✓ Not applicable for purchase transactions.
ELIGIBLE SUBORDINATE FINANCING	<ul style="list-style-type: none"> ✓ Existing subordinate financing ✓ New subordinate financing ✓ Affordable Second (Max 105% CLTV)
INELIGIBLE SUBORDINATE FINANCING	<ul style="list-style-type: none"> ✓ Seller Second Mortgage
OCCUPANCY	<ul style="list-style-type: none"> ✓ Primary Residence
ELIGIBLE PROEPRTY TYPES	<ul style="list-style-type: none"> ✓ 1-4 Units ✓ Condominiums (Warrantable) ✓ Leasehold Estates ✓ Manufactured Housing ✓ Modular Home (SFD) ✓ PUDs
INELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> ✓ Condo Hotels ✓ Co-Ops ✓ Leasehold Estate Condo Projects ✓ Non-Warrantable Condos ✓ Properties with a C5 Condition Rating
ELIGIBLE STATES	<ul style="list-style-type: none"> <li style="width: 50%;">✓ Delaware <li style="width: 50%;">✓ Pennsylvania <li style="width: 50%;">✓ Florida <li style="width: 50%;">✓ North Carolina <li style="width: 50%;">✓ Maryland <li style="width: 50%;">✓ Virginia <li style="width: 50%;">✓ District of Columbia <li style="width: 50%;">✓ Colorado <li style="width: 50%;">✓ New Jersey
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> ✓ U.S. (United States) Citizens ✓ Permanent Resident Alien ✓ Non-Permanent Resident Alien ✓ Inter Vivos Revocable Trust (Trust must be approved by Underwriting Manager)
NON-OCCUPANT CO-BORROWER	<ul style="list-style-type: none"> ✓ 1-Unit Only ✓ Max LTV/CLTV/HCLTV <95% ✓ 105% CLTV with Affordable Second ✓ The non-occupant co-borrower may not be an interested party to the sales transaction (seller, builder, real estate agent or mortgage broker)
HOUSING PAYMENT HISTORY	<ul style="list-style-type: none"> ✓ Inclusive of all liens regardless of position ✓ Applies to all mortgage on all financed properties <ul style="list-style-type: none"> ✓ Follow LPA Accept

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BORROWER CONTRIBUTIONS	Property Type	<80% LTV	>80% <=95% LTV	>95% LTV
	1-Unit	None	None	None
	2-4 Unit	None	3%	3%
	Gifts	Yes		
	LTV includes LTV/CLTV/HCLTV			
CASH ON HAND	<p>The following requirements must be met:</p> <ul style="list-style-type: none"> ✓ The borrower is a cash basis individual and that the cash on hand is not borrowed and could be saved by the borrower <p>The below documents are needed</p> <ul style="list-style-type: none"> ✓ A completed Freddie Mac Exhibit 23 Monthly Budget and Residual Analysis Form or another document containing the same information, confirming that the total monthly residual income available for savings is a positive number ✓ Copies of six months cash receipts or acceptable alternative documentation to verify the recurring obligations, including the payment of revolving and installment debt, are customarily paid in cash ✓ The credit report must not show more than three tradelines. ✓ Copies of three months statements for any open revolving account that reveal cash advances are not the source of borrower funds. Any cash advances must be explained and documented. ✓ An updated credit report must be obtained one week prior to closing that does not show any new accounts or a substantial increase to an existing account that exceeds the amount of cash on hand provided by the borrower. ✓ There must be no indication that the borrower typically uses checking, savings, or similar accounts. ✓ Evidence that funds for the down payment, closing costs, prepaids and reserves are deposited in a financial institution or are held in an escrow account prior to closing. 			
DOWN PAYMENT ASSISTANCE	<ul style="list-style-type: none"> ✓ Permitted ✓ KFI must approve the DPA 			
SELLER CONTRIBUTIONS	<p>Primary Residence</p> <ul style="list-style-type: none"> ✓ 3% for LTV/CLTV >90% ✓ 6% for LTV/CLTV >75% & <90% ✓ 9% for LTV/CLTV <75% 			
RESERVES	<ul style="list-style-type: none"> ✓ Follow LPA Reserve Requirements ✓ Gift funds may be used to meet reserve requirements ✓ Rate and Term Refinance: The cash out may not be used to meet reserve requirements. 			
SWEAT EQUITY	<ul style="list-style-type: none"> ✓ Not Permitted 			
INCOME REQUIREMENTS AND LIMITS	<ul style="list-style-type: none"> ✓ Qualifying income from all borrowers who will be on the Note must be included. ✓ Only the income used to qualify the borrowers must be included in the income limits ✓ LPA will determine income eligibility: Income must not exceed 80% of the AMI for the subject property location. https://sf.freddiemac.com/working-with-us/affordable-lending/home-possible-eligibility-map 			
NUMBER OF FINANCED PROPERTIES	<ul style="list-style-type: none"> ✓ New multiple loans must be underwritten simultaneously ✓ Maximum two financed properties including the subject property ✓ Properties owned by non-occupant co-borrower are not included 			

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<p>RENTAL INCOME FROM BOARDER</p>	<p>Income from a boarder (related or non-related) can be included in the calculation of the borrower's stable monthly income if the following are met:</p> <ul style="list-style-type: none"> ✓ 1-unit ✓ The boarder is not obligated on the mortgage and does not have ownership interest in the property. ✓ The boarder is not the borrower's spouse or domestic partner. ✓ The boarder must have resided with, and paid rent to, the borrower for the last 12 months. ✓ The boarder will continue to reside with the borrower. ✓ Provide appropriate documentation to evidence residency with the borrower (e.g., copy of driver's license, monthly bills, bank statement that shows the boarder's address as being the same as the borrower's address) ✓ Provide evidence of payment of rental payments (such as cancelled checks) to borrower for the last nine of the past 12 months. The income must be averaged over 12 months when fewer than 12 months of payments are documented. ✓ The amount of rental income may not exceed 30% of the total qualifying income for the mortgage. ✓ The borrower must provide a written statement affirming: The source of rental income and the fact that the person providing the rental income has resided with the borrower for the past year and intends to continue residing with the borrower in the new residence for the foreseeable future. 		
<p>IRS FORM 4506-C</p>	<p>Prior to Underwriting</p> <ul style="list-style-type: none"> ✓ Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.) <p>At Closing (all loans)</p> <ul style="list-style-type: none"> ✓ 4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing. <p>4506-C for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification.</p>		
<p>APPRAISALS</p>	<p>Follow LPA Accept</p> <ul style="list-style-type: none"> ✓ Automated Collateral Evaluation (ACE) ✓ Must be dated within 120 days from the LPA offer date to the note date. ✓ Not permitted if appraisal has already been obtained. ✓ Not permitted for deed restricted properties including age restrictions (55+). 		
<p>ESCROW WAIVERS</p>	<p>Escrow Waiver Eligibility</p> <ul style="list-style-type: none"> ✓ Max LTV ≤ 80% ✓ Escrows may not be waived for first-time homebuyer (FTHB) or borrowers who exhibit recent delinquencies ✓ FTHBs may be considered on a case-by-case basis with a demonstrated ability to save (reserves) and strong residual income. 		
<p>POWER OF ATTORNEY</p>	<ul style="list-style-type: none"> ✓ Not permitted on cash-out refinance. ✓ POA must be specific to the transaction. ✓ POA may not be a third party associated with the transaction. ✓ Letter of explanation must be provided explaining why the POA is being requested and the relationship between the POA and the borrower must be disclosed. <p>*Underwriting Manager approval is required.</p>		
<p>PRINCIPAL CURTAILMENT</p>	<ul style="list-style-type: none"> ✓ A principal curtailment is permitted up to the lesser of 2% of the loan amount or \$2,500.00. 		
<p>MORTGAGE INSURANCE (MI) PROVIDERS</p>	<table border="0"> <tr> <td data-bbox="406 1648 966 1764"> <ul style="list-style-type: none"> ✓ Arch ✓ Genworth Financial ✓ Radian </td> <td data-bbox="966 1648 1541 1764"> <ul style="list-style-type: none"> ✓ National MI ✓ MGIC </td> </tr> </table>	<ul style="list-style-type: none"> ✓ Arch ✓ Genworth Financial ✓ Radian 	<ul style="list-style-type: none"> ✓ National MI ✓ MGIC
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HOME OWNERSHIP EDUCATION / COUNSELING	<p>Required for purchase transactions.</p> <ul style="list-style-type: none"> ✓ Must be completed prior to the Note date. ✓ Must be completed by at least one borrower when all occupying borrowers are first time homebuyers. ✓ Must not be provided by an interested party to the transaction, the Client or KFI. ✓ Must be completed by at least one borrower for purchase transactions, when all occupying borrowers are first time homebuyers. <p>The following types of homeownership education are acceptable.</p> <ul style="list-style-type: none"> ✓ Programs provided by HUD approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) ✓ Freddie Mac’s free financial literacy curriculum, CreditSmart Homebuyer U–With Certificate ✓ Borrower completes online Credit Smart Homebuyer U-With Certificate that includes modules 1 through 6 																		
LANDLORD EDUCATION	<p>Must be completed prior to the note date.</p> <ul style="list-style-type: none"> ✓ At least one borrower must participate in a landlord education program for a purchase transaction. ✓ Landlord Education is not required for refinance transactions. ✓ Evidence of completion of the landlord education requirement must be retained in the credit file - certificate or letter from the provider. 																		
MORTGAGE INSURANCE ELIGIBLE PROGRAMS	<p>Borrower Paid Mortgage Insurance</p> <ul style="list-style-type: none"> ✓ Monthly Plan ✓ Single-Premium Plan ✓ Financed Plan ✓ Lender Paid (LPMI) <p>*LPMI Disclosure Required</p>																		
MORTGAGE INSURANCE INELIGIBLE PROGRAMS	<ul style="list-style-type: none"> ✓ Split Premium ✓ Reduced or Custom Mortgage Insurance ✓ Lender Paid (Monthly Plan) ✓ Lender Paid (Annual Plan) 																		
MORTGAGE INSURANCE COVERAGE	<p>Private Mortgage Insurance is required for all loans >80% LTV</p> <p>Consult individual Mortgage Insurance company guidelines/overlays</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 50%;"><u>LTV</u></th> <th style="width: 50%;"><u>Standard Coverage</u></th> </tr> </thead> <tbody> <tr> <td colspan="2">Fixed Rate >20 Year Term, ARMs, and All Manufactured Housing</td> </tr> <tr> <td>90.01% to 97%</td> <td>25%</td> </tr> <tr> <td>85.01% to 90%</td> <td>25%</td> </tr> <tr> <td>80.01% to 85%</td> <td>12%</td> </tr> <tr> <td colspan="2">Fixed Rate < 20 Year Term</td> </tr> <tr> <td>90.01% to 97%</td> <td>25%</td> </tr> <tr> <td>85.01% to 90%</td> <td>12%</td> </tr> <tr> <td>80.01% to 85%</td> <td>6%</td> </tr> </tbody> </table>	<u>LTV</u>	<u>Standard Coverage</u>	Fixed Rate >20 Year Term, ARMs, and All Manufactured Housing		90.01% to 97%	25%	85.01% to 90%	25%	80.01% to 85%	12%	Fixed Rate < 20 Year Term		90.01% to 97%	25%	85.01% to 90%	12%	80.01% to 85%	6%
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INELIGIBLE PROGRAMS	<ul style="list-style-type: none"> ✓ Freddie Mac CHOICEHome ✓ Freddie Mac GreenCHOICE ✓ HFA Preferred Advantage Program 																		

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