

Product Snapshot

Fannie Mae HomeReady™



The Fannie Mae HomeReady program offered by Plaza Home Mortgage® has a variety of options to help low to moderate income borrowers purchase or refinance their home, including flexible income sources and low down payment options.

Plaza also offers HomeReady loans in conjunction with HomeStyle® renovation loans. Refer to Plaza's HomeStyle program guidelines for renovation program details.

Fannie Mae Conforming Balance Fixed Rate				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1-Unit	97% ¹	97% ²	Per DU & MI	Per DU & MI
1-4 Units	95%	95% ²	Per DU & MI	Per DU & MI
Co-Op ³	95%	N/A	Per DU & MI	Per DU & MI
Manufactured Housing ⁴	95%	95%	Per DU & MI	Per DU & MI

¹. LTV > 95% requirements:

- Rate/Term Refinance Transactions: Existing mortgage must be owned by Fannie Mae.
- All borrowers must occupy the property.
- Manufactured Housing is not eligible > 95% LTV.

². The CLTV ratio may exceed the limits stated in the matrices up to 105% only if the mortgage is part of a Community Seconds transaction.

³. Available in property states of CA, CT, DC, FL, IL, MD, NJ and NY.

Fannie Mae High Balance Fixed Rate				
Property Type	LTV	CLTV	Min Credit Score	Max DTI
1-Unit	95%	95% ¹	Per DU & MI	Per DU & MI
Co-Op ³	95%	N/A	Per DU & MI	Per DU & MI
2-Units	85%	85% ¹	Per DU & MI	Per DU & MI
3-4 Units	75%	75% ¹	Per DU	Per DU

¹. The CLTV ratio may exceed the limits stated in the matrices up to 105% only if the mortgage is part of a Community Seconds transaction.

Product Parameters	
Appraisal	<ul style="list-style-type: none"> • Per DU. • If a loan is approved through DU with a Property Inspection Waiver (PIW), Plaza will accept the PIW subject to Fannie Mae and Plaza guidelines. <ul style="list-style-type: none"> ◦ Texas Section 50(a)(6) and Section 50(f)(2) transactions are not eligible.
Underwriting Method	DU Approve/Eligible.
Occupancy Type	Primary residence only.
Eligible Borrowers	U.S. citizens, permanent resident aliens, non-permanent resident aliens, or non-occupant owner.
Minimum Credit Scores	<ul style="list-style-type: none"> • The minimum credit score is determined by DU. • MI credit score requirements must also be met.
Loan Limits	Standard Conforming and High Balance loan limits. Max loan amount up to \$766,550 (\$1,149,825 for HI/AK) allowed for baseline conforming loan limit.
Income Limits	<p>In determining whether a mortgage is eligible under the borrower income limits, income from all of the borrowers who will be listed on the Mortgage Note must be counted, to the extent that the income is considered in evaluating creditworthiness for the mortgage loan.</p> <p>Income may not exceed 80% of Area Median Income (AMI) for the property's location (this includes properties in low-income census tracts).</p> <p>Fannie Mae's HomeReady Income Eligibility Lookup can be used to determine HomeReady income limits by census tract. The census tract can be found on the appraisal or by using the FFIEC Census Tract Lookup. DU will also provide income eligibility based on the property address input in DU.</p>
Income from Accessory Dwelling Units	Rental income from one-unit properties with an acceptable accessory unit is acceptable. An accessory unit is typically an additional living area independent of the primary dwelling unit, and includes a fully functioning kitchen and bathroom. Some examples may include a living area over a garage and basement units. Refer to Program Guidelines for complete details.
Fewer Price Adjustments	<p>Fewer Price Adjustments than standard Fannie Mae® loans*</p> <ul style="list-style-type: none"> • Zero (0) price adjustments for most scenarios. Price adjustment cap does not apply to loan amount, property state, or LPMI adjustments
Geographic Restrictions	<p>Hawaii: Properties in Lava Flow Zones 1 or 2 are not allowed. Manufactured housing not eligible.</p> <p>Rhode Island: Manufactured housing not eligible.</p>

Homebuyer Education	<p>Homeownership education is only required on purchase transactions when all buyers are first-time homebuyers.</p> <p>Borrowers must complete a National Industry Standards (NIS) compliant course to satisfy the pre-purchase homeownership education requirements. Borrowers may choose one of the options listed below:</p> <ul style="list-style-type: none"> • HomeView. <ul style="list-style-type: none"> ○ The course is available free of charge to the borrower. ○ Complete the online education program course provided on Fannie Mae's website. The borrower must complete all 7 course modules. Retain the certificate of course completion in the loan file. ○ DU: Select <u>Homebuyer Education complete</u> in The Homebuyer Education Completion Indicator field in DU. • Framework <ul style="list-style-type: none"> ○ Complete the online education program provided by Framework Homeownership LLC (Framework®). ○ DU: Select Homebuyer Education complete in The Homebuyer Education Completion Indicator field in DU. • One-on-one HUD-approved Counseling. Complete a one-on-one pre-purchase education counseling session from a HUD-approved non-profit counseling agency. HUD-approved agencies can be located on Fannie Mae's website. <ul style="list-style-type: none"> ○ A Certificate of Completion of Pre-purchase Housing Counseling (Fannie Mae Form 1017) must be completed and retained in the loan file. ○ Special Feature Code (SFC) 184 is required (must display on DU findings). • Community Second/DAP. If the loan is part of a Community Second/DAP transaction, and that program requires its own homeownership education course provided by a HUD-approved counseling agency, Plaza will accept the Certificate issued by HUD-approved agency that provided the course.
Max Financed Properties	Borrowers may not have an ownership interest in more than two financed residential properties, including the subject property, as of the Note Date.
Mortgage Insurance	Lower than standard mortgage insurance coverage – 25% for LTVs above 90% to 97%
Boarder Rental Income	<p>Boarder income (rental payments from individuals who reside with the borrower) is acceptable in certain circumstances for both purchase and refinance transactions.</p> <ul style="list-style-type: none"> • Boarder is not obligated on the mortgage debt • Boarder may or may not be related to the borrower • Property must be a one-unit property • No more than 30% of total qualifying income can be boarder income • Boarder must have lived with and paid rent to the borrower for the last 12 months • Boarder must provide appropriate documentation to demonstrate a history of shared residency (such as a copy of a driver's license, bill, or bank statement that shows the boarder's address as being the same as the borrower's address). • Boarder must provide canceled checks to demonstrate the payment of rental payments to the borrower for: <ul style="list-style-type: none"> ○ the last 12 months, or ○ at least 9 of the most recent 12 months provided the rental income is averaged over a 12-month period • Payment of rent by the boarder directly to a third party is not acceptable (payments must be made to the borrower directly)
Temporary Buydowns	<p>Temporary Buydowns are eligible subject to the following:</p> <ul style="list-style-type: none"> • 2-1 and 1-0 buydowns are offered • Purchase transactions only • Qualify at the note rate • Texas Section 50(a)(6) loans are ineligible • Funds may come from the seller or other eligible interested party <ul style="list-style-type: none"> ○ Interested Party Contribution (IPC) limits apply ○ Seller paid buydowns should be disclosed in the purchase contract and must be provided to the appraiser with all appropriate financing data and IPCs for the subject property ○ The amount and source of all IPCs must be submitted to DU as applicable • SFC 009 required • Buydown Agreement required and will print with Plaza loan docs • Plaza's Buydown Calculator can be used to estimate the buydown payment and total contribution amount

VLIP Credit	<p>Borrowers with total qualifying income less than or equal to 50% of the area median income qualify for a \$2,500 credit on purchase transactions.</p> <ul style="list-style-type: none"> • The credit may be applied to down payment and closing costs, including escrows and mortgage insurance premiums. • The credit may be used to satisfy the 3% minimum contribution for all one-unit properties or for two- to four-unit properties with LTV less than or equal to 80%. • For two- to four-unit properties with LTV greater than 80%, the credit may be applied to down payment after the 5% minimum contribution is met. • DU: The \$2,500 credit should be reflected as a Grant asset on the application and in DU. • Plaza will apply the credit through a lender credit at closing. • Special Feature Code 884 must be selected in BREEZE.
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Product Name	Product Code	Available Term in Months
HomeReady Conforming 15 Year Fixed	CF150HR	121-180
HomeReady Conforming 20 Year Fixed	CF200HR	181-240
HomeReady Conforming 30 Year Fixed	CF300HR	241-360
HomeReady High Balance 15 Year Fixed	CF150HRHB	121-180
HomeReady High Balance 20 Year Fixed	CF200HRHB	181-240
HomeReady High Balance 30 Year Fixed	CF300HRHB	241-360
HomeReady Conforming 30 Year Fixed w/2-1 Buydown	CF300HRBD21	360
HomeReady Conforming 30 Year Fixed w/1-0 Buydown	CF300HRBD10	360

The information contained in this flyer may not highlight all requirements; refer to Plaza's program guidelines. Plaza's programs neither originate from nor are expressly endorsed by any government agency.

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