



High Balance Fixed Program Guidelines

Revised 2/21/2024 rev. 122

(Click the link to go straight to the section)

| | | |
|-------------------------|-----------------------------------|----------------------------|
| 1 Program Summary | 11 Underwriting Method | 21 Max Financed Properties |
| 2 Product Codes | 12 Credit | 22 Mortgage Insurance |
| 3 Program Matrix | 13 Income and Employment | 23 Escrow Accounts |
| 4 Occupancy | 14 Qualifying Ratios | 24 Repair Escrows |
| 5 Transactions | 15 Down Payment/Gifts | 25 ARM Adjustments |
| 6 Property Flips | 16 Reserves | 26 Temporary Buydowns |
| 7 Identity of Interest | 17 Interested Party Contributions | 27 Insurance |
| 8 Loan Limits | 18 Property Eligibility | 28 Other Features |
| 9 Subordinate Financing | 19 Appraisal | |
| 10 Borrower Eligibility | 20 Geographic Restrictions | |

Section 1 Program Summary

The Program Guidelines supplement Plaza’s Credit Guidelines. Refer to Fannie Mae’s Selling Guide for any information not specified in the Program Guidelines and Credit Guidelines.

The Fannie Mae High Balance loan program provides for higher loan limits for properties in specific high-cost areas. The high-cost area loan limits are established for each county (or equivalent) and are published on [Fannie Mae’s website](#).

Section 2 Product Codes

| Product Name | Product Code | Available Term in Months |
|--|--------------|--------------------------|
| High Balance 15 Year Fixed | CF150HB | 120-180 |
| High Balance 20 Year Fixed | CF200HB | 181-240 |
| High Balance 30 Year Fixed | CF300HB | 241-360 |
| High Balance 30 Year Fixed w/2-1 Buydown | CF300HBBD21 | 360 |
| High Balance 30 Year Fixed w/1-0 Buydown | CF300HBBD10 | 360 |

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Section 3 Program Matrix

| FANNIE MAE HIGH BALANCE FIXED | | | | | |
|---|------------------------|------------|-------------|-------------------------|----------------|
| Primary Residence | | | | | |
| Purchase and Rate & Term Refinance | | | | | |
| Property Type | Max Loan Amount | LTV | CLTV | Min Credit Score | Max DTI |
| 1-Unit | Per County Limit | 95% | 95% | Per DU & MI | Per DU & MI |
| Co-op | Per County Limit | 95% | N/A | Per DU & MI | Per DU & MI |
| 2-Units | Per County Limit | 85% | 85% | Per DU & MI | Per DU & MI |
| 3-4 Units | Per County Limit | 75% | 75% | Per DU | Per DU |
| Primary Residence | | | | | |
| Cash-Out Refinance | | | | | |
| 1-Unit | Per County Limit | 80% | 80% | Per DU | Per DU |
| Co-op | Per County Limit | 75% | N/A | Per DU | Per DU |
| 2-4 Units | Per County Limit | 75% | 75% | Per DU | Per DU |
| Second Home | | | | | |
| Purchase and Rate & Term Refinance | | | | | |
| 1-Unit | Per County Limit | 90% | 90% | Per DU & MI | Per DU & MI |
| Co-op | Per County Limit | 80% | N/A | Per DU | Per DU |
| Second Home | | | | | |
| Cash-Out Refinance | | | | | |
| 1-Unit | Per County Limit | 75% | 75% | Per DU | Per DU |
| Co-op | N/A | N/A | N/A | N/A | N/A |
| Investment Property | | | | | |
| Purchase | | | | | |
| 1-Unit | Per County Limit | 85% | 85% | Per DU & MI | Per DU & MI |
| Co-op | N/A | N/A | N/A | N/A | N/A |
| 2-4 Units | Per County Limit | 75% | 75% | Per DU | Per DU |
| Investment Property | | | | | |
| Rate & Term | | | | | |
| 1-4 Units | Per County Limit | 75% | 75% | Per DU | Per DU |
| Co-op | N/A | N/A | N/A | N/A | N/A |
| Investment Property | | | | | |
| Cash-Out Refinance | | | | | |
| 1-Unit | Per County Limit | 75% | 75% | Per DU | Per DU |
| Co-op | N/A | N/A | N/A | N/A | N/A |
| 2-4 Units | Per County Limit | 70% | 70% | Per DU | Per DU |

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Section 4 Occupancy

- Owner-occupied primary residences
- Second homes
- Investment properties

The following scenarios, when supported with adequate documentation, will be considered owner occupied even though the borrower will not be occupying the property:

- All loans utilizing this feature must be approved through Plaza's underwriting exception process.
- Parents wanting to provide housing for their physically handicapped or developmentally disabled adult child:
 - If the child is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the parent is considered the owner occupant. In this scenario it is not required that the adult child is on the loan.
- Children wanting to provide housing for elderly parents:
 - If the parent is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the child is considered the owner occupant. In this scenario it is not required that the elderly parent is on the loan.

Section 5 Transactions

- Purchase
- Rate/Term Refinance
- Cash-Out Refinance

Cash-Out:

- Cash-out refinance transactions require that any existing first mortgage being paid off through the transaction must be seasoned at least 12 months (from the Note date of the existing loan to the Note date of the new loan), as documented in the loan file (e.g. on the credit report or title commitment).
- At least one Borrower must have been on the title to the subject property for at least six months prior to the Note Date. For borrowers who purchased within the last 6 months with no mortgage financing refer to the Delayed Financing section in Fannie Mae's Selling Guide.
- Student Loan Debt Payoff: The loan-level price adjustment that applies to cash-out refinance transactions will be waived when all requirements of Fannie Mae's student loan cash-out refinance feature have been met. All loans utilizing this feature must be approved through Plaza's underwriting exception process.

Note: The loan will be locked with standard cash-out adjustments. Once the underwriting exception is approved the lock will be updated to remove the cash-out price adjustment. The underwriter must identify Special Feature Code (SFC) 841.

Refinances of Properties Listed for Sale: Rate/Term and Cash-out Refinance: Listing agreement must be cancelled at least 1 day prior to the loan application.

Construction-to-Permanent Financing: Allowed. Refer to the Construction-to-Permanent Financing section in Fannie Mae's Selling Guide.

Texas: Texas Section 50(a)(6) loans are eligible. Refer to Plaza's **Texas Home Equity** or specific guidance.

Refer to the Loan Purpose sections in Fannie Mae's Selling Guide for additional details.

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Section 6 Property Flips

Generally, purchases of properties that have been acquired within the last 12 months are eligible when an increase in value can be supported.

Section 7 Identity of Interest

Plaza uses the term Identity of Interest and Non-Arm's Length to describe certain transactions that pose increased risk and warrant additional precautions when evaluating that risk.

Primary residences, second homes and investment properties are eligible.

Section 8 Loan Limits

| High Balance Loan Limits | | |
|--------------------------|-----------------|--------------------------------|
| Units | Contiguous U.S. | Alaska and Hawaii ¹ |
| 1 | \$1,149,825 | N/A |
| 2 | \$1,472,250 | N/A |
| 3 | \$1,779,525 | N/A |
| 4 | \$2,211,600 | N/A |

¹. There are no properties in Alaska and Hawaii with loan limits higher than the applicable base conforming limits for 2024. As a result, there are no high balance limits specific for these states.

Refer to [Fannie Mae's website](#) for specific counties and states eligible for higher loan limits.

Section 9 Subordinate Financing

Subordinate financing is allowed per the LTV/CLTV & Credit Score Tables.

Co-ops: Subordinate Financing is not allowed.

Refer to the Subordinate/Secondary Financing section in Fannie Mae's Selling Guide for additional details.

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Section 10 Borrower Eligibility

Eligible Borrowers:

- U.S. citizens
- Permanent resident aliens
- Non-permanent resident aliens
- Non-occupant co-borrowers
- Inter Vivos Revocable Trusts – Refer to Plaza’s [Living Trust Policy](#)

Ineligible Borrowers:

- Partnerships
- Corporations
- Non-Revocable Inter Vivos Trusts
- Foreign nationals
- Borrowers with diplomatic immunity

Refer to the Borrower Eligibility sections in Fannie Mae’s Selling Guide for additional details.

Section 11 Underwriting Method

Automated Underwriting:

Loans must be underwritten by Desktop Underwriter (DU) and receive an Approve/Eligible recommendation.

Loans may follow the DU findings report unless otherwise stated in the Program Guidelines. Additional information may be requested at the discretion of the underwriter.

Loan with LTV’s > 80% require approval through an MI company. Additional guidelines and restrictions may apply. Refer to MI Company specific guidelines.

Refer to the Automated Underwriting section in Plaza’s [Credit Guidelines](#) for additional details.

Manual Underwriting: Manual underwriting is not permitted. All loans must be approved through DU.

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Section 12 Credit

Credit Score: The minimum credit score is determined by DU. When MI is required, MI credit score requirements must also be met.

Valid Credit Score:

- Each borrower must have a valid credit score.
- When MI is required MI credit score requirements must also be met.

Housing History:

The mortgage payment history may be deemed satisfactory when the mortgage credit rating is disclosed on the credit report, is evaluated by DU, and the loan receives an “Approve/Eligible” from DU.

For mortgage ratings not evaluated by the AUS, the mortgage history must be documented and there may be no history of any 30-day (or greater) late mortgage payments within the last 12 months. Any late payments in the last 24 months will be considered and evaluated by the underwriter.

Refer to the Credit chapter in Plaza’s **Credit Guidelines** for additional details.

Section 13 Income & Employment

Income must be documented per the DU Findings report and Plaza’s Credit Guidelines.

Regardless of DU findings, the following is required on all loans:

- **1003:** A completed and signed 1003 including a 2-year employment history is required for all borrowers.
- **4506-C/Tax Transcripts:** A signed 4506-C for all years in which income was used in the underwriting decision are required regardless of DU findings. Refer to Plaza’s **Credit Guidelines** to determine if transcripts are required.
- **Income/Employment:**
 - **Validated by DU:** When income and employment have been validated by DU, the DU findings along with Employment and Income Verification report is acceptable documentation.
 - **Not Validated by DU** (either DU Validation Services not utilized or DU unable to validate income): If income and employment have not been validated by DU, standard documentation per Fannie Mae’s Selling Guide is required; however, for non-self-employed borrowers a year-to-date paystub, at minimum, is required and cannot be replaced with a handwritten VOE.
- **Verbal Verification of Employment:**
 - **Employment Validated by DU:** DU employment validation obtained within 10 days of closing is acceptable to satisfy the VVOE requirement.
 - In all other situations and for all other employment verification methods, standard VVOE requirements apply.

When relying on DU validation services all Fannie Mae requirements must be met. Refer to Fannie Mae’s Selling Guide for additional information.

Employment and Income Commencing After the Note Date:

Plaza allows income per Fannie Mae’s Employment Offers or Contracts Option 2. If the borrower has not started work prior to Plaza funding, all requirements in Option 2 must be met. Refer to Fannie Mae’s Selling Guide **B3-3.1-09 Employment Offers or Contracts**.

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- The underwriter must identify Special Feature Code (SFC) 707.

Assets Used for Qualifying Income:

- Fannie Mae employment related assets: Follow requirements per **Fannie Mae Selling Guide, Section B3-3.1-09**.
- Fannie Mae non-employment related assets may be used for Qualifying Income if all requirements below are met:
 - Wholesale loans only
 - Primary Residence (1-2 unit) or Second Home
 - Investment properties are not eligible
 - 3-4 unit properties are not eligible
 - LTV:
 - Purchase or Rate/Term Refinance: 80% max
 - Cash-Out Refinance: 60% max
 - Credit Scores:
 - 680 for LTV/CLTV ≤ 70%
 - 720 for LTV/CLTV > 70%
 - Minimum Net Documented Assets Required:
 - Purchase or Rate/Term Refinance: The lesser of \$500,000 or 1.5 times the loan amount in eligible assets are required after closing (exclusive of funds for down payment, closing costs, reserves, etc.)
 - Cash-out Refinance: \$500,000 (exclusive of closing costs, reserves, etc.)
 - Net Documented Assets are the sum of eligible assets (as described in this section) less funds used for closing costs and reserves.
 - Assets Seasoning:
 - Purchase / Rate & Term ≥ 720 Credit Score: 12 months
 - Purchase / Rate & Term < 720 Credit Score: 24 months
 - Cash-out: 24 months
 - Assets must be liquid and be individually owned by the borrower, or if not individually owned, all account holders must be borrowers or co-borrowers on the loan.
 - Non-occupant co-borrowers assets are only allowed when the occupant borrowers are also account holders of the asset.
 - All assets must be available to the borrower/co-borrower without penalty.
 - Eligible Assets:
 - Checking/savings, money market, certificates of deposit
 - 70% of value of: Stocks, bonds, mutual funds (if using assets for income the following cannot also be used: interest, dividends and capital gains from the same assets)
 - Trust accounts
 - Cash value of vested life insurance policy
 - Vested amounts in a retirement savings account (if funds are in stocks, bonds or mutual funds then 70% of the vested value may be used).
 - For retirement funds to be eligible they must be vested and they must be available for withdrawal prior to retirement and prior to employment termination.
 - Monthly qualifying income is determined by dividing the net documented assets by the term of the loan (in months).
 - Plaza's **Assets As Income Calculator** must be included in the loan file.
 - All loans utilizing this feature must be approved through Plaza's underwriting exception process with approvals by Corporate Underwriting and Secondary Marketing.

Refer to the Employment and Income chapter in Plaza's **Credit Guidelines** for additional details.



Section 14 Qualifying Ratios

The maximum debt-to-income (DTI) ratio will be determined by DU, and if applicable, the MI company.

Section 15 Down Payment / Gifts

Follow Fannie Mae requirements for down payment and gift funds.

DU loans utilizing DU Asset Validation Services:

- DU Asset validation is acceptable documentation.
- The DU message must confirm that the amount reflected in the Total Funds to be Verified field has been validated and that the Asset Verification report is acceptable documentation.
- If the borrower is receiving funds from a gift, the loan is not eligible for asset validation.
- If any borrower on the loan is using employment-related assets as income, the loan is not eligible for asset validation.

When relying on DU validation services all Fannie Mae requirements must be met. Refer to the Fannie Mae' Selling Guide for additional information.

Section 16 Reserves

Primary Residence:

- Subject Property: Per DU
- Other Financed Properties: Per DU

Second Home or Investment Property:

- Subject Property: Per DU
- Other Financed Properties: Additional reserves are required for all financed properties other than the subject property and the borrower's principal residence. The reserves are determined by applying a percentage to the aggregate of the unpaid principal balance (UPB) for mortgages and HELOCs on these other financed properties. The percentages are based on the number of financed properties:
 - 1 – 4 financed properties: 2% of the aggregate UPB¹
 - 5 – 6 financed properties: 4% of the aggregate UPB¹
 - 7 – 10 financed properties: 6% of the aggregate UPB¹ (DU Approve/Eligible only).

¹ The aggregate UPB calculation does not include mortgages and HELOCs on:

- the subject property,
- the borrower's principal residence,
- properties that are sold or pending sale, and
- accounts that will be paid by closing.



Section 17 Interested Party Contributions

Interested party contributions are limited to the following:

| Occupancy | LTV/CLTV | Maximum Seller Contributions |
|-----------------------------------|-----------------|------------------------------|
| Primary Residence and Second Home | > 90% | 3% |
| | > 75% and < 90% | 6% |
| | < 75% | 9% |
| Investment Properties | All LTVs | 2% |

Section 18 Property Eligibility

Eligible Properties:

- Attached/detached SFRs
- Attached/detached PUDs
- Low-rise/high-rise condos
- Co-ops
- 2-4 units

Condos in Florida: Florida condos have additional restrictions. Refer to the Geographic-Specific Condo Project Considerations section in Plaza's **Project Standards** for additional details.

Fannie Mae Project Eligibility Review Waiver: Condo project review waivers are allowed for eligible Fannie Mae to Fannie Mae Limited Cash-Out Refinances.

- Prior loan must be verified as a Fannie Mae loan using **Fannie Mae's lookup tool**.
- Project Type Code must be "V".
- All loans utilizing this feature must be approved through Plaza's underwriting exception process.

Co-ops:

- The co-op project must be reviewed and approved by Plaza.
- Located in the states of California, Connecticut, Florida, Illinois, Maryland, New Jersey, New York or Washington D.C.
- Secondary Financing is not allowed.
- Refer to Plaza's **Project Standards** for Plaza's complete co-op requirements.

Ineligible Properties:

- Commercial properties
- Condotels
- Geothermal homes
- Manufactured housing
- Mobile homes
- Non-warrantable condos
- Timeshares
- Working farms, ranches, orchards
- Community Land Trusts

Refer to the Property Types and Project Standards chapter in Plaza's **Credit Guidelines** for additional details.

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Section 19 Appraisal

One full appraisal is required regardless of DU feedback. Additional appraisal requirements may apply for loans with MI. Review MI guidelines for requirements.

Property Inspection Waiver (PIW): If a loan is approved through DU with a PIW, Plaza will accept the PIW subject to Fannie Mae guidelines and the limitations below:

PIWs are not eligible:

- A PIW may not be exercised if an appraisal has been obtained for the subject transaction.
- Leaseholds
- Properties subject to resale restrictions
- Co-ops
- Manufactured Housing
- Non-Arm's Length transactions
- Purchases of REO properties
- Texas Section 50(a)(6) and Section 50(f)(2) transactions
- When the underwriter has reason to believe fieldwork is warranted based on additional information obtained about the property.
- When the property has been subject to a possible natural disaster refer to Plaza's **Natural Disaster Policy**.

Co-ops: When the subject property is a co-op, the appraiser must provide at least two comparable sales from outside the subject project and outside the influence of the developer, builder or property seller.

Transferred Appraisals: Plaza will accept transferred/assigned appraisals from the original transferring lender when all of the requirements outlined in the Appraisal Policy in Plaza's **Credit Guidelines** are met. Refer to the Appraisal Requirements chapter in Plaza's **Credit Guidelines** for additional details.

Section 20 Geographic Restrictions

Program specific geographic restrictions are identified below. Refer to Plaza's **Geographic State Restrictions** for general guidelines and restrictions.

Loans with Mortgage Insurance may have additional state specific restrictions, including reduced LTVs. Refer to the specific Mortgage Insurance Company guidelines for restrictions.

Hawaii: Properties in Lava Flow Zones 1 or 2 are not allowed.

Texas: Texas Section 50(a)(6) loans are eligible. Refer to Plaza's **Texas Home Equity Guidelines** for specific guidance.

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Section 21 Max Financed Properties / Exposure

The maximum number of financed properties, including the subject property and including the borrower's primary residence, regardless of the lending source is limited as outlined below.

- Primary Residence: No restrictions
- Second Home or Investment Property (except co-ops):
 - 1 - 6 financed properties: no additional restrictions. See **Reserves Requirement**.
 - 7 - 10 financed properties: DU Approve/Eligible required, minimum 720 Credit Score required, see **Reserves Requirement**.
 - > 10 financed properties is not allowed
- Second Home Co-op: Maximum of 4 financed properties allowed. See **Reserves Requirement**.

Plaza's Underwriter must complete the **Multiple Financed Properties Checklist** for borrowers with multiple financed properties. The checklist assists in determining whether a transaction meets the additional requirements.

Maximum Loans/Maximum Exposure: A maximum of four Plaza loans is permitted to one borrower.

Section 22 Mortgage Insurance

All loans with LTV's greater than 80% require mortgage insurance (MI) from a Plaza approved MI provider.

MI guidelines are subject to change; it is therefore the underwriter's responsibility to check the applicable Mortgage Insurance Underwriting Guidelines online and order the MI cert at the time of underwriting and prior to sending out an approval.

Co-ops: Not eligible for Financed or Split MI.

Refer to Plaza's **Mortgage Insurance Policy** for additional information.

Section 23 Escrow Accounts

- Escrow waivers for LTV > 90% <= 95% require a minimum of 3 months verified reserves.
- Impounds should not be waived for borrowers with blemished credit histories or first-time homeowners; however, impounds may be waived if sufficient compensating factors exist and a 2nd level review by a Plaza Underwriting Team Manager is required.
- Escrow deposits for the payment of premiums for mortgage insurance may not be waived

Section 24 Repair Escrows

Both weather related and non-weather related holdbacks will be considered by Plaza's Underwriting Department as an Exception Only. Refer to Plaza's **Loan Closing Manual** for details on Repair Escrows.

Escrow holdbacks for repairs are not eligible on condos.

Section 25 ARM Adjustments

Not applicable.

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Section 26 Temporary Buydowns

Temporary Buydowns are eligible subject to the following:

- 2-1 and 1-0 buydowns are offered
- Purchase transactions only
- Primary Residence or Second Home
- Qualify at the note rate
- Texas Section 50(a)(6) loans are ineligible
- Funds may come from the seller or other eligible interested party
 - 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 Desktop Underwriter (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

Section 27 Insurance

For Insurance requirements refer to Plaza's **Hazard and Flood Insurance Policy**.

Co-ops: Financed and Split MI are not allowed.

Section 28 Other Features

Not applicable.

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