

## ELIGIBILITY MATRIX

The Eligibility Matrix provides the comprehensive LTV, CLTV, and HCLTV ratio requirements for conventional first mortgages eligible for delivery to Fannie Mae. The Eligibility Matrix also includes credit score, minimum reserve requirements (in months), and maximum debt-to-income ratio requirements for manually underwritten loans. Other eligibility criteria that are not covered in the Eligibility Matrix may be applicable for mortgage loans to be eligible for delivery to Fannie Mae, e.g., allowable ARM plans. See the *Selling Guide* for details. Refer to the last two pages of this document for exceptions to the requirements shown in the matrices.

### Acronyms and Abbreviations Used in this Document

ARM: Adjustable-rate mortgage, fully amortizing

DTI: Debt-to-income ratio

DU®: Desktop Underwriter®

FRM: Fixed-rate mortgage, fully amortizing

LTV: Loan-to-value ratio

CLTV: Combined loan-to-value ratio

HCLTV: Home equity combined loan-to-value ratio

Credit Score/LTV: Representative credit score and highest of LTV, CLTV, and HCLTV ratios

### Effective Dates:

DU loan casefiles – Loans underwritten with DU Version 9.2

Manually underwritten loans – Loans with application dates on or after December 13, 2014

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## Standard Eligibility Requirements - Desktop Underwriter Version 9.2

Excludes: DU Refi Plus, High-Balance, HomeStyle Renovation,  
Manufactured Housing, and MyCommunityMortgage

Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV
<b>Principal Residence</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97% <sup>(1)</sup> ARM: 90%
	2 Unit	FRM: 85% ARM: 75%
	3-4 Units	FRM: 75% ARM: 65%
Cash-Out Refinance	1 Unit	FRM: 80% ARM: 75%
	2-4 Units	FRM: 75% ARM: 65%
<b>Second Homes</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 90% ARM: 80%
Cash-Out Refinance	1 Unit	FRM: 75% ARM: 65%
<b>Investment Property</b>		
Purchase	1 Unit	FRM: 85% ARM: 75%
	2-4 Units	FRM: 75% ARM: 65%
Limited Cash-Out Refinance	1-4 Units	FRM: 75% ARM: 65%
Cash-Out Refinance	1 Unit	FRM: 75% ARM: 65%
	2-4 Units	FRM: 70% ARM: 60%

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS.  
REFER TO THE NOTES SECTION ON PAGE 8 FOR THE EXCEPTIONS.**

# Homestyle Renovation, Manufactured Housing, MyCommunityMortgage Desktop Underwriter Version 9.2 (General loan limits)

Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV
<b>HomeStyle Renovation Mortgage</b>		
<b>Principal Residence</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 95% ARM: 90%
	2 Units	FRM: 85% ARM: 75%
	3-4 Units	FRM: 75% ARM: 65%
<b>Second Homes</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 90% ARM: 80%
<b>Investment Property</b>		
Purchase	1 Unit	FRM: 85% ARM: 75%
Limited Cash-Out Refinance	1 Unit	FRM: 75% ARM: 65%
<b>Manufactured Housing</b>		
<b>Principal Residence</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 95% ARM: 90%
Cash-Out Refinance	1 Unit Term ≤ 20 years	FRM: 65% ARM: 60%
<b>Second Homes</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 90% ARM: 80%
<b>MyCommunityMortgage</b>		
<b>Principal Residence</b>		
Purchase	1 Unit	FRM: 97% <sup>(2)</sup> ARM: 90%
Limited Cash-Out Refinance	1 Unit	FRM: 95% ARM: 90%
Purchase Limited Cash-Out Refinance	2 Units	FRM: 95% ARM: 90%
	3-4 Units	FRM: 95%

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS.  
REFER TO THE NOTES SECTION ON PAGE 8 FOR THE EXCEPTIONS.**

## Standard Eligibility Requirements - Manual Underwriting

Excludes: Refi Plus, High-Balance, HomeStyle Renovation, and MyCommunityMortgage

Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV	Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
			Credit Score/LTV	Minimum Reserves	Credit Score/LTV	Minimum Reserves
<b>Principal Residence</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 95% ARM: 90%	FRM: 680 if > 75% FRM: 620 if ≤ 75% ARM: 680 if > 75% ARM: 640 if ≤ 75%	0	700 if > 75% 640 if ≤ 75%	0
			660 if > 75%	6	FRM: 680 if > 75% FRM: 620 if ≤ 75% ARM: 680 if > 75%	2
	2 Units	FRM: 85% ARM: 75%	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 660 if ≤ 75%	6
			680 if > 75% 640 if ≤ 75%	6	680 if > 75% 640 if ≤ 75%	12
3-4 Units	FRM: 75% ARM: 65%	660	6	680	6	
		660	6	660	12	
Cash-Out Refinance	1 Unit	FRM: 80% ARM: 75%	680 if > 75% 660 if ≤ 75%	0	700 if > 75% 680 if ≤ 75%	0
			660 if > 75% 640 if ≤ 75%	6	680 if > 75% 660 if ≤ 75%	2
	2-4 Units	FRM: 75% ARM: 65%	680	6	700 680	6 12
<b>Second Home</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 90% ARM: 80%	680 if > 75% 640 if ≤ 75%	2	700 if > 75% 660 if ≤ 75%	2
			680 if > 75% 640 if ≤ 75%	2	680 if > 75% 640 if ≤ 75%	12
Cash-Out Refinance	1 Unit	FRM: 75% ARM: 65%	680	2	700	2
			680	2	680	12
<b>Investment Property</b>						
Purchase	1 Unit	FRM: 85% ARM: 75%	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 660 if ≤ 75%	6
			680 if > 75% 640 if ≤ 75%	6	680 if > 75% 640 if ≤ 75%	12
	2-4 Units	FRM: 75% ARM: 65%	660	6	680 660	6 12
Limited Cash-Out Refinance	1 Unit	FRM: 75% ARM: 65%	660	6	680 660	6 12
			660	6	680 660	6 12
	2-4 Units	FRM: 75% ARM: 65%	680	6	700 680	6 12
Cash-Out Refinance	1 Unit	FRM: 75% ARM: 65%	700	6	720 700	6 12
			700	6	720 700	6 12
	2-4 Units	FRM: 70% ARM: 60%	700	6	720 700	6 12

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS.  
REFER TO THE NOTES SECTION ON PAGE 8 FOR THE EXCEPTIONS.**

# HomeStyle Renovation and MyCommunityMortgage - Manual Underwriting

(General loan limits)

			Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV	Credit Score/LTV	Minimum Reserves	Credit Score/LTV	Minimum Reserves
<b>HomeStyle Renovation Mortgage</b>						
<b>Principal Residence</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 95% ARM: 90%	FRM: 680 if > 75% FRM: 620 if ≤ 75% ARM: 680 if > 75% ARM: 640 if ≤ 75%	0	700 if > 75% 640 if ≤ 75%	0
			660 if > 75%	6	FRM: 680 if > 75% FRM: 620 if ≤ 75% ARM: 680 if > 75%	2
	2 Units	FRM: 85% ARM: 75%	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 660 if ≤ 75%	6
					680 if > 75% 640 if ≤ 75%	12
			660	6	680 660	6 12
3-4 Units	FRM: 75% ARM: 65%	660	6	680 660	6 12	
<b>Second Homes</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 90% ARM: 80%	680 if > 75% 640 if ≤ 75%	2	700 if > 75% 660 if ≤ 75%	2
					680 if > 75% 640 if ≤ 75%	12
<b>Investment Property</b>						
Purchase	1 Unit	FRM: 85% ARM: 75%	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 660 if ≤ 75%	6
					680 if > 75% 640 if ≤ 75%	12
Limited Cash-Out Refinance	1 Unit	FRM: 75% ARM: 65%	660	6	680 660	6 12
<b>MyCommunityMortgage <sup>(3)</sup></b>						
<b>Principal Residence</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 95% ARM: 90%	680	0	700	0
			660	6	680	2
	2 Units	FRM: 95% ARM: 90%	700	2	720	2
					700	12
					720	2
3-4 Units <sup>(4)</sup>	FRM: 95%	700	2	700	12	

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS. REFER TO THE NOTES SECTION ON PAGE 8 FOR THE EXCEPTIONS.**

## High-Balance Mortgage Loans

Manual Underwriting and Desktop Underwriter 9.2			Manual Underwriting			
			Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV	Credit Score/LTV	Minimum Reserves	Credit Score/LTV	Minimum Reserves
<b>Principal Residence</b>						
Standard, HomeStyle Renovation, MyCommunityMortgage <sup>(3)</sup>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 90% ARM: 75%	FRM: 680 > 75% FRM: 640 ≤ 75% ARM: 660	0	FRM: 700 > 75% FRM: 660 ≤ 75% ARM: 680	0
			FRM: 660 > 75% FRM: 620 ≤ 75% ARM: 640	6	FRM: 680 > 75% FRM: 640 ≤ 75% ARM: 660	2
	2-4 Units <sup>(4)</sup>	FRM: 75% ARM: 65%	720	6	740 720	6 12
<b>Standard</b>						
Cash-Out Refinance	1 Unit	FRM/ARM: 60%	720	0	740	0
					720	2
<b>Manufactured Housing - Desktop Underwriter Only</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 90% ARM: 75%	Not Applicable			
Cash-Out Refinance	1 Unit Term ≤ 20 years	FRM/ARM: 60%				
<b>Second Home</b>						
Standard, HomeStyle Renovation						
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 65%	720	2	740	2
					720	12
<b>Manufactured Housing - Desktop Underwriter Only</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 65%	Not Applicable			
<b>Investment Property</b>						
Standard						
Purchase Limited Cash-Out Refinance	1-4 Units	FRM/ARM: 65%	720	6	740	6
					720	12
HomeStyle Renovation Mortgage						
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 65%	720	6	740	6
					720	12

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS. REFER TO THE NOTES SECTION ON PAGE 8 FOR THE EXCEPTIONS.**

## DU Refi Plus and Refi Plus<sup>(5)</sup>

(General and High-Balance loan limits)

### DU Refi Plus

Transaction Type	Number of Units	Maximum LTV	Minimum Credit Score
<b>Limited Cash-Out Refinance, Fixed Rate</b>			
Principal Residence	1-4 Units	No Limit	No Minimum
Second Home	1 Unit	No Limit	No Minimum
Investment Property	1-4 Units	No Limit	No Minimum

### Limited Cash-Out Refinance, ARMS with Initial Fixed Periods $\geq$ 5 years

Principal Residence	1-4 Units	105%	No Minimum
Second Home	1 Unit	105%	No Minimum
Investment Property	1-4 Units	105%	No Minimum

### Refi Plus

Limited Cash-Out Refinance, Fixed Rate			P&I Changes $\leq$ 20%	P&I Increases $>$ 20%
Principal Residence	1-4 Units	No Limit	No Minimum	620
Second Home	1 Unit	No Limit	No Minimum	620
Investment Property	1-4 Units	No Limit	No Minimum	620
<b>Limited Cash-Out Refinance, ARMS with Initial Fixed Periods <math>\geq</math> 5 years</b>			<b>P&amp;I Changes <math>\leq</math> 20%</b>	<b>P&amp;I Increases <math>&gt;</math> 20%</b>
Principal Residence	1-4 Units	105%	No Minimum	620
Second Home	1 Unit	105%	No Minimum	620
Investment Property	1-4 Units	105%	No Minimum	620

## Notes – Exceptions Applicable to ALL Matrices Other than DU Refi Plus and Refi Plus

**105% CLTV Ratio/Community Seconds®:** With the exception of ARM loans and loans secured by manufactured housing, 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. However, 5-, 7-, and 10-year ARM loans and manufactured housing with a Community Seconds are limited to the LTV,CLTV, and HCLTV ratios stated in the matrices.

The following are not permitted with Community Seconds: second homes, investment properties, cash-out refinances, ARMs with initial adjustment periods less than 5 years, and co-op share loans.

**Cash-out refinances:** If the property was purchased within the prior six months, the borrower is ineligible for a cash-out transaction unless the loan meets the delayed financing exception in the *Selling Guide* (B2-1.2-03, Cash-Out Refinance Transactions). If the property was listed for sale in the past six months, the LTV,CLTV, and HCLTV ratios for a cash-out transaction are limited to the lower of 70% or the maximum allowed per the matrices.

**Co-op properties:** The following are not permitted with co-op share loans - subordinate financing, investment properties, and cash-out refinances on second home properties.

**Construction-to-permanent:** These transactions are subject to the applicable eligibility requirements based on the loan purpose. Single-closing transactions are processed as purchases or limited cash-out refinances, and two-closing transactions are processed as limited cash-out or cash-out refinances. Exceptions: mortgage loans secured by manufactured housing or units in a condo or co-op project are not eligible for construction-to-permanent financing. If the transaction is a single-closing construction-to-permanent loan, and the age of the credit or appraisal documents exceed standard guidelines, there are exceptions to the eligibility requirements. See B5-3.1-02, Conversion of Construction-to-Permanent Financing: Single-Closing Transactions.

**Continuity of obligation:** If the refinance transaction requires that continuity of obligation be met, and the borrower is unable to meet those requirements or a permissible exception, the maximum LTV,CLTV, and HCLTV ratios may be limited. See B2-1.2-04, Continuity of Obligation.

**Employment-related assets:** Exceptions to the eligibility requirements apply if this type of asset is used as qualifying income. See B3-3.1-09, Other Sources of Income.

**Florida condos:** Lower LTV,CLTV, and HCLTV ratios may be required for certain mortgage loans depending on the type of project review the lender performs for properties in condo projects in Florida. See B4-2.2-12, Geographic-Specific Condo Project Considerations.

**Manufactured housing:** Loans secured by manufactured homes must be underwritten with DU. See DU matrices.

**Multiple financed properties:** Borrowers of second homes or investment properties who own five to ten financed properties are subject to lower LTV,CLTV, and HCLTV ratio limits and additional reserve requirements. See B2-2-03, Multiple Financed Properties for the Same Borrower.

**Non-occupant co-borrowers:** For manually underwritten loans, if the income of a non-occupant borrower is used for qualifying purposes, lower LTV,CLTV, and HCLTV ratios are required. See B2-2-04, Guarantors, Co-Signers, or Non-Occupant Co-Borrowers.

**Nontraditional credit:** Exceptions to the eligibility requirements apply when one or more borrowers are relying on nontraditional credit to qualify (including, but not limited to, 36% maximum DTI ratio and 0 months reserves). See B3-5.1-01, General Requirements for Credit Scores.



## Notes - Specific to Certain Transactions

- |     |  |
|-----|--|
| (1) | <b>LTV, CLTV, and HCLTV Ratios Greater than 95%:</b> For purchase transactions, at least one borrower must be a first-time homebuyer. For limited cash-out refinances, Fannie Mae must be the owner of the existing mortgage. See Announcement SEL-2014-15 for additional requirements.  |
| (2) | <b>MCM LTV, CLTV, and HCLTV Ratios Greater than 95%:</b> At least one borrower must be a first-time homebuyer and complete pre-purchase home-buyer education and counseling.   |
| (3) | <b>Community Solutions™ and Community HomeChoice™:</b> Different reserve requirements and DTI ratios apply to these transactions. (These products are not supported in DU.) See B5-6-04, MyCommunityMortgage: Additional Eligibility and Underwriting Requirements for Community Solutions and Community HomeChoice.   |
| (4) | <b>Community Solutions and Community HomeChoice:</b> Loans must be secured by 1- or 2-unit properties; 3- and 4-unit properties are not permitted.   |
| (5) | <b>DU Refi Plus and Refi Plus:</b> Loans are subject to a unique limited cash-out refinance definition, and other unique subordinate lien requirements. Exceptions to the LTV ratio limits apply to Texas Section 50(a)(6) mortgages. There is no maximum CLTV or HCLTV ratio limit for any DU Refi Plus or Refi Plus mortgage loan. A minimum credit score and maximum DTI ratio apply to higher-priced mortgage loans. See Section B5-5.2-01, DU Refi Plus and Refi Plus Eligibility, and B5-5.2-02, DU Refi Plus and Refi Plus Underwriting Considerations. |