



FNMA Home Ready

The Fannie Mae HomeReady Program serves low income borrowers. Mortgage insurance premiums are lower than standard MI coverage requirements for loans greater than 90% up to 97%. Standard rates apply for Itvs 80.01 to 89.99. Gifts, Grants and Community Seconds may be used as a source of funds for down payment and closing costs with no minimum contribution required from the borrowers own funds.

[Area median income lookup tool](#)

Product	Occupancy	Property Type	Credit Score	Max LTV/CLTV ¹
Fixed Purchase and Rate Term Refinance	Primary	1-Unit	620	95.01%-97%/105% ¹
		2-4 Unit		95% ²
	Primary Manufactured	1 unit		95%
ARM	Primary	1 Unit	620	95%
		2-4 Unit	620	95% ²

¹ LTVs greater than 95% at least one Borrower must have a credit score, Non-Occupant Co-Borrowers are not permitted. The CLTV ratio can be up to 105% if the subordinate lien is a Community Seconds Loan. Fixed Rate only

² LTV, CLTV, or HCLTV Ratios for High-Balance 2-4 Unit Properties: • 2 unit: < 85% • 3-4 unit: < 75%

Age of Documents	• For new and existing construction, credit documents must be no more than 4 months old on the date the note is signed, including credit reports and employment, income, and asset documents. Employment pay stubs must be dated within 30 days of the initial loan application. • Preliminary Title Policies must be no more than 180 days old on the date the note is signed.
Assets	Funds held in a checking, savings, money market, certificate of deposit, or other depository accounts may be used for the down payment, closing costs, and financial reserves. VODs are not acceptable • Cryptocurrency/Virtual Currency may only be used as funds for closing and reserves if it has been exchanged into U.S. dollars and is held in a U.S. or state-regulated financial institution. There must be sufficient documentation to verify that the funds originated from the borrower's cryptocurrency/virtual currency account. Acceptable documentation to use those funds includes the following: - o Documentation from Cryptocurrency exchange account verifying the borrower as the Legal Owner and not the nickname of the account, AND - o Previous borrower bank statement showing funds going into the same Cryptocurrency exchange account that the large deposit came from, OR - o 1099-B/MISC from the same Cryptocurrency exchange account that the large deposit came from, plus the borrower's Tax Returns reflecting the 1099 gain/loss
Automated Underwriting	Desktop Underwriter (DU) Approval required; No Manual Underwrites
Appraisal Requirements	1. Follow DU 2. Transfer appraisals are allowed with the following: • Appraisal transfer letter • Copy of the Successful Fannie Mae and Freddie Mac SSR's • Evidence the appraisal fee has been collected and if applicable paid • Confirmation the appraisal is AIR compliant.
Credit	• Two occupying Borrowers, one with a credit score and one with no score, are eligible if DU receives an "Accept" or "Approve/Eligible." Pricing will be determined by the one reported score. • A minimum of one credit bureau may be frozen with a DU accept. If the credit must be unfrozen, borrowers must unfreeze all bureaus and the DU Rerun with the updated credit report.

	The mortgage payment history reflected on the credit report can be used to meet mortgage payment history requirements. As a reminder, Fannie Mae requires the following: On the date of the loan application, the borrower's existing mortgage(s) must be current, which means that no more than 45 days have elapsed since the last paid installment. If the credit report does not reflect the above, proof the additional loan payments were paid on time is required. Refer to Fannie Mae Selling Guide B3-5.3-03
DTI-Maximum	50% with a DU accept
Disaster Inspections	Disaster inspections may not be completed by the loan officer or bank employee. Acceptable inspection providers include, but are not limited to, the original appraiser or a post-disaster inspection company.
Eligible Borrowers	- A natural person - U.S. Citizens - Permanent resident alien borrowers- must hold an unexpired "Green Card" issued by the U.S. Citizenship and Immigration Services (USCIS). A copy of both the front and back of the card is required. - Revocable Inter-Vivos Trust that meets Fannie Mae guidelines - Non-permanent resident aliens: temporary residents who - are eligible to live/work in the United States for a specific - period of time. Acceptable documentation of their work authorization is: An unexpired Employment Authorization Document (EAD) by the USCIS (including C-33 EAD/DACA), or an unexpired visa. Eligible types are E-1, G series, H series, or TN. If the authorization for temporary residency will expire within one year of closing and a prior history of residency status renewals exists, continuation may be assumed. If there are no prior renewals, the likelihood the authorization will be renewed must be determined based on information received from the USCIS. All borrowers are required to have a Social Security number
Eligible States	All states within the United States are eligible except U.S. territories, including Puerto Rico, Guam, the Northern Mariana Islands, and American Samoa. Cema's in NY are not allowed.
Eligible Terms- Fixed & ARM	Fixed – 10, 15, 20, 25, and 30 Year ARM – 3/6 5/6, 7/6, 10/6 (see SOFR Arm Matrices for complete arm details)
Eligible Transactions	Land contracts subject to Fannie Mae Guidelines, Lease option to purchase subject to Fannie Mae Guidelines
Escrow Waiver	Allowed with LTVS <=80%, subject to a price adjustment.
Maximum Financed Properties	Borrowers who intend to occupy as a primary residence may have 1 additional financed property at closing.

Maximum Loan Amount	Conforming Loan Limit with High Balance
Mortgage Insurance	LTV's greater than 80% require Standard Coverage. No Custom or reduced MI is allowed. • 25% MI coverage for LTVs 90.01–97% • Standard MI coverage for LTVs of 90% or less • MI may be financed up to the maximum LTV for the transaction, including the financed MI (Minimum MI Coverage Option may be used with additional LLPA; the HomeReady LLPA waiver or cap does not apply).
Property Type	Eligible • 1-4 Unit • Single Family • Attached/Detached • FNMA Approved Condos • PUDs/Townhomes • Leaseholds and Fee Simple are allowed • Multi-wide Manufactured Homes, classified as real estate Modular Homes (on frame and off frame) Ineligible • Agricultural-type properties such as farms, orchards, or ranches. • Undeveloped land. • Land development-type properties. • Properties that are not suitable for year-round occupancy, regardless of location. Note: Certain aspects of the location of a property will require special consideration. For example, properties in resort areas that attract people for seasonal or vacation use are acceptable only if they are suitable for year-round use. • Properties that are not readily accessible by roads that meet local standards. • Properties greater than four units. • Condotels. • Co-Ops. • Boarding houses or bed and breakfast properties. • 1 Unit properties with more than one Accessory Unit. • Properties with a Condition rating of C5 or Quality Rating of C5. • Condo projects listed as unavailable in the Fannie Mae Condo Project Manager • Income-producing properties (bed/breakfast, adult care facilities) • Log Homes • Properties located on Tribal Land Properties not suitable for year-round occupancy • Properties located in the Hawaiian Islands in lava zones one or two • Single-wide manufactured homes • MH homes in the 100 year floodplain

Prepayment Penalty	None		
Property Flips	Non-arm's-length transactions for properties involving a re-sale within the last 180 days and an increase in value are prohibited.		
Reserves	• DU will determine the reserve requirements based on the overall risk assessment of the loan, the minimum reserve requirement that may be required for the transaction, and whether the borrower has multiple financed properties. • If the borrower owns other financed properties, additional reserves must be calculated and documented for financed properties other than the subject property and the borrower's principal residence. The other financed properties' reserves amount must be determined by applying a specific percentage to the aggregate of the outstanding unpaid principal balance (UPB) for mortgages and HELOCs on these other financed properties. The percentages are based on the number of financed properties: 1. 2% of the aggregate UPB if the borrower has one to four financed properties. Only 1 other property allowed for this program		
Seller Contributions	Property Type	LTV/CLTV	Contribution
	Primary Residence & Second Home	>90%	3%
		75.01% - 90%	6%
		<75%	9%
	Investment Property	All LTV/CLTV	2%
Subordinate Financing	Allowed see B2.1.2-04 Subordinate Financing		
Temporary Buydown	2-1 and 1-0 Buydowns are allowed. . Minimum credit score of 660		



a division of Midland Federal Savings and Loan Association is committed to equal credit opportunity and does not discriminate in any credit transaction based on sex, gender identity or expression, sexual orientation, marital or familial status, race, color, ethnicity, religion, national origin, age, disability, source of income (including public assistance), military status, or the good faith exercise of rights under the Consumer Credit Protection Act.