



Fannie Mae HomeStyle Renovation Conforming & High Balance							
PURCHASE ²				LIMITED CASH-OUT REFINANCE (LCOR) ²			
Occupancy	Units	LTV/CLTV/HCLTV ²	FICO	Occupancy	Units	LTV/CLTV/HCLTV ¹	FICO
Primary	1	97%	Per DU	Primary	1	97%	Per DU
		95%				95%	
	2	95%			2	95%	
	3	95%			3	95%	
	4	95%			4	95%	
2nd Home	1	90%	2 nd Home	1	90%	Per DU	
Investment Property	1	85%		Investment Property	1		75%
Manufactured Homes							
Primary	1	95%	Per DU	Primary	1	95%	Per DU
2 nd Home	1	90%		Primary	1	90%	

Reference:

1. High Balance, ARM Products, & Manufactured Homes permitted to a maximum of 95% LTV/CLTV/HCLTV.
2. The more restrictive requirements apply when combined with HomeReady.
3. High Balance loan amounts limited to:
 - 2 unit- 85% LTV/CLTV
 - 3-4 unit- 75% LTV/CLTV

2025 Conforming and High Balance Loan Limits			
Units	Conforming Limit	High Balance Limit	Conforming Limit- Alaska and Hawaii
1	\$806,500	\$1,209,750	\$1,209,750
2	\$1,032,650	\$1,548,975	\$1,548,975
3	\$1,248,150	\$1,872,225	\$1,872,225
4	\$1,551,250	\$2,326,875	\$2,326,875

This matrix is only a guide and does not represent full underwriting guidelines. Additional requirements may apply. Refer to the Fannie Mae HomeStyle Renovation Program Guidelines for any item not addressed by this matrix.	
95.01% - 97% LTV	• Must be a 1-unit property and all borrowers must occupy. • At least one borrower must have a credit score. • Purchase or Limited Cash-out Refinances ONLY. Refinance must pay off a Fannie Mae owned loan. • High Balance and ARM loans are not permitted. • HomeReady loans allow up to 97% LTV. All HomeReady requirements must be met.
Appraisal	File must document an "as completed" appraised value that estimates the value of the property after completion of renovation work. See Fannie Mae Selling Guide for complete appraisal requirements.
AUS	DU "Approve/Eligible" results required. Manual underwriting is ineligible. Special Feature code 215.

Available Markets	Available in all states.
Contractor Validation	MPower Mortgage offers Contractor Validation services. Validation documents may be submitted to MPower Mortgage for review and approval prior to closing. A sample checklist can be found on our website. All renovation work must be performed by a licensed contractor or subcontractor, unless contractor licensing is not applicable under state or local law for the specific trade or type of renovations being performed. Self Help is not allowed. Contractors must meet the following requirements: • Must have a minimum of 3 years' experience as a Contractor and a minimum of 1 year in business. • Have all appropriate credentials required by the state and local government. • Financially able to perform the duties necessary to complete the renovation work in a timely manner, and • Agrees to indemnify the borrower for all property losses or damages caused by its employees or subcontractors. • File must evidence a completed contractor profile report (form 1202). • Contractor Insurance Requirements: ○ Contractor must carry a builders all risk insurance policy, without co-insurance, in an amount not less than 100% of the replacement cost of the work. ○ A General Liability insurance policy with limits of liability equal to at least \$500,000 per occurrence. ○ A worker's compensation insurance policy as required by state law.
Escrow- Contingency Reserves	• A minimum of 10% Contingency Reserve is required for all loans. The Seller may increase the contingency reserve to 15% if a higher reserve is appropriate. • If the utilities are not on at the time of inspection, then a 15% contingency reserve is required. See Fannie Mae HomeStyle Renovation Program Guidelines for additional details.
Inspections and Draw Disbursements	Draw inspections, the rehabilitation escrow account, and approving the associated draws from the account must be managed by MPower Mortgage. Permits must be requested prior to first draw. Refer to MPower Mortgages program guidelines for details on plans, specifications, and cost estimates for the renovation project.
LTV Ratios	• Purchase: The LTV ratio is determined by dividing the loan amount by the lesser of the "as completed" appraised value of the property or the sum of the purchase price of the property and the total renovation costs. • Refinance: The LTV ratio is determined by dividing the new loan amount by the "as completed" appraised value of the property.
Maximum Renovation Cost	• Purchase Transaction: Renovation cost must not exceed 75% of the lesser of the sum of the purchase price of the property plus renovation costs, or 75% of the "as completed" appraised value of the property. • Refinance Transaction - Renovation cost must not exceed 75% of "as completed" appraised value of the property. • Manufactured House: ○ Renovation cost must not exceed the lesser of: ▪ \$50,000 or ▪ 50% of the "as completed" appraised value. ○ Renovation must be completed within 15 months of loan delivery.
Minimum Loan Amount	\$40,000
Mortgage Insurance	Required based on the applicable LTV calculation. Standard Coverage per DU Approval; Reduced MI coverage allowed for HomeReady only; Borrower paid monthly and single premium; BPML single premium may be financed; LPMI – single premium only.
Project Plan Review	The plans and specifications must be prepared by a registered, licensed, or certified general contractor, renovation consultant, or architect. The plans and specifications should fully describe all of the work to be done and provide an indication of when various jobs or stages of completion will be scheduled (including both the start and completion dates). To request review by MPower Mortgage, please contact your Account Executive.

Products	Fixed Rate: 15-, 20-, 25- and 30-year ARM: 5/6, 7/6, and 10/6 SOFR (Secured Overnight Financing Rate) index • Caps ○ 5/6 Caps are 2/1/5. ○ 7/6 & 10/6 Caps are 5/1/5. • Margin: 3.00. • Qualification ○ 5/6 ARMs are qualified at the greater of: Note rate plus 2%; or the fully indexed rate. ○ 7/6 and 10/6 ARMs are qualified at the note rate.
Properties- Eligible	• 1 unit second home • 1-4 units • 1-unit investment property • Condo (standard guidelines apply for Florida Condos) • Manufactured Homes • PUDs
Renovation Contract	Sellers are encouraged to use the Fannie Mae Form 3730. Regardless of the renovation contract used, it must contain the following: Itemize the specific work that the contractor agrees to perform, Include the agreed-upon cost of the renovation, identify all subcontractors and suppliers, Include an itemized description of the schedule for completing each stage of the work and the corresponding payments to be made to the contractor. Refer to MPower Mortgages Program Guidelines for complete details.
Renovation Contract (Fees and Charges)	Interim draw inspection fees (as determined Construction Management vendor or 203(k) Consultant); Costs and fees for the title update requested with each draw (at minimum 2 or \$125); Architectural and engineering fees (as needed); Independent Consultant fees (as determined Construction Management vendor or HUD 203(k) Consultant) ; Costs for required permits; Final Inspection 1004D; Other documented charges: Project Plan Review by Construction Management vendor; Construction Management Fees charged for processing renovation draws (\$500 or 1.5% of renovation cost whichever is greater.) Up to six months payments (PITIA) when the borrower must vacate the property due to renovation.
Renovation Loan Agreement	The Renovation Loan Agreement (Fannie Mae form 3731) is required. Refer to MPower Mortgages Program Guidelines for details.
Temporary Buydowns	Not Permitted.
Title & Insurance Updates	A title update is required through the date the renovation was completed and must be concurrent with the last disbursement. MPower Mortgage requires a Title update per draw.
Transaction Type- Eligible	• HomeReady, • Limited Cash-Out • Purchase