Medical Professional Home Loan

Eligibility Matrix

Fixed-rate (15, 20, 25 and 30-year) and Hybrid ARM products for primary-residence purchase and rate-and-term refinance transactions.	
Product	Fixed Rate: 15-, 20-, 25- and 30-year terms. Hybrid ARM: 5/6, 7/6 and 10/6 ARM products.
Occupancy	Primary Residence
Property Type	1-Unit Only
Credit Score	680 minimum
Max LTV	100%
Loan Amount	$100,000 minimum; $2,000,000 maximum. ARM minimum loan amount: $350,000.
DTI	45% for LTV > 95%. 50% for LTV < 95%. ARM and 15-year fixed-rate loans: maximum DTI 45%.
High-LTV Requirements	For LTVs greater than 90.01%: secondary financing is not allowed and escrow/impound accounts are required unless prohibited by applicable law.
Texas	Texas 50(a)(6) and Texas 50(f)(2) refinances (Texas Equity Loans) are not allowed.
Minimum LTV	90.01%.
New York ARM	ARM loans in New York State must be $1 over the current conforming/high-balance limit set by FHFA.

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Eligible Products & Borrowers

Eligible Products	Fixed Rate: 15-, 20-, 25- and 30-year terms. Hybrid ARM: 5/6, 7/6 and 10/6 ARM products. Primary Residence Rate & Term Refinances. Maximum loan amount: $2,000,000.
Debt-to-Income Ratio	45% for LTV > 95%. 50% for LTV < 95%.
Eligible Borrowers	At least one borrower whose income is used to qualify must hold an eligible professional designation and possess the specified degree as a medical professional in active practice.
Eligible Designations	Medical Doctor (MD); Doctor of Osteopathy (DO); Doctor of Dental Science or Surgery (DDS); Doctor of Dental Medicine (DMD); Doctor of Ophthalmology (MD or DO); Doctor of Psychiatry (MD or DO); Doctor of Pharmacy (PharmD); Doctor of Veterinary Medicine (VMD); Doctor of Podiatric Medicine (DPM); Certified Registered Nurse Anesthetist (CRNA with DNAP or DNP); medical residents, fellows or interns with one of the above degrees.
Non-Occupant Co-Borrowers	Eligible; however, non-occupant contributing income must be less than or equal to 50% of total qualifying income.
Ineligible Borrowers	Chiropractors; DACA; ITIN/Asylum; Foreign Nationals; borrowers with diplomatic status; Life Estates; Non-Revocable Trusts; Guardianships; LLCs, Corporations or Partnerships; Land Trusts, including Illinois Land Trust; borrowers with any ownership in a business that is federally illegal, regardless of whether the income is used for qualifying.

ARM Features & Property Eligibility

ARM Features	Minimum loan amount $350,000. No investment properties. 5/6 ARM caps: 2/1/5. 7/6 and 10/6 ARM caps: 5/1/5. Index: SOFR (30 Day Average). Margin: 3.5. Floor: 3.5. No conversion option. Assumable.
Qualifying Rate	5/6 ARM: greater of fully indexed rate or Note rate + 2%. 7/6 and 10/6 ARM: greater of fully indexed rate or Note rate.
HPCT	5/6 ARM may be eligible for the applicable HPCT rebuttable-presumption treatment described in the source guidelines.
Ineligible Products	HPML; Non-Standard to Standard Refinance Transactions (ATR Exempt); HPCT QM-Rebuttable Presumption except 5/6 ARMs; balloons; graduated payments; interest-only products; loans with prepayment penalties; convertible ARMs; bridge financing or departure-residence buyout by a third party; points and fees exceeding 3%.
Eligible Property Types	1-unit SFR, PUD and Condo. 1-unit Co-op — Fixed Rate Only, in eligible co-op locations.

Underwriting & Residency

Underwriting	Manual underwriting is required. Follow applicable Fannie Mae Selling Guide requirements subject to program overlays. AUS findings are not considered and no documentation waivers are permitted.
QM / ATR	All loans must meet the Price-Based QM Safe Harbor definition: APR less than 1.50% above the applicable APOR. QM designation must be provided in the loan file. The eight Ability-to-Repay (ATR) rules must be documented.
Exceptions	Program exceptions may be considered when strong compensating factors exist; prior exception approval is required.
U.S. Citizens	Eligible.
Permanent Resident Aliens	Eligible with evidence of lawful residency. Must be employed in the U.S. for the past 24 months. Acceptable documentation includes a valid/current Permanent Resident Alien card (Form I-551) or qualifying passport evidence.
Non-Permanent Resident Aliens	Primary residence only; unexpired visas only; required credit tradelines; current 24-month U.S. employment history; maximum LTV 95%; lawful-residency documentation required.
Visa Requirements	Valid eligible visa permitting the borrower to work and live in the U.S. is required. G-series visas must not allow diplomatic immunity. All borrowers must have a valid Social Security Number.

Revocable Trusts & Documentation

Inter Vivos Revocable Trust	Eligible for 1-unit owner-occupied primary residences. Subject property may be a single-family residence, condominium, PUD or co-op when documentation and eligibility requirements are met. Title insurance must provide full title coverage without exceptions for the trust or trustees in the applicable state.
Trust Eligibility Documentation	One of the following is required: copy of trust agreement; attorney opinion confirming compliance with applicable secondary-market and state requirements; title company certification; or individual trustee certification. Certifications completed by an individual trustee must be notarized.
Trust Certification	Must confirm existence/date of trust; settlors and current trustees; trustee powers; revocability and right to revoke; names and number of trustees required to sign; trust identification number; how title to trust assets is taken; and that the trust has not been revoked, modified or amended.
Trust Agreement	Must state that the trustee is authorized to borrow for purchase/refinance; beneficiary consent is not required or has been obtained; there is no unusual risk or impairment to lender rights; and holding title in the trust does not diminish lender rights as a creditor.
Documentation	All loans must be manually underwritten and fully documented. No AUS-based documentation waivers. Income calculation worksheet or Form 1008 with income calculation; applicable self-employment analysis; full income and asset verification; all credit documents including title commitment no older than 120 days from Note date; eight ATR rules documented; and evidence of HELOC closure when applicable.

Refinance Guidelines

Lawsuits	If the URLA/1003, title commitment or credit documents indicate the borrower is a party to a lawsuit, additional documentation must establish no negative impact on ability to repay, assets or collateral.
Rate & Term Refinance	New loan amount limited to payoff of current first lien mortgage, seasoned non-first-lien mortgages, closing costs and prepaid items.
HELOC / Seasoning	If the first mortgage is a HELOC, it must be a purchase-money HELOC or a seasoned HELOC in place for 12 months with total draws not exceeding $2,000 in the most recent 12 months. Seasoned non-first-lien mortgages must be purchase-money or in place 12 months. Seasoned equity lines may not have draws totaling over $2,000 in the most recent 12 months.
Cash Back	Maximum cash back at closing is limited to 1% of the new loan amount.
Inherited Properties	Properties inherited less than 12 months before application may be considered when clear title/probate documentation establishes the borrower was awarded the property, required will/probate and buy-out documentation is provided, the borrower retains sole ownership, and cash back does not exceed 1% of the loan amount.
Delayed Purchase Refinance	Property must have been purchased for cash within six months of application. Purchase documentation must show no financing, preliminary title must show borrower ownership and no liens, and purchase funds must be fully documented, sourced and borrower-owned. Certain documented borrowed funds may be acceptable if reflected as a payoff on the new refinance transaction. Texas primary-residence transactions are not allowed.

Continuity, Credit & Derogatory Events

Continuity of Obligation	When at least one borrower on the existing mortgage is also a borrower on the new refinance, continuity is met. Permissible exceptions include qualifying title/payment history, title ownership for 24 months or more, inheritance/legal award through divorce or separation, or qualifying transfers from a trust, LLC or partnership. Transfer from a corporation to an individual does not meet continuity.
Construction-to-Permanent	Not allowed.
Credit	Minimum 1 FICO score; minimum 24+ months credit history; minimum 1 active tradeline; mortgage history 0x30x12; verification of rent 0x30x12; four years seasoning for derogatory credit events.
Bankruptcy	Chapter 7, 11 or 13: four years since discharge/dismissal.
Foreclosure / NOD	Foreclosure: four years since completion. Notice of Default: four years.
Short Sale / Deed-in-Lieu	Four years since completion/sale.
Settled Mortgage Accounts	Mortgage accounts settled for less, negotiated or short payoff: four years since settlement.
Older Credit Events	Credit events seasoned more than 10 years do not need to be considered.

Credit Events, Collections & Inquiries

Loan Modification	Lender-initiated modification is not a derogatory event if it did not include debt forgiveness and was not due to hardship, with supporting documentation. If due to hardship or debt forgiveness: four years since modification.
Forbearance	A forbearance resulting in a loan modification is considered a credit event and is treated as due to hardship.
Multiple Credit Events	Multiple derogatory credit events are not allowed; events seasoned more than 10 years do not need to be considered. Certain subsequent modification/foreclosure/short-sale sequences are treated as a single event under the source guidelines.
Medical Collections	May remain outstanding if aggregate balance is less than $10,000.
Judgments / Tax Liens / Charge-Offs / Past-Due	Must be satisfied or brought current prior to or at closing. Subject-transaction cash-out proceeds may not be used to satisfy these obligations. Prior-year tax-liability payment plans are not allowed.
Credit Inquiries	Inquiries within the most recent 90 days must be addressed. If additional credit was obtained, the debt must be verified and included in qualifying. No-new-debt confirmation may be provided by a new, pre-close or gap credit report.
Frozen Bureaus / Rescores	Frozen bureaus must be unfrozen and a current report obtained. Credit-score refreshes/rescores are permitted when the closed loan file includes supporting documentation and required assets remain sufficient.

Liabilities & Student Loans

Revolving Debt	Monthly payments on revolving accounts with a balance must be included in DTI regardless of remaining term. If no payment is reported and the actual payment cannot be determined, use the greater of $10 or 5%.
Open-End / Net 30	Balance owing must be subtracted from liquid assets.
Loans Secured by Financial Assets	No DTI payment required when documentation shows the financial asset is collateral for the loan.
Student Loan Exclusion	Student loans in deferment, forbearance or reporting $0 under an IBR plan may be excluded when the borrower is currently in residency or medical clinical fellowship and qualifies using current residency/fellowship income.
Other Student Loans	If exclusion criteria are not met, a monthly payment must be included. Use the credit-report payment when available; otherwise use documented income-driven payment or, for deferred/forbearance loans, 1% of outstanding balance or a fully amortizing payment using documented terms.
HELOCs	HELOCs with a balance and no reported payment may use a current billing statement. A $0 HELOC generally does not require a payment unless used for down payment or closing costs.
Other Liabilities	Lease payments must be included in DTI. Alimony treatment depends on divorce date under the source guidelines.
Tax Obligations	If the latest tax return/extension indicates an amount owed, sufficient liquid assets must be documented when the amount is due within 90 days of application or transcripts show an outstanding balance.

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Tax Plans, Contingent Liabilities & Income

Tax Payment Plans	A payment plan for the most recent tax year is allowed if established when taxes were due, documented in the file, included in DTI and supported by satisfactory payment history. Only the most recent tax year is eligible; prior-year plans are not allowed. Borrower may not have a prior history of tax liens.
Co-Signed Loans	May be excluded from DTI with evidence the primary obligor has made timely payments for the most recent 12 months and there are no late payments.
Debts Paid by Others	Follow applicable Fannie Mae Selling Guide requirements.
Court-Ordered Obligations	May be excluded with the required court order and, for mortgage debt, documentation transferring property ownership.
Assumption Without Release	May be excluded with evidence the borrower no longer owns the property and either 12 months of current payment history or LTV of 75% or less based on appraisal/sales price.
Non-Self-Employed Income	Follow applicable Fannie Mae Selling Guide requirements.
Self-Employed Income	Standard self-employment guidelines apply; minimum one year of personal and business tax returns with at least 12 months of self-employment reported. YTD P&L required if Note date is after April 30.
Medical Professionals — 1099	Executed employment contract required. Contract must state guaranteed/minimum salary or hourly rate and hours. Guaranteed/minimum compensation must cover at least 12 months. Hospital/clinic letter or contract must confirm no expenses to the medical professional. Start date must be within 60 days of closing. If prior-year taxes include 1099 income, tax returns are required; if expenses are shown, standard self-employment guidelines apply.

Projected Income, Asset Depletion & Reserves

Projected Income	Fully executed employment contract or offer letter signed by all parties. Must state position/title, start date, salary/compensation and compensation period of at least 12 months. Start date must be no more than 150 days after Note date. Permitted contingencies are receipt of medical license or normal administrative requirements such as background checks, drug testing and fingerprinting.
Asset Depletion	Supplemental income only; may not be the sole source of qualifying income. Eligible assets must be held in a U.S. account. Calculate depletion using a 3% rate of return over the life of the loan.
Borrower Age 59½+	Post-closing retirement and liquid assets may be used if fully vested and unrestricted.
Borrower Under 59½	Post-closing liquid, non-retirement assets may be used. Minimum post-closing liquid assets of $500,000 required to include asset depletion for qualifying income. Business funds are not allowed.
Minimum Reserves — LTV < 95%	$100,000–$1,500,000 loan amount: 0 months. $1,500,001–$2,000,000: 3 months.
Minimum Reserves — LTV > 95%	$100,000–$1,500,000 loan amount: 3 months. $1,500,001–$2,000,000: 6 months. Gift funds are eligible for reserves.
Projected Income Reserves	When projected income is used for qualifying, additional reserves must cover monthly PITIA from the Note date through the employment start date, in excess of the minimum reserve requirement.
Asset Statements	Purchase: most recent full two-month period (60 days, or most recent quarter if reported quarterly). Refinance: most recent full one-month period (30 days, or most recent quarter if reported quarterly).

Concessions, Listings & Appraisals

Financing Concessions	Interested-party contributions may come from the seller, builder, real estate agent/broker, mortgage lender or affiliates, or another interested party. May only be used for closing costs and prepaid expenses, not down payment or reserves. Maximum contributions must meet applicable Fannie Mae requirements.
Seller Concessions	Must be addressed in the sales contract, appraisal and HUD-1/CD. If present, both appraised value and sales price must be reduced by the concession amount for LTV purposes.
Properties Listed for Sale	Properties currently listed for sale at application are not eligible for refinance. Properties listed for sale within six months of application are not acceptable for refinance.
Appraisal Requirements	Loan amounts under $2,000,000 require one full appraisal. No appraisal waivers allowed. Collateral support may include CDA/CCA, BPO/value reconciliation, field review, second appraisal or qualifying Collateral Underwriter support as described in the source guidelines.
Collateral Support	If CDA/CCA is indeterminate or indicates a value more than 10% below the appraisal, additional valuation support is required. If two full appraisals are provided, a CDA is not required. A qualifying CU score may be used in lieu of CDA when the source requirements are met.

Property Restrictions & Non-Arm's-Length Transactions

Ineligible Properties	2–4 unit owner-occupied properties; second homes; investment properties; manufactured/mobile homes; mixed-use properties; model home leasebacks; C5/C6 condition; Q6 construction; Hawaii lava zones 1 & 2; properties where a valid security interest cannot be obtained; certain private transfer fee covenants; TIC projects; unique properties; working farms, ranches or orchards; non-warrantable condominiums; CondoHotels; properties over 40 acres.
Property Use	No commercial use and no income-producing attributes. For transactions over 10 acres, 20-, 25- and 30-year fixed-rate terms only.
Non-Arm's-Length	Eligible examples include family sales/transfers; seller acting as own agent; relative of seller acting as seller's agent; borrower acting as own agent; relative of borrower acting as borrower's agent; qualifying employee transactions; originator related to borrower; originator as current subsidiary of builder; and borrower purchasing from landlord with satisfactory payment history documentation.
Gifts / Commissions	Gifts from relatives who are interested parties are not allowed unless structured as a gift of equity. Real estate agents may apply commission toward closing costs/prepaids within applicable contribution limits.
Exceptions	Other non-arm's-length transactions may be acceptable on an exception basis.

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Disaster Policy

FEMA Declared Disasters	Applies to areas eligible for Individual and/or Public Assistance due to a federal government disaster declaration.
Effective Date	Disaster-area procedures become effective as of the incident-period end date. The policy applies during an ongoing disaster and to transactions with a Note date within 90 days of the end of the disaster incident period, and to certain post-closing disasters prior to purchase.
Inspection	A post-disaster property inspection is required to confirm the property value has not been adversely impacted. Inspection may be performed by the original appraiser, another licensed appraiser, or licensed property inspection company.
Appraisal On/Before Incident End	Inspection must confirm the property is free from damage and the disaster had no effect on value or marketability. If damage is identified, the extent must be addressed and repairs completed with Form 1004D/442, appraisal update/completion report, or another acceptable post-disaster inspection report with required photographs.
Appraisal After Incident End	Appraisal must include written certification that the property is free from damage and the disaster had no effect on value or marketability. If damage is identified, repairs must be completed with appropriate supporting documentation.
Monitoring	FEMA periodically updates disaster-area lists; current FEMA guidance should be monitored.