

Table of Contents

Conforming Product Matrix	3
High-Balance Loan Product Matrix	4
High Balance Product Overview	5
HBL Loan Purpose	5
HBL Property Type.....	5
HBL Underwriting.....	5
HBL Mortgage Insurance	5
LPMI	5
HBL Appraisal Requirements.....	5
97% Product Option Matrix	6
97% Limited Cash-Out Refinance Transaction	7
Guidelines.....	8
Eligible Transactions	8
Ineligible Transactions	8
Eligible Products	8
Eligible Properties	9
Ineligible Properties	9
Age of Documents.....	9
Appraisal	9
Appraisal Management Companies (AMCs)	9
Appraisal Review Process – FNMA Collateral Underwriter (CU)	9
Citizenship – Non-US Citizens	10
Community Seconds.....	10
Credit Inquiries	10
Credit Scores.....	11
Credit Score – Determining the Representative Credit Score	11
Credit – Borrower with Prior Homebridge Foreclosure	11
Debt Certification	11
DU Loan Casefiles	12
Duty To Serve.....	12

Escrows/Impounds	12
Escrow Waivers	13
HomeReady.....	13
Income Documentation Requirements	14
Mortgage Insurance	14
Mortgage Insurance LTV Determination for New York State.....	15
Non-Purchasing Spouse.....	16
Power of Attorney.....	16
Prior Mortgage Fraud.....	16
Properties Financed with Homebridge	16
RefiNow.....	16
Social Security Numbers - Multiple	16
Tax Exemptions / Abatements	16
Temporary Buydown	17
Texas Home Equity 50(a)(6)	18
Verbal VOE	19
Verification of Deposit.....	19

Conforming Product Matrix						
Owner Occupied						
Transaction Type	Units	Maximum LTV ¹ /CLTV ² /HCLTV			Loan Amount ³	Credit Score ⁴
Purchase Limited Cash-Out	1 Unit	Amortization Type	DU 10.2	DU 10.3	See Below	Per AUS
		Fixed Rate	97.00% ⁶			
		ARM	95.00%			
	Manufactured Home	Fixed Rate/ARM (7/6 and 10/6 only)	95.00%		See Below	Per AUS
	2 Unit	Fixed Rate/ARM	95.00%			
3-4 Unit	Fixed Rate/ARM	95.00%		See Below	Per AUS	
Cash-Out ⁵	1 Unit	Fixed Rate/ARM	80.00%		See Below	Per AUS
	Manufactured Home	Fixed (15-20yr only)/ARM (7/6 and 10/6 only)	65.00%			
	2-4 Unit	Fixed Rate/ARM	75.00%		See Below	Per AUS
Second Home						
Purchase Limited Cash-Out	1 Unit	Amortization Type	DU 10.2	DU 10.3	See Below	Per AUS
		Fixed Rate/ARM	90.00%			
	Manufactured Home	Fixed Rate	90.00%			
Cash-Out ⁵	1 Unit	Fixed Rate/ARM	75.00%		See Below	Per AUS
Non-Owner Occupied						
Purchase	1 Unit	Fixed Rate/ARM	85.00%		See Below	Per AUS
	2-4 Unit	Fixed Rate/ARM	75.00%		See Below	Per AUS
Limited Cash-Out	1-4 Unit	Fixed Rate/ARM	75.00%		See Below	Per AUS
Cash-Out ⁵	1 Unit	Fixed Rate/ARM	75.00%		See Below	Per AUS
	2-4 Unit	Fixed Rate/ARM	70.00%		See Below	Per AUS
Maximum Loan Limits 2025						
Number of Units		Contiguous States District of Columbia & Puerto Rico		Alaska, Guam, Hawaii & US Virgin Islands		
1		\$806,500		\$1,209,750		
2		\$1,032,650		\$1,548,975		
3		\$1,248,150		\$1,872,225		
4		\$1,551,250		\$2,326,875		
Footnotes	¹ LTV ≥80.01% requires Mortgage Insurance (Must follow more restrictive of these guidelines or MI Guidelines). Financed MI; the maximums as indicated above cannot be exceeded with DU Version 9.1.					
	² 105% CLTV Community Seconds: With the exception of ARM loans, the CLTV ratio may exceed the limits stated above only if the mortgage is part of a Community Seconds transaction. However; 5, 7 & 10 year ARM loans are limited to the LTV/CLTV/HCLTV ratio indicated above.					
	³ Minimum Loan Amount - \$50,000. (\$150,000 for Investment Properties)					
	⁴ DU performs its own analysis of the credit report data, but in no case will credit scores be <620.					
	⁵ If the property was purchased within the prior six (6) months, the borrower is ineligible for a cash-out refinance transaction unless the loan meets the Delayed Financing Exception Guidelines.					
	⁶ LTV, CLTV and HCLTV Ratios greater than 95.00%: Purchase transactions, at least one (1) borrower must be a first-time home buyer (excluding HomeReady). Limited Cash-Out Refinances, FNMA must be owner of existing mortgage.					

High-Balance Loan Product Matrix				
Primary Residence				
Transaction Type	Units	Maximum LTV/CLTV/HCLTV		Credit Score
Purchase Limited Cash-Out	1 Unit	Fixed Rate	95.00%	Per AUS
	2 Unit	Fixed Rate	85.00%	Per AUS
	3-4 Unit	Fixed Rate	75.00%	Per AUS
Cash-Out	1 Unit	Fixed Rate	80.00%	Per AUS
	2-4 Unit	Fixed Rate	75.00%	Per AUS
Second Home				
Purchase Limited Cash-Out	1 Unit	Fixed Rate	90.00%	Per AUS
Cash-Out	1 Unit	Fixed Rate	75.00%	Per AUS
Non-Owner Occupied				
Purchase	1 Unit	Fixed Rate	85.00%	Per AUS
	2-4 Unit	Fixed Rate	75.00%	Per AUS
Limited Cash-Out	1-4 Unit	Fixed Rate	75.00%	Per AUS
Cash-Out	1 Unit	Fixed Rate	75.00%	Per AUS
	2-4 Unit	Fixed Rate	70.00%	Per AUS
Maximum Loan Limits for High Cost Areas 2025				
Number of Units		Contiguous States & District of Columbia		Alaska, Guam, Hawaii & US Virgin Islands
1		\$1,209,750		N/A
2		\$1,548,975		N/A
3		\$1,872,225		N/A
4		\$2,326,875		N/A
<ul style="list-style-type: none">High Balance mortgage loans (HBLs) are subject to high-cost area loan limits set annually by the Federal Housing Finance Agency (FHFA). Refer to FNMA’s website for eligible areas and loan limits for each area; see Loan Limits Page.Note: Regarding refinance of existing FNMA loans, the refinance loan must meet the loan limits applicable at the time of sale of the refinanced loan to FNMA, regardless of whether higher limits might have applied to the existing loan being refinanced.Puerto Rico and several other states do not have any high cost areas in 2024/2025.				

High Balance Product Overview	
HBL Loan Purpose	Purchase, Limited Cash-Out Refinance & Cash-Out Refinance eligible on all property types & occupancy types for High Balance. See High Balance Loan Product Matrix for details.
HBL Property Type	1-4 Unit; including condos
HBL Underwriting	DU Approve/Eligible recommendation must be received.
HBL Mortgage Insurance	<ul style="list-style-type: none"> Loans with >80% LTV, mortgage insurance is required and are subject to MI guidelines. The more restrictive of Homebridge or MI company guidelines apply. Eligible MI products: <ul style="list-style-type: none"> Borrower-paid Mortgage Insurance (BPMI). Monthly or single premiums are eligible. The Lender Paid Mortgage Insurance (LPMI). Single premium only. Eligible MI options: <ul style="list-style-type: none"> Financed MI eligible for BPMI single premium Non-refundable Refundable (eligible with BPMI single premium only) Renewal type, as applicable <ul style="list-style-type: none"> Level/constant Declining /amortized Homebridge approved MI companies are Arch, Essent, Enact, MGIC, National, and Radian. <p>LPMI</p> <ul style="list-style-type: none"> The Seller must indicate LPMI when locking loan. Refer to the Homebridge Rate Sheet for pricing.
HBL Appraisal Requirements	Standard appraisal requirements apply.

97% Product Option Matrix		
	FNMA Standard 97%	FNMA HomeReady*
Eligible Loan Type	Fixed Rate up to 30yrs	Fixed Rate up to 30yrs
Loan Purpose	Purchase Limited Cash-Out Refinance	Purchase Limited Cash-Out Refinance
Property & Occupancy	1-unit Primary Residence (SFR, Warrantable Condo/PUD)	1-unit Primary Residence (SFR, Warrantable Condo/PUD); 2-4 unit allowed to standard LTV/CLTV's
LTV/CLTV/CLTV Limits	Purchase/Limited Cash-Out – 97.00%* LTV/CLTV/HCLTV CLTV's up to 105% - allowed w/ Community 2 nd loan. <u>*Limited Cash-Out Refi w/ 95.01-97% LTV</u> – existing loan must be owned or securitized by FNMA	1 Unit Purchase – 97% LTV* / 105% CLTV** 1 Unit LCOR – limited to 95% LTV/CLTV **CLTV's up to 105% allowed w/ eligible Community Seconds program. <u>*Limited Cash-Out Refi w/ 95.01-97% LTV</u> – existing loan must be owned or securitized by FNMA
Maximum Loan Amount	\$766,550	\$766,550 High Balance loan limits allowed at standard LTV/CLTV limits.
Underwriting Method	DU Approve/Eligible only	DU Approve/Eligible only
First Time Homebuyer (Purchase)	At least one (1) borrower must be a FTHB	Not required
Non-Occupant Co-Borrowers	Non-Occupant Co-Borrowers are permitted up to 95% w/ DU Approve/Eligible findings	Non-Occupant Co-Borrowers are permitted up to 95% w/ DU Approve/Eligible findings
Ownership of Other Property	No limit on borrower's ownership in other residential property at time of closing.	Borrowers (Occupant & Non-Occupant) are allowed to own other residential properties at time of loan transaction. Max financed properties is 2, including subject.
Borrower Income Limits	No Income Limits	<ul style="list-style-type: none"> Total annual qualifying income may not exceed 80% of the AMI (area median income) for the property's location DU findings will reference FNMA AMI's
Boarder Income	Not permitted	<ul style="list-style-type: none"> Permitted – 1 unit only Up to 30% of the qualifying income Must document at least 12mos of shared residency Boarder cannot be obligated on the mortgage or have ownership interest in the property
Accessory Dwelling Units	Not permitted	<ul style="list-style-type: none"> Permitted – 1 unit only Rental income from the unit considered in qualifying the borrower per rental income guidelines.
Mortgage Insurance Coverage	35%	25%
Cash on Hand	Not allowed	Allowed – 1 unit only
Homeownership Education & Housing Counseling	Homeownership education & counseling required for at least one (1) borrower on purchase transactions with LTV/CLTV/HCLTV > 95%, when all occupying borrowers are first-time homebuyers	Homeownership education & counseling required for at least one borrower on purchase transactions when all occupying borrowers are first-time homebuyers

97% Limited Cash-Out Refinance Transaction			
Existing Loan	<ul style="list-style-type: none"> HomeReady & Standard FNMA 97% LTV The Seller must document that the existing loan being refinanced is owned (or securitized) by FNMA. Documentation may come from: <ul style="list-style-type: none"> Current servicer FNMA's Loan Lookup Tool 		
LTV, CLTV and HCLTV Ratios	LTV	CLTV	HCLTV
	95.01% - 97.00%	95.01% - 97.00% 105.00% - With Community Seconds® loan.	95.01% - 97.00%
Maximum Loan	\$766,550		
Eligible Loan Type	<ul style="list-style-type: none"> Fixed Rate <ul style="list-style-type: none"> Up to 30-year terms 		
Ineligible Loan Type	<ul style="list-style-type: none"> High Balance Adjustable Rate 		
Property and Occupancy	<ul style="list-style-type: none"> 1 Unit Principal Residence (including Condo/PUD) Manufactured housing is not permitted. 		
Underwriting Method	<ul style="list-style-type: none"> DU ONLY Approve/Eligible 		
Mortgage Insurance Coverage	35%		
Other	All standard limited cash-out refinance policies apply.		

***** All loans must adhere to all FNMA guidelines except where noted below *****

Guidelines	
Eligible Transactions	<ul style="list-style-type: none"> • Purchase • Limited Cash-Out Refinance • Cash-Out Refinance
Ineligible Transactions	<ul style="list-style-type: none"> • Manual Underwrite • DU Findings <u>without</u> Approve/Eligible recommendation • NY CEMA • MCC (Mortgage Credit Certificate) programs; allowed after closing (cannot be used for qualifying purposes) • Land Trusts (Community Land Trusts are eligible) • Loans subject to Private Transfer Fees (PTF's) <ul style="list-style-type: none"> ○ Excluding loans with private transfer fees paid to homeowners' associations, condominiums, and certain tax-exempt organizations that use private transfer fee proceeds to benefit the property. Fees that do not directly benefit the property would disqualify mortgages from being purchased by Homebridge. • Power of Attorney on a Cash-Out Refinance transaction. • Single-Close Construction-to-Permanent • Loans with PACE or HERO programs as a secondary/subordinate financing option (all states) • Loans with qualifying income earned from state-legalized marijuana businesses, where the income is not standard W-2 and/or is considered self-employed. • Loans where a borrower(s) has a Deferred Action for Childhood Arrivals (DACA) status & does not meet the eligibility requirements as defined in the Citizenship section. • Homestyle Renovation
Eligible Products	<ul style="list-style-type: none"> • Agency Fixed Rate: 10, 15, 20, 25, 30 Year • Homebridge Securitized ARM Product <ul style="list-style-type: none"> ○ Terms: 5/6, 7/6 & 10/6 ○ Caps: 5/6 ARM – 2/1/5; 7/6, 10/6 ARMs - 5/1/5 ○ Margin: 3.000 ○ Index: 30-Day Avg Secured Overnight Financing Rate (SOFR) • Temporary Buydown • Qualifying Payment <ul style="list-style-type: none"> ○ Initial fixed rate period of 5 years or less (6 Month to 5 Year ARM) – Qualify at the greater of the indexed note rate or the note rate + 2%. ○ Initial fixed rate period of greater than 5 years (7/6 and 10/6) - Qualify at no less than the note rate. <ul style="list-style-type: none"> ▪ The fully indexed rate is defined as the index plus margin, as entered in DU. ▪ HPML and HPCT are qualified at the greater of the note rate or the fully indexed rate. • The index and margin are required for all ARM loans submitted for underwriting for DU.

Guidelines	
Eligible Properties	Must conform to FNMA guidelines.
Ineligible Properties	<ul style="list-style-type: none"> • Non-warrantable condo & new attached condo projects • Cooperatives • Vacant land or land development properties, • Properties that are not readily accessible by roads that meet local standards, • Agricultural properties, such as farms or ranches, • Units in Condo or Co-op Hotels (See B4-2.1-02 Ineligible Projects 5-28-2014) for complete listing of ineligible properties, • Boarding houses (Group Homes are not considered to be boarding houses), • Bed and breakfast properties; or • Properties not suitable for year-round occupancy regardless of location. • Properties located in Lava Zones 1 & 2 • Manufactured homes located in the state of New York
Age of Documents	<ul style="list-style-type: none"> • The appraisal, credit report, employment, income and assets for all loans (existing and new construction), must be no more than four (4) months old on the date the Note is signed. • Preliminary title policies must be no more than 120 days before the Note date.
Appraisal	<ul style="list-style-type: none"> • The Seller must have appraisal policies in place including but not limited to: AIR, AMC (if applicable), ROV. • All appraisals must adhere to FNMA guidelines. • For additional appraisal requirements, refer to the Homebridge Seller Guide.
Appraisal Management Companies (AMCs)	The Seller must be responsible for selecting, retaining, and providing for payment of all compensation to the appraiser or AMC. A TPO may not have any involvement in selecting, retaining or providing payment to the appraiser or the AMC. Homebridge will not accept any appraisal report completed by an appraiser selected, retained, or compensated in any manner by the borrower or any other third party (including Mortgage Brokers, Loan Originators, and real estate agents). Refer to the FNMA AIR FAQ document for additional information.
Appraisal Review Process – FNMA Collateral Underwriter (CU)	<p>All appraisals submitted to Homebridge must meet UAD guidelines and standards and all appraisal forms must comply with UAD requirements. UAD requires condition and quality ratings be assigned to the property by the appraiser. FNMA condition ratings are C1 to C6 and quality ratings are Q1 to Q6.</p> <p>Homebridge will only accept the following ratings:</p> <ul style="list-style-type: none"> • Conditions ratings of C1, C2, C3, C4 and C5 are eligible. • Quality ratings of Q1, Q2, Q3, Q4 and Q5 are eligible. <p>All high risk and overvaluation messages must be addressed.</p>

Guidelines	
Citizenship – Non-US Citizens	<ul style="list-style-type: none"> FNMA purchases and securitizes mortgages made to non–U.S. citizens who are lawful permanent or non-permanent residents of the United States under the same terms that are available to U.S. Citizens. FNMA does not specify the precise documentation the Seller must obtain to verify that a non–U.S. Citizen borrower is legally present in the United States. <ul style="list-style-type: none"> If borrower is a non-permanent resident alien, the Seller will determine visa eligibility for the borrower based on the Visa Eligibility for Non-Citizens (Conventional Conforming Loans chart). The Seller must determine the non–U.S. citizen’s status based on the circumstances of the individual case, using documentation deemed appropriate. The Seller represents and warrants that the non–U.S. citizen borrower is legally present in this country. If borrower(s) has a Deferred Action for Childhood Arrivals (DACA) status, the loan is eligible for financing if the following requirements are met: <ul style="list-style-type: none"> The borrower must have a valid Social Security Number or Individual Taxpayer Identification Number AND The borrower must have a CURRENT and VERIFIED employment authorization document (EAD) or other current documentation showing legal status. FNMA requires all borrowers to have a valid Social Security number or Individual Taxpayer Identification Number (ITIN) (in addition to meeting existing legal residency and documentation requirements).
Community Seconds	The Seller must approve all Community Second scenarios on a loan level basis. Community seconds must meet all FNMA guidelines.
Credit Inquiries	<ul style="list-style-type: none"> The borrower(s) must address all inquiries listed on their credit report within the past 90 days. All inquiries listed on the credit report must be addressed by the borrower, specifically stating the creditor(s) and verifying no extension of credit. <ul style="list-style-type: none"> Acceptable response: The inquiries by Chase, Wells & Bank of America have not resulted in any extension of credit. Unacceptable response: We have not obtained any additional credit as a result of the inquiries listed on our credit report. (Does not name the creditors - Chase, Wells & Bank of America).

Guidelines									
Credit Scores	<ul style="list-style-type: none"> • Tri-merge report is required for all Borrowers. • Representative credit score used on each Borrower is; middle of 3, lower of 2 or 1 score (per AUS). <ul style="list-style-type: none"> ○ If 2 of the 3 scores are the same, choose the middle of the 3 scores <ul style="list-style-type: none"> ▪ For example: 700, 680, 680 = 680 or 700, 700, 680 = 700 • DU performs its own analysis of the credit report data, but the scores cannot be <620. • If there is only one (1) borrower, the single applicable score used to underwrite that borrower is the representative credit score for the mortgage. • If there are multiple borrowers, determine the applicable credit score for each individual borrower and select the lowest applicable score from the group as the representative credit score. • If there is a borrower on the loan who does not have a credit score, determine the representative credit score for the mortgage based on the credit scores of the other borrowers on the mortgage. • Loans where the credit score is made up of only medical accounts are not eligible. • If the borrower's credit information is frozen at one of the credit repositories for borrowers who have traditional credit, the credit report is still acceptable as long as: <ul style="list-style-type: none"> ○ credit data is available from two repositories, ○ a credit score is obtained from at least one of those two repositories, AND ○ a three in-file merged report was requested. <p>NOTE: Loans for borrowers with credit data frozen at two or more of the credit repositories will not be eligible.</p>								
Credit Score – Determining the Representative Credit Score	<table border="1"> <thead> <tr> <th colspan="2">Determining the Individual Borrower Representative Score when duplicate scores exist from three (3) repositories</th></tr> <tr> <th>Scores Received:</th><th>FNMA Representative Score: (use the duplicate score)</th></tr> </thead> <tbody> <tr> <td>700, 700, 680</td><td>700</td></tr> <tr> <td>700, 640, 640</td><td>640</td></tr> </tbody> </table>	Determining the Individual Borrower Representative Score when duplicate scores exist from three (3) repositories		Scores Received:	FNMA Representative Score: (use the duplicate score)	700, 700, 680	700	700, 640, 640	640
Determining the Individual Borrower Representative Score when duplicate scores exist from three (3) repositories									
Scores Received:	FNMA Representative Score: (use the duplicate score)								
700, 700, 680	700								
700, 640, 640	640								
Credit – Borrower with Prior Homebridge Foreclosure	<p>If the Borrower(s) on the loan application has a prior foreclosure with Homebridge:</p> <ul style="list-style-type: none"> • The loan must be elevated to Homebridge for prior approval. Contact the Homebridge Secondary Marketing department. • A detailed memo explaining the reason(s) for the foreclosure is required. <ul style="list-style-type: none"> ○ The memo must include the factors that are considered the reasons for the foreclosure, as well as the monetary loss incurred by Homebridge. ○ The explanation should be for “extraordinary” situations, such as prolonged serious medical condition and/or death of a household wage-earner. • The loan must otherwise meet all FNMA guidelines that apply for foreclosure. 								
Debt Certification	<p>If it is discovered prior to purchase that a Borrower has taken on new debt after the Note date or has incurred new debt not considered prior to the Note date, the loan must be re-qualified.</p>								

Guidelines	
DU Loan Casefiles	Approve/Eligible Findings are required. No manual underwrites.
Duty To Serve	<ul style="list-style-type: none"> The Duty to Serve program improves access to mortgage financing for those of modest means in three specific housing markets that pose persistent challenges: Manufactured Housing, Rural Housing, and Affordable Housing Preservation. If the borrower meets agency criteria for Duty to Serve, LLPAs may be waived. The seller must select one of the following products: <ul style="list-style-type: none"> FNMA Duty to Serve 30yr Fixed FNMA Duty to Serve 20yr Fixed FNMA Duty to Serve 10yr Fixed FNMA Duty to Serve 30yr Fixed High-Balance
Escrows/Impounds	<ul style="list-style-type: none"> First mortgages generally must provide for the deposit of escrow funds to pay as they come due, including taxes, ground rents, premiums for property insurance, and premiums for flood insurance. However, escrow deposits for payments of premiums for borrower-purchased mortgage insurance (MI), if applicable, are mandatory. FNMA does not require an escrow deposit for property or flood insurance premiums for an individual unit in a condo or PUD when the project in which the unit is located is covered by a blanket insurance policy purchased by the homeowner's association (HOA) If a special assessment levied against the property was not paid at loan closing, the borrower's payment must include appropriate accruals to ensure that any estimated annual payment toward the assessment will be accumulated by the time it comes due. For certain refinance transactions where the borrower is financing real estate taxes in the loan amount, an escrow account is required, subject to applicable laws or regulations.

<p>Escrow Waivers</p>	<ul style="list-style-type: none"> • Homebridge allows for the waiving of escrows, depending on the loan type, the LTV, and the borrower(s) financial ability to pay the lump sum payments of taxes and insurance. <ul style="list-style-type: none"> ○ Homebridge allows for the partial waiver of tax and homeowners insurance escrows. However, if a waiver is chosen for: <ul style="list-style-type: none"> ▪ Taxes – all taxes must be waived. For example, a borrower may not waive county taxes and escrow for school taxes. ▪ Insurance – all insurance (hurricane, wind, etc.), except for flood, must be waived. ○ Flood insurance escrow waivers are not permitted ○ For subject properties not located in CA, Homebridge does not allow for the waiving of escrows when a loan requires mortgage insurance, regardless if the mortgage insurance is lender paid or borrower-paid. ○ For subject properties located in CA, an escrow waiver is permitted if the LTV is < 90%. ○ Refinance transactions where the escrow deposit accounts for current or prior year taxes that were sixty (60) days or more delinquent and are being included in the new loan amount are considered cash out transactions. Escrows may not be waived. • Any conflict between Homebridge policy and state law must default to the state law.
<p>HomeReady</p>	<p>Follow all FNMA guidelines except for the following, which are not eligible:</p> <ul style="list-style-type: none"> • ARMs • Temporary Buydowns • Sweat Equity

Guidelines					
Income Documentation Requirements	<ul style="list-style-type: none">The Seller must verify employment income for all borrowers whose income is used to qualify for the mortgage loan in accordance with agency guidelines.Homebridge will only accept a fully completed VOE as a supplement to further explain the type of income earned (example: breakdown of income; Base, OT, Bonus, Commission, etc.).Income derived from a state-legalized marijuana business(es) can be used to qualify the loan:<ul style="list-style-type: none">W-2 income only; not acceptable for self-employed income<ul style="list-style-type: none">The option to use the income is for a salaried/wage-earner only; if W-2 income is as the result of owning the corporation, it is still considered self-employed and cannot be used.This option is only available for FNMA Agency loans. The loan must be locked to a FNMA agency product and cannot be underwritten or locked to any other agency product (i.e. FHLMC, FHA, VA, etc.)				
	<table><tr><th>Acceptable MI Types</th><th>Unacceptable MI Types</th></tr><tr><td><ul style="list-style-type: none">Borrower Paid MonthlyBorrower Paid Single PremiumFinanced: Gross LTV cannot exceed program maximumSplit PremiumLender Paid Single Premium</td><td><ul style="list-style-type: none">Lender Paid MonthlyLender Paid AnnualBorrower Paid AnnualAny MI Type not listed as acceptableReduced Coverage</td></tr></table>	Acceptable MI Types	Unacceptable MI Types	<ul style="list-style-type: none">Borrower Paid MonthlyBorrower Paid Single PremiumFinanced: Gross LTV cannot exceed program maximumSplit PremiumLender Paid Single Premium	<ul style="list-style-type: none">Lender Paid MonthlyLender Paid AnnualBorrower Paid AnnualAny MI Type not listed as acceptableReduced Coverage
Acceptable MI Types	Unacceptable MI Types				
<ul style="list-style-type: none">Borrower Paid MonthlyBorrower Paid Single PremiumFinanced: Gross LTV cannot exceed program maximumSplit PremiumLender Paid Single Premium	<ul style="list-style-type: none">Lender Paid MonthlyLender Paid AnnualBorrower Paid AnnualAny MI Type not listed as acceptableReduced Coverage				
Mortgage Insurance	<ul style="list-style-type: none">Loans with >80% LTV, mortgage insurance is required and are subject to MI guidelines. The more restrictive of Homebridge or MI company guidelines apply.Eligible MI options:<ul style="list-style-type: none">Financed MI eligible for BPMI single premiumNon-refundableRefundable (eligible with BPMI single premium only)<ul style="list-style-type: none">Renewal type, as applicable: Level/constantHomebridge approved MI companies: ARCH MI, Essent Guaranty, Enact, Radian, MGIC and NationalLPMI: Seller must indicate LPMI when locking loan. Refer to the Homebridge Rate Sheet for pricing.				

Guidelines		
Mortgage Insurance LTV Determination for New York State	<p>Under a New York statute, a mortgage insurer must issue mortgage insurance based on a determination of the “fair market value” of the property. The term “fair market value” is not defined in the statute but has been defined by the NY insurance regulator as being the “appraised value”. The following table identifies the value calculation that is to be used for mortgage loans secured by properties in New York for policies that are based on the LTV ratio.</p>	
	LTV Ratio Calculation	Policy
	LTV ratio based on the appraised value	<ul style="list-style-type: none"> • Seller must base their determination of when mortgage insurance (MI) is required solely on the appraised value of the property. If the appraised value exceeds the sales price, this determination may result in MI not being placed on the mortgage loan as would otherwise be required using FNMA’s standard definition. • If this calculation results in MI not being placed on the loan as would otherwise be required, The Seller must deliver the loan to FNMA using the MI Absence Reason Type of “No MI Based on Original LTV” (Sort ID 429).
	LTV ratio based on the lower of the sales price or appraised value (standard LTV ratio calculation) for all property types	<ul style="list-style-type: none"> • Irrespective of the use of appraised value or sales price for determining whether MI is required, the standard LTV calculation must be used to determine the level of MI coverage that is required on the mortgage loan. (See MI Coverage Requirements for additional information). • The standard LTV ratio calculation must also be used to: <ul style="list-style-type: none"> ○ Determine whether the loan satisfies any of FNMA’s other eligibility criteria that are based on the LTV ratio of the loan; ○ Determine any loan-level price adjustments that include LTV or CLTV ratios as a risk attribute; and ○ When the loan is delivered to FNMA (Sort ID 254). The standard LTV ratio must be delivered, even if the appraised value or sales price is used to determine that mortgage insurance is not required.

Guidelines	
Non-Purchasing Spouse	<ul style="list-style-type: none"> Only the debts of those who will be on the Note are required to be included in the debt-to-income ratio. In community property/marital rights states, the non-borrowing spouse does have an interest in the property and is required to execute the security instrument and all applicable documents as determined by state law.
Power of Attorney	<p>Please refer to the FNMA Selling Guide POA Requirements.</p> <p>The original Power of Attorney must be shipped to: Homebridge Financial Services, Inc. Attn: Warehouse 99 Wood Avenue South, Suite 301 Iselin, NJ 08830</p>
Prior Mortgage Fraud	<ul style="list-style-type: none"> Homebridge will not purchase any loan when the borrower(s) or any interested parties in the transaction have been previously convicted of mortgage fraud. There are NO exceptions.
Properties Financed with Homebridge	<p>At the time of purchase, Homebridge will limit our exposure to four (4) financed properties including the subject property. If the Seller has a loan file that will result in exceeding the financed four (4) properties, prior approval from Homebridge must be obtained.</p>
RefiNow	<p>Follow all FNMA guidelines</p>
Social Security Numbers - Multiple	<ul style="list-style-type: none"> The social security number (SSN) on all loan file documents must match. In addition, the Seller must review the additional social security number(s) section located on the borrower's credit report. If there is any variance of SSN within the loan file or if there are any additional SSNs appearing on the credit report, the Seller must provide documentation of satisfactory resolution.
Tax Exemptions / Abatements	<ul style="list-style-type: none"> There can be no uncertainty about whether the borrower qualifies for the homestead, abatement or other tax exemption or reduction. For the lower amount to be used for qualifying purposes, evidence the abatement, homestead or exception is unconditionally approved prior to the first mortgage payment for a purchase transaction or is in effect for a refinance transaction and remains in place for a minimum of five (5) years after closing is required.

<p>Temporary Buydown</p>	<ul style="list-style-type: none"> • Temporary buydowns may be funded by: <ul style="list-style-type: none"> ○ The Lender (Purchase Only) ○ The Listed or Selling Real Estate Agent (Purchase Only) ○ The Seller (Purchase Only) ○ The Borrower (Purchase and Rate/Term Refi) <ul style="list-style-type: none"> ▪ Note: Borrower-funded subsidy amounts must be calculated in the QM points/fees cap and pass compliance testing ○ Note: Buydowns may be funded by <u>only one</u> of the above parties. Buydowns may not be split or funded by more than one party. • The following transactions are ineligible for temporary buydowns: <ul style="list-style-type: none"> ○ Investment Properties ○ Cash-Out Refinances ○ Texas 50(a)(6) Refinances • 3/2/1, 2/1, 1/1/1, 1/1, and 1/0 options available.
---------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Guidelines

Texas Home Equity 50(a)(6)

- Cash-out refinance
 - Owner Occupied
 - All borrowers must reside in the home
 - Non-occupant co-borrowers are not allowed
 - Maximum 80% LTV/CLTV
 - 1 Unit SFD, PUD or Condo (2-4 Unit not eligible)
 - Approve/Eligible DU Findings
 - Maximum of 10 acres
- Maximum 2% fee limitation for all closing costs, fees and charges
 - Excluded: Prepaids, Appraisal Costs, Survey Costs, Title Insurance Premiums, Title Examination Report & Bona fide discount points used to buy down the interest rate (borrowers must sign an "Election to pay Discount Points" affidavit at closing)
- Notice Concerning Extension of Credit
 - Borrower & non-borrowing spouse (if applicable) MUST sign a Notice Concerning Extensions and Credit (aka "12 Day Disclosure")
 - 12 days must pass from the time this disclosure is signed and the day the loan is scheduled to close.
- Survey required.
- Loan must be closed at Closing Agents Office; cannot close at borrower's home.
- Borrower(s) cannot sign early (i.e. cannot sign before the date of the closing package).
- Deed of Trust; Trustee must be completed on Security Instrument (must be a Texas resident and is typically an attorney)
 - HE Deed of Trust must be executed at closing
- Home Equity Waiting Periods:
 - "12 Day Disclosure" - the loan cannot close until the Notice Concerning Extensions and Credits has been signed and received by the Seller for 12 days.
 - 24 Hours - must pass after the borrower(s) have signed their final CD and final 1003 loan application before the loan can close.
 - 12 Months - the loan may not close sooner than 12 months after the closing of the previous (a)(6) loan.
- Ineligible transactions:
 - Freddie Open Access/Relief
 - Loans with an interest-only period
 - Loans with a potential for negative amortization
 - Loans with temporary interest rate buy downs
 - Property with an Agriculture (AG) Exemption
 - Loans with Property Inspection Waivers (PIW)/Appraisal Waivers
- Fixed rate terms available: 10, 15, 30 years
- ARM terms available: No assumptions and no buydowns allowed. Qualifying Payment: Initial fixed rate period of 5 years – Qualify at the greater of the indexed note rate or the note rate + 2%. Initial fixed rate period of greater than 5 years (7/6 and 10/6) - Qualify at the greater of the note rate or the fully indexed rate. The fully indexed rate is defined as the index plus margin, as entered in DU. The index and margin are required for all ARM loans submitted for underwriting to DU.
 - 5/6 SOFR ARM – 2/1/5 caps
 - 7/6 SOFR ARM – 5/1/5 caps
 - 10/6 SOFR ARM – 5/1/5 caps
- A Power of Attorney is permitted in connection with a Texas Section 50(a)(6) mortgage loan.
- **NOTE:** Texas Section 50(F)(2) Refinance transactions are eligible with FNMA with no restrictions.

Guidelines	
Verbal VOE	<ul style="list-style-type: none"> • A Verification of Employment must be obtained within 4 months prior to the note date. • A Reverification of Employment must be obtained. <ul style="list-style-type: none"> ○ For salaried borrowers, the reverification must be within 10 business days prior to the note date. ○ For self-employed borrowers, the reverification must be within 20 business days prior to the note date. • Business License, CPA Letter or Federal Tax ID Certificate required for all Self-Employed Borrowers (3rd party verification required). • Minimum of two (2) years employment history must be verified. • When employment is validated by DU, DU includes in its assessment the age of the information in the vendor's database. The DU message will include a date by which the loan must close. This may differ from the age of data and 10 business day requirements above. Compliance with the DU message satisfies the requirement for completing the verification of employment.
Verification of Deposit	<p>On an exception basis only, Homebridge will allow the use of a completed Verification of Deposit (VOD) in lieu of bank statements with a satisfactory explanation as to why bank statements are not available.</p>