

## Fannie Mae / Freddie Mac Quick Reference Comparison

Guideline	Fannie Mae	Freddie Mac
<b>AUS Finding</b>	"Approve/Eligible" required	"Accept" required
<b>Minimum Credit Score</b>	Per DU	620
<b>Maximum Loan Amount</b>	Per FHFA	\$1,000,000
<b>Maximum LTV</b>	See attached Exhibit A for variances	See attached Exhibit A for Variances
<b>Cash-Out Allowed High Balance/ Super Conforming</b>	<ul style="list-style-type: none"> <li>Primary 1-unit: Allowed</li> <li>Primary 2-4 units: Not allowed</li> <li>Second Home: Not allowed</li> <li>Investment: Not allowed</li> </ul>	<ul style="list-style-type: none"> <li>Primary 1-unit: Allowed</li> <li>Primary 2-4 units: Allowed</li> <li>Second Home: Allowed</li> <li>Investment 1-4 units: Allowed</li> </ul>
<b>Condo Project Eligibility</b>	Fannie Mae warrantable	Freddie Mac or Fannie Mae warrantable
<b>Condo Conversions</b>	Eligible. New or Newly converted in FL required PERS approval.	No condo projects converted in the previous 3 years regardless of location
<b>Attached Condo Comparable Sales</b>	No specific requirement	Must provide two comparable sales from outside the subject project and outside the influence of the developer, builder or property seller
<b>AMC</b>	<ul style="list-style-type: none"> <li>All states except Texas: Mortgage Management Consulting at <a href="#">MMC</a></li> <li>Texas: Momentum Appraisal Group at <a href="#">Momentum</a></li> </ul>	<ul style="list-style-type: none"> <li>All states except Texas: Mortgage Management Consulting at <a href="#">MMC</a></li> <li>Texas: Momentum Appraisal Group at <a href="#">Momentum</a></li> </ul>
<b>Secondary Financing</b>	Eligible	Eligible must reduce LTV by 5%
<b>DPA</b>	Eligible	Not Eligible
<b>Unpermitted Additions</b>	The appraiser must comment on the quality and appearance of the work and any impact the addition might have on the market value of the subject property.	Eligible if: the appraiser states work is completed in "workmanlike quality", the addition does not change the number of units comprising the property and if the appraiser gives the addition value, must state typical for the area and has no reason to believe the addition would not pass an inspection for obtaining permits.
<b>Review Appraisal on High Balance/Super Conforming</b>	A field review (FNMA <a href="#">Form 2000</a> ) will be required on the following: <ul style="list-style-type: none"> <li>- LTV &gt; 80% and loan amount &gt;\$625,500, or</li> <li>- LTV &gt; 75% and the property is valued at \$1,000,000 or more</li> </ul>	A field review (FNMA <a href="#">Form 2000</a> ) will be required on the following: <ul style="list-style-type: none"> <li>- LTV &gt; 75% and the property is valued at \$1,000,000</li> </ul>
<b>Credit Report</b>	Broker acceptable	REM N Wholesale will re-pull credit
<b>Maximum DTI</b>	Per DU	50%
<b>Non-Occupant Co-borrower</b>	Income cannot be used in the debt ratio calculation	≤ 75% LTV: Income can be used in the debt ratio calculation > 75% LTV: Considered on case-by-case basis with REM N Wholesale management approval

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<b>Bankruptcy 7 or 11</b> Refer to program guidelines for complete details	4 years from discharge to credit report date NOTE: Extenuating circumstances 2 years from discharge and lesser of 90% LTV or maximum allowed by program	2 years from discharge to credit report date
<b>Bankruptcy 13</b> Refer to program guidelines for complete details	<ul style="list-style-type: none"> <li>• 2 years from discharge date to credit report date, or</li> <li>• 4 years from dismissal date to credit report date</li> </ul>	2 years from discharge or dismissal to credit report date
<b>Foreclosure</b> Refer to program guidelines for complete details	<ul style="list-style-type: none"> <li>• 7 years from completion date to credit report date, or</li> <li>• 3 years with extenuating circumstances. Max lesser of 90% LTV or program max, primary residence</li> </ul>	36 months from the completion date (as reported on the credit report) to the credit report date. Event within prior 7 years purchase transactions maximum 90%
<b>Deed-in-Lieu</b> Refer to program guidelines for complete details	Loan applications dated on or after 8/16/14: <ul style="list-style-type: none"> <li>• 4 years regardless of the LTV</li> <li>• 2 years with acceptable extenuating circumstances</li> </ul>	24 months from the execution/completion date to credit report date. Event within prior 7 years purchase transactions maximum 90% or refinance per Freddie Mac guidelines
<b>Short Sale</b>	Eligible per Fannie Guidelines	Ineligible
<b>Self-Employed Borrower</b>	2 years signed federal tax returns/all schedules	1 year (if allowed by LP) but borrower must have 2-full year's self-employment and qualified on most current tax year. If tax extension filed reduced documentation ineligible.
<b>Rent Loss</b>	Required when rental income used to qualify	Required only when rental income used to qualify on 1-4 unit investment subject property
<b>History Managing Rental Property</b>	No history required	Purchasing 1-4 investment must have 2-year history managing rental property
<b>Property Flip</b>	Eligible appraisal must support value increases.	Properties resold within 180 days – non-arm's length ineligible
<b>Property Listed for Sale</b>	Properties listed for sale in previous 12 months must be taken off market prior to disbursement of date of new loan and on primary residence must confirm in writing their intent to occupy property	Must be taken off the market 30 days prior to application date and on primary residence must confirm in writing intent to occupy property
<b>Gift Funds</b>	5% borrower own funds not required on 1-unit primary residence unless non-occupant co-borrower is on the loan and the LTV is > 80%	5% borrower own funds when LTV/CLTV is > 80% and there are gift funds involved in the transaction or there is a non-occupant co-borrower on the transaction
<b>Other Income Sources</b>	Generally two years required however allows exceptions per Fannie Mae guidelines	Two year consecutive history required on the following: <ul style="list-style-type: none"> <li>• Commission and bonus income,</li> <li>• Overtime,</li> <li>• Foster care,</li> <li>• Tip income,</li> <li>• Automobile allowance,</li> <li>• Dividend and interest income</li> </ul>

## Fannie/Freddie LTV/CLTV Compare Differences

Conforming Loan Amounts		
Primary Residence	Fannie Mae	Freddie Mac
Purchase & Rate/Term	97% LTV/CLTV	95% LTV/CLTV
Purchase & Rate/Term 2-units	85% LTV/CLTV	80% LTV/CLTV
Purchase & Rate/Term 3-4 units	75% LTV/CLTV	80% LTV/CLTV
Cash-out 1-unit	85%** LTV/CLTV	80% LTV/CLTV
Second Home	Fannie Mae	Freddie Mac
Purchase & Rate/Term	90% LTV/CLTV	85% LTV/CLTV

\*95.01-97% LTV limited to first time homebuyers for purchase transactions and the refinance of a loan currently owned by Fannie Mae. Refer to guidelines for full details.

\*\*Maximum 80% LTV is effective with loans submitted to DU 9.2 on or after the weekend of December 13, 2014

High Balance/ Super Conforming Loan Amounts		
Primary Residence	Fannie Mae	Freddie Mac
Cash-out 1-unit	60% LTV/CLTV	75% LTV/CLTV
Cash-out 2-4 units	N/A	65% LTV/CLTV
Second Home	Fannie Mae	Freddie Mac
Purchase & Rate/Term	65% LTV/CLTV	80% LTV/CLTV
Cash-Out	N/A	65% LTV/CLTV
Investment	Fannie Mae	Freddie Mac
Purchase 1-unit	65% LTV/CLTV	80% LTV/CLTV
Limited Cash-out 1 unit	65% LTV/CLTV	75% LTV/CLTV
Purchase & Limited Cash-out 2-4 units	65% LTV/CLTV	70% LTV/CLTV
Cash-out 1-4 units	N/A	65% LTV/CLTV