REMN WHOLESALE FNMA HOMEREADY GUIDELINES

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<tr><th colspan="3">HOMEREADY PRODUCT MATRIX</th></tr>
<tr><td>Product Overview</td><td colspan="2">Fannie Mae's HomeReady program is designed for creditworthy, low-to-moderate income borrowers, with expanded eligibility for financing homes in designated low-income, minority and disaster-impacted communities.</td></tr>
<tr><td></td><td>1 Unit</td><td>2 to 4 Unit</td></tr>
<tr><td rowspan="3">Maximum LTV/CLTV – Conforming Loan Amounts</td><td>Purchase – 97% LTV* / 105% CLTV**</td><td rowspan="2">2 Unit – 95% LTV/CLTV
3-4 Unit – 95% LTV/CLTV</td></tr>
<tr><td>Limited Cash-Out Refinance (LCOR) - 97% LTV/CLTV
95.01 – 97% - Existing FNMA loans only</td></tr>
<tr><td colspan="2">* Manufactured Homes are limited to 95% LTV/CLTV, in accordance with standard Fannie MH guidelines.
**CLTV up to 105% allowed with eligible Community Seconds program. Other subordinate financing per FNMA Selling Guide</td></tr>
<tr><td>Max LTV/CLTV – High Balance Loan Amounts</td><td colspan="2">Subject to standard Fannie Mae High Balance LTV/CLTV limits</td></tr>
<tr><td>Eligible Products</td><td colspan="2">10yr, 15yr, 20yr or 30yr Fixed Rate mortgage
No ARMs (REMN WS Overlay)</td></tr>
<tr><td>Loan Purpose</td><td colspan="2">Purchase or Limited Cash-Out Refinance (LCOR)
Cash-Out Refinances are NOT eligible</td></tr>
<tr><td>Occupancy</td><td colspan="2">Primary Residence only
Second Homes and Investment Properties are NOT eligible</td></tr>
<tr><td>Eligible Property Types</td><td>1 unit, including SFR, Condo & PUD
Manufactured Homes (in all states except for New York) – see Manufactured Home Product Compare on HomeBase for complete guidelines/criteria</td><td>2 unit, 3-4 unit</td></tr>
<tr><td>Ineligible Property Types</td><td colspan="2">» Co-ops
» Non-warrantable condos
» Mixed- Use
» Manufactured homes located in the state of New York</td></tr>
<tr><td>Credit Score Requirements</td><td colspan="2">» For LTVs over greater than 95%, at least one borrower on the loan must have a FICO credit score.
» REMN WS utilizes FICO only. A credit report which provides both FICO and VantageScore is acceptable, however REMN WS will only consider the FICO</td></tr>
<tr><td>Credit Inquiries</td><td colspan="2">» 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.
○ 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).</td></tr>
<tr><td>Borrower Income Limits</td><td colspan="2">» REMN WS must count the income from all borrowers who will sign the note, to the extent that the income is considered in evaluating creditworthiness for the loan.
» Eligibility for a HomeReady mortgage loan compares the borrower's income to the applicable area median income (AMI) for the property's location.
» The total annual qualifying income may not exceed 80% of the AMI for the property's location.
» FNMA Income Limits: https://ami-lookup-tool.fanniemae.com/amilookuptool/</td></tr>
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Ownership of Other Property at Time of Transaction	Borrowers (Occupant & Non-Occupant) are allowed to own other residential properties at the time of the transaction.	
Multiple Financed Properties	The maximum limit of financed properties for all HomeReady mortgage loans, including the subject property, is two (2). Financed properties owned by a non-occupant borrower do not have to be included. The additional reserves required for multiple financed properties are not applicable to HomeReady loans.	
Non-Occupant Co-Borrowers	Non-occupant co-borrowers permitted to maximum 95% LTV with DU Approve/Eligible findings. Co-Borrower's income considered as part of qualifying income and subject to income limits (i.e. blended ratios). No limitation on ownership of other property for non-occupant co-borrower.	
Temporary Buydowns	» Temporary Buydowns are eligible for HomeReady mortgage loans subject to the following: o Primary Residence and Second Home only o Must be seller-funded o Must Qualify at the Note Rate o Manufactured Homes are ineligible. » Secondary Marketing must be contacted for pricing. » See [Fannie Mae Guidelines] for full details.	
Acceptable Sources - Down Payment & Closing Costs	» Gifts, grants and Community Seconds. » Cash-on-hand is allowed (1 unit only), as per [FNMA Selling Guide B5-6-03: HomeReady Mortgage Underwriting Methods and Requirements]. » Sweat equity is NOT allowed (REMN WS overlay)	» Gifts, grants and Community Seconds. » Cash-on-hand is NOT allowed. » Sweat equity is NOT allowed (REMN WS overlay)

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<tr><th colspan="3">UNDERWRITING</th></tr>
<tr><th></th><th>1 Unit</th><th>2 to 4 Unit</th></tr>
<tr><td>Desktop Underwriter (DU)</td><td colspan="2">» DU Approve/Eligible findings are required. Qualifying ratios and post-closing reserves will be determined by DU.
» At least one (1) borrower on the loan must have a credit score.
» Based on the census tract and borrower income, DU will notify users when a loan casefile appears to be eligible for HomeReady but REMN WS has not underwritten the loan casefile as HomeReady. Resubmit the loan casefile as a HomeReady loan to obtain the appropriate HomeReady messaging. New Additional Data screen field will allow entering census tract information if DU is unable to geocode the property address.
» Unless specifically referenced in this document, standard Fannie Mae underwriting guidelines will apply.</td></tr>
<tr><td>Manual Underwriting</td><td colspan="2">Not Eligible</td></tr>
<tr><td rowspan="2">Other Income Sources</td><td><u>Boarder income (relatives or non-relatives)</u>: Up to 30% of qualifying income; documentation for at least nine (9) of the most recent twelve (12) months (averaged over 12mos) and documentation of shared residency for the past 12 months. A boarder may not be obligated on the mortgage loan. The boarder may also not have an ownership interest in the property.</td><td>Not Eligible</td></tr>
<tr><td><u>Rental Income from 1unit Property w/ Accessory Unit</u>: Allowed for qualifying income; documentation & calculation in accordance with existing FNMA rental income guidelines.</td><td>Rental income may be used as qualifying income as per existing FNMA rental income guidelines.</td></tr>
<tr><td>Minimum Borrower Contribution for Purchase Transactions</td><td>A minimum borrower contribution from the borrower's own funds is not required regardless of LTV.</td><td><u>LTV/CLTV/HCLTV is 80% or Less</u>
» A minimum borrower contribution from the borrower's own funds is not required.
<u>LTV/CLTV/HCLTV is Greater than 80%</u>
» The borrower must make a 3% minimum contribution from their own funds.</td></tr>
<tr><td>Mortgage Insurance (MI) Coverage & Financed MI</td><td colspan="2">» 25% MI coverage for LTV's 90.01-97%
» Standard MI coverage for LTV's of 90% or less
» MI may be financed up to the maximum LTV for the transaction, including the financed MI
» NOTE – Arch Mortgage Insurance (Arch) will not allow the use of cash-on-hand for HomeReady loans.
» REMN approved MI companies: Essent, Enact, Radian, Arch Mortgage Insurance, MGIC, National MI</td></tr>
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<tr><th colspan="3">HOMEOWNERSHIP EDUCATION</th></tr>
<tr><th></th><th>1 Unit</th><th>2 to 4 Unit</th></tr>
<tr><td>Homeownership Education & Housing Counseling</td><td colspan="2">
» To satisfy the homeownership education requirement, Fannie Mae permits any qualified third-party provider, independent of REMN WS, to administer homeownership education. The provider's content must be aligned with NIS or HUD standards. The education may be delivered in various formats (in-person, Internet, via telephone, or a hybrid format). In lieu of homeownership education, the borrower may receive housing counseling.
» REMN WS must confirm the course content is aligned with NIS or HUD standards and must retain a copy of the certificate of course completion in the loan file
» Housing counseling must be provided by a HUD-approved agency and meet HUD standards for the delivery of this service. The following requirements apply when counseling is obtained to satisfy the homeowner education requirement above:
o If a borrower opts to work with a housing counselor, completion of housing counseling prior to closing will also satisfy Fannie Mae's homeownership education requirement. The lender must retain a copy of the certificate of course completion in the loan file.
o HomeReady borrowers who complete housing counseling within 12 months prior to closing may be eligible for a loan-level price adjustment credit. For the LLPA credit to be applied
▪ the Housing Counseling data must be submitted to DU, and
▪ the loan must be delivered with SFC 184.
» Summary of Homeownership Education and Housing Counseling Options:
<table>
<tr><th></th><th>Homeownership Education</th><th>Housing Counseling</th></tr>
<tr><td>Provider</td><td>- Any qualified third-party provider, independent of the lender; which can include a mortgage insurance company (without regard to whether they provide mortgage insurance coverage for the particular transaction), or
- Education course provided by a Community Seconds or other down payment assistance program provider, where the program requires its own homeownership education or counseling provided by a HUD-approved counseling agency.</td><td>HUD-Approved Counseling Agency</td></tr>
<tr><td>Course Content</td><td>Course content must align with NIS or HUD standards.</td><td>Course content must align with HUD standards.</td></tr>
<tr><td>Method of Delivery</td><td>Any method offered by and eligible provider</td><td>Any method offered per HUD standards</td></tr>
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Very Low Income Purchase (VLIP) LLPA Credit	**Effective for loans delivered into MBS on or before February 1st, 2026** To address some of the barriers to entry for very low-income borrowers, Fannie Mae is temporarily offering a $2,500 LLPA credit to certain eligible HomeReady borrowers who meet the below requirements. **Borrower and Loan Eligibility Requirements** » The loan must be an eligible HomeReady purchase loan underwritten in Desktop Underwriter (DU) ○ Manually underwritten loans are not eligible for HomeReady » The borrower(s) must have total qualifying income less than or equal to 50% of the applicable area median income (AMI) limit for the subject property's location. » The full amount of the credit must be provided directly to the borrower through the transaction, such as being applied to down payment and closing costs, including escrows and mortgage insurance premiums. » The credit may be used to satisfy the 3% minimum contribution for all loans secured by one-unit properties or loans secured by two- to four-unit properties with LTV ratios less than or equal to 80% – all additional funds must comply with the Fannie Mae requirements for source of funds. ○ For loans secured by two- to four-unit properties with LTV ratios greater than 80%, the credit may be applied to down payment after the 5% minimum contribution is met in accordance with Fannie Mae guidelines » **Note:** If the borrower is not eligible for the VLIP credit, the loan must be reworked so that the borrower achieves eligibility. Otherwise, the loan must be **rejected,** and reapplied (without the VLIP under a different loan number (with no VLIP credit). **Loan Delivery Requirements** » The loan must be delivered with the following Special Feature Codes: ○ 900 HomeReady loan, and ○ 884 HomeReady VLIP LLPA Credit Instructions for how to reflect the funds in DU and delivery systems can be found in the HomeReady VLIP LLPA Credit Job Aid.