



## ELIGIBILITY MATRIX

The Eligibility Matrix provides the comprehensive LTV, CLTV, and HCLTV ratio requirements for conventional first mortgage loans eligible for delivery to Fannie Mae. The Eligibility Matrix also includes credit score, minimum reserve requirements (in months), and maximum debt-to-income ratio requirements for manually underwritten loans. Other eligibility criteria that are not covered in the Eligibility Matrix may be applicable for loans to be eligible for delivery to Fannie Mae, e.g., allowable ARM plans. See the *Selling Guide* for details. Refer to the last two pages of this document for exceptions to the requirements shown in the matrices.

### Acronyms and Abbreviations Used in this Document

ARM: Adjustable-rate mortgage, fully amortizing

DTI: Debt-to-income ratio

DU®: Desktop Underwriter®

FRM: Fixed-rate mortgage, fully amortizing

LTV: Loan-to-value ratio

CLTV: Combined loan-to-value ratio

HCLTV: Home equity combined loan-to-value ratio

Credit Score/LTV: Representative credit score and highest of LTV, CLTV, and HCLTV ratios

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## Standard Eligibility Requirements - Desktop Underwriter Version 11.0

Excludes: High LTV Refinance, HomeReady, HomeStyle Renovation, and  
Manufactured Housing

Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV
<b>Principal Residence</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97% <sup>(1)</sup> ARM: 95%
	2 Units	FRM/ARM: 85%
	3-4 Units	FRM/ARM: 75%
Cash-Out Refinance	1 Unit	FRM/ARM: 80%
	2-4 Units	FRM/ARM: 75%
<b>Second Homes</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 90%
Cash-Out Refinance	1 Unit	FRM/ARM: 75%
<b>Investment Property</b>		
Purchase	1 Unit	FRM/ARM: 85%
	2-4 Units	FRM/ARM: 75%
Limited Cash-Out Refinance	1-4 Units	FRM/ARM: 75%
Cash-Out Refinance	1 Unit	FRM/ARM: 75%
	2-4 Units	FRM/ARM: 70%

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS. REFER TO THE NOTES SECTION ON PAGES 7-8 FOR THE EXCEPTIONS.**



**HomeStyle Renovation, Manufactured Housing, HomeReady<sup>(2)</sup>  
Desktop Underwriter Version 11.0**

Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV
<b>HomeStyle Renovation Mortgage</b>		
<b>Principal Residence</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM: 97% <sup>(1)</sup> ARM: 95%
	2 Units	FRM/ARM: 85%
	3-4 Units	FRM/ARM: 75%
<b>Second Homes</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 90%
<b>Investment Property</b>		
Purchase	1 Unit	FRM/ARM: 85%
Limited Cash-Out Refinance	1 Unit	FRM/ARM: 75%
<b>Manufactured Housing<sup>(3)</sup></b>		
<b>Principal Residence</b>		
Purchase	1 Unit	FRM: 97% <sup>(1)</sup> ARM: 95%
Limited Cash-Out Refinance		
Cash-Out Refinance	1 Unit Term ≤ 20 years	FRM/ARM: 65%
<b>Second Homes</b>		
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 90%
<b>HomeReady Mortgage</b>		
<b>Principal Residence</b>		
Purchase	1 Unit	FRM: 97% <sup>(1)</sup> ARM: 95%
Limited Cash-Out Refinance		
Purchase Limited Cash-Out Refinance	2 Units	FRM/ARM: 85%
	3-4 Units	FRM/ARM: 75%

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS. REFER TO THE NOTES SECTION ON PAGES 7-8 FOR THE EXCEPTIONS.**



## Standard Eligibility Requirements - Manual Underwriting

Excludes: High LTV Refinance, HomeReady, HomeStyle Renovation

			Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV	Credit Score/LTV	Minimum Reserves	Credit Score/LTV	Minimum Reserves
<b>Principal Residence</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 95%	680 if > 75% 640 if ≤ 75%	0	720 if > 75% 680 if ≤ 75%	0
			FRM: 620 if ≤ 75%	2		
			660 if > 75%	6	700 if > 75% 660 if ≤ 75%	6
	2 Units	FRM/ARM: 85%	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 680 if ≤ 75%	6
	3-4 Units	FRM/ARM: 75%	660	6	680	6
Cash-Out Refinance	1 Unit	FRM/ARM: 80%	680 if > 75% 660 if ≤ 75%	0	700 if > 75% 680 if ≤ 75%	2
			660 if > 75% 640 if ≤ 75%	6		
	2-4 Units	FRM/ARM: 75%	680	6	700 680	6 12

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS. REFER TO THE NOTES SECTION ON PAGES 7-8 FOR THE EXCEPTIONS.**



## HomeStyle Renovation and HomeReady - Manual Underwriting<sup>(2)</sup>

			Maximum DTI ≤ 36%		Maximum DTI ≤ 45%	
Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV	Credit Score/LTV	Minimum Reserves	Credit Score/LTV	Minimum Reserves
<b>HomeStyle Renovation Mortgage</b>						
<b>Principal Residence</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 95%	680 if > 75% 640 if ≤ 75%	0	720 if > 75% 680 if ≤ 75%	0
			FRM: 620 if ≤ 75%	2	700 if > 75% 660 if ≤ 75%	6
			660 if > 75%	6		6
	2 Units	FRM/ARM: 85%	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 680 if ≤ 75%	6
	3-4 Units	FRM/ARM: 75%	660	6	680	6
<b>HomeReady Mortgage</b>						
<b>Principal Residence</b>						
Purchase Limited Cash-Out Refinance	1 Unit	FRM/ARM: 95%	680 if > 75% 640 if ≤ 75%	0	720 if > 75% 680 if ≤ 75%	0
			FRM: 620 if ≤ 75%	2	700 if > 75% 660 if ≤ 75%	6
			660 if > 75%	6		6
	2 Units	FRM/ARM: 85%	680 if > 75% 640 if ≤ 75%	6	700 if > 75% 680 if ≤ 75%	6
	3-4 Units	FRM/ARM: 75%	660	6	680	6

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS. REFER TO THE NOTES SECTION ON PAGES 7-8 FOR THE EXCEPTIONS.**



## High LTV Refinance<sup>(4)</sup>

Acquisition of high LTV refinance loans is suspended\*

Transaction Type	Number of Units	Minimum LTV	Maximum LTV	Minimum Credit Score	Maximum DTI Ratio
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Limited Cash-Out Refinance, Fixed Rate, ARMs with Initial Fixed Periods  $\geq$  5 Years

### Standard Eligibility

#### Desktop Underwriter and Manual Underwriting

Principal Residence	1 Unit	97.01	FRM: No Limit ARM: 105%	No Minimum	No Maximum
	2 Units	85.01			
	3-4 Units	75.01			
Desktop Underwriter					
Second Home	1 Unit	90.01			
Investment Property	1-4 Units	75.01			

### Alternative Qualification Path

#### Manual Underwriting

Principal Residence	1 Unit	97.01	FRM: No Limit ARM: 105%	620	45%
	2 Units	85.01			
	3-4 Units	75.01			
Second Home	1 Unit	90.01			
Investment Property	1-4 Units	75.01			

**NOTE: THERE MAY BE EXCEPTIONS TO THE ABOVE REQUIREMENTS FOR CERTAIN TRANSACTIONS. REFER TO THE NOTES SECTION ON PAGES 7-8 FOR THE EXCEPTIONS.**



## Notes – Exceptions Applicable to ALL Matrices Other than High LTV Refinance

**105% CLTV Ratio/Community Seconds®:** The CLTV ratio may exceed the limits stated in the matrices up to 105% only if the loan is part of a Community Seconds transaction. A loan securing a manufactured home that is not MH Advantage that has a Community Seconds is limited to the LTV, CLTV, and HCLTV ratios stated in the matrices.

The following are not permitted with Community Seconds: second homes, investment properties, cash-out refinances, ARMs with initial adjustment periods less than 5 years, and co-op share loans.

**Cash-out refinances:** If the property was purchased within the prior six months, the borrower is ineligible for a cash-out transaction unless the loan meets the delayed financing exception in the *Selling Guide*. Minimum reserves apply to DU loan casefiles with DTI ratios exceeding 45%. See B2-1.3-03, Cash-Out Refinance Transactions.

**Condos:** Lower LTV, CLTV, and HCLTV ratios may be required for certain loans depending on the type of project review the lender performs for properties in condo projects. See B4-2.1-01, General Information on Project Standards, B4-2.2-01, Limited Review Process, and B4-2.2-04, Geographic-Specific Condo Project Considerations.

**Construction-to-permanent:** These transactions are subject to the applicable eligibility requirements based on the loan purpose. Single-closing transactions are processed as purchases or limited cash-out refinances, and two-closing transactions are processed as limited cash-out or cash-out refinances. Exceptions: loans secured by units in a co-op project or attached units in a condo project are not eligible for construction-to-permanent financing. If the transaction is a single-closing construction-to-permanent loan, and the age of the credit or appraisal documents exceed standard guidelines, there are exceptions to the eligibility requirements. See B5-3.1-02, Conversion of Construction-to-Permanent Financing: Single-Closing Transactions.

**Co-op properties:** The following are not permitted with co-op share loans - subordinate financing, investment properties, and cash-out refinances on second home properties.

**Employment-related assets:** Exceptions to the eligibility requirements apply if this type of asset is used as qualifying income. See B3-3.1-09, Other Sources of Income.

**High-balance loans:** High-balance loans must be underwritten with DU. All borrowers on the loan must have a credit score.

**HomeStyle Energy:** For manually underwritten loans, the criteria that applies to DTI ratios of 36% may apply up to 38% for HomeStyle Energy loans. (DTI ratios up to 45% are also permitted in accordance with this matrix.) See B5-3.3-01, HomeStyle Energy for Improvements on Existing Properties. Loans with energy-related improvements are subject to the applicable LTV, CLTV, and HCLTV ratios for purchase and limited cash-out refinance transactions.

**Manufactured housing:** Loans secured by manufactured homes (including MH Advantage) must be underwritten with DU.

**Multiple financed properties:** Borrowers of second homes or investment properties with multiple financed properties are subject to additional reserves requirements. Borrowers with seven to ten financed properties are subject to a minimum credit score requirement (only permitted in DU). See B3-4.1-01, Minimum Reserves Requirements.



## Notes – Exceptions Applicable to ALL Matrices Other than High LTV Refinance

**Non-occupant borrowers:** If the income of a non-occupant borrower is used for qualifying purposes, lower LTV, CLTV, or HCLTV ratios are required and exceptions apply if there is a subordinate lien that is a Community Second. See B2-2-04, Guarantors, Co-Signers, or Non-Occupant Borrowers on the Subject Transaction. See also Note (1) below.

**Nontraditional credit:** Exceptions to the eligibility requirements apply to all transactions when one or more borrowers are relying on nontraditional credit to qualify. See B3-5.4-01, Eligibility Requirements for Loans with Nontraditional Credit.

**RefiNow™ loans:** These loans must be secured by fixed-rate, one-unit principal residences, with a limited cash-out refinance transaction that has specific requirements. High-balance loans are not permitted. A RefiNow loan may not be combined with a HomeReady refinance transaction. See LL-2021-10 for additional information and exceptions to this Matrix.

## Notes - Specific to Certain Transactions

(1) **LTV, CLTV, or HCLTV Ratios Greater than 95%:** These transactions are not permitted for high-balance loans or manufactured homes that are not MH Advantage. At least one borrower on the loan must have a credit score. For non-HomeReady purchase transactions, at least one borrower must be a first-time home buyer. For limited cash-out refinances, Fannie Mae must be the owner of the existing mortgage.

If there is a non-occupant borrower on the transaction:

- manually underwritten loans: LTV/CLTV/HCLTV ratio  $\leq 90\%$ \*
- DU loan casefiles: LTV/CLTV/HCLTV ratio  $\leq 95\%$
- Both: CLTV ratio  $\leq 105\%$  with a Community Seconds

\*For RefiNow loans, LTV/CLTV/HCLTV ratio  $\leq 95\%$  is permitted.

(2) **Combination of HomeStyle Renovation, HomeReady, and Manufactured Housing:** If a transaction includes a combination of HomeStyle Renovation, HomeReady, and manufactured housing, the more restrictive eligibility requirements of each of those transactions apply. DU will apply the applicable eligibility requirements, but the lender must determine eligibility for manually underwritten loans.

Examples:

1. A HomeReady mortgage that is also a HomeStyle Renovation mortgage must be a principal residence (per HomeReady). The lender must meet the HomeStyle Renovation lender approved requirements, as applicable.
2. A HomeReady mortgage for a manufactured home (that is not MH Advantage) must be a one-unit property that is underwritten through DU with a maximum LTV ratio of 95% (per manufactured housing), and a purchase or limited cash-out refinance of a principal residence (per HomeReady).

(3) **Single-width Manufactured Homes:** Loans are limited to principal residence purchase and limited cash-out refinance transactions only.

(4) **High LTV Refinance:** Loans are subject to a unique limited cash-out refinance definition, and other unique requirements. There is no maximum CLTV or HCLTV ratio limit. See Chapter B5-7, High Loan-to-Value Refinance Option for additional eligibility requirements.

**Acquisition of high LTV refinance loans is suspended\***