FORWARD LENDING

FANNIE MAE PRODUCT MATRIX
CONFORMING AND HIGH BALANCE

FANNIE MAE STANDARD CONFORMING AND HIGH-BALANCE LTV MATRIX

OCCUPANCY	PROPERTY TYPE[7]	MINIMUM FICO[8]	FIXED RATE			ARM[5,6]		
			MAX LTV/CLTV/HCLTV			MAX LTV/CLTV/HCLTV		
			PURCH	LTD C/O	C/O	PURCH	LTD C/O	C/O
PRIMARY RESIDENCE	SFR/PUD/CONDO[6]	550	97%[1]	97%[1]	80%	95%	95%	80%
	MANUFACTURED[2]	550	95%	95%	65%			
	2 UNITS[3]	550	95%	95%	75%	95%	95%	75%
	3-4 UNITS[4]	550	95%	95%	75%	95%	95%	75%
SECOND HOME	SFR/PUD/CONDO[6]	550	90%	90%	75%	90%	90%	75%
	MANUFACTURED[2]	550	90%	90%				
INVESTMENT PROPERTY	SFR/PUD/CONDO[6]	550	85%	75%	75%	85%	75%	75%
	2-4 UNITS	550	75%	75%	70%	75%	75%	70%

[1] Max LTV 95% for High Balance Loans and MH that is not MH Advantage; for Purchase transactions with LTV > 95%, at least 1 borrower must be a first-time homebuyer
[2] Manufactured Homes: Limited to 1-unit property
[3] Max 85% LTV for High Balance 2 units
[4] Max 75% LTV for High Balance 3-4 units
[5] 620 minimum FICO required on all ARM transactions
[6] ARM loans: Condos that require a limited review have the following LTV restrictions: 90% max LTV for primary residence and 75% max LTV for 2nd home & investment
*Only for Applications dated prior to 08.03.26
[7] Row Homes in Baltimore City, MD: External-only BPO secondary valuation required within 10% tolerance
[8] For LTVs > 80%, the minimum FICO is 600 and subject to additional FICO PMI requirements

FANNIE MAE SELECT CONFORMING AND HIGH-BALANCE LTV MATRIX

OCCUPANCY	PROPERTY TYPE[4]	MINIMUM FICO	FIXED RATE[1]		
			MAX LTV/CLTV/HCLTV		
			PURCH	LTD C/O	C/O
PRIMARY RESIDENCE	SFR/PUD/CONDO	700	80%	80%	80%
	MANUFACTURED[2]	700	80%	80%	65%
	2 UNITS	700	80%	80%	75%
	3-4 UNITS[3]	700	80%	80%	75%
SECOND HOME	SFR/PUD/CONDO	700	80%	80%	75%
	MANUFACTURED[2]	700	80%	80%	
INVESTMENT PROPERTY	SFR/PUD/CONDO	700	80%	75%	75%
	2-4 UNITS	700	75%	75%	70%

[1] 15, 30 year fixed rate terms available
[2] Manufactured homes: limited to 1-unit property
[3] Max 75% LTV for High Balance 3-4 unit properties

[4] Row Homes in Baltimore City, MD: External-only BPO secondary valuation required within 10% tolerance

Fannie Mae HomeReady are eligible – see the Fannie Mae HomeReady Product Matrix for details.

FIXED PRODUCT OFFERINGS	

Fixed Rate Products	• FNMA Standard - 10, 15, 20, 25, 30 year fixed
	  ○ Nonstandard terms available
	• FNMA Select – 15, 30 year fixed
	  ○ Nonstandard terms not allowed

ARM PRODUCT OFFERINGS							
Product	ARM Caps	Amortization Months	Margin	Index	Floor	Lookback	Qualifying Rate
5/6 SOFR ARM	2/1/5	360	2.75	30-Day Avg SOFR	Margin	45 days	Greater of the fully indexed rate or Note rate plus 2.00% **Note: HPML loans are ineligible**
7/6 SOFR ARM	5/1/5						Note rate IL, MA, MD (Purchase only), NM and PA: Qualifying rate is the greater of the Note rate or the fully indexed rate (index rate + margin). The DU qualifying rate may need to be adjusted. **Note: HPML loans are ineligible**
10/6 SOFR ARM							
• Nonstandard terms not allowed							

2026 CONFORMING LOAN LIMITS 1-4 UNITS (Click Here)			
UNITS	GENERAL LIMITS	HIGH-COST LIMITS[1]	HI – Kalawao & Maui Counties Only
1	$832,750	$1,249,125	$1,299,500
2	$1,066,250	$1,599,375	$1,663,600
3	$1,288,800	$1,933,200	$2,010,950
4	$1,601,750	$2,402,625	$2,499,100

[1] Includes Alaska & Hawaii, Honolulu, & Kauai counties in Hawaii

TOPIC	CRITERIA
BASIC GUIDELINES	• Criteria in this matrix apply to FNMA (Fannie Mae) • Refer to FNMA Selling Guide for additional guidance • Information in this matrix is subject to change without notice

Amended Tax Returns	Accepted for the following amendment reasons:
	• Amended for clerical items only (i.e. modifying a prior ITIN number to a newly issued SSN)
	• Amended for income-related items, under the following conditions:
	  ○ Amended at least 60 days before mortgage application taken
	  ○ Amendment shows on transcripts (stamped returns not acceptable)
	  ○ Documentation supplied to support the increase, including but not limited to:
	  ▪ 1099 or W2 showing missed/updated income
	  ▪ Canceled checks or bank statements showing missed/updated rental income

ARMs	• 5/6 ARM: Borrowers are limited to owning only one (1) financed property (1-4 unit); if the borrower will own more than one financed property, including the subject property, 5/6 ARMs are ineligible • IL, MA, MD (Purchase only), NM and PA: 7/6 and 10/6 ARMs require qualifying rate at the greater of the Note rate or the fully indexed rate (index rate + margin). The DU qualifying rate may need to be adjusted to comply with this requirement.

Appraisal/Appraisal Alternatives	• Accepting 3.6 appraisals as of 10.15.26
	• Full appraisal is required with the following alternatives permitted when offered by DU
	• Value Acceptance is allowed when offered by DU
	• Value Acceptance + Property Data is allowed when DU issues a Value Acceptance + PD offer
	  ○ General Requirements (Value Acceptance + Property Data)
	  ▪ Eligible for one-unit properties and condominiums (attached and detached)
	  ▪ Required repairs or alterations must be documented per FNMA Selling Guide requirements
	• Ineligible Transactions (applies to both Value Acceptance and Value Acceptance + Property Data):
	  ○ 2-4 unit properties
	  ○ Construction-to-permanent financing
	  ○ Gift of equity transactions
	  ○ Investment properties when rental income is used to qualify
	  ○ New/proposed construction
	  ○ Leasehold properties
	  ○ Manufactured homes
	  ○ Properties with resale restrictions (including Community Land Trusts and age-related deed restrictions)
	  ○ Purchase price or estimated value ≥ $1,000,000
	  ○ Texas 50(a)(6)
	• Refer to the Fannie Mae Selling Guide for Value Acceptance and Value Acceptance + Property Data full eligibility

TOPIC	CRITERIA
	details • If an appraisal is obtained for any reason, it must be used • If the Value Acceptance or Value Acceptance + PD offer is lost due to qualifying changes after property data collection, a full appraisal is required • A full appraisal is required if a Value Acceptance or Value Acceptance + Property Data is allowed and not exercised • Not Permitted: ○ Hybrid Appraisals **Note:** External-only BPO secondary valuation for row homes in Baltimore City, MD is not required with a PIW

Assets	• The following are unacceptable sources for downpayment, closing costs and reserves:
	  ○ Assets derived from the production or sale of marijuana
	  ○ An account in a minor's name where the borrower is named only as custodian of the funds
	• Internet Statements obtained from financial institution's website must contain the same information found on a standard bank statement
	• VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor

Condominiums	• Condos with current FNMA PERS approval are eligible • Leasehold not permitted • Minimum square footage: 400 Sq Ft
Credit	• All borrowers must have at least one (1) valid credit score to be eligible for a DU 'Approved' recommendation • 550 minimum credit score • Extenuating circumstances are not allowed for Bankruptcy or Foreclosure
Day 1 Certainty	• DU Validation Service is not permitted
Employment Verification	• Direct electronic verification of employment by third-party vendors is not permitted

Electronic Signatures/eSigning	• eSigning is allowed for most documents.
	• eSigning is <u>not</u> allowed for:
	  ○ Note
	  ○ Note Rider(s)
	  ○ Notice of Right to Cancel
	  ○ Security Instrument
	  ○ Security Instrument Rider(s)

Family-Owned Business	• Two (2) years tax returns are required regardless of AUS (DU) recommendation
Higher Priced Covered Transaction (HPCT)/ Higher Priced Mortgage Loans (HPML)	• Higher Priced Covered Transaction (HPCT) loans are ineligible • Higher Priced Mortgage Loans (HPML) transactions are eligible. HPML guidelines require: ○ Establishment of an escrow account for taxes and insurance premiums on any transaction secured by a principal

TOPIC	CRITERIA
	residence or second home regardless of LTV ○ Must meet all applicable state and/or federal compliance requirements ○ ARM loans that are HPML are ineligible
Income	• The following types of income are unacceptable: ○ Income that is not in accordance with all applicable federal, state and local laws, rules and regulations ○ Any income generated from the cannabis or hemp industry ○ Section 8 Housing Choice Vouchers
Ineligible Programs – FNMA	• Community Land Trusts • High-LTV Refinance • HomePath, HomeStyle • HomeReady with Reduced Mortgage Insurance Option • Land Trusts • Native American Lands • PACE Obligations attached to property
Ineligible Properties	• Co-Ops • Indian Leased Land • Property Flip of Non-Arm's Length Transaction • Resale type deed restrictions; age-related deed restrictions are acceptable on one and two-unit properties only • Solar Panels that affect first lien position • Properties with condition ratings of C5 or C6
Manufactured Housing	• Fixed Rate programs only, ARM loans ineligible • Not permitted: ○ Manufactured Homes that are subject to deed restrictions ○ Leased Land property ○ Single-wide Manufactured Homes ○ New Construction • Must meet all other FNMA guidelines
Minimum Loan Amount	• $75,000
Mortgage Credit Certificate (MCC)	• Not permitted
Mortgage Insurance (MI)	Permitted • Borrower Paid • Lender Paid Not Permitted • Reduced Premium • Split Premium

TOPIC	CRITERIA
	• Financed
Multiple Financed Properties	• Must comply with FNMA limitations on the maximum number of financed properties
Non-Permanent Resident Aliens	Acceptable under the following conditions: • Acceptable Visa evidence provided • Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS • Borrower has valid Social Security Number (SSN) • Borrower satisfies the same requirements, terms, and conditions as those for U.S. Citizen • DACA with Category C33 work status under deferred action, DACA borrowers eligible • Borrowers with Diplomatic Immunity are ineligible
Power of Attorney (POA)	• A POA may not be eSigned and must be specific to the transaction
Social Security Number (SSN)	• All borrowers must have a valid SSN
Tax Transcripts	• Required when tax returns are used to qualify borrower income and must be ordered internally.
Temporary Buydowns	• Allowed with limitations on fixed rate loans – see 'Temporary Buydown Guide' below for specific terms and conditions • ARM loans ineligible
Underwriting Method	• All loans must receive FNMA DU Approve/Eligible • Manual underwriting not allowed

Unpaid Federal Tax Debt	• Delinquent tax debt that has not become a lien and does not impact title (open liens reflected on credit report will impact title and must be paid off) may remain open provided the following are met:
	  ○ Repayment agreement to be provided
	  ○ Evidence of at least one payment made under the plan(s) and payments are current
	• Delinquent tax debt that has become a lien or does not meet the above requirements is ineligible
	Note: Record of Account can be used in lieu of canceled check or proof of electronic payment

TEMPORARY BUYDOWN GUIDE

Product Eligibility	• 30-year fixed rate only • Conforming and high-balance loan amounts • Primary residence and second home • Purchase transactions only • Single family (1-2 Units), PUD and Condo only • Seller/Builder funded only

Term of Buydown	• 2/1 Buydown:
	  ○ 24-month term
	  ○ Initial interest rate temporarily reduced by no more than two (2) percent below the Note rate and increased by no more than one (1) percent annually for no more than two (2) years, with the non-reduced Note rate applying for years three (3) through 30
	• 1/0 Buydown:
	  ○ 12-month term
	  ○ Initial interest rate temporarily reduced by no more than one (1) percent below the Note rate, with the non-reduced Note rate applying for years two (2) through 30

Underwriting Criteria	• Borrowers qualified using Note rate, not buydown rate • Standard Interested Party Contribution guidelines apply • Seller/Builder funded only