



HomeReady

		1 UNIT	2 TO 4 UNITS	
Eligibility	Loan Purpose	Purchase or Limited Cash-Out Refinance		
	Occupancy and Property Type	1-unit principal residence, including eligible condos and PUD's	2-4 Unit Principal residence (No condos or manufactured housing)	
	Borrower Income Limits	80% of area median income (AMI) for all other properties		
	Minimum Borrower Contribution	\$0	0% for LTV/CLTV/HCLTV of 80% or less; 3% for LTV/CLTV/HCLTV > 80%	
		3% required if sweat equity is being used		
	Acceptable Sources of Funds for Down Payment and Closing Costs	Gifts, Grants, and Community Seconds. Any eligible loan may have more than one Community Seconds (i.e. third lien) up to the maximum 105% CLTV		
	Product	10-, 15-, 20-, or 30- year fixed-rate mortgages (FRMs) 5/1 (2/2/5 and 2/2/6 caps only), 7/1 and 10/1 adjustable rate mortgages (ARMs)		
Maximum LTV/CLTV And Subordinate Financing	LTV up to 97%. CLTV up to 105% with eligible Community Seconds Other subordinate financing per the <i>Fannie Mae Selling Guide</i>			



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	Maximum LTV/CLTV And Subordinate Financing	Purchase: DU Only- LTV to 97% (FRM); DU to 95% (FRM and ARM) LCOR: DU Only- LTV to 97% (FRM) for loans owned or securitized by Fannie Mae. DU to 95% (FRM and ARM)	Purchase or LCOR: 2- unit: 95% (FRM or ARM) 3- 4- unit: 95% (FRM or ARM)
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		1- Unit	2- to 4- Unit
Eligibility(continued)	Ownership of Other Property	Occupant and non-occupant borrower(s) may have an ownership interest in other residential property at the time of closing.	
	Maximum Financed Properties	Occupant borrower(s) may own one other financed residential property (in addition to the subject property) at the time of closing. Non-occupant borrower(s) are not subject to this restriction.	
	Non- Occupant Borrowers	Non-occupant borrowers permitted to 95% LTV in DU. DU will determine the max DTI. Income considered as part of qualifying income and subject to income limits.	
	Mortgage Insurance Coverage and Financed MI	25% MI Coverage for LTVs 90.01 or more Standard MI coverage for LTVs of 90% or less MI may be financed up to the maximum LTV for the transaction, including the financed MI.	
Underwriting	Desktop Underwriter	<ul style="list-style-type: none"> Based on the census tract and borrower income, DU will confirm program eligibility. DU recommendation of Approve/Eligible required. DU will determine qualifying ratios and reserves. 	



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	Other Income	Boarder income (relatives or non-relatives): Up to 30% of qualifying income; documentation for at least 9 of the most recent 12 months (averaged over 12 months) and documentation of shared residency for the past 12 months.	Not eligible
		Accessory dwelling unit; Rental income may be considered in qualifying the borrower per rental income guidelines.	Rental income may be used as qualifying income per the rental income guidelines.

		1- Unit	2- to 4- Unit
Homeownership Education	Reserves	<ul style="list-style-type: none"> • DU will determine the reserve requirement. 	
	Homeownership Education	<p>On purchase transaction, if all occupying borrowers are first-time homebuyers, then at least one borrower must do one of the following:</p> <ul style="list-style-type: none"> • complete the homeownership education course from a qualified provider* prior to closing; or • complete a homeownership education course required by a Community Seconds or Down Payment Assistance Program that is provided by a HUD-approved agency prior to closing, if the HomeReady loan involves a Community Seconds or down payment assistance program; or • receive housing counseling from a HUD-approved nonprofit housing counseling agency (as evidenced by a signed Certificate of Completion of Housing Counseling (Form 1017)) prior to the borrower signing a purchase contract; or • have already completed housing counseling (as evidenced by a completed Fannie Mae Form 1017). 	



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Pricing and Committing		<p>*A qualified provider must be independent of the lender, with homeownership education content that is aligned with National Industry Standards (NIS) or is offered by a housing counseling agency approved by the U.S. Department of Housing and Urban Development (HUD). Fannie Mae HomeView can be used to satisfy this home ownership education requirements.</p> <p>Note: Homeownership education certificate of Form 1017 must be retained in the loan file.</p>
	Housing Counseling Benefits	When borrowers have received customized assistance prior to entering into a sales contract from HUD-approved nonprofit counseling agencies (as evidenced by a completed Form 1017 in the loan file), the lender will receive a loan-level price adjustment credit of \$500, when the HomeReady loan is delivered with Special Feature Code 184.
	Special Borrower Considerations for Online Homeownership Education	Framework’s online education may not be appropriate for all potential home buyers. The presence of a disability, lack of Internet access, and other issues may indicate that a consumer is better served through other education modes (e.g., in-person classroom education, telephone conference calls, etc.). In these situations, consumers should be directed to Framework’s toll-free customer service line, from which they can be directed to HUD-approved counseling agency that can meet their needs. Framework will register the consumer for potential post-purchase support. The counseling agency that handles the referral must provide a certificate of completion which must be retained in the loan file.
	Loan-Level Price Adjustments (LLPAs)	LLPAs are waived for all HomeReady loans.



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Check property eligibility and income limits using the following lookup tool:

<https://selling-guide.fanniemae.com/Selling-Guide/Origination-thru-Closing/Subpart-B5-Unique-Eligibility-Underwriting-Considerations/Chapter-B5-6-HomeReady-Mortgage/1736884951/B5-6-02-HomeReady-Mortgage-Loan-and-Borrower-Eligibility-04-01-2020.htm>

More information regarding the program can be accessed at:

www.fanniemae.com/homeready

Fannie Mae Loan Lookup can be accessed at:

<https://www.knowyouroptions.com/loanlookup>