



HomeStyle Renovation Program Overview

Transaction Type	<ul style="list-style-type: none"> • Purchase • Rate/Term refinance
AUS Finding	Approve/Eligible only
Occupancy	<ul style="list-style-type: none"> • 1-4 unit Owner-occupied, • 1-unit Second Home • 1-unit Investment
Property Types	<ul style="list-style-type: none"> • SFR (attached/detached) • PUDs (attached/detached) • Condos (specific requirements apply; refer to Condo Eligibility topic) • 2-4 units (owner-occupied only)
Credit Score/DTI	Per AUS
Eligible Product	<ul style="list-style-type: none"> • Fixed rate only • 15 and 30 year term
Maximum LTV/CLTV Purchase	<ul style="list-style-type: none"> • Standard allowed by Fannie Mae based on loan amount/occupancy/ number of units (2-4 owner-occupied only) with the exception of a 1-unit investment purchase transaction which is limited to 80% LTV with a conforming loan amount. • 105% CLTV eligible on owner-occupied with DPA/Community second
Maximum LTV/CLTV Refinance	Standard allowed by Fannie Mae based on loan amount/occupancy/number of units
High Balance	Eligible
Mortgage Insurance Requirement	<ul style="list-style-type: none"> • Required > 80% LTV • Eligible providers: Essent or Radian • The more restrictive of the specific MI company guidelines or HomeBridge guidelines apply
Maximum Number of Financed Properties	Second home and investment transactions: Maximum 4 financed properties
Minimum Repair Amount	No minimum
Maximum Repair Amount	50% of the "After-Improved" value of the property as determined by the appraisal.
Hazard Insurance	Must be in place for the "After-Improved" value of the property at time of loan closing



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Consultant Required	Yes, if renovation costs exceed > \$15K
Feasibility Study Requirements	<ul style="list-style-type: none"> • Feasibility Study prepared by Consultant required if total rehabilitation cost exceeds \$15,000 • In certain instances total where total rehabilitation costs exceed \$15,000 but are a single repair item a Feasibility Study may not be required
Allowed to be Included in Rehabilitation Costs	<ul style="list-style-type: none"> • Total cost of rehabilitation (labor, and materials; Feasibility Study fee, appraisal, architectural/engineering fees, permits as applicable) • Contingency reserve • Inspections • Up to 6 months PITI if property uninhabitable during renovation (requires consultant approval; owner- occupied only) • Discount points
Allowable Fees	<ul style="list-style-type: none"> • One Final Title Update fee • Draws (one inspection per draw) • Feasibility Study fee, if applicable • Architect/Engineering, if applicable • Permit fee(s), as required
Appraisal Requirements	<ul style="list-style-type: none"> • After-Improved value is the only required value • Condos: 2 comps outside of subject project required • Fannie Mae Field Review requirement for High Balance transactions applies; refer to the HomeStyle appraisal topic for details
Maximum Number of Contractors	<ul style="list-style-type: none"> • 1 General Contractor (specialty allowed for technical repairs) • Borrower selects contractor who is accepted by HomeBridge
Identity of Interest/Conflict of Interest (Contractor/Borrower and Other Relationships)	<ul style="list-style-type: none"> • Borrower can have a familial relationship, or business relationship or business affiliation with the contractor (s) subject to the restrictions below: <ul style="list-style-type: none"> - Borrower cannot be employed by the contractor - Contractor business cannot be owned by borrower • Contractor(s) cannot have familial or business relationships with the property seller(s) or the real estate agents • Contractor cannot also be the consultant on projects where the total rehabilitation costs exceed \$15,000



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Contractor Bid Requirements/ Re-inspection Requirements	<ul style="list-style-type: none"> • No Feasibility Study Required <ul style="list-style-type: none"> - Contractor bid must specify number of draws desired or contractor to confirm in writing number of draws requested <ul style="list-style-type: none"> - If 1 draw the appraiser completes the re-inspection - If > 1 draw the broker confirms in writing who will complete re-inspections (appraiser, consultant, or independent 3rd party inspection company) • Feasibility Study Required <ul style="list-style-type: none"> - Consultant determines the number of draws and completes the re-inspections
Eligible Renovations/ Repairs	<ul style="list-style-type: none"> • Structural, non-structural, cosmetic • Renovation must add value to the property and all renovations must be permanently affixed (i.e. appliances are eligible but must be built-in (no free-standing) additions must be attached to the existing property
Luxury Items	Allowed (e.g. in-ground swimming pools, spas, sauna, barbeque islands, outdoor fireplace, satellite dish, tennis courts, etc.)
Borrower Self-Help (DIY)	Not allowed
Building Additions	Eligible if attached to subject property (i.e. attached garage, room addition to house, etc.). Additions not allowed if not attached to subject property (e.g. detached garage, detached casita/in-law unit, etc.)
Construction of Outbuildings	Ineligible (i.e. detached shed, barn, etc.)
Construction of In Ground Swimming Pools	Yes
Foundation Work	Yes
Tear Down/Rebuild	Ineligible
Mold/Lead Paint Removal/Remediation	Yes
Ineligible Repairs	Includes, but not limited to, tearing down an existing structure, construction of a detached structure, purchase of personal property, any improvement not permanently affixed to the property, alterations to allow for commercial or business use
Contingency Reserve	<ul style="list-style-type: none"> • 10% of the rehabilitation cost • 15% required for properties when utilities not on at time of appraisal or are not in good working order



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Number of Draws Allowed	Maximum 5 draws
Holdback Amount Per Draw	10% of each draw amount
Funds Disbursed at Closing	<ul style="list-style-type: none">• None• Soft costs and custom material costs may be disbursed at closing
Cash-Out/Back Allowed	<ul style="list-style-type: none">• Not allowed – no cash back to the borrower on either purchase or refinance transactions• Excess funds are applied to principal balance
Time to Complete Rehabilitation	6 months from closing
New Construction	Not eligible; Certificate of Occupancy required
Financed Properties	<ul style="list-style-type: none">• Owner-occupied transactions: Unlimited• Second home and investment property transactions are limited to a maximum 4 financed properties including the borrower's primary residence
Condo Eligibility	<ul style="list-style-type: none">• Full Review required• Two (2) comps outside of the project the subject property is located in are required• Written approval from HOA required acknowledging renovation work• Renovation work is limited to the interior of the unit