



Announcement 2016-37

Fannie Mae's HomeReady Program

Planet Home Lending is pleased to announce that effective April 11th, 2016 Planet Home Lending will offer the Fannie Mae HomeReady mortgage program.

HomeReady Overview:

Expanded eligibility in designated low-income, minority, and disaster-impacted communities provide creditworthy, low-to-moderate income borrowers home financing. Pricing for this product is better than or equal to standard loan pricing.

Borrower Benefits

1. **Low down-payment:** Up to 97% financing for a home purchase. CLTV may exceed 97% when the second lien is a Community Seconds loan (maximum 105%).
2. **Income Limits:** No income limits in low-income census tracts; 100% of Area Median Income (AMI) for properties located in high minority census tracts or designated disaster areas; 80% of AMI for all other census tracts.
3. **Boarder:** Up to 30% of borrowers qualifying income can come from boarder income, in addition to the borrowers' employment income (one unit properties only).
4. **Reduced MI coverage:** Only 25% coverage for financing with LTVs higher than 90%.
5. **Flexible Sources of Funds:** Includes gifts, grants cash-on-hand and Community Seconds and can be used for down-payment and closing cost.

Additional Document Requirements

Program specific documentation samples have been posted to the Correspondent Lending website under "Forms & Resources": Samples are as follows:

- Non-Borrower Household Income Worksheet and Certification (Form 1019)
- Home Ownership Education completion certificate (all loans)
- Landlord Education completion certificate (on all 2-4 unit properties).

See the Planet Home Lending Seller Guide for complete program details. Program matrices and overlay documents have been updated and posted accordingly. For information refer to the "Fannie Mae HomeReady, Delivering Loans to Planet Home Lending" PowerPoint presentation under "Training Tools" on our website.

If you have any questions, please reach out to your Regional Sales Manager for additional information.