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FANNIE MAE HOMEReady PROGRAM ¹							
PURCHASE				LIMITED CASH-OUT REFINANCE (LCOR)			
Occupancy	Units	LTV/CLTV/HCLTV ^{5,6}	FICO	Occupancy	Units	LTV/CLTV/HCLTV ^{5,6}	FICO
Primary	1	97% / 97% ^{2,3,4}	Determined by DU	Primary	1	97% ^{2,3,4}	Determined by DU
	2	95% ⁷			2	95% ⁷	
	3	95% ⁷			3	95% ⁷	
	4	95% ⁷			4	95% ⁷	
Manufactured Homes							
Primary	1	95%	Determined by DU	Primary	1	95%	Determined by DU
MH Advantage							
Primary	1	97%	Determined by DU	Primary	1	97%	Determined by DU

Reference:

- Standard Conforming and High Balance Loan Limits apply. Refer to the [Fannie Mae Loan Limits](#).
- CLTV ratios may exceed the limits stated above up to 105% if the subordinate lien is a Community Seconds transaction. See Fannie Mae HomeReady Program Guidelines for complete details.
- Transactions with non-occupant borrowers permitted to a maximum 95%LTV.
- LTV > 95% subject to additional requirements, including Refinance must pay off a Fannie Mae owned loan. See Fannie Mae HomeReady Program Guidelines for complete details.
- High Balance LTV/CLTV/HCLTV permitted to a maximum of 95%.
- Maximum 95% LTV/CLTV when sweat equity is utilized.
- High Balance loan amounts limited to:
 - 2 unit- 85% LTV/CLTV
 - 3-4 unit- 75% LTV/CLTV

2025 Conforming and High Balance Loan Limits			
Units	Conforming Limit	High Balance Limit	Conforming Limit- Alaska and Hawaii
1	\$806,500	\$1,209,750	\$1,209,750
2	\$1,032,650	\$1,548,975	\$1,548,975
3	\$1,248,150	\$1,872,225	\$1,872,225
4	\$1,551,250	\$2,326,875	\$2,326,875

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This matrix is only a guide and does not represent full underwriting guidelines. Additional requirements may apply. Refer to the Fannie Mae HomeReady Program Guidelines for any item not addressed by this matrix. All planet overlays are notated in bold, green text with a “O” Footnote.	
Product Terms	<p>Fixed Rate: 10,15, 20, 30-year term ARM: 5/6, 7/6, and 10/6 SOFR (Secured Overnight Financing Rate) index</p> <ul style="list-style-type: none"> • Caps <ul style="list-style-type: none"> ○ 5/6 Caps are 2/1/5. ○ 7/6 & 10/6 Caps are 5/1/5. • Margin: 3.00. • Qualification <ul style="list-style-type: none"> ○ 5/6 ARMs are qualified at the greater of: Note rate plus 2%; or the fully indexed rate. ○ 7/6 and 10/6 ARMs are qualified at the note rate.
AUS	° DU “Approve/Eligible” results required. Manual underwriting is ineligible.
Community Seconds	Acceptable to the LTV/CLTV/HCLTV stated. The CLTV ratios may exceed the limits stated above up to 105%.
Down Payment	<ul style="list-style-type: none"> • Gift funds, grants, and Community Seconds are acceptable for down payment and closing costs, per Fannie Mae Selling Guide B3-4.3 • Cash-on-hand is an acceptable source of funds for the borrower’s down payment, funds for closing cost and prepaid items on purchase money transactions for 1-unit properties. <ul style="list-style-type: none"> ○ Cash-on-hand may not be used to fund the borrower’s reserve requirement, if applicable. ○ The funds must be verified and documented. • Sweat equity is an acceptable source of down payment for a HomeReady transaction.
Income Limits	<p>DU will determine income eligibility.</p> <ul style="list-style-type: none"> • Total qualifying income must be ≤ 80% of area median income (AMI) for the subject property location • Effective 05/18/2025 – 2025 AMI limits apply • Use Fannie Mae AMI Lookup Tool or DU to confirm eligibility <p>VLIP LLPA Credit – \$2,500</p> <ul style="list-style-type: none"> • Available for purchase loans with qualifying income ≤ 50% AMI • Must be a HomeReady loan with “Approve/Eligible” DU findings. °Manual underwriting is not permitted. • At least one borrower must be a first-time homebuyer • Credit must be applied to down payment and/or closing costs (can satisfy minimum contribution per HomeReady rules) • Must include Special Feature Codes SFC 900 (HomeReady) and SFC 884 (VLIP Credit)
Homeownership Education	<ul style="list-style-type: none"> • All purchase transactions require at least one borrower to complete a homeownership education course prior to note date. • Fannie Mae permits any qualified third-party provider, independent of the lender, to administer homeownership education. • The provider’s content must be aligned with NIS or HUD standards. • SFC 184 is required for the \$500 LLPA credit to take place. • See Fannie Mae HomeReady Program Guidelines for complete details.

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Manufactured Home	<ul style="list-style-type: none"> • Fixed Rate only, ARMs are not permitted. • Eligible properties: <ul style="list-style-type: none"> ○ 1-unit ○ Primary multi-wide dwelling (singlewide is ineligible) ○ PUDs ○ Existing or new construction ○ REO/HUD REOs • 5% Down payment required unless LTV/CLTV is ≤ 80%.
Manufactured Home- MH Advantage	Fixed Rate only, ARMs are not permitted. MH Advantage is designed to meet certain construction, architectural design, and energy efficiency standards that are more consistent with site- built homes.
Mortgage Insurance	Standard MI coverage for LTV's < 90%; 25% coverage for LTV 90.01%-97%.
Non-Occupant Borrower(s)	<ul style="list-style-type: none"> • Permitted to a maximum of 95% LTV. • No limitation on ownership of other properties. • The non-occupant borrower's income must be considered as part of the qualifying income and must be included in the income limit calculation.
Occupancy	Primary residence only.
Requirements for HomeReady Transactions with LTV, CLTV, or HCLTV Ratios of 95.01- 97%	<ul style="list-style-type: none"> • Transaction Type: Purchase or limited cash-out refinance only • Loan Type: Fixed-rate; 30-year max; ARMs and high-balance not permitted • Occupancy: 1-unit primary residence; all borrowers must occupy • Manufactured Homes: Only eligible if MH Advantage • Refinance Ownership: Existing loan must be Fannie Mae-owned; must be disclosed in DU • Underwriting: DU "Approve/Eligible" required; manual UW not allowed • Reserves: Per DU • Other: All standard HomeReady and transaction guidelines apply
Reserves	Per DU
Temporary Buydown	2-1 and 1-0 buydowns allowed; 3-2-1 and 1-1 ineligible. Fixed-rate only. Purchase & No Cash-Out Refi. Primary residence & second homes only. AUS approval required. See guidelines for full details.