

ELIGIBILITY MATRIX

The Eligibility Matrix provides the comprehensive loan-to-value ratios (loan-to-value [LTV], combined loan-to-value [CLTV], and home equity combined loan-to-value [HCLTV]) and minimum credit scores (if applicable) for conventional first mortgages eligible for delivery to Fannie Mae. Other eligibility criteria and underwriting policies that are not covered in the Eligibility Matrix may be required for mortgage loans to be eligible for delivery to Fannie Mae; see the *Selling Guide* for details.

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ELIGIBILITY MATRIX

Standard Eligibility Requirements Maximum Allowable LTV Ratios and Minimum Credit Scores Manual Underwriting, Fully Amortizing Loans (Excludes MyCommunityMortgage [®] , HomeStyle [®] Renovation, Refi Plus [™] , High-Balance Mortgages)			
Transaction Type ¹	Number of Units	Maximum LTV/CLTV ² /HCLTV	Minimum Credit Score ³
Principal Residence			
Purchase Limited Cash-Out Refinance (LCOR)	1 Unit No Co-ops	95/95/95%	660 if > 75% 620 if ≤ 75%
	1 Unit Co-op ⁴	Purchase: 95%/NA/NA	660 if > 75%
		LCOR: 90%/NA/NA	620 if ≤ 75%
	2 Units	80/80/80%	660 if > 75% 640 if ≤ 75%
	3 - 4 Units	75/75/75%	660
Cash-Out Refinance	1 Unit No Co-ops	85/85/85%	680 if > 75% 620 if ≤ 75%
	1 Unit Co-op ⁴	85%/NA/NA	680 if > 75% 620 if ≤ 75%
	2 Units	75/75/75%	680
	3 - 4 Units	75/75/75%	680
Second Home⁵			
Purchase Limited Cash-Out Refinance	1 Unit No Co-ops	90/90/90%	680 if > 75% 620 if ≤ 75%
	1 Unit Co-op ⁴	Purchase: 90%/NA/NA	680 if > 75%
LCOR: 75%/NA/NA		620 if ≤ 75%	
Cash-Out Refinance	1 Unit No Co-ops	75/75/75%	680
Investment Property^{5,6}			
Purchase	1 Unit	85/85/85%	680 if > 75% 620 if ≤ 75%
	2 Units	75/75/75%	660
	3 - 4 Units	75/75/75%	660
Limited Cash-Out Refinance	1 Unit	75/75/75%	640
	2 Units	75/75/75%	680
	3 - 4 Units	75/75/75%	680
Cash-Out Refinance	1 Unit	75/75/75%	700

	2 Units	70/70/70%	680
	3 - 4 Units	70/70/70%	680

Bolded fields indicate an update from previous version of document. References to LTV ratios include LTV, CLTV, and HCLTV ratios.

¹ If the property was purchased within the prior six months, the borrower is ineligible for a cash-out transaction. If the property was listed for sale in the past six months, the LTV ratios for a cash-out transaction are limited to 70% (or maximum allowed if less than 70%, such as for manufactured homes). If the borrower has been on title for at least six months but cannot demonstrate an acceptable continuity of obligation, the loan is considered a cash-out transaction and the LTV ratios are limited to 50% of the current appraised value. If the transaction is a single-closing construction-to-permanent loan, and the credit or appraisal documents exceed standard guidelines, then the LTV ratios are limited to 70%.

² The CLTV may be up to 105% only if the mortgage is part of a Community Seconds[®] transaction.

³ Minimum credit score requirements are for mortgage loans underwritten outside of DU and do not apply to loan casefiles underwritten with DU or mortgage loans where the borrowers are relying solely on nontraditional credit to qualify. The minimum credit score must be based on the highest of LTV, CLTV, or HCLTV, as applicable. Fannie Mae will allow accommodations to the credit score based on the underwriter's comprehensive risk assessment. Regardless of the documented circumstances or offsetting contributory risk factors, the minimum credit score may not be lower than **620** or 40 points below the minimum required, whichever is higher. See additional information in the *Selling Guide* for borrowers without credit scores or with credit scores impacted by erroneous data.

⁴ No subordinate financing permitted on cooperative share loans.

⁵ Borrowers who own five to ten financed properties are subject to the following additional eligibility requirements:

- Second home: purchase and limited cash-out refinance – 75/75/75% LTV/CLTV/HCLTV
- Investment property: purchase – 1 unit 75/75/75%, 2 - 4 units 70/70/70%; limited cash-out refinance – 1 – 4 units 70/70/70% LTV/CLTV/HCLTV
- 720 minimum credit score
- Cash-out refinance transactions are not permitted.

⁶ Units in a cooperative project are not permitted as investment properties.

Special Mortgage Products
Maximum Allowable LTV Ratios and Minimum Credit Scores
Manual Underwriting, Fully Amortizing Loans
(Excludes High-Balance Mortgages)

Transaction Type	Number of Units	Maximum LTV/CLTV¹/HCLTV	Minimum Credit Score²
MyCommunityMortgage[®]			
Principal Residence			
Purchase Limited Cash-Out Refinance ³	1 Unit No Co-ops	95/95/95%	660
	1 Unit Co-op ⁴	95%/NA/NA	660
	2 Units	95/95/95%	680
	3 - 4 Units	95/95/95%	680
HomeStyle[®] Renovation Mortgage			
Principal Residence			
Purchase Limited Cash-Out Refinance ³	1 Unit No Co-ops	95/95/95%	660
	1 Unit Co-op ⁴	90/NA/NA	660
	2 Units	75/75/75%	660
	3 - 4 Units	75/75/75%	660
Second Home			
Purchase Limited Cash-Out Refinance ³	1 Unit No Co-ops	90/90/90%	660
	1 Unit Co-op ⁴	Purchase: 90%/NA/NA LCOR: 75%/NA/NA	660
Investment Property⁵			
Purchase	1 Unit	75/85/85%	680
Limited Cash-Out Refinance ³	1 Unit	75/75/75%	680

Bolded fields indicate an update from previous version of document. References to LTV ratios include LTV, CLTV, and HCLTV ratios.

¹ The CLTV may be up to 105% only if the mortgage is part of a Community Seconds[®] transaction.

² Minimum credit score requirements are for mortgage loans underwritten outside of DU and do not apply to loan casefiles underwritten with DU or mortgage loans where the borrowers are relying solely on nontraditional credit to qualify. The minimum credit score must be based on the highest of LTV, CLTV, or HCLTV, as applicable. Fannie Mae will allow accommodations to the credit score based on the underwriter's comprehensive risk assessment. Regardless of the documented circumstances or offsetting contributory risk factors, the minimum credit score may not be lower than **620** or 40 points below the minimum required, whichever is higher. See additional information in the *Selling Guide* about borrowers without credit scores, MyCommunityMortgage[®] borrowers with "thin" traditional credit files and borrowers with credit scores impacted by erroneous data.

³ If the borrower has been on title for at least six months but cannot demonstrate an acceptable continuity of obligation, the loan is not eligible for a limited cash-out refinance.

⁴ No subordinate financing permitted on cooperative share loans.

⁵ Units in a cooperative project are not permitted as investment properties.

Refi Plus™			
Maximum Allowable LTV Ratios and Minimum Credit Scores for Manual Underwriting			
Transaction Type¹	Number of Units	Maximum LTV^{2,3}	Minimum Credit Score⁴
Limited Cash-Out Refinance, Fully Amortizing Only Fixed-Rate and ARMS with Initial Fixed Periods ≥ 5 years			
Principal Residence	1 - 4 Units	105%	No minimum
Second Home	1 Unit	105%	No minimum
Investment Property	1 - 4 Units	105%	No minimum
Limited Cash-Out Refinance, Fully Amortizing Only Fixed-Rate, > 15-30 Year Term			
Principal Residence	1 - 4 Units	105.01 - 125%	No minimum
Second Home	1 Unit	105.01 - 125%	No minimum
Investment Property	1 - 4 Units	105.01 - 125%	No minimum

Bolded fields indicate an update from previous version of document.

¹All property types are eligible including condominiums, cooperatives, manufactured housing and PUDs. MyCommunityMortgage® loans and HomeStyle® Renovation mortgage loans are not eligible. Refi Plus has its own limited cash-out definition.

² There is no maximum CLTV or HCLTV limit. All existing subordinate financing must be resubordinated, new subordinate financing is not permitted, and existing purchase subordinate financing may not be satisfied with the proceeds of the new mortgage loan.

³ High-balance mortgage loans are eligible according to the requirements of this chart.

⁴ The borrower's representative credit score from a merged credit report must be provided at delivery for pricing purposes.

High-Balance Mortgage Loans

Maximum Allowable LTV Ratios and Minimum Credit Scores^{1,2}

Manual Underwriting: All high-balance mortgage loans with application dates on or after June 1, 2009.

Desktop Underwriter® (DU®): All high-balance mortgage loans underwritten with DU Version 8.0 and later versions.

Transaction Type	Number of Units	Maximum LTV/CLTV ³ /HCLTV	Minimum Credit Score ⁴
Principal Residence			
Purchase Construction ⁵	1 Unit No Co-ops MH ⁶	FRM 90/90/90% ARM 75/75/75%	FRM: 700 if >75% 660 if ≤ 75% ARM: 680
	1 Unit Co-op ⁷	FRM 90%/NA/NA ARM 75%/NA/NA	FRM: 700 if >75% 660 if ≤ 75% ARM: 680
	2 – 4 Units	75/75/75%	740
Limited Cash-Out Refinance	1 Unit 1 Unit Co-op ⁷ MH ⁶ (CLTV and HCLTV do not apply to co-ops)	Loan Amount ≤ \$625,500 FRM: 90/90/90% ARM: 75/75/75% Loan Amount > \$625,500 FRM: 80/80/80% ARM: 75/75/75%	FRM: 700 if >75% 660 if ≤ 75% ARM: 680
	2 – 4 Units	75/75/75%	740
Cash-Out Refinance ⁸	1 Unit No Co-ops MH ⁶	60/60/60%	740
	1 Unit Co-op ⁷	60%/NA/NA	740
	2 – 4 Units	N/A	N/A
Second Home			
Purchase Limited Cash-Out Refinance Construction ⁵	1 Unit No Co-ops MH ⁶	65/65/65%	740
	1 Unit Co-op ⁷	65%/NA/NA	740
Investment Property⁹			
Purchase Limited Cash-Out Refinance Construction ⁵	1 – 4 Units	65/65/65%	740

Bolded fields indicate an update from previous version of document. References to LTV ratios include LTV, CLTV, and HCLTV ratios.

¹ The maximum LTV ratios apply to HomeStyle® Renovation, MyCommunityMortgage®, and Flexible mortgage loans based on the allowable transaction types and number of units for each product (e.g., Flexible mortgages can only be one unit with maximum LTV ratios of 90%, cash-out refinances are not permitted for either HomeStyle or Flexible mortgages, etc.) These requirements do not apply to Refi Plus™ or DU Refi Plus™. If the transaction is a single-closing construction-to-permanent loan, and the credit or appraisal documents exceed standard guidelines, then the LTV ratios are limited to 70%.

² Balloon mortgages are not permitted and interest-only is restricted to certain DU transactions (not permitted on manufactured homes, HomeStyle, cooperative properties, or two-unit construction transactions.). Mortgage loans with an interest-only feature are not permitted with the following: interest-only periods of less than ten years, balloons, units in a cooperative project, amortization terms of less than 30 years, ARMs with temporary buydowns, and ARMs other than 5/1 ARMs on MyCommunityMortgage loans.

³ The CLTV may be up to 105% only if the mortgage is part of a Community Seconds® transaction (except for manufactured homes).

⁴ Minimum credit score requirements apply to all high-balance mortgage loans. All borrowers must have a credit score, and the representative score for the transaction must be based on the highest of LTV, CLTV, or HCLTV, as applicable.

⁵ Construction applies only to DU transactions. The following are not permitted: units in a condominium or cooperative project, manufactured homes, 3-4 unit properties, interest-only on 2-unit properties.

⁶ Manufactured housing (MH) must be underwritten with DU and is only permitted where noted. Amortization term can not exceed 30 years. Interest-only is not permitted.

⁷ No subordinate financing permitted on cooperative share loans.

⁸ If the property was purchased within the prior six months, the borrower is ineligible for a cash-out refinance transaction.

⁹ Units in a cooperative project and manufactured homes are not permitted as investment properties.

Desktop Underwriter® (DU®)
Maximum Allowable LTV Ratios¹
 Effective with DU Version 8.0
 (Excludes High-Balance)

Transaction Type ²	Occupancy	#Units	Amortization ³ and Property Restrictions	Maximum LTV/CLTV ⁴ / HCLTV
Standard Eligibility Requirements				
Purchase Limited Cash-Out Refinance (LCOR)	Principal	1	Co-op Fully amortizing	Purchase: 95%/NA/NA LCOR: 90%/NA/NA
		1	Fully amortizing	95/95/95%
		1	Interest-Only	95/95/95%
		2	Fully amortizing	80/80/80%
		2	Interest-Only	75/75/75%
		3 - 4	All	75/75/75%
	Second Home ⁵	1	Co-op Fully amortizing	Purchase: 90%/NA/NA LCOR: 75%/NA/NA
		1	All	90/90/90%
	Investment ^{5,6}	1	Purchase, All	85/85/85%
			LCOR, All	75/75/75%
		2 - 4	Fully amortizing	75/75/75%
	Cash-Out Refinance	Principal	1	Co-op Fully amortizing
1			All	85/85/85%
2 - 4			All	75/75/75%
Second Home ⁵		1	Fully amortizing	75/75/75%
			Interest-Only	70/70/70%
Investment ^{5,6}		1	Fully amortizing	75/75/75%
		1	Interest-Only	70/70/70%

Desktop Underwriter[®] (DU[®])
Maximum Allowable LTV Ratios¹
 Effective with DU Version 8.0
 (Excludes High-Balance)

Transaction Type²	Occupancy	#Units	Amortization³ and Property Restrictions	Maximum LTV/CLTV⁴/ HCLTV
		2 - 4	Fully amortizing	70/70/70%
Flexible Mortgages				
Purchase Limited Cash-Out Refinance	Principal	1	Flexible Requirements	97/97/97%
MyCommunityMortgage[®] (MCM[®])				
Purchase Limited Cash-Out Refinance	Principal	1	All	97/97/97%
		2 - 4	All	95/95/95%
Manufactured Housing				
Purchase Limited Cash-Out Refinance	Principal	1	Fully amortizing Term ≤ 30 years	95/95/95%
	Second ⁵	1	Fully amortizing Term ≤ 30 years	90/90/90%
Cash-Out Refinance	Principal	1	Fully amortizing Term ≤ 20 years	65/65/65%
HomeStyle[®] Renovation Mortgages				
Purchase Limited Cash-Out Refinance	Principal	1	Co-op Fully amortizing	Purchase: 95%/NA/NA LCOR: 90%/NA/NA
		1	Fully amortizing	95/95/95%
		2 - 4	Fully amortizing	75/75/75%
	Second Home	1	Co-op Fully amortizing	Purchase: 90%/NA/NA LCOR: 75%/NA/NA
		1	Fully amortizing	90/90/90%
	Investment ⁶	1	Purchase Fully amortizing	75/85/85%
			LCOR Fully amortizing	75/75/75%

Desktop Underwriter[®] (DU[®]) Maximum Allowable LTV Ratios¹ Effective with DU Version 8.0 (Excludes High-Balance)				
Transaction Type ²	Occupancy	#Units	Amortization ³ and Property Restrictions	Maximum LTV/CLTV ⁴ / HCLTV
Construction⁷ (One-time Close)				
Construction	Principal	1	No Condo No Co-op Fully amortizing	95/95/95%
	Second Home ⁵	1		90/90/90%
	Investment ⁵	1	Interest-Only	85/85/85%
DU Refi Plus^{™8}				
Limited Cash-Out Refinance	Principal	1-4	DU Refi Plus Requirements	LTV: 125% ^{9,10}
	Second Home	1		
	Investment	1 - 4		

Bolded fields indicate an update from previous version of document. References to LTV ratios include LTV, CLTV, and HCLTV ratios, unless otherwise noted.

¹ A minimum representative credit score of **620** applies to all loan casefiles underwritten with DU, with the exception of DU Refi Plus.

² If the property was purchased within the prior six months, borrower is ineligible for a cash-out transaction. If the property was listed for sale in the past six months, the LTV ratios for a cash-out transaction are limited to 70% (or maximum allowed if less than 70%, such as for manufactured homes). If the borrower has been on title for at least six months but cannot demonstrate an acceptable continuity of obligation, the loan is considered a cash-out transaction and the LTV ratios are limited to 50% of the current appraised value.

³ Mortgage loans with an interest-only feature are not permitted with the following: interest-only periods of less than ten years, balloons, units in a cooperative project, amortization terms of less than 30 years, ARMs with temporary buydowns, and ARMs other than 5/1 ARMs on MyCommunityMortgage loans.

⁴ The CLTV ratio may be up to 105% only if the mortgage is part of a Community Seconds[®] transaction (except for manufactured homes.)

⁵ Borrowers who own five to ten financed properties are subject to the following additional eligibility requirements. (These must be manually applied to DU loan casefiles.):

- Second home: purchase and limited cash-out refinance – 75/75/75% LTV/CLTV/HCLTV
- Investment property: purchase – 1 unit 75/75/75%, 2 - 4 units 70/70/70%; limited cash-out refinance – 1 – 4 units 70/70/70% LTV/CLTV/HCLTV
- 720 minimum credit score
- Cash-out refinance transactions are not permitted.

⁶ Units in a cooperative project are not permitted as investment properties.

⁷ Construction refers to the loan purpose entered on the loan application as “Construction,” which in DU is used for one-time close transactions (also known as single-closing transactions). Construction transactions are not permitted for units in condominium or cooperative projects or manufactured housing. Loan casefiles submitted as “Construction-Permanent” are considered two separate closing transactions and are subject to standard limited cash-out or cash-out refinance eligibility guidelines as defined in the *Selling Guide*.

⁸ All property types are eligible including condominiums, cooperatives, manufactured housing and PUDs. MyCommunityMortgage loans and HomeStyle Renovation mortgage loans are not eligible. DU Refi Plus has its own limited cash-out definition.

⁹ There is no maximum CLTV or HCLTV limit for DU Refi Plus[™]. All existing subordinate financing must be resubordinated, new subordinate financing is not permitted, and existing purchase money subordinate financing may not be satisfied with the proceeds of the new mortgage loan.

¹⁰ **DU Refi Plus loan casefiles with an LTV over 105% must be a fully amortizing, fixed-rate mortgage with an amortization term greater than 15 years, but not more than 30 years.**

Desktop Underwriter Expanded Approval[®] (EA) Eligibility					
Effective with DU Version 8.0					
(Refer to the Desktop Underwriter Maximum Allowable LTV Ratios Chart for specific eligibility criteria)					
Transaction Type	Approve	EA-I SFC 062	EA-II SFC 062	EA-III SFC 062	Refer W Caution/IV Ineligible
Standard Eligibility Criteria	✓	✓	NA	NA	NA
Flexible Mortgages	✓	✓	NA	NA	NA
MyCommunityMortgage [®]	✓	✓ ¹	NA	NA	NA
Manufactured Housing	✓	✓	NA	NA	NA
HomeStyle [®] Renovation Mortgages	✓	✓	NA	NA	NA
Construction (One-time Close)	✓	✓	NA	NA	NA
DU Refi Plus [™]	✓	✓	✓	✓	NA
High-Balance Mortgage Loans	✓	NA	NA	NA	NA

¹ Special Feature Code **062** is not applicable to MyCommunityMortgage loan deliveries.

Bolded fields indicate an update from previous version of document.