

Fannie Mae / Freddie Mac Quick Reference Comparison

Guideline	Fannie Mae	Freddie Mac
AUS Finding	"Approve/Eligible" required	"Accept" required
Minimum Credit Score	Per DU	620
Maximum Loan Amount	Per FHFA	\$1,000,000
Maximum LTV	See attached Exhibit A for variances	See attached Exhibit A for Variances
Cash-Out Allowed High Balance/ Super Conforming	<ul style="list-style-type: none"> Primary 1-unit: Allowed Primary 2-4 units: Not allowed Second Home: Not allowed Investment: Not allowed 	<ul style="list-style-type: none"> Primary 1-unit: Allowed Primary 2-4 units: Allowed Second Home: Allowed Investment 1-4 units: Allowed
Condo Project Eligibility	Fannie Mae warrantable	Freddie Mac or Fannie Mae warrantable
Condo Conversions	Eligible. New or Newly converted in FL required PERS approval.	No condo projects converted in the previous 3 years regardless of location
Attached Condo Comparable Sales	No specific requirement	Must provide two comparable sales from outside the subject project and outside the influence of the developer, builder or property seller
AMC	<ul style="list-style-type: none"> All states except Texas: Mortgage Management Consulting at MMC Texas: Momentum Appraisal Group at Momentum 	<ul style="list-style-type: none"> All states except Texas: Mortgage Management Consulting at MMC Texas: Momentum Appraisal Group at Momentum
Secondary Financing	Eligible	Eligible must reduce LTV by 5%
DPA	Eligible	Not Eligible
Unpermitted Additions	The appraiser must comment on the quality and appearance of the work and any impact the addition might have on the market value of the subject property.	Eligible if: the appraiser states work is completed in "workmanlike quality", the addition does not change the number of units comprising the property and if the appraiser gives the addition value, must state typical for the area and has no reason to believe the addition would not pass an inspection for obtaining permits.
Review Appraisal on High Balance/Super Conforming	A field review (FNMA Form 2000) will be required on the following: <ul style="list-style-type: none"> - LTV > 80% and loan amount >\$625,500, or - LTV > 75% and the property is valued at \$1,000,000 or more 	A field review (FNMA Form 2000) will be required on the following: <ul style="list-style-type: none"> - LTV > 75% and the property is valued at \$1,000,000
Credit Report	Broker acceptable	REM N Wholesale will re-pull credit
Maximum DTI	Per DU	50%
Non-Occupant Co-borrower	Income cannot be used in the debt ratio calculation	≤ 75% LTV: Income can be used in the debt ratio calculation > 75% LTV: Considered on case-by-case basis with REM N Wholesale management approval

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Guideline	Fannie Mae	Freddie Mac
Bankruptcy 7 or 11 Refer to program guidelines for complete details	4 years from discharge to credit report date NOTE: Extenuating circumstances 2 years from discharge and lesser of 90% LTV or maximum allowed by program	2 years from discharge to credit report date
Bankruptcy 13 Refer to program guidelines for complete details	<ul style="list-style-type: none"> • 2 years from discharge date to credit report date, or • 4 years from dismissal date to credit report date 	2 years from discharge or dismissal to credit report date
Foreclosure Refer to program guidelines for complete details	<ul style="list-style-type: none"> • 7 years from completion date to credit report date, or • 3 years with extenuating circumstances. Max lesser of 90% LTV or program max, primary residence 	36 months from the completion date (as reported on the credit report) to the credit report date. Event within prior 7 years purchase transactions maximum 90%
Deed-in-Lieu Refer to program guidelines for complete details	Loan applications dated on or after 8/16/14: <ul style="list-style-type: none"> • 4 years regardless of the LTV • 2 years with acceptable extenuating circumstances 	24 months from the execution/completion date to credit report date. Event within prior 7 years purchase transactions maximum 90% or refinance per Freddie Mac guidelines
Short Sale	Eligible per Fannie Guidelines	Ineligible
Self-Employed Borrower	2 years signed federal tax returns/all schedules	1 year (if allowed by LP) but borrower must have 2-full year's self-employment and qualified on most current tax year. If tax extension filed reduced documentation ineligible.
Rent Loss	Required when rental income used to qualify	Required only when rental income used to qualify on 1-4 unit investment subject property
History Managing Rental Property	No history required	Purchasing 1-4 investment must have 2-year history managing rental property
Property Flip	Eligible appraisal must support value increases.	Properties resold within 180 days – non-arm's length ineligible
Property Listed for Sale	Properties listed for sale in previous 12 months must be taken off market prior to disbursement of date of new loan and on primary residence must confirm in writing their intent to occupy property	Must be taken off the market 30 days prior to application date and on primary residence must confirm in writing intent to occupy property
Gift Funds	5% borrower own funds not required on 1-unit primary residence unless non-occupant co-borrower is on the loan and the LTV is > 80%	5% borrower own funds when LTV/CLTV is > 80% and there are gift funds involved in the transaction or there is a non-occupant co-borrower on the transaction
Other Income Sources	Generally two years required however allows exceptions per Fannie Mae guidelines	Two year consecutive history required on the following: <ul style="list-style-type: none"> • Commission and bonus income, • Overtime, • Foster care, • Tip income, • Automobile allowance, • Dividend and interest income

Fannie/Freddie LTV/CLTV Compare Differences

Conforming Loan Amounts		
Primary Residence	Fannie Mae	Freddie Mac
Purchase & Rate/Term	97% LTV/CLTV	95% LTV/CLTV
Purchase & Rate/Term 2-units	85% LTV/CLTV	80% LTV/CLTV
Purchase & Rate/Term 3-4 units	75% LTV/CLTV	80% LTV/CLTV
Cash-out 1-unit	85%** LTV/CLTV	80% LTV/CLTV
Second Home	Fannie Mae	Freddie Mac
Purchase & Rate/Term	90% LTV/CLTV	85% LTV/CLTV

*95.01-97% LTV limited to first time homebuyers for purchase transactions and the refinance of a loan currently owned by Fannie Mae. Refer to guidelines for full details.

**Maximum 80% LTV is effective with loans submitted to DU 9.2 on or after the weekend of December 13, 2014

High Balance/ Super Conforming Loan Amounts		
Primary Residence	Fannie Mae	Freddie Mac
Cash-out 1-unit	60% LTV/CLTV	75% LTV/CLTV
Cash-out 2-4 units	N/A	65% LTV/CLTV
Second Home	Fannie Mae	Freddie Mac
Purchase & Rate/Term	65% LTV/CLTV	80% LTV/CLTV
Cash-Out	N/A	65% LTV/CLTV
Investment	Fannie Mae	Freddie Mac
Purchase 1-unit	65% LTV/CLTV	80% LTV/CLTV
Limited Cash-out 1 unit	65% LTV/CLTV	75% LTV/CLTV
Purchase & Limited Cash-out 2-4 units	65% LTV/CLTV	70% LTV/CLTV
Cash-out 1-4 units	N/A	65% LTV/CLTV