Title (Version):	FNMA HomePath
Description:	

ELIGIBILITY REQUIREMENTS	
Eligibility: General	♦ Mortgages must meet the following eligibility requirements: ° Standard per Desktop Underwriter ("DU") except as provided below.
Maximum LTV/CLTV/HCLTV (%)	♦ Maximum LTV/CLTV/HCLTV is per Selling Guide, except: ° 90/90/90 for 1-2 unit investment properties. ° 75/75/75 for second homes and investment properties where the borrower owns more than 4 financed properties as described in the "Number of Financed Properties" section below. ♦ Mortgages with LTVs over 95% and Mortgages with CLTVs over 95% must meet Flexible Mortgage requirements.
Property Types	♦ All eligible per Selling Guide, including manufactured housing. ♦ Properties in a condominium hotel project are ineligible.
Loan Purpose	Purchase only.
Occupancy/Number of Units	♦ 1-4 unit principal residence ♦ 1 unit second home ♦ 1-4 unit investment property
Mortgage Products/Features: Term	♦ 30 Year fixed Rate ♦ Products must meet the standard eligibility requirements for the specific mortgage type, property type or feature per Selling Guide, for example: ° Flexible mortgages ° Manufactured housing
Minimum FICO	660, for Mortgages above 80% LTV. Guild requires a 680 for manufactured homes
Mortgaged Property	♦ Mortgages must be secured by properties that are acquired from Fannie Mae and designated by Fannie Mae on the www.homepath.com website as eligible for HomePath financing. ♦ Lender must document the file with appropriate pages printed from www.homepath.com showing that the property was eligible for HomePath financing.
Subordinate Financing	Permitted per Selling Guide.

UNDERWRITING/DOCUMENTATION	
Required Underwriting Method	DU. See additional provisions in the "Desktop Underwriter" section below.
Interested Party Contributions("IPC")	♦ Maximum IPC: ° Notwithstanding the Selling Guide requirements, for principal residences and second homes with LTVs (or CLTVs if applicable) of 75.01-97%: 6.00% of the Contract Sales Price (see "Determination of Property Value" section below). ° Investment properties: standard per Selling Guide.= 2%
ADDITIONAL BORROWER ELIGIBILITY	
Number of Properties Financed	Per Selling Guide for all occupancy types.
PROPERTY VALUATION/APPRAISAL REQUIREMENTS	
Required Appraisal Type	♦ No appraisal is required. ♦ Notwithstanding the Selling Guide, Lender is not required to represent and warrant the value or the condition of the property. ♦ If the borrower, at its option, chooses to obtain an appraisal, then: ° The borrower must order the appraisal from an appraiser selected by the borrower (and not one recommended by Lender), and the appraisal must be paid for by the borrower outside of the loan transaction. ° Lender must not request a copy of the appraisal, but if one is provided by the borrower then it must be included in the loan file with a note that the appraisal was ordered by the borrower outside of the loan transaction and was not reviewed or approved by Lender. ° The property value shown on the appraisal will not impact the LTV calculation for purposes of this Variance. ° Lender must inform the borrower that the purpose of the borrower-ordered appraisal and its contents are for the use and information of the borrower only, and will not be considered for purposes of the loan transaction.
Determination of Property Value	Property value for purposes of loan delivery and for determining LTV/CLTV/HCLTV is the sales price of the property as evidenced by the sales contract between Fannie Mae and the buyer/borrower ("Contract Sales Price").

MORTGAGE INSURANCE/CREDIT ENHANCEMENT	
Mortgage Insurance Coverage ("MI")	MI is not required, provided that at delivery Mortgages with LTVs over 80% will be subject to the applicable LLPAs
DESKTOP UNDERWRITER	
Required Recommendation Levels	♦ Any of the following: ° Approve ° EA-I ♦ Requires "Eligible" recommendation. "Ineligible" recommendations are permitted if only reason for ineligibility is: ° LTV greater than 85% for 1-2 unit investment properties* *Note: An Ineligible recommendation for 1-2 unit investment properties with LTV/CLTVs over 85% will be received with DU Version 7.1.
Documentation Levels	Must use documentation levels issued by DU, except for the level of fieldwork recommendation.
DU Messaging	♦ Lender may disregard the following DU messages, provided that the Mortgage complies with all requirements of this Variance: ° Any message relating to the 1-2 unit investment property receiving an "Ineligible" recommendation due to an LTV/CLTV/HCLTV greater than 85%, per "Required Recommendation Levels" section above; ° Any message relating to amount of MI required; ° Any message that says the maximum allowable IPC has been exceeded on a principal residence or second home with LTV over 90%; and ° Any message related to the level of fieldwork recommendation.
Limited Waiver of Representations and Warranties	Mortgages receiving an "Approve" or "EA" recommendation are eligible for the limited waiver of underwriting representations and warranties provided the Mortgage complies with all applicable terms of the limited waiver per the Selling Guide.
DU Submission Instructions	HomePath Mortgages must not be submitted to DU as My Community Mortgages.

PROJECT APPROVAL AND REQUIREMENTS	
Project Eligibility	♦ Lender is not required to warrant that the condominium, cooperative or PUD project meets Fannie Mae's project eligibility criteria, provided that for each mortgage secured by a condominium or cooperative unit: ◦ Lender must check project status in CPM: • If anything <u>other than</u> "unavailable," then no more research in CPM is required. • If "unavailable," then Lender may contact Fannie Mae's Project Standards Team to determine if the project is a condominium or cooperative hotel project, in which case the property is ineligible for HomePath financing. ◦ Lender must make inquiries, including internet searches on the project, which include: • looking at project name to determine whether it contains "hotel," "motel," "inn" or "lodge;" • researching project address to see if it has the same address as a hotel; and • reviewing the advertised project features to see if there is evidence that the project is a condominium or cooperative hotel (such as daily cleaning service, nightly rentals, etc.) ◦ If any of those inquiries confirm, or suggest, that the project may be a condominium or cooperative hotel project, then the property is ineligible.
Project Type Code	♦ Lender must utilize the following Project Type Codes at the time of delivery for all HomePath Mortgages secured by a property in a condominium project, cooperative project, or planned unit development where no project review is performed: ◦ V – for properties in a condominium project, ◦ 2 – for properties in a cooperative project, and ◦ E – for properties in a planned unit development. ♦ As a reminder, a Project Type Code of G would be used at the time of delivery for all Mortgages secured by a property that is ***not*** located in a condominium project, cooperative project, or planned unit development.

ADDITIONAL SERVICING REQUIREMENTS	
General	♦ Lender must service Variance Mortgages using the guidelines for "high-risk" mortgages per Servicing Guide, except as follows: ° If Lender obtains a risk profile for the Variance Mortgage from either Risk Profiler or another default indicator system that is approved by Fannie Mae, then Lender may service the Mortgage according the actual risk profile.

ORIGINATION CHANNEL REQUIREMENTS	
Eligible Channel(s)	Retail only

DELIVERY REQUIREMENTS	
Special Feature Code(s) ("SFC"): Specific to Variance Mortgages	057- for all HomePath Mortgages
Special Feature Code(s) ("SFC"): Other Instructions	♦ All standard per Selling Guide, including: ° 206 (Flexible Mortgages with LTVs of 97% or less) – for all HomePath Mortgages with LTVs of 90.01- 97% that are being delivered as Flexible Mortgages. ° 446 (Flexible Mortgage w/subordinate financing) – for all HomePath Mortgages with LTVs of 95% or less and CLTVs of 95.01 – 97% (105% with Community Seconds). ° 118 (for first Mortgages originated in conjunction with Community Seconds transactions) ° 716 (Expanded Approval Mortgages) – for all HomePath Mortgages that receive an EA-I recommendation from DU.
Mortgage Insurance (MI) Code	MI Code 98 for Mortgages over 80% LTV.
Selling Representations and Warranties	Lender makes all selling representations and warranties per the Selling Guide, as modified by this Variance.