

See full Product Guide for complete information.

Revised 9-20-21

Given the current situation associated with COVID-19, refer to Credit Policy 20-07 for temporary guidance related to certain credit, income and collateral requirements.

| Loan Amounts and LTVs ¹ | |
|---|--|
| Property Type | Fixed Rate Mortgage Max LTV / TLTV / HTLV ⁴ |
| Purchase | |
| 1 Unit Primary Residence ⁵ | 97% ² |
| 2 Unit Primary Residence ⁵ | 85% |
| 3-4 Unit Primary Residence ⁵ | 75% |
| 1 Unit Second Home | 90% |
| 1 Unit Investment Property | 85% |
| 2-4 Unit Investment Property | 75% |
| Limited Cash-Out Refinance | |
| 1 Unit Primary Residence ⁵ | 97% ³ |
| 2 Unit Primary Residence ⁵ | 85% |
| 3-4 Unit Primary Residence ⁵ | 75% |
| 1 Unit Second Home | 90% |
| 1 Unit Investment Property | 75% |
| 2-4 Unit Investment Property | 75% |
| Cash Out and Student Loan Cash Out Refinance | |
| 1 Unit Primary Residence | 80% |
| 2-4 Unit Primary Residence | 75% |
| 1 Unit Second Home | 75% |
| 1 Unit Investment Property | 75% |
| 2-4 Unit Investment Property | 70% |

¹Refer to the Agency Loan Limit matrix in the full product guidelines for maximum loan amounts

²Purchase transactions with LTV ratios greater than 95% must be a FRM and requires at least one borrower to be a first time homebuyer and at least one borrower must complete homebuyer education when all borrowers are first-time homebuyers. Maximum 90% LTV/CLTV/HCLTV for fixed rate transactions where no borrower has a credit score.

³Refinance transactions with LTV ratios greater than 95% must be a FRM and requires that the existing loan being refinanced is owned (or securitized) by Fannie Mae. Maximum 90% LTV/CLTV/HCLTV for fixed rate transactions where no borrower has a credit score.

⁴Small Business Administration (SBA) loans secured by the subject property must be treated as subordinate financing and included in the calculation of the CLTV and HCLTV ratios.

⁵Maximum 105% CLTV with an eligible Community Second.

• Refer to Credit Policy Announcements 18-44 and 18-20 for LTV requirements for Condos with limited reviews

• Follow Fannie Mae minimum borrower contribution guidelines per Fannie Seller Guide Section B3-4.3-04.

| | | |
|------------------------------|---|--|
| Amortization | <ul style="list-style-type: none"> • 10, 15, 20, 25, 30 Year • Odd terms down to 96 Months (Capital Market exceptions may be considered down to 85 months) • Manufactured Homes Cash-Out transactions ≤ 240 mo | |
| Secondary Financing | <ul style="list-style-type: none"> • Eligible standard subordinate financing permitted. Refer to the LTV/CLTV/HCLTV chart if subordinate financing exists • Standard secondary financing, including HELOCs, for a Mortgage with a CLTV/HCLTV ratios up to 97% is permitted • Community Seconds are permitted up to 105% CLTV | |
| Eligible Properties | <ul style="list-style-type: none"> • 1-4 Units • Warrantable Condo, PUD, Townhouse | <ul style="list-style-type: none"> • Co-Op (see Product Guide for complete details) |
| Ineligible Properties | <ul style="list-style-type: none"> • Manufactured Housing (available in FL only) • Non-warrantable Condo • Timeshare • Mixed Use • Mobile Home • Condo/PUD Hotel • Commercial Property • Working Farms | <ul style="list-style-type: none"> • Properties with Resale Deed Restrictions (other than Age Restricted) • Properties located in Lava Zones 1 & 2 • Properties that are listed for sale at the time of disbursement • Properties that have been assumed • Life Estates • Land Trust & Community Land Trust (including Illinois Land Trusts) |

| Refinance Transactions | Rate Term Refinance <ul style="list-style-type: none"> • Borrower must have ownership of the subject property and be vested on title prior to the application date. • For limited cash out refinance to include the payoff of a subordinate mortgage, the subordinate mortgage must have been used in whole to acquire the subject property. • A limited cash out may receive the lesser of 2% of the loan amount or \$2,000.00 in cash back at closing. • A transaction is not eligible as a limited cash out refinance if the Borrower completed a cash out refinance transaction with a Note Date 30 days or less prior to the application date of a new refinance secured by the same property. | Cash-Out Refinance <ul style="list-style-type: none"> • The property must have been purchased (or acquired) by the borrower at least six months prior to the disbursement date of the new mortgage loan. <i>See full product guide for exceptions.</i> • Any refinance within 6 months of a previous refinance that combined a first mortgage and a non-purchase money second mortgage will be considered a cash-out refinance. • Properties listed for sale must be taken off the market on or before the disbursement date of the new mortgage. <ul style="list-style-type: none"> - Borrower must provide documentation that the property has been taken off the market. | | | | | | | | | | | | | | | | | |
|---|---|---|--------------|----------------|------------------|--------------|--------------|--------------|----------------|------------------------------------|----|-----|-----|-----|---|-----|-----|-----|-----|
| Occupancy | Primary Residence, Second Home, Investment Property <ul style="list-style-type: none"> • Refer to maximum LTV/TLTV/HTLTV chart above • If subordinate financing exists refer to Secondary Financing Section above • FMC has a maximum of four FMC financed properties for one individual Primary Residence <ul style="list-style-type: none"> • 1-4 Unit • Must be Owner Occupied • There are no limitations on the number of properties that the borrower has financed when the subject loan is secured by the borrower's primary residence Secondary/Vacation Home <ul style="list-style-type: none"> • 1 Unit only, must be suitable for year-around use • Borrower must occupy the property for some portion of the year • Borrower must have exclusive control over the property • Must not be a rental property or timeshare arrangement Investment Property <ul style="list-style-type: none"> • 1-4 Unit | | | | | | | | | | | | | | | | | | |
| Underwriting | Automated Underwriting <ul style="list-style-type: none"> • All loans are required to be submitted to DU. Manual underwriting is not permitted. • Eligible DU recommendation: DU Approve/Eligible Ratios <ul style="list-style-type: none"> • Maximum DTI as determined by DU • No score options available; see full product guidelines for details. • DU must reflect all payments, regardless of the number of months remaining, except for installment loans with less than 10 months. Deferred Installment Debt (Student Loans) <ul style="list-style-type: none"> • For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the monthly payment must be included in the borrower's recurring monthly debt obligation when qualifying the borrower. Credit Profile <ul style="list-style-type: none"> • Minimum risk score of 620 unless a higher score is required for a DU Approve/Eligible recommendation (i.e. 720 for borrower(s) with 7-10 financed properties when subject is a second home or investment property). <ul style="list-style-type: none"> - For loan profiles with multiple Borrowers, DU will access the credit profile using an average median credit score when determining if a loan casefile meets the minimum 620 credit score requirement. <ul style="list-style-type: none"> • First, DU will determine each Borrower's representative credit score (middle of 3, lower of 2); • Then DU will average the representative credit scores for all of the Borrowers on the loan to determine if the minimum 620 credit score requirement is met. • Transactions where no borrower has a credit score may be eligible (<i>see full product guidelines for details</i>) | | | | | | | | | | | | | | | | | | |
| MI Coverage Requirements | <table border="1"> <thead> <tr> <th>Transaction Type</th> <th>80.01-85.00%</th> <th>85.01-90.00%</th> <th>90.01-95.00%</th> <th>95.01 - 97.00%</th> </tr> </thead> <tbody> <tr> <td>Standard Coverage, Term ≤ 20 Years</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>35%</td> </tr> <tr> <td>Standard Coverage, Term > 20 Years, , and manufactured homes*</td> <td>12%</td> <td>25%</td> <td>30%</td> <td>35%</td> </tr> </tbody> </table> | | | | Transaction Type | 80.01-85.00% | 85.01-90.00% | 90.01-95.00% | 95.01 - 97.00% | Standard Coverage, Term ≤ 20 Years | 6% | 12% | 25% | 35% | Standard Coverage, Term > 20 Years, , and manufactured homes* | 12% | 25% | 30% | 35% |
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