



# HomePath Conforming and High Balance Fixed and ARM

Revision: July 11, 2011 (Product Information Center, 949-390-2684, [www.jmac lending.com](http://www.jmac lending.com))

Fannie Mae's HomePath Mortgage allows qualified borrowers to obtain up to 97% financing on an eligible Fannie Mae REO home with no appraisal required. The sales price is use to determine the value. The website is [www.homepath.com](http://www.homepath.com). The logos that appear on the detail page must show the 2 logos listed below else we are unable to finance that property:



Standard Conforming Loan Program				
Primary Residence (FIXED RATE AND LIBOR ARM)				
Products: CFHP 30, CFHP15, CFHP5/1, CFHP7/1				
Units	MAX LTV	MAX LTV with Secondary Fin	MAX CLTV	Credit Score
1	97%	N/A	97%	660
1-2	80%	N/A	80%	620
3-4	75%	N/A	75%	620
Investment Properties (FIXED RATE AND LIBOR ARM)				
1	85%	N/A	85%	660
1	80%	N/A	80%	620
2-4	75%	N/A	75%	620

- Products offered are 30 YR Fixed, 15 YR Fixed, 5/1 Libor ARM and 7/1 Libor ARM.
- 5/1 still qualifies on note rate + 2%.
- When subordinate financing or an approved down payment Assistance Program exists, LTV may not exceed 95%.
- LTV > 80% requires a minimum 660 credit score.
- No Interest-Only



## HomePath Conforming and High Balance Fixed and ARM

High Balance Loan Program				
Primary Residence				
Fixed Rate				
Products: HBHP30, HBHP15				
Units	MAX LTV	MAX LTV with Secondary Fin	MAX CLTV	Credit Score
1	90%	N/A	90%	700
2-4	75%	N/A	75%	660
LIBOR ARM: HBHP5/1				
1	75%	N/A	75%	680
2-4	75%	N/A	75%	740
Investment Properties (FIXED RATE AND LIBOR ARM)				
1-4	65%	N/A	65%	740

- The products offered are 30 YR Fixed, 15 YR Fixed and 5/1 Libor ARM.
- 5/1 still qualifies on note rate + 2%.
- All investment properties require a minimum credit score of 740.
- No Interest-Only.



# HomePath Conforming and High Balance Fixed and ARM

<b>ARM Information</b>	Index: 1 yr Libor Caps: 5% initial adjust. 2% per adjust. ,thereafter, 5% Life Floor: Margin Margin: 2.25%																																																																																								
<b>Rate at Adjustment</b>	On 5/1 and 7/1 Libor ARM, the initial note rate is in effect for the fixed term; the first interest adjustment is subject to life cap, thereafter, a 2% annual adjustment cap begins with the second adjustment. Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life caps.																																																																																								
<b>Products</b>	<ul style="list-style-type: none"> <li>Standard Conforming (15, 30, 5/1, 7/1).</li> <li>High Balance (15, 30, 5/1)</li> </ul>																																																																																								
<b>Interest Only payment feature</b>	Not Applicable.																																																																																								
<b>Borrower Qualification</b>	<u>Fixed Rate:</u> Borrower is qualified at the Note rate. <u>7/1 and 10/1 ARMS:</u> Qualify at the greater of the Note rate or the fully indexed rate. <u>3/1 and 5/1 ARMS:</u> Qualify at the greater of the Note rate or fully indexed rate + 2%.																																																																																								
<b>Qualifying Ratios</b>	<b>Maximum qualifying ratio: 50%</b> (Subject to AUS approval)																																																																																								
<b>Prepayment Penalty</b>	None																																																																																								
<b>Maximum Loan Amount</b>	<b>Minimum Loan Amount is \$75,000.00</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Units</th> <th colspan="3">Continental Us</th> <th colspan="3">Alaska and Hawaii</th> </tr> <tr> <th colspan="3">Minimum Loan Amount</th> <th colspan="3">Minimum Loan Amount</th> </tr> </thead> <tbody> <tr> <td>One</td> <td colspan="3">\$417,000</td> <td colspan="3">\$625,500</td> </tr> <tr> <td>Two</td> <td colspan="3">\$533,850</td> <td colspan="3">\$800,775</td> </tr> <tr> <td>Three</td> <td colspan="3">\$645,300</td> <td colspan="3">\$967,950</td> </tr> <tr> <td>Four</td> <td colspan="3">\$801,950</td> <td colspan="3">\$1,202,925</td> </tr> </tbody> </table> <p><b>High Balance Area Loan Limits established by Federal Housing Finance Agency (FHFA)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Units</th> <th colspan="3">Continental Us</th> <th colspan="3">Alaska and Hawaii</th> </tr> <tr> <th>General</th> <th>Permanent High-Cost</th> <th>Temporary High-Cost</th> <th>General</th> <th>Permanent High-Cost</th> <th>Temporary High-Cost</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>\$417,000</td> <td>\$625,500</td> <td>\$729,750</td> <td>\$625,500</td> <td>\$938,250</td> <td>N/A</td> </tr> <tr> <td>Two</td> <td>\$533,850</td> <td>\$800,775</td> <td>\$934,200</td> <td>\$800,775</td> <td>\$1,201,150</td> <td>N/A</td> </tr> <tr> <td>Three</td> <td>\$645,300</td> <td>\$967,950</td> <td>\$1,129,250</td> <td>\$967,950</td> <td>\$1,451,925</td> <td>N/A</td> </tr> <tr> <td>Four</td> <td>\$801,950</td> <td>\$1,202,925</td> <td>\$1,403,400</td> <td>\$1,202,925</td> <td>\$1,804,375</td> <td>N/A</td> </tr> </tbody> </table>							Units	Continental Us			Alaska and Hawaii			Minimum Loan Amount			Minimum Loan Amount			One	\$417,000			\$625,500			Two	\$533,850			\$800,775			Three	\$645,300			\$967,950			Four	\$801,950			\$1,202,925			Units	Continental Us			Alaska and Hawaii			General	Permanent High-Cost	Temporary High-Cost	General	Permanent High-Cost	Temporary High-Cost	One	\$417,000	\$625,500	\$729,750	\$625,500	\$938,250	N/A	Two	\$533,850	\$800,775	\$934,200	\$800,775	\$1,201,150	N/A	Three	\$645,300	\$967,950	\$1,129,250	\$967,950	\$1,451,925	N/A	Four	\$801,950	\$1,202,925	\$1,403,400	\$1,202,925	\$1,804,375	N/A
Units	Continental Us			Alaska and Hawaii																																																																																					
	Minimum Loan Amount			Minimum Loan Amount																																																																																					
One	\$417,000			\$625,500																																																																																					
Two	\$533,850			\$800,775																																																																																					
Three	\$645,300			\$967,950																																																																																					
Four	\$801,950			\$1,202,925																																																																																					
Units	Continental Us			Alaska and Hawaii																																																																																					
	General	Permanent High-Cost	Temporary High-Cost	General	Permanent High-Cost	Temporary High-Cost																																																																																			
One	\$417,000	\$625,500	\$729,750	\$625,500	\$938,250	N/A																																																																																			
Two	\$533,850	\$800,775	\$934,200	\$800,775	\$1,201,150	N/A																																																																																			
Three	\$645,300	\$967,950	\$1,129,250	\$967,950	\$1,451,925	N/A																																																																																			
Four	\$801,950	\$1,202,925	\$1,403,400	\$1,202,925	\$1,804,375	N/A																																																																																			
<b>Types of Financing</b>	<b>Purchase Only</b>																																																																																								
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Primary Residence</li> <li>Investment Properties</li> </ul>																																																																																								
<b>Eligible Borrowers</b>	U.S. Citizens, Permanent and Non-Permanent Resident Aliens are allowed with a valid Social Security number. Non-Resident aliens are not allowed.																																																																																								
<b>Down Payments, Reserves &amp; Source of Funds</b>	<b>Borrower Investment</b> <b>5% Investment from borrowers own funds required when LTV &gt; 80%.</b>																																																																																								



## HomePath Conforming and High Balance Fixed and ARM

	<p><b>Gifts</b></p> <p>Primary Residence</p> <ul style="list-style-type: none"> <li>• Acceptable provided borrower investment is met.</li> </ul> <p>Investment Properties</p> <ul style="list-style-type: none"> <li>• Gifts are not permitted.</li> </ul> <p>Reserves</p> <ul style="list-style-type: none"> <li>• Additional reserves may be required by DU based on risk.</li> <li>• Primary Residence <ul style="list-style-type: none"> <li>○ 1-4 units – no minimum PITIA</li> <li>○ Follow DU Asset requirements</li> </ul> </li> <li>• Investment Properties <ul style="list-style-type: none"> <li>○ 6 months PITIA</li> </ul> </li> </ul> <p>Seller Contributions: Basis for the limit is now based on CLTV ratio</p> <ul style="list-style-type: none"> <li>• Primary Residence <ul style="list-style-type: none"> <li>○ 6% for CLTV 75.01% - 97.00%</li> <li>○ 9% for CLTV &lt;= 75%</li> </ul> </li> <li>• Investment Properties <ul style="list-style-type: none"> <li>○ 2%</li> </ul> </li> </ul>
<b>Underwriting</b>	<p>Automated underwriting requirements</p> <ul style="list-style-type: none"> <li>• Underwriting through DU is required</li> <li>• DU recommendation of Approve/Eligible</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Non-traditional credit NOT allowed.</li> <li>• Minimum credit score(s): Minimum required per LTV/CLTV grid</li> <li>• DU Approve/Eligible</li> </ul> <p>General Credit Guidelines</p> <p><u>Mortgage lates</u>: 0x30</p> <p><u>Chapter 7 Bankruptcy</u>: None last 7 yrs</p> <p><u>Chapter 13 Bankruptcy</u>: 36 months since discharge</p> <p><u>Foreclosure, Notice of Default, etc</u>: None last 7 yrs</p>



# HomePath Conforming and High Balance Fixed and ARM

<b>Maximum Number of Financed Properties</b>	<p>Multiple Loans to the Same Borrower</p> <ul style="list-style-type: none"> <li>• Maximum 20% concentration in any one project or subdivision</li> <li>• Primary Residence             <ul style="list-style-type: none"> <li>○ Up to 4 Financed properties (including subject property)</li> </ul> </li> <li>• Investment Properties             <ul style="list-style-type: none"> <li>○ Up to 4 financed properties, including subject property)</li> <li>○ 6 months PITIA</li> <li>○ 2 months PITIA on each additionally financed second or investment properties</li> </ul> </li> <li>• New multiple loans must be underwritten simultaneously</li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• The sales price of the property (as evidenced by the sales contract between Fannie Mae and the buyer/borrower) will be used as the property value for purposes of loan and for determining the LTV/CLTV</li> <li>• Client is not required to represent and warrant the value or condition of the property.</li> <li>• If the borrower, at its option, chooses to obtain an appraisal, then:             <ul style="list-style-type: none"> <li>○ The borrower must order the appraisal from an appraiser selected by the borrower (and not one recommended by the Lender), and the appraisal must be paid for by the borrower outside of the loan transaction.</li> <li>○ 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 noted that the appraisal was ordered by the borrower outside of the loan transaction and was not reviewed or approved by the Lender.</li> <li>○ The property value shown on the appraisal will not impact the LTV calculation</li> <li>○ 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.</li> </ul> </li> </ul> <p>Fannie Mae requires delivery of property data such as the number of bedrooms and year built on the HomePath product. Since the HomePath product does not mandate an appraisal, it will be necessary to print out the property information containing number of bedrooms and year built and rental income, if required, from Fannie Mae’s HomePath website. If the information is not available on the HomePath website, alternative documentation such as the comparable rent schedule may be required to comply with this requirement.</p> <p><b>***** NOTE: FORM 10 REQUIRED AT SUBMISSION *****</b></p>
<b>Property Types and Restrictions</b>	<ul style="list-style-type: none"> <li>• Eligible properties must be owned and sole by Fannie Mae to the borrower(s), and designated by Fannie Mae as eligible for a HomePath Mortgage.</li> <li>• JMAC does NOT participate in HomePath Renovation Mortgage or Manufactured Homes</li> <li>• 1-4 units</li> <li>• Condos – Fannie Mae warrantable projects (V-Condominium project)</li> <li>• PUDs – Fannie Mae warrantable projects (E – PUD)</li> <li>• Ineligible property types – manufactured homes, condo hotels and co-ops, property on leasehold and resale deed restrictions.</li> </ul>
<b>Mortgage Insurance</b>	<p>Not applicable.</p>