

This At-A-Glance (AAG) is a summary tool to use in conjunction with Averra (Guide). The AAG does not replace the published Guide. Where the AAG is silent or conflicts with the published Guide, the Guide will govern and control. This AAG applies only to the channel and investor program indicated. For each Agency and/or Program, there may be additional AAGs to cover specific products or transactions.

Eligibility Matrix: Standard					
Fannie Mae Home Ready ¹ Primary Residence Conforming & High Balance DU Only: Approve/Eligible as HomeReady					
Type	Units	Conforming LTV/CLTV/HCLTV	High Balance LTV/CLTV/HCLTV	Credit Score ³	DTI
Purchase / Rate-Term	1	97% ²	95%	580 ⁴	Per AUS
	2	95%	85%		
	3-4	95%	75%		
	1 (Manufactured)	95%	NA		

¹ 30 year fixed only

² 1-unit property

- For a refinance, FNMA must own the existing loan for LTVs from 95.01% to 97%
- With a non-occupant co-borrower, max LTV 95%

³ Credit Score <620 Internal Exception Code 1033.00 applies

⁴ Min Credit Score 600 for LTV > 80%

Mortgage Insurance (MI) Coverage				
Follow the DU/DO feedback certificate for required standard HomeReady MI coverage.				
Term (Years)	LTV Ratio			
	> 80% ≤ 85%	> 85% ≤ 90%	> 90% ≤ 95%	> 95% ≤ 97%
Site Built and ≤ 20	6%	12%	25%	25%
Site Built and > 20	12%	25%	25%	25%
MFH: Any Term	12%	25%	NA	NA

Program Summary	
The HomeReady product is offered by Fannie Mae to help meet the diverse needs of today's buyers. It is designed for creditworthy, low to moderate income borrowers, with expanded eligibility in designated low-income communities.	
Underwriting	• All loans must be run through DU and receive an 'Approve/Eligible' recommendation as a HomeReady mortgage. ○ If a loan has not been underwritten as HomeReady, DU will notify user when a loan casefile appears to be eligible based on the census tract and borrower income, must resubmit as HomeReady to correct the findings. • High balance loans must be underwritten to the stricter of either HomeReady or High Balance guidelines. • HomeReady underwriting will follow general Fannie Mae Guidelines for documentation unless specifically addressed in this section.
Borrower Eligibility & Income Limits	• Borrower is not required to be a first-time homebuyer. • Primary borrower must occupy as primary residence. • Occupant borrower may be obligated on one additional financed residential property as of the note date. • Income from all borrowers used for qualification must not exceed 80% of the Area Median Income (AMI) for the property location. ○ DU/DO determines if the qualifying income is within the eligibility limit for property census tract. To manually check the AMI limit, use the Fannie Mae Area Median Income Lookup Tool.
Non-Occupant Borrower	• Permitted when mortgage is secured by a 1-unit property. • Funds used to qualify for the mortgage may come from either borrower.
Homebuyer Education	• For purchase transactions when all occupying borrowers are first-time homebuyers, at least one occupying borrower must participate in a homeownership education program before the note date. • A copy of the acceptable Homeownership Education Certification or equivalent document must be retained in the mortgage file. ○ Homebuyer education is not required for refinance transactions. • Home Ownership Education and Housing Counseling section of Guide Form 1103, Supplemental Consumer Information Form (SCIF), should be completed for any transaction where homeownership education is required.
Homebuyer Education	• HomeView
Source of Funds for Down Payments, Closing Costs and Reserves	• Funds may come from acceptable sources as listed in Section 800 Asset Assessment of the Guide. ○ Sweat Equity and Cash on Hand are not permitted.
Temporary Buydowns	• Eligible: 1-0, 2-1 and 3-2-1 • Purchase transactions, 30-year fixed, primary residence • Paid by the lender, seller, builder or an interested third party (not the borrower or Averra) • Qualify at the note rate; buydown funds count toward interested party contribution limits
Rental Income From 1-Unit Primary Residence	May be considered when received from a live-in aide or another individual with acceptable documentation: • ADU Rental income must meet ADU requirements in guideline Section 1115 Improvements in addition to the below. • Only rent paid directly to borrower for past 12 months may be considered. • The person providing the rental income has resided with the borrower for at least one year and will continue residing together. ○ This person must not be obligated on the mortgage or have an ownership interest in the subject property and cannot be the borrower's spouse or domestic partner. • Proof of the person's history of shared residency (such as a copy of a driver's license, bills, bank statements, or W-2 forms) that shows the boarder's address as being the same as the borrower's address.

	- The rental income does not exceed 30% of total qualifying income. - Verify receipt of regular payments for at least 9 of the past 12 months. - Qualifying income must be averaged over 12 months, even if fewer payments are documented. - Borrower provides a written statement affirming: - The source of the rental income; - That the person has resided with borrower for the past year; AND - Intends to continue residing with borrower. - Internal Exception Code 1017.10 when boarder income is used to qualify.
VLIP Credit Eligibility	VLIP Credit Requirements: To qualify for the Very Low Income Purchase (VLIP) credit of \$2,500 on a HomeReady loan, borrowers must meet specific income criteria: Eligible Borrowers - At least one Borrower must be a first-time homebuyer. Mortgage Purpose - Purchase only. Income Threshold Eligibility - The borrower(s) must have total qualifying income less than or equal to 50% of the applicable area median income (AMI) limit for the subject property's location. Minimum Borrower Contribution - The full amount of the credit must be applied to reimburse Averra for funds provided directly by Averra to the borrower through the transaction, such as being applied to down payment and closing costs, including escrows and mortgage insurance premiums. - The credit may be used to satisfy the 3% minimum contribution for all loans secured by 1-unit properties or loans secured by 2- to 4-unit properties with LTV ratios less than or equal to 80%, all additional funds must comply with the Guide requirements for source of funds. For loans secured by 2- to 4-unit properties with LTV ratios greater than 80%, the credit may be applied to down payment after the 5% minimum contribution is met. Verification Process - At least one borrower on the loan must be a first-time homebuyer. - Run the DU findings. - Once complete, review the findings to confirm the borrower's income meets the 50% AMI requirement. - Ensure that the loan is correctly marked as HomeReady within the DU findings. Applying the VLIP Credit - After confirming eligibility, add the VLIP credit by accessing the URLA > Loan and Property Information > Gifts or Grants page. - Internal Exception Code 1017.10.

An underwriter may require additional documentation. Averra has sole discretion for the final underwriting decision. See Averra Conforming Guidelines Section 203 for full program requirements.

Need Help?

Please connect with your dedicated Sr. Account Executive for support throughout the loan process!

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