

HomeStyle Renovation Overview Matrix

Credit Score	620 minimum
Loan Purpose	Purchase or Limited Cash Out Refinance
Loan Type / Term	15- and 30-year fixed rate mortgages only. High balance permitted.
Maximum LTV/CLTV	<p>97% purchase/refi one-unit primary residence *</p> <p>85% purchase/refi two-unit primary residence</p> <p>75% purchase/refi three- to four-unit primary residence</p> <p>90% purchase/refi one-unit second home</p> <p>85% purchase of investment property</p> <p>75% refinance of investment property</p> <p>Purchases LTV is determined by dividing the original loan amount by the lesser of the "as completed" value or the sum of the purchase price and total rehab costs</p> <p>Refinances LTV is determined by dividing the original loan amount by the "as completed" value</p> <p style="text-align: right;"><i>*High Balance maximum LTV 95%</i></p>
Property Eligibility	1-4 unit primary residences, one unit second homes, and one unit investment properties. PUDs and condos eligible; however, condo renovations must be interior work only, and approved by the HOA (in writing)
Eligible Borrowers	Individuals only. Borrower may not be employed by or related to the contractor or the company doing the renovation
Qualifying Ratios	As determined by AUS
Gift Funds	Allowed per standard guidance
Mortgage Insurance	Standard requirements apply. Single Premium may not be financed
Escrow Waiver	Permitted per standard guidance
Underwriting	Loans must receive an Approve/Eligible recommendation from DU. Manual underwrites are not permitted
Appraisals	Appraisal must provide an "as completed" value
Contingency Reserve	10% of the total cost of the repairs is required

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Draw Requests	A maximum of five draw requests are permitted, including the final disbursement. There is no initial draw at closing.
Eligible Renovations	Most types of renovations or repairs are eligible. HSR may be used to complete the final, non-structural work on a newly-built home. All work must be completed within nine months. See guides for details.
Ineligible Renovations	<p>Ineligible renovations include:</p> <ul style="list-style-type: none"> ▪ moving an existing dwelling to a new site/foundation ▪ razing/demolishing an existing home and rebuilding ▪ replacement of an old/damaged foundation ▪ any repairs made using Fannie's "Do It Yourself" option (except for the purchase of appliances) ▪ Any repairs that were already completed prior to closing
Total Cost of Renovations	Maximum 75% of the as-completed value
Consultant Requirements	<p>A HUD-approved Renovation Consultant must be used to assist with managing the project and draw requests when any of the following are true:</p> <ul style="list-style-type: none"> • Repairs or renovations exceed \$15,000*, or • Any structural work is required, or • the contractor has no experience with renovation loans <p>*The exception to this requirement is if the entire scope of work to be done consists of a singular, non-structural item that only involves a single contractor (ex: roof, pool, etc)</p> <p>The HUD Consultant must be informed that the work is for a Fannie Mae HomeStyle Renovation transaction, and not a 203(b) or 203(k) transaction.</p>
Contractors	<p>Borrower chooses their own contractor, who must then be accepted by MiMutual. The following documents are required for review:</p> <ul style="list-style-type: none"> ▪ Contractor Acceptance Form, fully completed ▪ signed/dated W-9 ▪ Certificate of Liability Insurance ▪ copy of professional license (if state requires contractor licensure) ▪ letters of reference or contact info from customers and suppliers
Plans and Specs	<p>Plans and specs must be prepared by a registered, licensed, or certified General Contractor, Renovation Consultant (HUD Fee Consultant), or architect, fully describe all work to be done, and provide an indication of when various jobs or stages of completion will be scheduled (including start and completion dates).</p> <p>MiMutual must review and evaluate the quantity, quality, and cost of the renovation work that is to be done. These plans and specs also must be used by the appraiser in the development of his or her opinion of the "as completed" value of the property.</p>