



**Attention Please!!**

**TEMPORARY GUIDANCE DUE TO COVID-19**  
 This direction supersedes standard guidance on this matrix!

*Due to the unprecedented impact of the coronavirus on the industry, temporary guidance has been issued regarding a number of different topics. To ensure your borrower is accurately qualified in this challenging time, please refer to the [Temporary Guidance due to COVID-19 document](#).*

**HomeStyle Renovation Overview Matrix**

<b>Credit Score</b>	620 minimum
<b>Loan Purpose</b>	Purchase or Limited Cash Out Refinance
<b>Loan Type / Term</b>	15- and 30-year fixed rate mortgages only. High balance permitted.
<b>Maximum LTV/CLTV</b>	<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><b>Purchases</b>          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><b>Refinances</b>          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>
<b>Property Eligibility</b>	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)
<b>Eligible Borrowers</b>	Individuals only. Borrower may not be employed by or related to the contractor or the company doing the renovation
<b>Qualifying Ratios</b>	As determined by AUS
<b>Gift Funds</b>	Allowed per standard guidance
<b>Mortgage Insurance</b>	Standard requirements apply. Single Premium may not be financed
<b>Escrow Waiver</b>	Permitted per standard guidance
<b>Underwriting</b>	Loans must receive an Approve/Eligible recommendation from DU. Manual underwrites are not permitted
<b>Appraisals</b>	Appraisal must provide an "as completed" value
<b>Contingency Reserve</b>	10% of the total cost of the repairs is required

*...continued on next page*



**Attention Please!!**

**TEMPORARY GUIDANCE DUE TO COVID-19**

This direction supersedes standard guidance on this matrix!

*Due to the unprecedented impact of the coronavirus on the industry, temporary guidance has been issued regarding a number of different topics. To ensure your borrower is accurately qualified in this challenging time, please refer to the [Temporary Guidance due to COVID-19 document](#).*

<b>Draw Requests</b>	A maximum of five draw requests are permitted, including the final disbursement.
<b>Eligible Renovations</b>	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.
<b>Ineligible Renovations</b>	<p>Ineligible renovations include:</p> <ul style="list-style-type: none"> <li>▪ moving an existing dwelling to a new site/foundation</li> <li>▪ razing/demolishing an existing home and rebuilding</li> <li>▪ replacement of an old/damaged foundation</li> <li>▪ any repairs made using Fannie's "Do It Yourself" option (except for the purchase of appliances)</li> <li>▪ Any repairs that were already completed prior to closing</li> </ul>
<b>Total Cost of Renovations</b>	Maximum 75% of the as-completed value
<b>Consultant Requirements</b>	<p>A HUD-approved Renovation Consultant must be used to assist with managing the project and draw requests when either of the following are true:</p> <ul style="list-style-type: none"> <li>• Any structural work is required (an increase in the gross living area of the property, <b>or</b> any modification/adjustment to the floor plan, such as moving walls, regardless of structural load transfers), or</li> <li>• the contractor has no experience with renovation loans</li> </ul> <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>
<b>Contractors</b>	<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"> <li>▪ Contractor Acceptance Form, fully completed</li> <li>▪ signed/dated W-9</li> <li>▪ Certificate of Liability Insurance</li> <li>▪ copy of professional license (if state requires contractor licensure)</li> <li>▪ letters of reference or contact info from customers and suppliers</li> </ul>
<b>Plans and Specs</b>	<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>