



Home One Guideline

Effective: **January 3, 2022** (Product Information Center, 949-390-2670, www.jmaclending.com)

Home One serves First Time Homebuyers, with expanded eligibility for financing homes.

Home One

(Purchase & Rate/Term Refinances ⁻²) – Freddie Mac LPA			
Owner Occupied			
Occupancy	TERMS	Max LTV/TCLTV	Min FICO
1 Unit	FIXED	97% ¹	620

¹ When not all borrowers have fico scores, LTV/CLTV is limited to 80%.

² For No Cash out refinance, if the LTV is between 95.01-97.00%, the property must currently be owned by FHLMC

Home One with Affordable Secondary Financing

(Purchase Only) – Freddie Mac LPA			
Owner Occupied			
Occupancy	TERMS	Max LTV/TCLTV ¹	Min FICO
1 Unit	FIXED	97/105%	620

¹105% TCLTV is only permitted on Home One when the Secondary Financing is an Approved Affordable Second Program.



Home One Guideline

ATR and QM	All loans must meet the Ability to Repay (ATR) and Qualified mortgage (QM) provisions of the Dodd-Frank Act.																																										
High Cost	Not Eligible																																										
HPML	<p>Eligible:</p> <ul style="list-style-type: none"> • Minimum 620 score • Full Appraisal required regardless of AUS findings <p>Reserves:</p> <ul style="list-style-type: none"> • If residual income is between \$800-\$2500 month, the following reserves are required <ul style="list-style-type: none"> ○ 3 months PITIA for primary <p>Ineligible:</p> <ul style="list-style-type: none"> • Purchases where the seller purchased home less than 180 days- Seller acquisition Date to Contract date • Residual income less than \$800 monthly • LTV/CLTV > 100% 																																										
Products/Terms	Fixed Rate (30-Year) Texas Section 50(f)(2) is ineligible																																										
Buy Down	<u>Not permitted</u>																																										
Borrower Qualification	<u>Fixed Rate</u> : Borrower is qualified at the Note rate.																																										
Maximum Loan Amount	<p>Minimum Conforming Loan Amount is \$75,000.00</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="6" style="background-color: yellow;">2022 Loan Limits</th> </tr> <tr> <th>Units</th> <th>Continental Us</th> <th>Hawaii</th> <th>Units</th> <th>Continental Us</th> <th>Hawaii</th> </tr> <tr> <th colspan="3">Conforming Maximum Loan Amount 2022</th> <th colspan="3">High Balance Maximum Loan Amount 2022</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>\$647,200</td> <td>\$970,800</td> <td>One</td> <td>\$970,800</td> <td>Not Applicable</td> </tr> <tr> <td>Two</td> <td>\$828,700</td> <td>\$1,243,050</td> <td>Two</td> <td>\$1,243,050</td> <td>Not Applicable</td> </tr> <tr> <td>Three</td> <td>\$1,001,650</td> <td>\$1,502,475</td> <td>Three</td> <td>\$1,502,475</td> <td>Not Applicable</td> </tr> <tr> <td>Four</td> <td>\$1,244,850</td> <td>\$1,867,275</td> <td>Four</td> <td>\$1,867,275</td> <td>Not Applicable</td> </tr> </tbody> </table> <p>https://www.fanniemae.com/singlefamily/loan-limits</p>	2022 Loan Limits						Units	Continental Us	Hawaii	Units	Continental Us	Hawaii	Conforming Maximum Loan Amount 2022			High Balance Maximum Loan Amount 2022			One	\$647,200	\$970,800	One	\$970,800	Not Applicable	Two	\$828,700	\$1,243,050	Two	\$1,243,050	Not Applicable	Three	\$1,001,650	\$1,502,475	Three	\$1,502,475	Not Applicable	Four	\$1,244,850	\$1,867,275	Four	\$1,867,275	Not Applicable
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Underwriting Method	Loans must receive a LPA "Accept"																																										
Cash back to borrower	The greater of 1% of the Loan Amount or \$2,000																																										
Prepayment Penalty	None																																										



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Mortgage Insurance	<p>The following coverage is required for all fully-amortizing products, regardless of LPA Findings:</p> <table border="1" data-bbox="697 506 1656 721"> <thead> <tr> <th colspan="3">Mortgage Insurance Coverage Requirements</th> </tr> <tr> <th>LTV</th> <th>Fixed Rate > 20 years and ALL ARM's</th> <th>Fixed Rate < 20 years</th> </tr> </thead> <tbody> <tr> <td>97%-95.01%</td> <td>35%</td> <td>35%</td> </tr> <tr> <td>95% - 90.01%</td> <td>30%</td> <td>25%</td> </tr> <tr> <td>90% - 80.01%</td> <td>25%</td> <td>12%</td> </tr> <tr> <td>85% - 80.01%</td> <td>12%</td> <td>6%</td> </tr> </tbody> </table> <p>Custom MI Flexible Mortgage Insurance Option (where a fee is required) is not permitted.</p> <ul style="list-style-type: none"> • Required for LTV > 80% • BPMI premium allowed subject to AUS findings. • LPMI premium allowed subject to AUS findings. • Maximum DTI and Fico Score is subject to current mortgage insurance guidelines and AUS findings. 	Mortgage Insurance Coverage Requirements			LTV	Fixed Rate > 20 years and ALL ARM's	Fixed Rate < 20 years	97%-95.01%	35%	35%	95% - 90.01%	30%	25%	90% - 80.01%	25%	12%	85% - 80.01%	12%	6%
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Occupancy	<p>Primary Residence Only Note: Non-Occupant Co-Borrowers are not allowed</p>																		
Minimum Borrower Contributions	<p>None</p>																		
Reserves	<p>Per LPA Findings</p>																		
Eligible Borrowers	<p>US Citizens; Permanent Resident Aliens; Non-Permanent Resident Aliens allowed with required VISAs); Revocable Trust; Must have valid Social Security Number; Maximum of 4 borrowers per loan application are allowed Note: At least one borrower must be a First Time Homebuyer</p>																		



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Acceptable Visa Types	<ul style="list-style-type: none"> ○ A-1 thru A-3 Visas- Note: Borrowers with these Visa types who have diplomatic immunity are not acceptable ○ E-1 thru E-3 Visas ○ G-1 thru G-5 Visas- Note: Borrowers with these Visa types who have diplomatic immunity are not acceptable ○ H-1, H-1B and H-1C Visa's ○ H-4 Visa- These visas are given to dependents (spouse and unmarried children under 21 years of age) of a qualified H-1 visa holder. When income is being used to qualify, a current (unexpired) EAD issued by USCIS is also required. ○ L-1 Visa ○ L-2 Visa- These visas are given to dependents (spouse and unmarried children under 21 years of age) of a qualified L-1 visa holder. When income is being used to qualify, a current (unexpired) EAD issued by USCIS is also required. ○ O-1A Visa- Note: Borrowers with this Visa type cannot work in the Arts, Motion Picture or Television industry ○ O-1B Visa- Note: This Visa type is for those excluded from eligibility on a O-1A visa as listed above ○ O-2 Individuals who will accompany an O-1, artist or athlete, to assist in a specific event or performance ○ TN, NAFTA Visa -Used by Canadian or Mexican citizens for professional or business purposes ○ TC, NAFTA Visa- Used by Canadian citizens for professional or business purposes ● Note: An unexpired Employment Authorization Document (EAD) may be used in lieu of a Visa <ul style="list-style-type: none"> ○ If EAD will expire within one year, the following must be provided <ul style="list-style-type: none"> ▪ One previous EAD Renewal or if there are no prior EAD renewals, the likelihood of renewal must be determined based on the information provided by USCIS ● If Visa from the eligible list above is expired, the borrower may still be considered if the below can be met. <ul style="list-style-type: none"> ○ Confirmation that the borrower has submitted an application for extension of the visa or an application for a green card. Documentation includes, but is not limited to: <ul style="list-style-type: none"> ▪ USCIS Form I-797- issued when application or petition is approved ▪ USCIC Form I-797C or I-797E- Cannot state application has been declined ▪ USCIS Form I-539 or equivalent or copy of USCIS Form I-485 or equivalent plus electronic verification of receipt from the USCIS website ▪ If sponsored by employer, the employer may verify that they are sponsoring the visa renewal
Property Types	<ul style="list-style-type: none"> ● Condo, PUD, SFR, Properties with Age Deed Restrictions Only <ul style="list-style-type: none"> ○ <u>Ineligible properties</u> - all other deed restrictions(resale-restrictions), Manufactured homes, co-ops, condo hotels, mixed-used live/work, no gut rehab. ● Condo conversion within the past 3 years not allowed. ● New Condo allowed if it's Agency Approved. ● New Condo Projects in Florida are eligible only if currently approved via FNMA PERS approved process. ● Owner occupancy requirement for condos is no longer applicable for owner occupied.
Qualifying Ratios	Maximum qualifying ratio: 50% (Subject to AUS approval and use of income)



Home One Guideline

Credit	<ul style="list-style-type: none"> • LPA Accept/Eligible General Credit Guidelines <u>Mortgage lates</u>: LPA findings <u>Chapter 7 or 11 Bankruptcy</u>: 4 years have elapsed since the discharge or dismissal date to the Note date <u>Chapter 13 Bankruptcy</u>: 2 years have elapsed since discharge date to the Note date; 4 years have elapsed since dismissal date to the Note Date <u>Short Sale, “Settled for Less”, Deed-in-lieu of foreclosure, Pre-foreclosure</u>: with AUS approval- 4 years waiting period (based on Credit Report Date) is required. 2 years waiting period (base on Credit Report Date) is acceptable if reason was due to extenuating circumstances as per agency guidelines. Extenuating circumstances must be explained with adequate supporting documentation <u>Foreclosure</u>: 7 years waiting period is required from recoding date to the Note date • Borrower with multiple BK filings within the last seven (7) years: five (5) years waiting period since the most recent discharged / dismissal date.
Employment Offers and Contracts	Refer to Freddie Mac guidelines
Assets	Allowable Assets for down payment and closing: <ul style="list-style-type: none"> • Checking • Saving • 401K, Stock, Bonds and Mutual Funds- 100% of vested balance minus any outstanding loans, may be used. • Business Funds - must own the company 100% • Life Insurance – 100% of cash value
Cash Out Transaction	Not permitted
Student Loan	<ul style="list-style-type: none"> • If the monthly payment amount is greater than zero, use the monthly amount reported on credit or other file documentation, or • If the monthly payment amount reported on the credit report is zero, use 0.5% of the outstanding balance, as reported on the credit report
Maximum Number of Financed Properties	<ul style="list-style-type: none"> • First Time Home Buyers may not own any other properties: <ul style="list-style-type: none"> ○ Borrower(s) who are not considered First Time Home Buyers may own additional properties per FHLMC guidelines. ○ Please see JMAC’s FHLMC Conforming and High Balance matrix for specific reserve requirements & Rental Income for additional financed properties
Recently Listed Properties	Properties that were listed for sale must have been taken off the market at least one day before the Note date
Delayed Financing	Not Allowed



Home One Guideline

Streamlined Review for Condos	<ul style="list-style-type: none"> Regardless of LTV; Condo review type is determined by AUS. If a condo is in litigation and litigation is approved, it's always subject to full review regardless of AUS findings. <p>LIMITED REVIEW PARAMETERS</p> <p>Maximum LTV/CLTV/HCLTV: The maximum LTV/CLTV/HCLTV is dependent upon the method by which the loan is evaluated and decision as well as where the property is geographically located Accept/Eligible Loans</p> <ul style="list-style-type: none"> Primary Residence: 90%/90%/90% (75% / 90% / 90% for Florida properties) 								
Interested Party Contributions	<p>The amount of the contribution made by an interested party is based on the LTV/CLTV of the mortgage.</p> <table border="1" data-bbox="520 792 1940 914"> <thead> <tr> <th colspan="2">Maximum Contribution Limits</th> </tr> </thead> <tbody> <tr> <td>LTV/CLTV 90.01% - 105%</td> <td>3%</td> </tr> <tr> <td>LTV/CLTV 75.01 – 90%</td> <td>6%</td> </tr> <tr> <td>LTV/CLTV <= 75%</td> <td>9%</td> </tr> </tbody> </table>	Maximum Contribution Limits		LTV/CLTV 90.01% - 105%	3%	LTV/CLTV 75.01 – 90%	6%	LTV/CLTV <= 75%	9%
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LTV/CLTV 90.01% - 105%	3%								
LTV/CLTV 75.01 – 90%	6%								
LTV/CLTV <= 75%	9%								
Land Trust and Community Land Trust	<p>Not allowed</p>								



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Home Buyer Education	<p>Freddie Mac believes that high-quality homeownership education and housing counseling can provide the borrower with the additional information and resources to make informed decisions that support long-term homeownership.</p> <p>When all borrowers are First Time Homebuyers, at least one qualifying Borrower must participate in a homeownership education program before the note date.</p> <ul style="list-style-type: none">• Option 1: Programs developed by HUD approved counseling agencies, Housing Finance Agencies (HFAs) or Community Financial Institutions (CDFIs)• Option 2: Homeownership education programs developed by Mortgage Insurance Companies or other providers' programs that meet the standards of the National Industry for Homeownership Education and Counseling<ul style="list-style-type: none">○ www.homeownershipstandards.com• As an alternative to the programs listed above, Freddie Mac's free financial literacy curriculum, CreditSmart, meets the homeownership education requirements, provided:<ul style="list-style-type: none">○ The borrower completes the on line Credit Smart- Steps to Homeownership Tutorial which includes Modules 1; Module 2; Module 7; Module 11 and Module 12 at a minimum. www.freddiemac.com/creditsmart/tutorial.html• A copy of Exhibit 20, Homeownership Education Certification or another Companies completion certification must be provided prior to the note date.
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Home One Guideline

Affordable Seconds

(Please refer to Chapter 4204.2 of FHLMC guidelines for a complete list of guidelines)

- Purchase Transactions - Maximum CLTV is 105%
- Rate and Term Refinance- Maximum CLTV is 97%.
- No Deed/Resale restrictions allowed unless Age related
- Affordable 2nd must be a Fixed Rate Mortgage
- **No Government subsidies allowed in conjunction with the agency who is providing the Affordable Second to our borrower- IE No Gov't assistance to the Agency providing the Affordable 2nd**
- Affordable Second must be funded by a federal agency, municipality, state, county, state or local housing finance agency, non-profit organization, employer or a regional Federal Home Loan Bank under one of their affordable housing programs.
 - Loans from Employers may not include a provision requiring repayment upon termination.
 - Affordable Seconds may not be provided by the property seller or any interested party to the transaction.
 - Affordable Seconds through the borrowers Employer must permit the borrower to continue making payments on the loan in the even the borrower is no longer works for the employer and may not require repayment in full unless:
 - Borrower terminates said employment
 - Employer terminates employment for any reason other than long term disability, reduction in force.
- The following are Loan Repayment requirements/restrictions for an Affordable Second
 - The interest rate of the Affordable Second must not be more than 2% higher than the interest rate of the First Lien Mortgage
 - Interest accruals, which are added to the principal, may not increase the TLTV ratio beyond the maximum TLTV ratio allowed for the First Lien Mortgage at any time during the term of the First Lien Mortgage
 - **If monthly payments on the Affordable Second are required and begin before the 61st monthly payment under the First Lien Mortgage, such monthly payment must be included in the Borrowers Monthly Housing Expense to income ratio(DTI); otherwise the payment does not have to be included in the DTI.**
- **The term of the Affordable Second must not require a balloon payment due before the maturity or payment in full of the First Lien Mortgage.**
- Equity Sharing is not eligible
- Affordable Second terms must be disclosed to the Appraiser and MI Company
- Copy of the note from the Affordable Second and the Closing Disclosure Statement reflecting the fees associated from the Affordable Second is required.



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Subject –New Subordinating Financing (Non-Affordable Seconds)	<ul style="list-style-type: none">• No negative amortization allowed<ul style="list-style-type: none">○ Minimum payment due must equal the accrued monthly interest○ Seller carried back 2nd:<ul style="list-style-type: none">▪ Rate cannot be lower than 2% of the rate of the 1st TD (IE- 1st TD is at 5%; lowest rate on 2nd is 3%)▪ Payment must be fully amortized▪ Maximum CLTV is 97% for Purchase Transactions▪ Maximum CLTV is 97% for Rate and Term Refinance Transactions▪ Borrower's must make a 3% minimum down payment• Balloon payments less than 5 years from the 1st liens note date are not eligible• With the exception of a HELOC, the payment stream must remain constant for a minimum of 12 months at a time• Employer secondary financing may be structured in any of the following ways:<ul style="list-style-type: none">○ Minimum payment due must equal the accrued monthly interest○ May not include provision requiring repayment upon termination○ Note: If monthly payments on the Employer Assisted Second is required to begin before the 61st monthly payment under the First Lien Mortgage, such monthly payment must be included in the Borrowers Monthly Housing Expense to income ratio(DTI); otherwise the payment does not have to be included in the DTI• HELOCs<ul style="list-style-type: none">○ When calculating the CLTV- use current balance○ When calculating the TCLTV- use the full line amount• Subordinate financing is not allowed on a Texas(a) 6 loan• Must allow for prepayment without restriction• Equity Sharing is not eligible <p>Documentation Requirement:</p> <ul style="list-style-type: none">• Copy of Note/HELOC Agreement- for new secondary financing <p>Existing Secondary Financing:</p> <ul style="list-style-type: none">• Copy of Fully executed subordination agreement required• Copy of existing note/HELOC Agreement required• TCLTV cannot exceed 95%• Payment must be included in the Housing to Income Ratio (DTI)
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