

# Simply Underwrite<sup>®</sup>

## Eligibility Recap for Housing Finance Agencies

Simply Underwrite applies to eligible loans with a Desktop Underwriter<sup>®</sup> recommendation or Loan Product Advisor<sup>®</sup> risk classification. Contact your sales representative or the ActionCenter<sup>®</sup> at 800-444-5664 with any questions.

Effective April 1, 2021

Primary Residence – Purchase, Rate/Term Refinance & Construction to Permanent <sup>1</sup>				
Property Type	Maximum LTV/CLTV	Maximum Loan Amount	Minimum Credit Score	Maximum DTI <sup>2</sup>
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing <sup>3</sup>	97%/105%	Agency Base Conforming	620	Per DU & Loan Product Advisor
	95%/105%	FHFA High Cost		
2 units	85%/105%	FHFA High Cost		
3 units	85%/105%	Agency Base Conforming		
4 units		Agency Base Conforming		

<sup>1</sup> Construction-to-Permanent is ineligible with property types other than Single family (detached) or Manufactured Housing.

<sup>2</sup> Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

<sup>3</sup> Manufactured Housing is eligible to a maximum LTV of 97% for MH Advantage loans.

<b>Eligibility</b>	<p>In addition to Approve/Eligible and Accept/Eligible loans, the following GSE AUS recommendations or risk classifications are eligible for Simply Underwrite:</p> <ul style="list-style-type: none"> <li>Approve/Ineligible for HomePath<sup>®</sup> Property</li> <li>See Simply Underwrite sections 4.1 and 6.1 of the <i>Underwriting Guidelines</i> for complete details</li> </ul>
<b>Desktop Underwriter: HFA Preferred<sup>™</sup> or HomeReady<sup>®</sup></b>	<ul style="list-style-type: none"> <li>Loan must be processed in DU<sup>®</sup> as either HFA Preferred<sup>™</sup> or HomeReady<sup>™</sup>, according to Fannie Mae's directions</li> <li>Follow Fannie Mae's published program guidelines for HFA Preferred or HomeReady through DU and <i>Exclusions from Simply Underwrite for HFAs</i> found in this chart.</li> </ul>
<b>Loan Product Advisor: Home Possible<sup>®</sup>, or HFA Advantage<sup>®</sup></b>	<ul style="list-style-type: none"> <li>Loan must be processed in Loan Product Advisor with the applicable Home Possible<sup>®</sup>, or HFA Advantage<sup>SM</sup> offering identifiers</li> <li>Follow Freddie Mac's published Home Possible or HFA Advantage program guidelines and <i>Exclusions from Simply Underwrite for HFAs</i> found in this chart.</li> </ul>
<b>Eligibility Exclusions</b>	<ul style="list-style-type: none"> <li>Fannie Mae High LTV Refinance Option and Freddie Mac Enhanced Relief Refinance Mortgage<sup>SM</sup></li> <li>Lender-negotiated guideline variances, waivers or programs unless approved by Enact. However, GSE published Renovation Mortgage Programs and cooperative share mortgages are eligible for Simply Underwrite.</li> </ul>
<b>Other Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>Enact does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands</li> <li>Follow sections 4.1 and 6.1 Simply Underwrite in our <i>Underwriting Guidelines</i> for complete details</li> <li>Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae's Rural High-Needs Appraisal Waiver requirements</li> </ul>
<b>Note</b>	<p>References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at <a href="#">FHFA Loan Limits</a></p>

Desktop Underwriter<sup>®</sup>, DU<sup>®</sup>, HomePath<sup>®</sup> Properties, Community Seconds<sup>®</sup> and HomeReady<sup>®</sup> are registered trademarks of Fannie Mae. HFA Preferred<sup>™</sup> is a trademark of Fannie Mae. Home Possible<sup>®</sup> and Affordable Seconds<sup>®</sup> are registered trademarks of Freddie Mac. Freddie Mac Enhanced Relief Refinance Mortgage<sup>®</sup>, HFA Advantage<sup>®</sup>, and Loan Product Advisor<sup>®</sup> are registered trademarks of Freddie Mac.

# Standard Guidelines

## Eligibility Recap for Housing Finance Agencies

Standard Guidelines apply to loans that are not eligible for HFA Simply Underwrite. Contact your sales representative or the ActionCenter® at 800-444-5664 with any questions.

Effective April 1, 2021

Primary Residence – Purchase, Rate/Term Refinance & Construction to Permanent <sup>2</sup>				
Property Type	Maximum LTV/CLTV	Maximum Loan Amount <sup>1</sup>	Minimum Credit Score	Maximum DTI <sup>3</sup>
Single family (detached & attached), Condominiums, Cooperatives	97%/105%	\$822,375	620	50%
Manufactured Housing	95%/105%	\$548,250	620	50%
2 units	95%/105%	\$702,000	620	50%
3 units	95%/105%	\$848,500	700	45%
4 units	95% /105%	\$1,054,500	700	45%

<sup>1</sup> Maximum loan amounts in AK & HI are \$822,375 for 1 unit, \$1,054,500 for 2 – 4 units.

<sup>2</sup> Construction-to-Permanent is ineligible with property types other than Single family (detached) or Manufactured Housing.

<sup>3</sup> Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

HFA Preferred or HomeReady	Follow Fannie Mae's published program guidelines for manually underwritten HFA Preferred or HomeReady loans
Home Possible or HFA Advantage Mortgages	Follow Freddie Mac's published Home Possible or HFA Advantage program guidelines for manual underwriting

**For loans other than HomeReady, HFA Preferred or Home Possible or HFA Advantage that are eligible through an HFA program, follow the LTV/Loan Limit/Score eligibility grid above and the remaining guidelines below.**

<b>Documentation</b>	<ul style="list-style-type: none"> <li>Full documentation for credit, income, employment and assets</li> </ul>
<b>Minimum Borrower Contribution</b>	<ul style="list-style-type: none"> <li>1 unit &amp; DTI &lt; 45%: 1% minimum borrower contribution.</li> <li>1 unit &amp; DTI &gt; 45%: 3% minimum borrower contribution.</li> </ul> <p>Notes:</p> <ul style="list-style-type: none"> <li>Borrower's minimum contribution can be met by acceptable sources per GSE guidelines, including personal gifts, gifts of equity, donations from entities, funds from employer assistance programs and Community Seconds®/Affordable Seconds®.</li> <li>Sweat Equity is permitted for one-unit properties with a minimum 5% down payment. The borrower must contribute at least 3% of their own funds (2% sweat equity). The maximum LTV is 95% for HomeReady and Home Possible loans. (Enact overlay for Home Possible loans)</li> <li>2 - 4 units: Minimum 3% borrower contribution</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Subordinate financing must meet Fannie Mae's Community Seconds or Freddie Mac's Affordable Seconds guidelines</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Purchase, 1-unit: 2 months</li> <li>2 – 4 units: 6 months</li> </ul>
<b>Loan Type</b>	<ul style="list-style-type: none"> <li>Fixed rate/fixed payment</li> <li>Fully amortizing ARMs, with initial adjustments &gt; 1 year</li> <li>Temporary buydowns</li> <li>Ineligible: Balloons</li> </ul>
<b>Valid Credit Score</b>	<ul style="list-style-type: none"> <li>Minimum of three (3) tradelines / credit references, open or closed, that have been evaluated at least 12 months</li> <li>Credit references may be a combination of tradelines, traditional or nontraditional credit</li> <li>At least one borrower on the loan must have a valid credit score. See section 7.5 of Underwriting Guidelines.</li> </ul>
<b>Nontraditional Credit</b>	<ul style="list-style-type: none"> <li>Maximum 95%/105% LTV/CLTV. Max 41% DTI. 1 unit. Nontraditional credit must be underwritten by Enact.</li> </ul>
<b>Standard Guidelines</b>	<ul style="list-style-type: none"> <li>Applies to loans that are not eligible for Simply Underwrite, including manually underwritten loans without a GSE automated underwriting system recommendation/risk classification</li> <li>May be underwritten as delegated, as allowed, or submitted for Enact underwriting</li> <li>Must meet the underwriting criteria found within our Underwriting Guidelines</li> </ul>