

<b>FannieDirect</b> <i>(Wholesale and NDC Eligible)</i>	<b>30 Year Fixed</b>		<b>15 Year Fixed</b>	
	18030	DU Approve/Eligible	18015	DU Approve/Eligible
	18030M	Manual Underwrite	18015M	Manual Underwrite
	18030LPMI	LPMI w/ DU Approve/Eligible	18015LPMI	LPMI w/ DU Approve/Eligible
	18030MFP	Multiple Financed Properties	18015MFP	Multiple Financed Properties

Any guideline not specifically covered in this document can be located in the FannieMae Selling Guide [Click Here](#)

Desktop Approve Eligibility Matrix – FRM Only(5)					
Owner Occupied					
Purchase and Rate and Term			Cash-Out (3)		
Property Type	LTV, CLTV, HCLTV	Min Fico	Property Type	LTV, CLTV, HCLTV	Min Fico
1 Unit	97(1)(2)	620	1 Unit	80	620
2 Unit	85	620	3-4 Unit	75	620
3-4 Unit	75	620			
Second Home					
Purchase and Rate and Term			Cash-Out		
Property Type	LTV, CLTV, HCLTV	Min Fico	Property Type	LTV, CLTV, HCLTV	Min Fico
1 Unit	90	620	1 Unit	75	620
Investment Property					
Purchase and Rate and Term			Cash-Out		
Property Type	LTV, CLTV, HCLTV	Min Fico	Property Type	LTV, CLTV, HCLTV	Min Fico
1 Unit Purchase	85	620	1 Unit	75	620
1 Unit Rate and Term	75	620			
2-4 Unit	75	620	2-4 Unit	70	620
(1) 1 Unit, owner occupied, Fixed Rate only (see 97% LTV Product Requirements topic for additional underwriting guidelines) (2) High Balance-Not Eligible (3) Cash-Out: If subject property was purchased within 6 months of application the loan is ineligible, unless delayed financing exception maximum					

Manufactured Housing					
DU Approve/Eligible Version 9.3 Eligibility Matrix – FRM Only					
Owner Occupied					
Purchase and Limited Cash-Out Refinance	1 Unit	80%		680	
		≤75%		660	
Manual Underwrite(1)					
Owner Occupied—Purchase and Rate Term Refinance					
Property Type	Maximum LTV/CLTV/HCLTV	Maximum DTI ≤36%		Maximum DTI ≤45%	
		Credit Score /LTV	Minimum Reserves	Credit Score /LTV	Minimum Reserves
1 Unit	80%	680 if > 75%	0	700 if > 75%	2
		620 if ≤75% 660 if >75%	6	640 if ≤75%	
2 Units	80%	680 if > 75%	6	700 if > 75%	6
		640 if ≤75%		660 if ≤75%	
3-4 Units	75%	660	6	680	6
				660	12
Owner Occupied—Cash Out Refinance					
Property Type	Maximum LTV/CLTV/HCLTV	Maximum DTI ≤36%		Maximum DTI ≤45%	
		Credit Score	Minimum Reserves	Credit Score	Minimum Reserves
1-2 Unit	70%	660	0	680	0
		640	6	660	2
Second Home – Purchase and Rate Term Refinance					
Property Type	Maximum LTV/CLTV/HCLTV	Maximum DTI ≤36%		Maximum DTI ≤45%	
		Credit Score	Minimum Reserves	Credit Score	Minimum Reserves
1 Unit	75%	660	2	660	6
		640	6	640	12

Manual Underwriter (continued)(1)					
Investment Property – Purchase					
Property Type	Maximum LTV/CLTV/HCLTV	Maximum DTI <=36%		Maximum DTI <=45%	
		Credit Score	Minimum Reserves	Credit Score	Minimum Reserves
1 Unit	75%	640	6	680	6
				640	12
Investment Property – Rate/Term Refinance					
Property Type	Maximum LTV/CLTV/HCLTV	Maximum DTI <=36%		Maximum DTI <=45%	
		Credit Score	Minimum Reserves	Credit Score	Minimum Reserves
1 Unit	75%	660	6	680	6
				660	12
(1) SFR, PUD, Condo and 1-Units Only—Manufactured Housing is not eligible for manual underwriting or out of scope finding					

<b>AUS</b>	<ul style="list-style-type: none"> <li>• Desktop Underwriter (DU) "Approve/Eligible Only</li> <li>• Manual Underwriting Allowed—Refer to WBC Manual Underwriting Matrix for LTV/credit score/reserve requirements</li> </ul>
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>• Credit documents must be no more than 90 days old on the date the note is signed, including credit reports and employment, income and asset documents</li> <li>• Preliminary Title Policies must be no more than 90 days old on the date the note is signed</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• Appraisal transfers are allowed</li> <li>• Property Inspection Waiver (PIW), eligible</li> <li>• Recertification of values in accordance with Fannie Mae guidelines are acceptable</li> <li>• High-Balance—Field review is required for properties valued at \$1,000,000 or more with LTV, CLTV or HCLTV above 75%</li> <li>• Manufactured Home—Desk Review required on all transactions</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Follow DU Findings</li> <li>• Manual Underwriting – Refer to WBC Manual Underwriting Matrix</li> <li>• For additional reserve requirements, refer to 'Reserve Requirement' Topic</li> </ul>
<b>Borrower Eligibility</b>	<p><u>Eligible Borrower</u></p> <ul style="list-style-type: none"> <li>• All borrowers must have a social security number</li> <li>• U.S. citizens</li> <li>• Permanent resident aliens, with proof of lawful permanent residence</li> <li>• Non-permanent resident alien:</li> </ul> <p><i>The following are acceptable visa classifications:</i>  A Series (A-1, A-2, A-3); E Series (E-1, E-2) Treaty Trader; G series (G-1, G-2, G-3, G-4, G-5); H-1, Temporary Worker; L-1, Intra-Company Transferee</p> <ul style="list-style-type: none"> <li>• TN, NAFTA visa I-797 documents can be utilized in lieu of a VISA if it meets the following criteria—I-797 evidences an approval for an acceptable VISA class</li> <li>• Employment Authorization Documents are permitted as long as the meet the following criteria:</li> <li>• If the borrower has &lt;2 years within the US, a copy of a Passport used to enter the country and a copy of the I-94 issued by the USCIS are required.</li> <li>• If the borrower has &gt; 2 years within the US, a copy of the current and previous EAD cards are required.</li> <li>• Non-permanent residents must be employed in the U.S. if income is used to qualify</li> </ul> <p><u>Ineligible Borrower</u></p> <ul style="list-style-type: none"> <li>• Loans to non-citizens who have been granted political asylum</li> </ul>

	<ul style="list-style-type: none"> <li>• An individual classified under Diplomatic Immunity, Temporary Protected Status, Deferred Enforced</li> <li>• ITIN's</li> <li>• Foreign Nationals</li> </ul>		
<b>Condos</b>	<ul style="list-style-type: none"> <li>• Any project (condo, or PUD) for which the homeowners' association is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project is not allowed.</li> <li>• Projects for which WBC determines that pending litigation involves minor matters are not considered ineligible projects, provided WBC concludes that the pending litigation has no impact on the safety, structural soundness, habitability, or functional use of the project.</li> <li>• The Homeowners Association is the plaintiff in the litigation and WBC has determined that the matter is minor with insignificant impact to the financial status of the Condominium Project</li> </ul> <p>Refer to <a href="#">B4-2.1-02: FNMA Ineligible Projects-Litigation (11/03/2015)</a></p>		
<b>Debt-to-Income (DTI)</b>	<ul style="list-style-type: none"> <li>• Follow DU</li> <li>• 45%—Manufactured Home</li> </ul>		
<b>Derogatory Credit</b>	<b>Derogatory Event</b>	<b>DU Waiting Period</b>	<b>With Extenuating Circumstance (1)</b>
	BK Chapter 7-11	4 years	3 years DU Approve/Eligible required
	BK Chapter 13	2 years from discharge date 4 years from dismissal date	2 years DU Approve/Eligible required
	Multiple BKs	5 years if more than one filing within the past 7 years	Not eligible
	Foreclosure (2)	7 Years	3 years DU Approve/Eligible required O/O Purch/Limited cash-out refinance;90% Max LTV
	Deed-in-lieu, Pre-foreclosure, Short Sale, Mortgage Debt Charge Off	4 years	2 years DU Approve/Eligible required
	<p>(1) Second Level Review required by Sr. Management</p> <p>(2) When both a bankruptcy and foreclosure are disclosed on the loan application, or when both appear on the credit report, the lender may apply the bankruptcy waiting period if the lender obtains the appropriate documentation to verify that the mortgage loan in question was discharged in the bankruptcy. Otherwise, the greater of the applicable bankruptcy or foreclosure waiting period must be applied.</p>		
<b>Documentation</b>	<ul style="list-style-type: none"> <li>• Determined by AUS</li> <li>• Manual Underwrite—Full Documentation, NO DU waivers</li> </ul>		

<b>Down Payment Assistance</b>	<ul style="list-style-type: none"> <li>• Employer Assistance <a href="#">FNMA B3-4.3-08 Employer Assistance DPA</a></li> <li>• Community Seconds <a href="#">FNMA B5-5.1-02 Community Seconds</a></li> </ul>
<b>Employment/Income Verification</b>	<ul style="list-style-type: none"> <li>• Follow DU for applicable documentation requirements</li> <li>• All “other” income sources—Refer to <a href="#">B3-3.1-09: FNMA Other Sources of Income (09/29/2015)</a></li> </ul> <p><b><u>Projected (future) Income</u></b></p> <ul style="list-style-type: none"> <li>• Owner Occupied, purchase ONLY</li> <li>• Contract for future employment must be included in at submission</li> <li>• Documented history of employment in the same field, regardless of DU findings-2 year minimum</li> <li>• Borrower’s offer or contract for future employment, must include income documentation; prior to closing WBC must obtain:             <ul style="list-style-type: none"> <li>○ VVOE</li> <li>○ Confirmation that borrower has started their position</li> </ul> </li> <li>• Paystub must be provided after closing, no later than 15 days, and must support income utilized to qualify</li> <li>• DU Only-Manual Underwriting not eligible</li> </ul>
<b>Escrow Holdbacks</b>	Not Eligible
<b>Escrow Waivers</b>	Per applicable state law
<b>Fico</b>	<ul style="list-style-type: none"> <li>• All borrowers must have a minimum of one credit score to be eligible</li> <li>• Co-borrower(s) that lack a credit score – Refer to Manual Underwriting Topic</li> </ul>
<b>Manufactured Housing</b>	<p>Must meet FannieMae’s definition of a manufactured home refer to <a href="#">B2-3-02: Special Property Eligibility and Underwriting Considerations: Factory-Built Housing (04/15/2014)</a></p> <p>WBC will follow FannieMae guidelines with the exception of the following overlays:</p> <ul style="list-style-type: none"> <li>• Second homes and Investment properties—Not Eligible</li> <li>• Single Wide—Not Eligible</li> <li>• Condo and PUD regimes—Not Eligible</li> <li>• WBC will not accept a verification letter from the Institute for Building and Technology and Safety (<a href="#">IBTS</a>) in lieu of the original HUD Certification Label. A duplicate will be accepted if provided from IBTS</li> <li>• Property must be attached to a permanent foundation system in accordance with the manufacturer’s requirements for anchoring, support, stability, and maintenance. WBC will not accept a property “subject to” the installation of the unit to a permanent foundation</li> <li>• Manufactured homes that have an addition or have had a structural modification—Not Eligible</li> <li>• Maximum acres—5</li> </ul>

<b>Manual Underwriting</b>	<p><u>Refer with Caution</u></p> <ul style="list-style-type: none"> <li>• Will be considered ONLY If significant material credit errors in the credit report resulted in a DU Refer with Caution recommendation</li> <li>• See eligibility matrix for LTV/CLTV &amp; other restrictions</li> </ul> <p><u>Out of Scope</u></p> <ul style="list-style-type: none"> <li>• Will be considered ONLY when there is documented evidence of material erroneous credit data AND there is not enough time to obtain corrected information, or if there are extenuating circumstances that contributed to the derogatory credit</li> <li>• See eligibility matrix for LTV/CLTV &amp; other restrictions</li> </ul> <p><u>Co-borrower(s) without credit scores:</u></p> <ul style="list-style-type: none"> <li>• If at least one borrower on the loan has a credit score and a co-borrower does not, the following guidelines would apply:             <ul style="list-style-type: none"> <li>○ One Unit, owner-occupied and ALL borrowers must occupy subject property</li> <li>○ Purchase or Rate &amp; Term Refinance only</li> <li>○ No borrowers can be self-employed</li> <li>○ The borrower with traditional credit and a credit score must contribute more than 50% of the qualifying income</li> </ul> </li> </ul>
<b>Ineligible Programs</b>	<ul style="list-style-type: none"> <li>• Mortgage Credit Certificate (MCC)</li> <li>• Property Assessed Clean Energy (PACE)</li> <li>• Home Style® Renovation Mortgage</li> <li>• Community Solutions</li> <li>• Community Home Choice</li> <li>• Native American Conventional Lending Initiative (NACLI)</li> <li>• My Community Mortgage</li> <li>• HomeReady</li> <li>• DU Refi Plus</li> <li>• Student Loan Solutions (Student Loan Cash-out Refinance)</li> </ul>
<b>Minimum Loan Amount</b>	\$100,000
<b>Mortgage Insurance</b>	Acceptable Mortgage Insurance Companies refer to Western Bancorp Selling Guide
<b>Non-Occupant Borrower</b>	<ul style="list-style-type: none"> <li>• Allowed, no separate DTI ratio required for the occupant(s)</li> <li>• DU Approve/Eligible Only</li> </ul>
<b>Multiple Financed Properties</b>	Refer to <a href="#">B2-2-03: FNMA Multiple Financed Properties for the Same Borrower</a> - for additional credit score and reserve requirements

<b>Property Types</b>	<u>Eligible Properties:</u> <ul style="list-style-type: none"> <li>• Single Family</li> <li>• PUD</li> <li>• 2-4 Units</li> <li>• Condominium - Warrantable</li> <li>• Manufactured Housing (<i>refer to specific topic for additional restrictions and overlays</i>)</li> <li>• Recently converted 2-4 Unit condo projects (TIC Conversion)</li> <li>• Modular Home</li> <li>• Rural Properties (in accordance with FannieMae Guidelines, loans must be residential in nature)</li> <li>• Leaseholds</li> </ul>	<u>Ineligible Properties</u> <ul style="list-style-type: none"> <li>• Mobile Homes</li> <li>• Condominium Conversions that were converted within the last three years</li> <li>• Condotels/Hotel Condominiums or PUDs</li> <li>• Cooperatives</li> <li>• Timeshares</li> <li>• Geodesic Domes</li> <li>• Working Farms and Ranches</li> <li>• Unimproved Land</li> <li>• Land Trust</li> <li>• Condition Rating of C5/C6 or a Quality Rating of Q6.</li> <li>• Property Assessed Clean Energy (PACE)</li> </ul>
<b>Recently Listed Properties</b>	<ul style="list-style-type: none"> <li>• No Cash-Out Transaction <ul style="list-style-type: none"> <li>○ The subject property must not be currently listed for sale.</li> <li>○ It must be taken off the market on or before the application date.</li> <li>○ Borrowers must confirm their intent to occupy the subject property (for principal residence transactions).</li> </ul> </li> <li>• Cash-Out Transaction <ul style="list-style-type: none"> <li>○ Properties that were listed for sale must be taken off the market on or before the application date.</li> </ul> </li> </ul>	
<b>Resale Restrictions (BMR)</b>	<ul style="list-style-type: none"> <li>• Allowed— Refer to <a href="#">B5-5.3-01:FNMA Loans With Resale Restrictions: General Information (07/28/2015)</a></li> </ul>	
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• DU Approve/Eligible- Subject property, owner occupied and non-owner/second home with less than 5 financed properties— Refer to <a href="#">FannieMae B3-4.1-01: Minimum Reserve Requirements</a></li> <li>• 5-10 Financed Properties—Refer to <a href="#">B2-2-03: Multiple Financed Properties for the Same Borrower</a></li> <li>• Manual Underwrite—Refer to WBC Manual Underwriting Eligibility Matrix</li> </ul>	
<b>Tax Transcripts</b>	Follow FannieMae Guidelines <a href="#">B3-3.1-06: Requirements and Uses of IRS Form 4506-T</a>	
<b>Trusts</b>	Vesting in Trust is not allowed	