

MAXIMUM LTV/TLTV/LTV (PURCHASE & NO CASH-OUT REFINANCE TRANSACTIONS)

HomeOne SM					
Transaction Type	Property Type	FICO	LTV	TLTV / HLTIV Without an Affordable Second [®]	TLTV / HLTIV With an Affordable Second [®]
Purchase	1- unit	620	97%	97%	105%
Refinance*	1- unit	620	97%*	97%*	105%*

*Refinance transactions are “No cash-out” refinance mortgages and must meet the requirements under “[Eligible Mortgages](#)”

Flexibility for your borrowers with a HomeOneSM Mortgage!

- No prepayment penalties: Your borrowers can pay off their loan at any time without worrying about any prepayment penalties.
- Broad Access: No geographic or income restrictions
- More options for your down payment: With a HomeOneSM Mortgage, you can apply alternate sources of funds to your down payment, including cash gifts from relatives.
- Budgeting simplicity: Simplifies budgeting because the principle and interest payments stay consistent.
- Purchases and no cash-out refinances
- Minimum contribution: No Minimum contribution from borrowers own personal funds – 1-unit Primary Residence.

LHFS PROGRAM CODES		
HomeOne SM	Conforming 30 FHLMC HomeOne SM	WC30FHO-000



GENERAL REQUIREMENTS

<p>ELIGIBLE MORTGAGES</p>	<ul style="list-style-type: none"> • HomeOneSM mortgages eligible for purchase must be first lien mortgages that are fully amortizing. • HomeOneSM mortgages must be conventional, conforming mortgages (super conforming not permitted). • No Cash-out Refinance: <ul style="list-style-type: none"> • For Mortgages with LTV and/or HTLTV ratios greater than 95%, the Mortgage being refinanced must be owned in whole or in part or securitized by Freddie Mac • For Mortgages with TLTV ratios greater than 95% with secondary financing that is not an Affordable Second, the Mortgage being refinanced must be owned in whole or in part or securitized by Freddie Mac • For Mortgages with TLTV ratios greater than 95% with secondary financing that is an Affordable Second, the Mortgage being refinanced does not have to be owned or securitized by Freddie Mac • Manual underwriting not allowed.
<p>BORROWERS</p>	<ul style="list-style-type: none"> • All borrowers must occupy the Mortgaged Premises as their Primary Residence • Non-owner occupant not allowed • The borrower may not, as of the note date or the effective date had any ownership interest (sole or joint) in any other residential properties during the three-year period preceding the date of the purchase of the mortgage premises. • At least one borrower must be a first-time homebuyer (as defined in the Single-Family Seller/Service Guide) when the mortgage is a purchase transaction mortgage. • Unexpired government issued ID's and social security number are required for each Borrower. • Land Home Financial Services Inc. will process a third-party social security number validation required for all Borrowers. • Maximum number of 4 borrowers, including accommodation mortgagors. <p><u>Ineligible Borrowers</u></p> <ul style="list-style-type: none"> • Borrowers that are not legal residents including, but not limited to the following borrowers: <ul style="list-style-type: none"> • Diplomatic Immunity/Embassy Personnel, • Borrowers with deferred action status, which includes DACA, • Foreign Nationals, • Borrowers with Temporary Protected Status (TPS)
<p>CREDIT</p>	<ul style="list-style-type: none"> • DTI: As required by AUS (LPA Loan Product Advisor) • VOM/VOR as a standalone document is not permitted. <ul style="list-style-type: none"> • Evidence must be supported by 12 months cancelled checks or auto payment with a copy of the lease/note to confirm the terms required. • Current year IRS taxes due: <ul style="list-style-type: none"> • If borrower has not paid current year taxes due and is on extension, taxes must be paid current or taxes must be filed and have an approved IRS installment plan established. • Investment Properties using rental income to qualify: <ul style="list-style-type: none"> • Borrowers must be qualified with primary housing expense. <ul style="list-style-type: none"> • Exceptions: Non-Borrowing spouse solely obligated to present housing mortgage. • Land Home Financial Services, Inc. will run Undisclosed Debt Monitoring (UDM) prior to closing. Any new inquiries and/or debt must be documented. • For purchase transaction and "no cash-out" refinance Mortgages, at least one Borrower on the transaction must have a usable Credit Score as determined by LPA.



GENERAL REQUIREMENTS (CONTINUED)

<p>CREDIT (CONTINUED)</p>	<ul style="list-style-type: none"> • LPA now allows mortgages for borrowers without credit scores: <ul style="list-style-type: none"> • Must be secured by a 1-unit property and all borrowers must occupy the property as their primary residence. • Loan-to-value (LTV), total LTV (TLTV) and Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios must not exceed 95%. • Must be a fixed-rate mortgage. • If the borrower(s) without a usable credit score contributes 50% or more of the total monthly income, then each borrower without a usable credit score must meet the same credit history requirements that apply to mortgages where no borrower has a credit score (e.g., at least two payment references). <ul style="list-style-type: none"> • Each borrower must have at least two payment references in the United States comprised of Noncredit Payment References and/or tradelines not appearing on the credit report. If two or more borrowers have the same payment reference, then the payment reference may count for each of those borrowers. • Each payment reference must be for at least the most recent 12 months. • At least one borrower must have a housing payment history as one of the payment references. • In the event more than one borrower has a housing payment history, then all such housing payment histories for the most recent 12 months (or length of housing payment history if less than 12 months) must be verified. • All housing payment histories must have no 30-day or greater delinquencies in the most recent 12 months. • For all payment references other than housing, only one payment reference may have one 30-day delinquency and no 60-day or greater delinquencies in the most recent 12 months; all other payment references must have no 30-day or greater delinquencies in the most recent 12 months. • Each payment reference must: <ul style="list-style-type: none"> • Meet the requirements for document requirements and written verifications per Guide. • Be documented in accordance with Guide Section 5202.2(b). • Each borrower must have no collections (other than medical), judgments or tax liens filed in the most recent 24 months. • When the credit reputation for all borrowers is established using only Noncredit Payment References, then at least one borrower must participate in a homeownership education program before the note date, or the effective date of permanent financing.
<p>EMPLOYMENT / INCOME</p>	<ul style="list-style-type: none"> • Rental income received from a relative requires a documented 12-month payment history of rents. • Amended tax returns are only acceptable for documented errors or omissions. • Paystubs and W-2's may not be substituted with a written verification of employment.



GENERAL REQUIREMENTS (CONTINUED)

ASSETS

- Gift donors cannot be on title or purchase contract as they do not meet the definition of "Gift" per agency definition.
- VOD's are not acceptable for asset documentation alone.
- Minimum reserves required per LPA:

Minimum Reserves	
1-unit	Per LPA

- Minimum contribution from personal funds:

Minimum Contribution from Borrower Personal Funds (Purchase transactions only)		
Property Type	HomeOne SM LTV/TLTV/HTLTV ratios <= 80%	HomeOne SM LTV/TLTV/HTLTV ratios >80% <= 95%
1-unit	None	None

- Permitted sources of funds:

Use	Permitted Sources of Funds
Minimum borrower contribution	• Borrower personal funds
Down payment for purchase transaction (difference between the purchase price and the first lien amount)	• Borrower personal funds • Other borrower funds
Additional equity if needed for a no-cash-out refinance transaction	• Borrower personal funds • Other borrower funds
Closing costs, financing costs, prepaids/escrows	• Borrower personal funds • Other borrower funds • Flexible sources of funds
Reserves	• Borrower personal funds • Other borrower funds • Eligible assets (Guide Section 5501.2)

PROPERTY COLLATERAL

HomeOne SM (1-unit primary residences) – Eligible Property Types
Single Family Residence
Condos
PUD

- Manufactured Homes are not eligible.
- Transferred appraisal allowed under conforming loan amounts and fixed rate transactions only.

Ineligible Properties / Locations:

- LHFS does not offer financing to properties that are secured by community land trusts (i.e., Illinois Land Trust).
- Co-ops are not permitted.
- Manufactured Homes – Leasehold Estate ownership
- Unincorporated territories of the United States (borrowers and properties) are ineligible for financing.
 - Puerto Rico
 - US Virgin Islands
 - Guam
 - American Samoa
 - Swains Island



GENERAL REQUIREMENTS (CONTINUED)

TITLE	<ul style="list-style-type: none"> Any borrower holding title only must be a legal U.S. Resident. Revocable Trusts (Living Trust) may be eligible on a case-by-case basis. Split vesting is not allowed. Vesting must be 100% in a trust or 100% individual. <ul style="list-style-type: none"> May be allowed on conforming conventional loans on an exception basis. Title report may not be over 90 days old at the time loan docs are prepared. Power of Attorney (POA's) are eligible on purchase and rate/term transactions only. 																
ESCROW	<ul style="list-style-type: none"> Escrows required over 80% in all states excluding CA Escrows required over 89.99% in CA 																
MORTGAGE INSURANCE REQUIREMENTS	<ul style="list-style-type: none"> The standard required or custom MI coverage levels for HomeOneSM mortgages are as follows: <table border="1" data-bbox="451 705 1484 835"> <thead> <tr> <th rowspan="2">Transaction Type</th> <th rowspan="2">MI coverage</th> <th colspan="4">LTV Ratio</th> </tr> <tr> <th>>80% & ≤85%</th> <th>>85% & ≤90%</th> <th>>90% & ≤95%</th> <th>>95% & ≤97%</th> </tr> </thead> <tbody> <tr> <td>Fixed-rate, term 30 years</td> <td>Standard</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>35%</td> </tr> </tbody> </table>	Transaction Type	MI coverage	LTV Ratio				>80% & ≤85%	>85% & ≤90%	>90% & ≤95%	>95% & ≤97%	Fixed-rate, term 30 years	Standard	12%	25%	25%	35%
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		>80% & ≤85%	>85% & ≤90%	>90% & ≤95%	>95% & ≤97%												
Fixed-rate, term 30 years	Standard	12%	25%	25%	35%												
HOMEBUYER EDUCATION	<ul style="list-style-type: none"> For purchase transaction secured by 1-unit Primary Residence, Homeownership education is required before the Note Date, or the Effective Date, for at least one qualifying borrower if all borrower(s) are First-Time Homebuyers Homeownership Education Certification, or another document containing comparable information must be retained in the mortgage file. The following types of homeownership education are acceptable: <ul style="list-style-type: none"> Internet-based homeownership education programs developed by mortgage insurance companies Homeownership education programs that meet the standards of the National Industry for Homeownership Education and Counseling (http://www.homeownershipstandards.com/) 																
MORTGAGE CREDIT CERTIFICATES	<ul style="list-style-type: none"> Not allowed 																
SECONDARY FINANCING	<p>For HomeOneSM mortgages secondary financing is allowed when secondary financing is an Affordable Second.</p>																
TEMPORARY SUBSIDY BUYDOWNS	<p>Limited Buydown:</p> <ul style="list-style-type: none"> Initial interest rate reduced no more than 2 percentage points below the Note Rate, and Increased by no more than one percentage point annually for no more than 2 years <p>Extended Buydown:</p> <ul style="list-style-type: none"> Initial interest rate reduced no more than 3 percentage points below the Note Rate, and Increased by no more than one percentage point annually for more than 2 but no more than 3 years <p>Qualifying for Limited and Extended Temporary Subsidy Buydowns: Fixed-rate mortgages, the borrower must be qualified using monthly payments calculated at the Note rate</p>																
OTHER CONSIDERATIONS	<ul style="list-style-type: none"> Maximum days allowed for seller rent back 60 days. All loan documentation should not be over 90 days old at submission. Property Assessed Clean Energy (PACE) aka: Home Energy Renovation Opportunity (HERO) subordination not permitted. Must be paid in full prior to closing. All HPML loans must pass Safe Harbor in order to be eligible for closing. 																
HELPFUL LINKS	<p>Land Home Financial Additional Resources:</p> <ul style="list-style-type: none"> eScenarios LHFSWholesale.com Conventional - Submission Checklist <p>Agency Guidelines:</p> <ul style="list-style-type: none"> Freddie Mac Selling Guide 																

Each loan will be evaluated for layers of risk, reasonability, ability and willingness to repay debt. Additional items for consideration include but are not limited to payment shock, assets, reserves, negative balances in bank accounts, housing history, slow pays, financing management evidenced by credit and asset reviews, red flags, multiple layers of risk, etc. May require additional documentation or explanations above and beyond the AUS requirements.

Guidelines are for use by mortgage professionals only and subject to change without notice.

