



CalHFA Conventional Loan Program

Red indicates changes from previous matrix
 Overlays to Fannie Mae guidelines are underlined and in italics

Owner-Occupied transactions only			
Maximum LTV/CLTV	FICO	LTV	CLTV
	<u>640</u>	97% ⁽¹⁾	105%
⁽¹⁾ The maximum LTV for loans above the FNMA conforming loan amount is 95%			
Eligible Products	<ul style="list-style-type: none"> • C100 CalHFA Conventional • C102 CalHFA Conventional - Extra Credit Teacher Program • C103 CALHFA Conventional - MyHome Assistance Program 		<ul style="list-style-type: none"> • C106 CalHFA Conventional High Bal • C108 CalHFA Conventional - Extra Credit Teacher Program HB • C109 CALHFA Conventional - MyHome Assistance Program HB
Ineligible Mortgage Programs	• <u>Homestyle Renovation Mortgages</u>		
Income Limits	• Refer to http://www.calhfa.ca.gov/ for income limits		
Maximum Loan Amount	• Maximum Loan Amount cannot exceed FNMA Conventional loan limits by county		
Sales Price Limits	• The Sales Price of the home cannot exceed CalHFA Sales Price Limits for the county in which the property is located		
Borrower Eligibility	<ul style="list-style-type: none"> • Must be a U.S. citizen, permanent resident alien or qualified alien • Both first-time and non-first time homebuyers permitted per CalHFA specific program guideline • <u>Loans to Limited Liability Corporations (LLC) are not permitted</u> 		
AUS/Underwriting	<ul style="list-style-type: none"> • <u>Fannie Mae Desktop Underwriter (DU) must provide an Approve/Eligible recommendation</u> • Freddie Mac Loan Prospect Advisor (LPA) and other customized automated underwriting systems are not permitted • <u>Manual Underwriting is not permitted</u> 		
Co-Borrowers/Co-Signers	• Non-occupant Co-Signers or Co-Borrowers are not permitted		
DTI	• Maximum Debt-to-Income ratio cannot exceed 45.00% regardless of the automated underwriting decision or compensating factors		
Credit Requirements	<ul style="list-style-type: none"> • A borrower with no credit score may be eligible as long as an occupant borrower(s) has a credit score that meets the minimum representative credit score requirement subject to AUS and Mortgage Insurance approval • All borrowers with a credit score must meet the minimum representative credit score • <u>Use of non-traditional credit is not permitted</u> 		
Employment/Income Verification	<ul style="list-style-type: none"> • Follow DU requirements • <u>IRS transcripts (1040, 1099, W-2, as applicable) are required for each borrower whose income is used to qualify</u> • <u>For future income, paystubs are required.</u> 		
Eligible Property	<ul style="list-style-type: none"> • 1-Unit SFR (including condominium/PUDs that are Fannie Mae eligible) • Community Land Trusts • Leaseholds 		
Ineligible Property	<ul style="list-style-type: none"> • <u>2-Unit Properties</u> • <u>Manufactured Homes</u> • <u>Co-ops</u> • <u>Lot sizes that exceed 5 Acres</u> • <u>Property that is subject to repairs (all repairs must be complete and escrow holdbacks must be released prior to purchase with the exception of those noted in the Escrow Holdback section of this product matrix)</u> 		
Sales Concessions/Contributions	Follow Fannie Mae guidelines except for the following: <ul style="list-style-type: none"> • <u>Payment of condominium fees</u> • <u>Personal property</u> 		

	<ul style="list-style-type: none"> • <u>Down payment assistance</u> 										
Appraisal Requirements	<p>Determined by AUS Findings Appraisal Condition Rating of C5/C6 or a Quality Rating of Q6 is not permitted <u>LSM will require successful UCDP Submission Summary Reports (SSRs) from Fannie Mae. LSM will not allow loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.</u></p>										
Property Requirements	<p>Accessory units are eligible with certain restrictions. Refer to http://www.calhfa.ca.gov/ for additional requirements. Properties encumbered by Property Assessed Clean Energy (PACE) liens at time of closing are not eligible.</p>										
Underwriting Authority	<ul style="list-style-type: none"> • Delegated Underwriting only 										
Homebuyer Education	<ul style="list-style-type: none"> • Homebuyer Education is required for one occupying first-time homebuyer • Homebuyer Education is not required for non-first-time homebuyer(s) <ul style="list-style-type: none"> • Refer to http://www.calhfa.ca.gov/ for approved education 										
Buy downs	<ul style="list-style-type: none"> • 2/1 Buy downs permitted subject to Fannie Mae Guidelines 										
Mortgage Insurance	<ul style="list-style-type: none"> • Mortgage insurance is only acceptable from Genworth • The following MI types are permitted: <ul style="list-style-type: none"> • Borrower paid monthly • Borrower Paid single premium mortgage insurance • Split Premium MI • Financed mortgage insurance premium must be included in the LTV and CLTV <table border="1" data-bbox="436 643 848 777"> <thead> <tr> <th>LTV</th> <th>Coverage</th> </tr> </thead> <tbody> <tr> <td>95.01-97%</td> <td>18%</td> </tr> <tr> <td>90.01-95%</td> <td>16%</td> </tr> <tr> <td>85.01-90%</td> <td>12%</td> </tr> <tr> <td>80.01-85%</td> <td>6%</td> </tr> </tbody> </table>	LTV	Coverage	95.01-97%	18%	90.01-95%	16%	85.01-90%	12%	80.01-85%	6%
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Subordinate Financing	<ul style="list-style-type: none"> • Refer to http://www.calhfa.ca.gov/ for subordinate financing requirements 										
High Cost Loans	<ul style="list-style-type: none"> • LSM will not allow High Cost Loans 										
Assignment of Mortgage	<ul style="list-style-type: none"> • All loans must be registered with MERS. 										
Disaster Policy	<ul style="list-style-type: none"> • Please refer to the list of affected counties published by FEMA using the following link: http://www.fema.gov/disasters • If FEMA does not identify an area as a disaster, LSM reserves the right to declare an area not identified by FEMA as a disaster. In these cases LSM will communicate any declarations. • The Disaster Policy should be followed during an ongoing disaster and up to 90 days from the FEMA declaration date • If the subject property is located in one of the impacted counties and the appraisal was completed prior to the incident period (as defined by FEMA), LSM Loan Servicing will require a post disaster inspection confirming the property was not adversely affected by the disaster. • Full appraisals obtained after the incident period need to indicate that the property has not been impacted by the disaster • If the inspection notes the property is uninhabitable, unsound, or the condition of the property has been affected by the disaster, a new full appraisal is required. • The following are acceptable inspection formats: <ul style="list-style-type: none"> • A property inspection report with photo from a licensed inspector • Appraisal Update and/or Completion Report • A substitute appraiser may be used when the original appraiser is not available 										
Escrow Holdbacks	<ul style="list-style-type: none"> • LSM is not allowed escrow repairs 										
Seasoning	<ul style="list-style-type: none"> • Loans must not be aged more than 30 days from the loan closing date 										

*LSM will follow with the Fannie Mae Selling Guide and CalHFA Handbook, unless otherwise noted in this matrix.

**In the case of conflicting guidelines, underwriter must follow the more restrictive to meet the credit, income limits, total debt-to-income ratio and loan and property requirements of CalHFA, Fannie Mae or mortgage insurer.