

# HomeReady Loans

## Enhanced Best Efforts Commitments

The enhanced Best Efforts commitment feature in Pricing & Execution – Whole Loan® (PE-Whole Loan) is designed to benefit lenders who take out HomeReady® commitments. Effective for commitments entered into, on or after January 24, 2024, this enhancement allows lenders to lock in margins and reduce hedging costs for HomeReady loans.

### Lender Benefits



#### Lock In Margin & Limit Costs

Through the Best Efforts program, lenders can take out commitments at the time of rate-lock without being subject to a pair-off fee if the loan doesn't close. Because pricing is committed upfront, lenders benefit from improved price certainty & can more effectively mitigate interest rate risk & reduce their hedging costs on HomeReady loans.

#### Certainty of Best Efforts, Pricing Like Mandatory

Best Efforts commitments on HomeReady loans will receive better pricing compared to other Best Efforts loan commitments. Enhanced pricing will be similar to mandatory commitments on all HomeReady loans committed via the Best Efforts channel using the 30-Year Fixed Rate HomeReady product.

#### Borrower Advantages

The enhanced pricing and certainty of HomeReady makes it possible for lenders to pass these benefits on to borrowers.



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### Key Features



#### Commitment Characteristics:

- Commitments are single-loan and tied to a specific borrower and property address.
- Loan attributes such as UPB, product, and note rate can be modified in the original commitment.
- Lenders make their best effort to deliver and are not subject to a pair-off fee if the loan does not close.

**NOTE:** These commitments are governed by the same requirements as our regular Best Efforts commitments. Please ensure you are familiar with the program's specifics before transacting.

#### Expectation of Delivery:

All loans committed through this program must be delivered to Fannie Mae, except for loans that do not successfully close.

### Committing Procedures



#### Commitment Process:

The committing process mirrors typical Best Efforts commitments, with the key specification that lenders must select the 30-Year Fixed Rate HomeReady product when committing to receive the enhanced pricing. You can commit these loans via Pricing & Execution-Whole Loan® or request access to our MarketPoint™ platform for a more streamlined committing process.

#### Streamlining via MarketPoint:

For up to 25 loans, lenders can streamline their committing processes by utilizing bulk uploads with a bid file of Desktop Underwriter® (DU®) case file numbers to auto-populate loan data (excluding non-DU fields, which must be manually entered), allowing lenders to view pricing, including SRP pricing, and commit with one click.

#### Also available via MarketPoint:

- Automatically select committing products for loans based on available pricing.
- Product customization feature allows users to change recommended product selections (*important for ensuring loans are committed via the HomeReady product if utilizing the Best Efforts enhancement*).

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### Additional Resources



#### Information on Best Efforts:

- [FAQ: Pricing & Execution – Whole Loan](#)
- [Job Aid: PE – Whole Loan](#)
- [Learning Center: PE-Whole Loan](#)

#### MarketPoint Resources:

- [Demonstration](#)
- [FAQ](#)
- [eLearning](#)

### Frequently Ask Questions



#### **Q: Can I take out a Best Efforts commitment using any applicable product for my HomeReady loans? Will I still receive enhanced pricing?**

To reap the full benefit of this enhancement (best efforts features + pricing similar to mandatory), you need to select the [30-Year Fixed Rate HomeReady](#) product when committing via the Best Efforts channel. Best Efforts pricing is only being improved for this HomeReady product.

For example, if you were to commit a HomeReady loan via the [30-Year Fixed Rate - 275k Max Loan Amount](#) using the Best Efforts channel, it would not receive the enhanced Best Efforts pricing.

#### **Q: Do I have to utilize this enhancement in order to receive the other HomeReady enhancement?**

No, this program is optional and is intended to reduce hedging costs for these loans.

#### **Q: Does this enhancement allow me to commit loans as servicing-released?**

Yes, you can still utilize Servicing Marketplace (SMP) for a servicing-released transaction.

#### **Q: What if my question is not addressed in this document?**

Please contact the Capital Markets Pricing and Sales Desk at 800-752-0257 for assistance.