



High-Balance Loan Feature

This summary is intended for reference only. All criteria are subject to the formal terms and conditions of the Fannie Mae Selling Guide. In the event of any conflict with the document, the Selling Guide will govern.

Eligibility and Underwriting	Maximum Loan Amount, Applicable Limits	High-balance mortgage loans (HBLs) are subject to high-cost area loan limits set annually by the Federal Housing Finance Agency (FHFA). Refer to the <i>Selling Guide</i> and to Fannie Mae’s website for eligible areas and loan limits for each area (see the Loan Limits page). <i>Note:</i> Regarding refinances of existing Fannie Mae loans, the refinance loan must meet the loan limits applicable at the time of sale of the refinanced loan to Fannie Mae, regardless of whether higher limits might have applied to the existing loan being refinanced.
	Loan Purposes	Purchase, limited cash-out refinance (LCOR), or cash-out refinance (COR)
	Eligible Products	Standard fixed-rate mortgages (FRMs) and adjustable-rate mortgages (ARMs) are eligible. HBLs are eligible for the high LTV refinance option. The eligibility and appraisal requirements specific to high LTV refinance loans supersede all requirements that apply to HBLs. (Refer to applicable sections in the <i>Selling Guide</i> for additional information).
	Applicable Limits	HBLs must meet the current loan limits (see Loan Limits page).
	Property Types	One- to four-unit, including condos, co-ops, and manufactured housing.
	Underwriting Method	All loans must be underwritten through DU and must receive an “Approve” recommendation.
	Mortgage Insurance	<ul style="list-style-type: none"> ▪ Lenders should contact their mortgage insurance (MI) providers to confirm the eligibility and underwriting criteria for HBLs. ▪ Borrower-paid MI and lender-paid MI options are permitted, as are monthly, single, and split premium plan options. ▪ Minimum MI coverage options (with loan-level price adjustment [LLPA]) is also permitted. ▪ Financed MI is permitted, but LTV may not increase above the maximum LTV that is otherwise permitted.
	Appraisal Requirements	Standard appraisal requirements apply.
Maximum LTV/CLTV/HCLTV and Minimum Credit Scores	<ul style="list-style-type: none"> ▪ See the Eligibility Matrix on our website. ▪ All borrowers must have traditional credit. ▪ Eligibility is subject to minimum 620 credit score that applies to all DU loans. 	



Pricing	LLPAs	Specific LLPAs apply to HBLs, whether delivered under whole loan commitments or MBS contracts. HBLs are also subject to all other applicable LLPAs per the <i>Selling Guide</i> . All price adjustments are cumulative. See the LLPA Matrix for details.
	Whole Loan	Live whole-loan pricing is available in Pricing & Execution – Whole Loan® (PE – Whole Loan).
	MBS	Lender base guarantee fee per MBS contract.
Committing, Delivery, and Servicing	Whole Loan Committing and Delivery	<p>Committing is available in PE – Whole Loan. Certain limitations apply in order to align with MBS pooling guidelines:</p> <ul style="list-style-type: none"> ▪ For mandatory commitments in PE – Whole Loan, high-balance 10-, 15-, and 30-year FRMs may be delivered under standard whole loan commitments, with mortgage loans meeting Fannie Mae’s general loan limits, as long as the HBLs comprise no more than 10% of the aggregate unpaid principal balance of the commitment. ▪ If the delivery of an HBL would cause the lender to exceed the 10% limitation, the lender must deliver the mortgage loan against an HBL whole loan commitment. <ul style="list-style-type: none"> ○ Specific 15- and 30-year HBL products are available in the whole loan committing application to accommodate commitments with the > 10% HBLs. ○ 10- or 20-year loans may be delivered under the 15- and 30- year HBL product commitments, respectively, in PE – Whole Loan. ▪ For mandatory commitments in the whole loan committing application, non-TBA-eligible products, such as LTV > 105%, ARMs and High Balance, are not subject to the 10% limitation. (Our requirements for TBA- and non-TBA-eligible products for whole loan delivery mirror those for MBS delivery.) <p>For best efforts commitments in PE – Whole Loan, HBLs with 10- and 20-year FRM terms can be delivered against 15-year and 30-year best efforts high balance commitments.</p>
	Special Feature Codes	Lenders must use SFC 808 when delivering HBLs to Fannie Mae, except for government loans and unless otherwise instructed. All other applicable SFCs must also be provided.