



Fannie Mae®



Why choose HomeReady® mortgage?

Flexible options. Conventional ease.

HomeReady is our affordable, low down payment mortgage product designed for creditworthy low-income borrowers.

HomeReady benefits

- Low down payment; as little as 3% down for home purchases.
- Flexible sources of funds with no minimum contribution from borrower’s own funds.*
- Non-occupant borrowers permitted.
- Cancellable mortgage insurance (restrictions apply).
- Reduced MI coverage requirement for loan-to-value ratios above 90% (up to 97%).

Benefits	HomeReady	FHA
Cancellable mortgage insurance**	Yes	No
Lender can order the appraisal immediately	Yes	No
No geographic restrictions on loan amounts	Yes	No
Day 1 Certainty® freedom from certain reps and warrants	Yes	No

* Minimum borrower contributions may be required in some instances such as when using lender-funded grants.

** Restrictions apply.

All criteria are subject to the formal terms and conditions of the Fannie Mae *Selling Guide* and *Servicing Guide*. In the event of any conflict with this document, the *Selling Guide* and/or *Servicing Guide* will govern.

Sample borrower payment scenario: FHA, HomeReady, and Fannie Mae standard

30-year fixed-rate scenario Purchase price: \$250K	FHA mortgage Note rate: 6.25% LTV: 96.50%	HomeReady Mortgage Note rate: 6.5% LTV: 97%	Fannie Mae standard Note rate: 6.75% LTV: 97%*
Base loan amount	\$241,250	\$242,500	\$242,500
Upfront MIP rate (%)	1.75%	0%	0%
Upfront MIP cost (\$)	\$4,222	\$0	\$0
Total loan amount	\$245,472	\$242,500	\$242,500
Down payment	\$8,750	\$7,500	\$7,500
Monthly MI rate (%)	0.85%	0.77%	0.96%
Monthly MI (\$)	\$171	\$156	\$194
Principal/interest monthly payment	\$1,485	\$1,533	\$1,573
Monthly payment	\$1,656	\$1,689	\$1,767
After approximately 5 years ... with an annual home appreciation rate of 3%**			
Monthly MI premium	\$171 Cannot be canceled	\$0***	\$0***
Total monthly payment	\$1,656	\$1,533	\$1,573

* The borrower must be a first-time homebuyer to be eligible for a 97% LTV Fannie Mae standard loan; for non-first-time homebuyers, the maximum LTV is 95%.

** Assuming 3% annual home appreciation, the loan would reach an LTV ratio below 80% after approximately 61 months.

*** Assuming non-lender paid MI.

NOTE: FHA loans allow credit scores of 580 or higher. The minimum credit score for a Fannie Mae loan, including HomeReady, is 620; this example uses a 700 credit score. FHA MIP rate effective January 20, 2017; see Mortgagee Letter 2017-07: www.hud.gov/sites/documents/17-07ml.pdf. Note rates based on observed market rates as of May 2018 and adjusted to cover applicable loan-level price adjustments. FHA Upfront MIP cost is typically financed into the loan amount.

Visit fanniemae.com/homeready to learn how HomeReady can help you grow your business.