

Mortgage insurance providers may have additional restrictions not listed within this document. Please refer to each mortgage insurance company's website for complete eligibility details.

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE				
Property Type	Maximum LTV	Maximum CLTV/HCLTV <sup>1</sup>	Minimum Credit Score	Underwriting Engine & Required Response
1-Unit Warrantable Condo PUD	97%	97%	680	DU – <i>Approve/Eligible</i>
	95%	95%	660	
	80%	95%	640	
2-Unit	80%	80%	640	
3 to 4-Unit	75%	75%	640	

PRIMARY RESIDENCE – RATE/TERM REFINANCE				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
Manufactured Home (double-wide) <sup>2</sup>	80%	Subordinate financing is not eligible	640	DU – <i>Approve/Eligible</i>

PRIMARY RESIDENCE – CASH-OUT REFINANCE <sup>3</sup>				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
1-Unit Warrantable Condo PUD	85%	85%	660	DU – <i>Approve/Eligible</i>
	75%	75%	640	
2-Unit	75%	75%	640	

SECOND HOME – PURCHASE & RATE/TERM REFINANCE <sup>4</sup>				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
1-Unit Warrantable Condo PUD	90%	90%	660	DU – <i>Approve/Eligible</i>
	80%	90%	640	

SECOND HOME – RATE/TERM REFINANCE				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
Manufactured Home (double-wide) <sup>2</sup>	80%	Subordinate financing is not eligible	640	DU – <i>Approve/Eligible</i>

SECOND HOME – CASH-OUT REFINANCE				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
1-Unit Warrantable Condo PUD	75%	75%	680	DU – <i>Approve/Eligible</i>

INVESTMENT PROPERTY – PURCHASE				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
1-Unit Warrantable Condo PUD	80%	85%	640	DU - <i>Approve/Eligible</i>
2 to 4-Unit	75%	75%		

INVESTMENT PROPERTY – RATE/TERM REFINANCE				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
1 to 4-Unit Warrantable Condo PUD	75%	75%	640	DU - <i>Approve/Eligible</i>

INVESTMENT PROPERTY – CASH-OUT REFINANCE				
Property Type	Maximum LTV	Maximum CLTV/HCLTV	Minimum Credit Score	Underwriting Engine & Required Response
1-Unit Warrantable Condo PUD	75%	75%	680	DU - <i>Approve/Eligible</i>
2-Unit	70%	70%		

1. Traditional subordinate financing is limited to 97% CLTV. Maximum CLTV allowed up to 105% when utilizing an approved community second program.
2. a) Manufactured homes are not acceptable in Colorado, Illinois, Kentucky, Louisiana, Missouri, New York, Pennsylvania, Texas or the US Virgin Islands, b) Purchase transactions are not eligible for manufactured homes. Manufactured home loan purpose type is restricted to rate and term refinance of a Flagstar serviced loan. Refinances of loans not currently serviced by Flagstar are not eligible.
3. Texas properties - primary residence cash-out transactions, or rate/term refinances with liens on title classified as Section 50(a)(6) are limited to 80% LTV/CLTV. Refer to [Texas Refinance Loans](#) section below for further details.
4. Property must have second home type amenities.

### PROGRAM SUMMARY

Fixed rate and term, fully amortizing, conventional conforming first lien mortgage loan program.

### PRODUCTS OFFERED

Product Name	Term
Fannie Mae 30-Year Fixed	30 years
Fannie Mae 25-Year Fixed	25 years
Fannie Mae 20-Year Fixed	20 years
Fannie Mae 15-Year Fixed	15 years
Fannie Mae 10-Year Fixed	10 years

### LOAN AMOUNTS

#### MAXIMUM

Maximum standard conforming loan limits for 1 to 4-unit property (high-cost area limits, except for standard AK, HI, and USVI, are not eligible under this program).

#### MINIMUM

\$20,000

### ELIGIBLE PROPERTY TYPES

- 1 to 4-unit properties
- Fannie Mae/Freddie Mac-eligible condominiums
- Planned unit developments (PUDs)
- Modular homes
- Manufactured homes (double-wide only)
  - Manufactured housing is only eligible for rate/term refinance transactions of current Flagstar loans.

### INELIGIBLE PROPERTY TYPES

- Non-Fannie Mae/Freddie Mac-eligible condominiums
- Cooperative properties
- Manufactured homes (single-wide)

### MINIMUM CREDIT SCORES

Refer to the [product eligibility grids](#) above. Mortgage insurers may have additional restrictions. Refer to each specific mortgage insurance company's website for complete eligibility details.

### QUALIFYING RATE

Note rate

### QUALIFYING RATIOS

Determined by Desktop Underwriter. Refer to mortgage insurance companies for additional restrictions.

### RESERVES

Determined by Desktop Underwriter

### SUBORDINATE FINANCING

Refer to the *Subordinate Financing* section of the [Conventional Underwriting Guidelines](#) for details.

Community Seconds subsidized subordinate financing eligible up to 105% CLTV. Community Seconds may be eligible from a state, local or municipal authority or agency, a 501(c)(3) not-for-profit corporation, a tax exempt religious organization or the borrower's employer. Flagstar Bank must review all Community Second programs for eligibility. Refer to *Community Seconds – Eligible*, [Doc. #5932](#) for documentation requirements.

### INTERESTED PARTY CONTRIBUTIONS

Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender, or any other party with an interest in the real estate transaction. Interested party contributions may be used exclusively to cover closing costs and prepaid expenses.

#### INTERESTED PARTY CONTRIBUTION LIMITS

Property Type	Up to 75% CLTV	75.01-90% CLTV	90.01-97% CLTV
Primary Residences	Maximum 9%	Maximum 6%	Maximum 3%
Second Homes	Maximum 9%	Maximum 6%	Maximum 3%
Investment Property	Maximum 2%	Maximum 2%	n/a

### TEMPORARY BUYDOWNS

Not eligible

### DECLINING MARKETS

Refer to the *Private Mortgage Insurance* section of [Conventional Underwriting Guidelines](#) and [MI Company Parameter Matrix](#).

### UNDERWRITING

All loans must meet the parameters as set out in Flagstar's [Conventional Underwriting Guidelines](#).

- Any loan receiving a DU verbal only response will require full income and asset documentation.
- Maximum cash-out amount is \$200,000 for LTVs exceeding 80%.

### TEXAS REFINANCE LOANS

All refinance loans in Texas will be evaluated against the criteria outlined in our [Conventional Underwriting Guidelines](#), *Texas Refinances* section to determine if the loan must be originated under the requirements of Section 50(a)(6) of the Texas Constitution. Texas Home Equity loans are eligible under the program with standard 10, 15, 20 and 30-Year Fixed products. Refer to *Texas Homestead 50(a)(6) Refinance - Correspondent*, [Doc. #5906](#) or *Texas Homestead 50(a)(6) Refinance - Broker*, [Doc. #5907](#) for eligibility, documentation/disclosure, and title/closing requirements.

### MORTGAGE INSURANCE

Mortgage insurance providers may have additional restrictions not listed within this document. Due to rapid changes within the industry, please refer to each mortgage insurance company's website for complete details. Refer to [MI Company Parameter Matrix](#) to assist you with keeping up with these changes. However, this document is to be used as a reference only.

### STANDARD MORTGAGE INSURANCE GUIDELINES

All loans above 80% LTV require mortgage insurance coverage according to the following guidelines.<sup>5</sup>

LTV	25 & 30-Year	10, 15 & 20-Year
95.01 - 97%	35%	35%
90.01 - 95%	30%	25%
85.01 - 90%	25%	12%
80.01 - 85%	12%	6%

5. Affects all property types, with the exception of manufactured homes.

### NEW YORK PROPERTIES

For purposes of determining whether or not mortgage insurance will be required, use the loan-to-value ratio that results from dividing the loan amount by the *appraised value* of the property. If the loan-to-value resulting from this method is greater than 80%, then use the standard method of determining loan-to-value (based on the lesser of sales price or appraised value) to determine the required MI coverage level.

### LENDER PAID MI (LPMI) OPTION

PRIMARY RESIDENCE – PURCHASE & RATE/TERM REFINANCE				
Property Type	Maximum LTV	Maximum CLTV	Minimum Credit Score	Maximum DTI
1-Unit PUD Condo <sup>6</sup>	95%	Subordinate financing is not eligible	660	41%

PRIMARY RESIDENCE – CASH-OUT REFINANCE				
Property Type	Maximum LTV	Maximum CLTV	Minimum Credit Score	Maximum DTI
1-Unit	85%	Subordinate financing is not eligible	700	41%

SECOND HOME – PURCHASE & RATE/TERM REFINANCE				
Property Type	Maximum LTV	Maximum CLTV	Minimum Credit Score	Maximum DTI
1-Unit	90%	Subordinate financing is not eligible	720	41%

6. Florida condominiums are not eligible.

All loans with LPMI must submit a *Notice Concerning Private Mortgage Insurance LPMI Initial Disclosure – Fixed Rate*, [Doc. #3290](#) (LPMI Initial Disclosure), dated within three days of application, along with the other compliance documents (TIL, GFE, etc.) at the time of the initial underwriting submission. Further, a *signed LPMI Initial Disclosure will be required as a prior to closing condition.*

LPMI loans are available through MGIC, Genworth and Essent. Genworth allows for cash-out transactions only. All LPMI loans must receive a DU Approve. The maximum loan amount for loans with LPMI is \$417,000, regardless of location or number of units. Refer to mortgage insurance companies for additional restrictions.

### STATE ELIGIBILITY

Available in the following states with geographic restrictions. States not listed are available without restrictions.

State	Restriction
Colorado	Manufactured homes are not eligible
Illinois	Manufactured homes are not eligible
Kentucky	Manufactured homes are not eligible
Louisiana	Manufactured homes are not eligible
Missouri	Manufactured homes are not eligible
New York	Manufactured homes are not eligible
Pennsylvania	Manufactured homes are not eligible
Puerto Rico	Not eligible
Texas	Manufactured homes are not eligible
US Virgin Islands	Manufactured homes are not eligible

### PREPAYMENT PENALTY

None

### CLOSING DOCUMENTATION

Closing docs may be ordered through Flagstar's Web Based Closing Docs (WBCD) service available in Loantrac.

#### ALL LOANS:

- Fannie Mae/Freddie Mac Uniform Security Instrument, 3000-series.
- Fannie Mae/Freddie Mac multi-state Fixed Rate Note, 3200-series.
- Standard title commitment with all applicable endorsements.

#### IF APPLICABLE:

- Fannie Mae/Freddie Mac multi-state Condo Rider, Form #3140.
- Fannie Mae/Freddie Mac multi-state PUD Rider, Form #3150.
- Fannie Mae/Freddie Mac multi-state 1-4 Family Rider, Form #3170, (for 2 to 4-unit primary residences and all investment property mortgages).
- Fannie Mae/Freddie Mac multi-state Second Home Rider, Form #3890.

Refer to Flagstar's [All Memos Search](#) page for memos relating to recent guidelines changes.

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