



HomeStyle® Renovation Mortgage



The HomeStyle® Renovation mortgage provides a simple and flexible way for borrowers to renovate or make home repairs with a conventional first mortgage, rather than a second mortgage, home equity line of credit, or other more costly methods of financing.

With constrained housing supply and evolving borrower needs, HomeStyle Renovation can help lenders make the most of the growing renovation market while helping their borrowers create a dream home.

Lender Benefits



Simple

Renovation financing that features standard pricing with conventional execution for loans that can be delivered even before the project starts.¹



Flexible

Can be used on **any** renovation project and can help lenders save deals that have repair contingencies. Plus, when used with HomeStyle Energy on energy upgrades, lenders may get a \$500 LLPA credit.



Affordable

Compared with government rehab financing, a conventional loan's cancellable mortgage insurance² may provide a better option for borrowers.

¹ subject to lender approval
² restrictions apply

Did you know....

“Homeowner spending on remodeling is expected to see healthy growth through 2025.” Harvard Joint Center for Housing Studies
Demographic Change and the Remodeling Outlook report



Cost-effective way to renovate or repair a home, at the time of purchase or later on.



Upfront draws help borrowers start projects without spending out-of-pocket.



Borrowers can qualify for a CLTV of up to 105% with eligible Community Seconds® subordinate financing.

Borrower Benefits







Did you know....

“Fifty-five percent of owners in suburban areas and 52 percent of owners in urban areas say they would be willing to remodel their home. This jumps to **70 percent for owners in rural areas.**” National Association of Realtors
2017 Remodeling Impact Report

HomeStyle Renovation — Simplified

As announced in *Selling Guide* Announcement **SEL-2018-02**, we’ve simplified and expanded eligibility for HomeStyle Renovation to help lenders better meet the needs of today’s borrowers. Enhancements include:

-  The maximum allowable LTV, CLTV, and HCTLV ratios will be increased to 97% for 1-unit, principal residence, purchase and limited cash-out refinance transactions.^{3,4}
-  The limit on eligible renovation funds will be increased to 75% of the lesser of the purchase price plus renovation costs, or the “as-completed” appraised value for purchase transactions; and 75% of the “as-completed” appraised value for refinance transactions.³
-  Manufactured housing will be eligible with HomeStyle Renovation, with the eligible renovation funds capped at the lesser of \$50,000 or 50% of the “as-completed” appraised value.³
-  HomeStyle Renovation loans may be eligible for representations and warranties relief once the renovation has been completed.

³available in Desktop Underwriter® (DU®) on March 17, 2018

⁴For LTVs > 95%, on purchase transactions, the borrower must be a first-time home buyer unless combined with HomeReady; for LCOR transactions, the loan must be owned or securitized by Fannie Mae.

Did you know....

“Renovators who bought their first home in 2016 spent **\$33,800 on home renovations**, on average, a 22% increase relative to 2015.”
2017 U.S. Houzz & Home Renovation Trends Study

Learn More

See *Selling Guide* [B5-3.2-01](#): HomeStyle Renovation Mortgage: Lender Eligibility for details about becoming an approved HomeStyle Renovation lender, and contact your Fannie Mae customer account team for more information.