



Why choose HomeReady® mortgage?

Competitive pricing. Flexible options. Conventional ease.

HomeReady® is our affordable, low down payment mortgage product designed for creditworthy low- to moderate-income borrowers, with expanded eligibility for financing homes in low-income communities.

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
- Borrower debt-to-income ratio may exceed 45%, up to 50%, with certain HomeReady income flexibilities
- Non-occupant borrowers permitted
- Cancellable mortgage insurance (restrictions apply)
- Reduced MI coverage requirement for loan-to-value ratios above 90% (up to 97%)
- Pricing is better than or equal to Fannie Mae’s standard loan pricing (risk-based pricing waivers for LTV ratios > 80% with a credit score ≥ 680)

| Benefits | HomeReady mortgage | 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 reps & warrants available | Yes | No |

*Restrictions apply.





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

| 30-year fixed-rate scenario Purchase price: \$200K | FHA mortgage Note rate: 4.00% LTV: 96.50% | HomeReady mortgage Note rate: 4.25% LTV: 97% | Fannie Mae standard Note rate: 4.50% LTV: 97%* |
|--|---|--|--|
| Base loan amount | \$193,000 | \$194,000 | \$194,000 |
| Upfront MIP rate (%) | 1.75% | 0 | 0 |
| Upfront MIP cost (\$) | \$3,377.50 | \$0 | \$0 |
| Total loan amount | \$196,377.50 | \$194,000 | \$194,000 |
| Down payment | \$7,000 | \$6,000 | \$6,000 |
| Monthly MI rate (%) | 0.85% | 0.77% | 0.95% |
| Monthly MI (\$) | \$137 | \$124 | \$154 |
| Principal/interest monthly payment | \$938 | \$954 | \$983 |
| Monthly payment | \$1,074 | \$1,079 | \$1,137 |
| After approximately 5 years ... with an annual home appreciation rate of 3%** | | | |
| Monthly MI premium | \$122 Cannot be canceled | \$0 | \$0 |
| Total monthly payment | \$1,060 | \$954 | \$983 |

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

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

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 720 credit score. FHA MIP rate effective January 26, 2015; see Mortgagee Letter 2015-07: <https://portal.hud.gov/hudportal/documents/huddoc?id=17-07ml.pdf>. Note rates based on observed market rates as of December 2016 and adjusted to cover applicable loan-level price adjustments. FHA Upfront MIP cost is typically financed into the loan amount.

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