



Last Reviewed: 05/28/2025

UNIONHOME MORTGAGE

TPO - Fannie Mae Standard Mortgage

PRODUCT DESCRIPTION

Fixed-rate mortgages with terms ranging from 8–30 years; also available in 5-, 7-, and 10-year ARMs.

GENERAL ELIGIBILITY

Product Channel	TPO
Term	8–30 years Fixed or Adjustable
Loan Purpose	Purchase, Rate/Term Refinance, or Cash-Out Refinance
Encompass Names	WHL CON Fixed Rate WHL CON 5yr/6m SOFR ARM WHL CON 7yr/6m SOFR ARM WHL FNMA 10-Year (10yr/6m) SOFR ARM
Geographic Limitations	None.
ARM Information	<p><u>5/6 SOFR ARMs</u></p> <ul style="list-style-type: none">• Initial Fixed Rate period of 5 years, adjusting every 6 months thereafter.• Index: 30-Day SOFR• Margin: 3.000%• Rate Caps: 2/1/5 (2% first adjustment; 1% subsequent adjustments; 5% life-of-loan cap) <p><u>7/6 SOFR ARMs</u></p> <ul style="list-style-type: none">• Initial Fixed Rate period of 7 years, adjusting every 6 months thereafter.• Index: 30-Day SOFR• Margin: 3.000%• Rate Caps: 5/1/5 (5% first adjustment; 1% subsequent adjustments; 5% life-of-loan cap) <p><u>10/6 SOFR ARMs</u></p> <ul style="list-style-type: none">• Initial Fixed Rate period of 10 years, adjusting every 6 months thereafter.• Index: 30-Day SOFR• Margin: 3.000%• Rate Caps: 5/1/5 (5% first adjustment; 1% subsequent adjustments; 5% life-of-loan cap)
Occupancy	Primary Residence Second Home Investment Property
Temporary Buydowns	<ul style="list-style-type: none">• Permitted.• Refer to the Temporary Buydown product summary when adding this feature to any standard agency product.• Must use the more conservative of the temporary buydown or product summary requirements.



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BORROWER ELIGIBILITY

LTV/CLTV/HCLTV	PURCHASE & RATE/TERM REFINANCE		CASH-OUT REFINANCE	
	PROPERTY TYPE	MAX LTV	PROPERTY TYPE	MAX LTV
	1-Unit Primary	97% (Fixed) ¹ 95% (ARM)	1-Unit Primary	80%
	2-Unit Primary	95%	2–4-Unit Primary	75%
	3–4-Unit Primary	95%	Second Home	75%
	Second Home	90%		
	1–4-Unit Investment	85% (1-Unit, Purchase only) 75% (2-4 Unit, Purchase) 75% (1-4 Unit, Rate/Term Refi)	1-Unit Investment	75%
			2–4-Unit Investment	70%
	Manufactured Primary	97% (Fixed) ¹ 95% (ARM)	Manufactured (1-Unit, max term 30 years, multi-wide only; no single-wides)	65%
Manufactured Second Home	90%			
¹ LTV, CLTV, or HCLTV ratios > 95%: These transactions are not permitted for high-balance loans, manufactured homes that are not MH Advantage, or HomeReady loans with sweat equity. <ul style="list-style-type: none">• At least one borrower on the loan must have a credit score.• For non-HomeReady purchase transactions without Community Seconds, at least one borrower must be a first-time home buyer.• For limited cash-out refinances, Fannie Mae must be the owner of the existing mortgage.• If there is a non-occupant borrower on the transaction:<ul style="list-style-type: none">○ Manually underwritten loans: LTV/CLTV/HCLTV ratio < 90%.*○ DU loan casefiles: LTV/CLTV/HCLTV ratio < 95%.○ Both: CLTV ratio < 105% with a Community Seconds. <p>* For RefiNow loans, LTV/CLTV/HCLTV ratio < 95% is permitted.</p>				
Minimum Credit Score	<ul style="list-style-type: none">• At least one borrower must have a credit score.• Non-Manufactured Homes: 620 with AUS Approve/Accept• Manufactured Home: 620 minimum, regardless of AUS Approve/Accept.			
APPRAISAL/PROPERTY REQUIREMENTS				
Eligible Property Types	<ul style="list-style-type: none">• 1–4-Unit Properties• Planned Unit Developments (PUDs)• Condominiums (per Fannie Mae requirements)• Manufactured Homes			
Appraisal Requirements	An interior and exterior inspection that meets all Fannie Mae requirements is required, unless the last Feedback Certificate includes an automated collateral evaluation offer stating that the mortgage is eligible for collateral representation and warranty relief with an appraisal waiver.			
UNDERWRITING & COMPLIANCE REQUIREMENTS				
AUS/Manual Underwriting	<ul style="list-style-type: none">• Requires an Approve/Eligible from DU; manual underwriting is not permitted.• UHM Overlays for FNMA Delivery apply. Every attempt has been made to include them here; however, the Overlay document and TPO Lending Guide take precedence.			



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Qualifying Ratios & Rate	All ARM Loans: The greater of the Note rate or the fully indexed rate is required for loans that are higher-priced mortgage loans or higher-priced covered transactions under Regulation Z.		
	FIXED PERIOD	QUALIFYING RATE	
	5 years or less	The maximum rate that could apply during the first five years after the first payment date (Note rate plus first rate change cap), or the fully indexed rate.	
	7 and 10 years	Note rate.	
ATR/QM	UHM ATR/QM rules apply.		
UHM Overlays	All UHM Fannie Mae Overlays apply.		
Maximum DTI	<ul style="list-style-type: none">• DTI per AUS.• All standard requirements for liabilities, including excluding liabilities or mortgage debt from the DTI, apply.• Refer to any UHM overlays that apply.		
Minimum Borrower Investment	UHM requires that any reserves required by AUS must be from the borrower’s own funds.		
Permitted Sources of Funds	Refer to Fannie Mae Selling Guide § B3-4.1-01 for complete details.		
Interested Party Contribution (IPC)	OCCUPANCY	LTV	MAXIMUM IPC
	Primary Residence & Second Home	> 90%	3%
		75.01–90%	6%
		< 75%	9%
Investment Property	All CLTVs	2%	
Reserves	If reserves are required by the AUS, they must be from the borrower’s own funds (UHM requirement): <ul style="list-style-type: none">• 1-Unit Property: Generally, no reserves are required• 2–4-Unit Properties: Two months’ reserves, minimum, are required.• Second Homes and Investment Properties: Six months’ reserves required. Two months must be liquid, and the remaining four can be qualifying non-liquid. The definition of liquid assets for purposes of calculating reserves on investment properties can include 60% of the value of stocks or bonds not held in a retirement account. These assets do not need to show proof of liquidation, when 60% is used.		
Cash-Out Seasoning	The borrower must have been on the title to the subject property for at least six months prior to the Note date of the cash-out refinance mortgage.		
Incidental Cashback	\$2,000 or 2% of the loan amount, whichever is less.		
CLOSING REQUIREMENTS			
Escrow Waivers	Escrow/impound accounts may be waived for taxes and insurance in accordance with the guidance found in Fannie Mae’s Selling Guide.		
Loss Payee & Mortgagee Clause	Union Home Mortgage Corp. ISAOA/ATIMA P.O. Box 7115 Troy, MI 48007 Loan #		
Closing	Standard Fannie Mae documents, closing, and post-closing requirements.		