



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.