



## Bulletin 16-49

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### HomeReady Program Enhancements

Fannie Mae [Announcement 2016-08](#) issued October 24, 2016 detailed enhancements to the HomeReady program that are effective with the DU update Fannie Mae is implementing the weekend of December 10, 2016. Casefile IDs submitted or resubmitted after the weekend of December 10<sup>th</sup> will be eligible for these updates.

HomeBridge has updated our HomeReady guidelines to include the following:

#### Maximum LTV/CLTV on Refinance Transactions

One unit rate/term refinance transactions are now eligible up to a maximum 97% LTV (previously capped at 95% LTV) **when the loan being refinanced is currently owned by Fannie Mae.**

NOTE: If the loan being refinanced is **not** owned by Fannie Mae the current maximum LTV of 95% continues to apply.

Fannie Mae provides a loan lookup tool to determine if Fannie Mae owns a loan at [Know Your Options - Loan Lookup](#)

All other requirements detailed under the 95.01% - 97% LTV Requirements topic in the HomeReady guidelines posted on the HomeBridge website apply.

#### New Eligible Compensating Factor for Expanded DTI Eligibility

Borrowers on a purchase transaction who complete a HUD approved pre-purchase one-on-one counseling and education program will now be eligible to use the counseling as a compensating factor to allow a DTI ratio > 45% up to 50%. As a reminder, only one borrower is required to complete the pre-purchase counseling.

The counseling and education must be from a HUD approved counseling agency and a copy of Fannie Mae's Certificate of Completion of Pre-purchase Housing Counseling ([Form 1017](#)), signed by the counselor and the borrower, must be provided. The Homeownership Counseling topic in the HomeReady guidelines provides details on located a HUD approved counseling agency.

The HomeBridge HomeReady guidelines have been updated with this information and posted on the HomeBridge website at [www.homebridgewholesale.com](http://www.homebridgewholesale.com)

If you have any questions, please contact your Account Executive.