

Product Type

30 Year Fixed Rate Mortgage.

Sales Focus

This program combines the flexibility offered by Fannie Mae's MyCommunity Mortgage along with SONYMA's Down Payment Assistance Loan (DPAL). It is designed for borrowers whose income is at or below the program limits. The program is underwritten utilizing DU with flexible credit and underwriting terms to meet the needs of a broader range of borrowers. Other attractive features include:

- No loan-level price adjustments.
- Reduced mortgage insurance coverage requirements.
- DPAL may be used to pay a one-time upfront mortgage insurance premium, thus eliminating the monthly MI premium and significantly lowering the monthly payment.
- Refinances are available.

Geographic Restrictions

- Available for properties located in the state of New York.
- NY "Subprime" loans are not permitted; please see the [NY State Specific](#) requirements on MEME.

Eligible Borrowers

The following borrower types are eligible:

- U.S. Citizens
- Permanent Resident Aliens
- First-Time and non-first-time Homebuyers
- Non-Permanent Resident Aliens (Refer to Exhibit 03-030 Eligible Visa Types)
- Foreign Nationals, Non-occupant co-borrowers and ITIN Borrowers are NOT permitted.

Eligible Property Types

The following property types are eligible:

- 1-4 unit primary residences.
- Condominiums, PUDs and Co-operatives meeting Fannie Mae guidelines.
  - Co-ops must meet the NYC Pilot Program standards.
  - M&T approved co-ops and condos may be found on Exhibits 03-050 and 03-051. Completed project questionnaires are required for all projects not already approved (refer to Exhibits 03-016 and 03-020).
  - A completed questionnaire is required for all PUD submissions (refer to Exhibit 03-017).

Ineligible Property Types

The following property types are ineligible

- Investment properties and Second homes
- Commercial, agricultural, and mixed -use properties
- Condotels and condominiums in projects built on leasehold land
- Manufactured/Mobile Homes

Maximum Loan-to-Values

Purchase & Limited Cash Out Transactions Only

Property Type <sup>Ⓜ</sup>	Maximum LTV	Maximum CLTV <sup>Ⓜ</sup>	Minimum Credit Score
Owner Occupied, 1 Unit	97%	105%	620
Owner-Occupied, 2-4 Unit	95%	105%	680

<sup>Ⓜ</sup> The only acceptable forms of subordinate financing are Community Seconds and SONYMA’s DPAL loan.

<sup>Ⓜ</sup> For Co-op Properties the maximum LTV is 80%

Maximum Loan Amount

- \$417,000 – 1 Family
- \$533,850 – 2 Family
- \$645,300 – 3 Family
- \$801,950 – 4 Family

Minimum Loan Amount

None

Underwriting Considerations

All loans must be underwritten through DU and according to Fannie Mae MyCommunity guidelines, unless as noted below. Manually underwritten loans are NOT permitted. **No other properties may be owned simultaneously.**

- Appraisal Requirements:
  - All appraisal options, except PIW “No Appraisal Option”, are acceptable per DU feedback as long as the DU response recognizes the loan as a MyCommunity Mortgage.
  - Appraisal reports “subject to” conditions will require completion of work. Appraisal must not be older than 120 days at the time of funding or a re-certification of value is required. A new full appraisal is required if more than 180 days old.
  
- Assets Considerations:
  - Cash-on-hand is acceptable for 1-unit properties to fund downpayment, closing costs or prepaids subject to the following being documented:
    - The borrower customarily uses cash for expenses, and the amount of funds saved is consistent with the borrower’s previous payment practices.
    - The lender must verify that funds for the downpayment and closing costs exist in a financial institution account or an acceptable escrow account. Funds must be on deposit at the time of application, or no less than 30 days prior to closing.
    - The lender must obtain a written statement from the borrower that discloses the source of funds and states that the funds have not been borrowed.
    - The borrower’s credit report and other verifications should indicate limited or no use of credit and limited or no depository relationship between the borrower and a financial institution.
    - Cash-on-hand may not be used to cover reserves, if applicable.
  - Closing costs may be obtained from:
    - A gift from a family member;
    - Grant or unsecured loan from a non-profit agency, municipality, or employer;
    - Other acceptable sources as per Fannie Mae guidelines.
  - Down Payment Requirements:
    - Minimum required from Borrower’s personal funds:
      - ✓ 1 Unit - No minimum of borrowers own funds are required.
      - ✓ 2-4 Unit - 3%.

- Remaining funds may come from other flexible sources.
    - SONYMA Down Payment Assistance Loan can be used (see SONYMA DPAL term sheet for details) for down payment, closing costs, prepaids or to pay a one-time mortgage insurance premium. DPALs are also eligible for refinances.
  - Homebuyer Education:
    - At least one borrower must complete homebuyer education from a non-profit provider, HUD-approved agency or mortgage insurer and the following applies:
      - If the borrowers have a counseling certificate, it may be used for this transaction. All other borrowers must receive homebuyer counseling from Genworth which is at no charge.
      - The borrowers must sign VMP227/Form 2200 “Borrowers Authorization for Counseling” at application. The form is located in MEME in the Forms Folder and in Unifi. It’s a required application disclosure.
      - The counseling certificate will be required before loan closing.
  - Income:
    - Income Limits apply. See Exhibit 02-215 or refer to [SONYMA website](#).
    - The income included for eligibility is the income utilized for mortgage qualifying. Eligibility is not determined based upon household income. The income of a non-obligated spouse does not need to be included.
    - For income-producing properties:
      - 2 Unit properties - 75% of Rental Income can be used for qualifying purposes. Actual or estimated rent can be used from the Operating Income Statement completed by the appraiser.
      - 3-4 Unit properties - 65% of Rental Income can be used for qualifying purposes. Actual or estimated rent can be used from the Operating Income Statement completed by the appraiser.
    - Boarder rental income from a 1 unit primary residence may be considered if the following are met:
      - Borrower and boarder have resided together for at least 1 year, and the boarder provides satisfactory evidence that they reside with the borrower.
      - They will continue to reside together in the new property.
      - Boarder has paid rent to the borrower for the past 12 months on a regular basis, and the borrower can document receipt of these regular payments for the past 12 months.
      - The borrower needs to attest by an affidavit (does not need to be notarized) at application, the source of the rental income, the relationship between the person(s) and borrower, and the fact that the person(s) have resided with the borrower for the past year and intend to continue to reside with the borrower in the new property for the foreseeable future.
      - Boarder does have to be related to the borrower.
      - Boarder income cannot exceed 30% of the total qualifying income.
  - Loan Decisioning:
    - All loans must be submitted to DU. LP findings are NOT permitted. All DU findings must be followed. Loans may NOT be underwritten manually.
    - All loans must be submitted by completing the appropriate information in the Community Lending Section of DU; select ‘HFA Preferred’.
      - Loans must receive a DU “Approve/Eligible”
      - All other responses including “Ineligible” and “Refer with Caution” are NOT eligible.
  - Non-Traditional Credit:
    - Not permitted.
  - Refinance Transactions:
    - Limited Cash Out only.
    - Cash on hand cannot be used as source of funds.
    - Homebuyer education not required.



- No seasoning requirement for the first mortgage.
- The loan amount may include the payoff of the first mortgage; payoff of the second mortgage only if it was used to acquire the property; closing costs and prepaids; and cash back to the borrower not to exceed the lesser of 2% or \$2000.
- Traditional, amortizing seconds may not be subordinated. Community seconds may be re-subordinated.
- Qualifying Ratios:
  - Maximum 45% ratios no matter DU response.
- Reserve Requirements:
  - Per DU findings.
- Interested Party Contributions:
  - Contribution may not be applied toward down payment, but may offset closing costs and prepaids.
  - The maximum allowable percentages are:

CLTV	Amount
>90%	3%
<= 90%	6%

- Special Program Options:
  - Community Solutions™ - This option allows for:
    - 1-2 unit properties;
    - Gifted reserves; 1 month for 1 unit, and 2 months for 2 unit;
    - Part-time and overtime income may be used for qualifying with verification that the borrower has received such income for the last 12 months and indicates the income will in all probability continue.
  - Community Solutions™ Eligible Borrowers:
    - Must be an employee of an accredited or state-recognized private or public school; a certified teacher or administrator in an education agency; or an employee of a post-secondary level educational institution; OR
    - Must be an employee of a law enforcement agency or fire department administered by an agency or subdivision of a state or local government; or a sworn law enforcement officer responsible for crime prevention and detection, law enforcement, or criminal incarceration; or a sworn member of a fire department involved in fire suppression or prevention, emergency medical response, hazardous materials incident response, or management or response to terrorism; OR
      - ✓ Note: Volunteer Firefighters are NOT eligible for the Community Solutions program, as they do not meet the definition of an “Employee of Law Enforcement” or “Firefighting Agency”.
    - Military personnel defined as members of the United States Armed Forces who are on full-time active duty; members of a reserve component of the United States Armed Forces; Former Members of the United States Armed Forces or reserve component who have received an Honorable discharge and have been separated or retired from either active duty or a reserve component for no more than 2 years at the time of mortgage application; OR
    - Certified, accredited, licensed health care worker who is a medical resident or fellow, a nurse, nursing assistant, pharmacist, pharmacy technician, physician's assistant or medical technician, technologist or therapist.
  - Community HomeChoice™ - This option allows for:
    - 1-2 unit properties;
    - No reserves for 1-unit properties when the DTI ratio is <=43%;
    - Non-occupant co-borrowers are allowed with a maximum 33%/38% qualifying ratios;
    - Gifted reserves; 1 month for 1 unit, and 2 months for 2 unit;
  - Community HomeChoice™ Eligible Borrowers:





NY Consolidation Extension and Modification Agreement (CEMA)

Permitted (except in the case where the loan being refinanced is a SONYMA loan). The parties have to be the same from the original loan to the new CEMA, unless a documented death or documented divorce with new deed is provided.

- M&T requires prior approval of the Correspondent’s CEMA package.

Prepayment Penalty

None

Pricing and Rate Locks

Refer to daily rate sheets.

Settlement Instruments

- Security Instrument: Fannie Mae/Freddie Mac 3000 series (VMP6A Series).
  - Standard FNMA/FHLMC Riders for 1-4 Family, Condos, and PUDs
- Note: FNMA/FHLMC 3200 Series (VMP5N Series).
- Co-op documents as approved by M&T.

Temporary Buydowns

Not permitted.

Product Description and Product Codes

Product Description	Product Code
SONYMA Conv Plus 30 Yr Fixed Rate	200
SONYMA Conv Plus 30 Yr Fixed Rate w/DPAL	201

Special Features Codes

The following Special Feature Codes must be documented in the file (if applicable)

- 007 – Limited Cash Out Refinance
- 118 – Mortgage with a Community Second
- 127 – Underwritten through DU
- 156- FNMA Condo Special Approval
- 162- SSN Validation through SSA
- 168- Revocable Trust
- 170- Flood Insurance- Special Flood Hazard Area
- 175- Flood Insurance- Not a Special Flood Area
- 180- No Flood Insurance – Not a Special Flood Hazard Area
- 281 – Financed Single Premium MI
- 343- DU Approve but Manual Downgrade
- 439 – Mortgage to Non-Permanent Resident Alien
- 588 – Detached Condominium
- 741- First Home Club or SONYMA Plus DPAL