

Product Snapshot Comparison

Low Down Payment Programs



Fannie Mae's HomeReady™, Freddie Mac's Home Possible® Mortgages, Freddie Mac HomeOneSM Conventional 97%, and FHA loan products share some similar advantages, including secondary financing that can provide up to 105% CLTVs. However, there are some differences—that's why we've prepared this comparison chart for you. The information contained in this matrix may not highlight all the requirements of these programs and does not reduce or eliminate any requirements set forth in our guidelines. Guidelines are subject to change without notice.

Program Features	HomeReady™	Home Possible® Mortgages	Freddie Mac HomeOne SM	Conventional 97%	FHA
Maximum LTV	97%	97%	97%	97%	96.5%
Maximum CLTV	97%	95%-105%	97%	97%	100%
Transaction Types	Purchase Limited Cash Out	Purchase No Cash Out	Purchase No Cash Out	Purchase Limited Cash Out	Purchase
Eligible Terms	Fixed to 30 Years	Fixed to 30 Years 7/1 & 10/1 ARMs	Fixed to 30 Years	Fixed to 30 Years	Fixed
Loan Limits	Conforming	Conforming	Conforming	Conforming	Conforming
Eligible Borrowers	U.S. citizens, permanent resident aliens, non-permanent resident aliens (see guide for restrictions)	U.S. citizens, permanent resident aliens non-permanent residents (see guide for restrictions)	U.S. citizens, permanent resident aliens, non-permanent residents (see guide for restrictions)	U.S. citizens, permanent resident aliens, non-permanent residents (see guide for restrictions)	U.S. citizens permanent resident aliens non-permanent residents (see guide for restrictions)
Eligible Property Types	1-4 Units Condo PUDs Manufactured Homes (with additional restrictions)	1-4 Units Condos PUDs Manufactured Homes (with additional restrictions)	1 Unit Freddie Mac Warrantable Condo, PUDs	1 unit Condo PUDs	1-4 Units Condo (FHA approved) PUDs Manufactured Housing
Occupancy	Primary Residence	Primary Residence	Primary Residence	Primary Residence	Primary Residence

Program Features	HomeReady™	Home Possible® Mortgages	Freddie Mac HomeOne SM	Conventional 97%	FHA
Minimum Credit Score	580 with AUS accept or per MI	580 with AUS accept or per MI	580 with AUS accept or per MI	580 with AUS accept or per MI	580
Underwriting Method	DU Approve/Eligible Manual underwriting not permitted	LPA Accept/Eligible Manual underwriting not permitted	LPA Accept/Eligible Manual underwriting not permitted	DU Approve/Eligible Manual underwriting not permitted	DU Approve/Eligible or LPA Accept/Eligible Manual underwriting permitted, see guidelines for requirements
Credit History	Per DU	Per LPA	Per LPA	Per DU	Per AUS Total Scorecard
Income Verification	All reported income for all borrowers that has been verified and that is stable monthly income must be used to qualify the borrower. The underwriter must attempt to verify all income stated on the loan application.	All reported income that has been verified and that is stable monthly income must be used to qualify the borrower. The underwriter must attempt to verify all income stated on the loan application.	All reported income that has been verified and that is stable monthly income must be used to qualify the borrower. The underwriter must attempt to verify all income stated on the loan application.	Standard Underwriting	Standard Underwriting
Minimum Borrower Contribution	None Required	None Required Only 2-4 unit Home Possible LTV/TLTV/HTLTV ratios >80% <= 95% requires 3% of value	None Required	None Required	None Required
Minimum Reserves	DU will determine may be gifted	None Required	Per Loan Product Advisor	DU will determine may be gifted	None for 1-2 Units 3 months for 3-4 units
Source of Funds	Flexible sources allowed see the guidelines for details Cash on hand is allowable with restrictions	Flexible sources allowed see the guidelines for details	All funds used to qualify borrowers, including, but not limited to, funds for down payment, closing costs and reserves, must come from the eligible sources described in Guide Section 5501.3	Flexible sources allowed see the guidelines for details	Flexible sources allowed see the guidelines for details

Program Features	HomeReady™	Home Possible® Mortgages	Freddie Mac HomeOne SM	Conventional 97%	FHA
Secondary Financing	Must meet affordable financing criteria	Must meet affordable financing criteria	Must meet affordable financing criteria	Must meet affordable financing criteria	Allowable must meet HUD criteria
Home Buyer Education Requirements/ Providers	<p>At least one borrower must complete homeownership education course required for purchase transactions.</p> <p>Course must be provided by Framework Homeownership LLC (Framework®) or through a HUD approved agency.</p>	<p>When all borrowers are first-time homebuyers, at least one borrower must participate</p> <p>See guidelines for acceptable classes.</p>	<p>When all borrowers are first-time homebuyers, at least one borrower must participate</p> <p>See guidelines for acceptable classes</p>	Not Required	Not Required
Income Limits	<p>The borrower's income is limited to 80% of the Area Median Income (AMI) in which the property is located</p> <p>DU will indicate income eligibility use https://homeready-eligibility.fanniemae.com/homeready/ to determine eligibility</p>	Total annual qualifying income limit is 80% of Area Median Income	None	None	None
Property Ownership	Borrower(s) who intend to occupy the property may have an ownership interest in other residential properties, but may only have a total of one other financed property (in addition to the subject property) at the time of closing.	The occupying borrowers must not have an ownership interest in more than two financed residential properties, including the subject property, as of the note date	<p>Purchases: At least one borrower must be a first-time homebuyer</p> <p>Ownership of other residential property is permitted under standard Guide terms.</p>	At least one borrower must be a First Time Homebuyer	No Restrictions
Program	HomeReady™	Home	Freddie Mac	Conventional	FHA

Features		Possible® Mortgages	HomeOne SM	97%	
MI Coverage	25%	25%	35%	35%	UFMIP of 1.75% and .85% annual MIP
Non-Borrower Household Income	Permitted	Not allowed	Must be included in calculation if the non-Borrower occupies the subject property as a Primary Residence	Not allowed	Not allowed
Non-Occupant Co-Borrower	Non-occupant borrowers permitted to maximum 95% LTV in DU	Non-occupant borrowers permitted on 1-units with maximum 95% LTV	Not allowed	Allowed	Allowed
Rental Income	Allowable for accessory units	Rental income from the subject property that meets the requirements of the program may be used to qualify the borrower	Permitted only for a borrower with a disability when rental income is from a live-in aide	Not allowed	Allowed on 2-4 unit properties
Boarder Income	Allowed	Allowed	Permitted only for a borrower with a disability when boarder income is from a live-in aide	Not Allowed	Allowed

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