

Product Snapshot

Fannie Mae MH Advantage & Freddie Mac CHOICEHome Comparison

Cardinal Financial offers both the Conventional Fannie Mae MH Advantage and Freddie Mac CHOICEHome loan programs. This comparison sheet is designed to assist in determining the differences between the two loan products and program parameters. Refer to the underwriting guidelines for further information including LTV/CLTV limits.

Program Parameters		
	Fannie Mae MH Advantage	Freddie Mac CHOICEHome
Appraisal	<ul style="list-style-type: none"> ● Photos required of: <ul style="list-style-type: none"> ○ MH Advantage Sticker ○ HUD Data Plate ○ HUD Certification Label ○ Property and site features including driveways, sidewalks, garages, carports and any other attached or detached structures ● Should include other MH Advantage homes, when available, for the comparable sales ● If fewer than three MH Advantage sales are available, the appraiser must supplement with the best and most appropriate sales available, which may include site-built homes. ● Appraisal waivers are not eligible 	<ul style="list-style-type: none"> ● Photos required of: <ul style="list-style-type: none"> ○ CHOICEHome Notice ○ HUD Data Plate ○ HUD Certification Label ○ Property and site features including dormers, porches, garages, carports and any other attached or detached structures ● Should contain at least one comparable CHOICEHome sale ● May use other site-built housing or other manufactured homes of similar quality housing as comparable sales if no CHOICEHome sale data is available <ul style="list-style-type: none"> ○ The appraisal report must include an explanation for using any non-CHOICEHome comparable sales ● Appraisal waivers are not eligible

Credit Score		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Minimum Credit Score	Determined by Desktop Underwriter (DU)	Determined by Loan Product Advisor (LPA)
Debt to Income (DTI)		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Maximum DTI	Determined by Desktop Underwriter (DU)	Determined by Loan Product Advisor (LPA)
Eligible Transactions	Purchase	<ul style="list-style-type: none"> • Borrower may be the owner of the lot, either with or without a mortgage. • Used to finance the purchase of the MH or the MH and the land 	<ul style="list-style-type: none"> • Loan proceeds may be used to finance the purchase of the CHOICEHome • Proceeds may also be used to purchase the land, or the borrower may separately own the land • Purchase price may include documented costs for delivery and setup, site development, installation, and permanent utility connections including well and/or septic systems • Credit for wheels, axles, and any retailer rebates must be deducted from the purchase price along with any sales concessions in accordance with Freddie Mac guidelines
	Rate & Term Refinance	<ul style="list-style-type: none"> • Borrower is the owner of record of the MH and lot • Pay off the outstanding principal balance of an existing personal property lien or first lien mortgage secured by the MH and land (or existing liens if the home and land were encumbered by separate first liens) 	<ul style="list-style-type: none"> • Used to pay off the first mortgage secured by the CHOICEHome and the land (or the existing mortgages if the home and land were encumbered by separate first mortgages) that was obtained by the borrower, regardless of age of lien • Pay off any junior lien(s) secured by the CHOICEHome and/or land that was used in its entirety to purchase the CHOICEHome and/or land that was obtained by the borrower

			<ul style="list-style-type: none"> • Pay related closing costs / prepaids • Disburse cash out to the borrower up to the greater of 1% of the new refinance mortgage or \$2,000 • Loans may also be originated as Home Possible and HomeOne including BorrowSmart grants
	Cash-out	<ul style="list-style-type: none"> • Borrower is the owner of record of the MH and lot for at least 12 months preceding the date of the loan application • Pay off the outstanding principal balance of an existing personal property lien or first lien mortgage secured by the MH and land (or existing liens if the home and land were encumbered by separate first liens); and • Cash out equity to be used for any purpose. • Loans may be originated as HomeReady and subject to all HomeReady requirements 	Not Permitted
Ineligible Transactions		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Programs	<ul style="list-style-type: none"> • High Balance mortgages 	<ul style="list-style-type: none"> • Super Conforming mortgages • Single-wide manufactured homes
Loan to Value		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Maximum LTV	Purchase & Limited Refinance Fixed Rate <ul style="list-style-type: none"> • Primary Residence: 97% • Second Home: 90% Adjustable Rate Mortgage: Ineligible	Purchase & Limited Refinance <ul style="list-style-type: none"> • Primary Residence Home Possible: 97% • Primary Residence HomeOne: 97% • Primary Residence Fixed (Not Home Possible or HomeOne): 95% • Primary Residence ARM: 95%

		Primary Residence Cash Out Refi: 65%	<ul style="list-style-type: none"> ● Second Home: Ineligible Primary Residence Cash Out Refi: Ineligible
Loan to Value Calculation		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Purchase	Divide the loan amount by the lesser of: <ul style="list-style-type: none"> ● MH Price plus: <ul style="list-style-type: none"> ○ The lowest price paid for the land during the past 12 months, OR ○ The current appraised value of the land ○ The “as completed” appraised value of the MH and land 	The LTV/CLTV must be based on a value calculated on the lesser of: <ul style="list-style-type: none"> ● The purchase price of the CHOICEHome and purchase price of the land, or ● The current appraised value of the CHOICEHome and the land
	Limited Cash Out Refinance	Divide the loan amount by the lesser of: <ul style="list-style-type: none"> ● Appraised value of the MH and land ● If the MH and land were owned for less than 12 months prior to the loan application and are secured by separate liens: <ul style="list-style-type: none"> ○ The lowest price paid for the MH during the prior 12-month period plus the lower of the appraised value of the land, or the lowest price paid for the land during the prior 12 month period, OR ● If the MH and land are secured by a single lien: <ul style="list-style-type: none"> ○ The lowest price at which the home and land were previously sold during the prior 12 months 	The LTV/CLTV must be based on a value calculated on the current appraised value of the CHOICEHome and the land.
	Cash Out Refinance	Based on the current appraised value of the manufactured home and the land.	Not Permitted

Loan Type		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Eligible Terms	<ul style="list-style-type: none"> ● Fixed Rate <ul style="list-style-type: none"> ○ 15 or 30-year ● Temporary Buydown available 	<ul style="list-style-type: none"> ● Fixed Rate <ul style="list-style-type: none"> ○ 15 or 30-year ● Adjustable Rate <ul style="list-style-type: none"> ○ 5 / 6 SOFR ○ 7 / 6 SOFR ○ 10 / 6 SOFR ○ ARM not eligible for Home Possible or HomeOne
Low Down Payment Options		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Eligibility	<ul style="list-style-type: none"> ● 97% LTV available for primary residence ● HomeReady financing available 	<ul style="list-style-type: none"> ● Home Possible <ul style="list-style-type: none"> ○ First-time homebuyers and non first-time homebuyers who qualify based on area median income ○ Down payment as low as 3% ● HomeOne <ul style="list-style-type: none"> ○ First-time homebuyers only ○ No income restrictions ● HFA Advantage <ul style="list-style-type: none"> ○ Based on Home Possible underwriting requirements ○ All borrowers must occupy ● Freddie Mac BorrowSmart assistance available
Occupancy		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Eligibility	<ul style="list-style-type: none"> ● Primary residence ● Second homes ● Non-occupant borrowers are permitted on HomeReady mortgages 	<ul style="list-style-type: none"> ● Primary residence only

Property Eligibility		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Required Construction Elements	<ul style="list-style-type: none"> ● Foundation and Elevation <ul style="list-style-type: none"> ○ Meet HUD’s Permanent Foundation Guide for Manufactured Housing ○ Includes a perimeter mortared masonry blocking wall set on a poured perimeter footer ○ Elevation should not exceed 30 inches from the bottom of the first floor joist to the exterior grade for the front or entry ● Elevation Features must include one of the following feature pairings: <ul style="list-style-type: none"> ○ Dormer(s) and covered porch, or ○ Dormer(s) and attached/detached carport/garage, or ○ Covered porch and attached/detached carport/garage. ● Other Features <ul style="list-style-type: none"> ○ Drywall upgrades ○ Multi-section home with a minimum 1,000 square feet gross living area ○ Minimum 4/12 roof pitch with 4” eaves or greater ○ Exterior finish upgrades 	<ul style="list-style-type: none"> ● Foundation and Elevation <ul style="list-style-type: none"> ○ Meet HUD’s Permanent Foundation Guide for Manufactured Housing ○ Includes a perimeter mortared masonry blocking wall set on a poured perimeter footer ○ Elevation should not exceed 30 inches from the bottom of the first floor joist to the exterior grade for the front or entry ● Elevation Features must include one of the following feature pairings: <ul style="list-style-type: none"> ○ Dormer(s) and covered porch, or ○ Dormer(s) and attached/detached carport/garage, or ○ Covered porch and attached/detached carport/garage. ● Other Features <ul style="list-style-type: none"> ○ Drywall upgrades ○ Multi-section home with a minimum 1,000 square feet gross living area ○ Minimum 4/12 roof pitch with 4” eaves or greater ○ Exterior finish upgrades
Subordinate Financing		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	Eligibility	Allowed with eligible Community Seconds	Allowed with eligible Community Seconds
Underwriting		Fannie Mae MH Advantage	Freddie Mac CHOICEHome
	AUS	Desktop Underwriter (DU) with Approve Eligible	Loan Product Advisor (LPA) with Accept Eligible

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