

## Vermont Housing Finance Agency

### Conventional Loan Products

**Fannie Mae HFA Preferred  
Freddie Mac HFA Advantage**

Where this Product Guide is silent or for information not contained herein, Lenders must follow the more restrictive guidelines of the [Vermont HFA](#) Program guides, the [Freddie Mac Guide](#) and [Home Possible®](#) requirements for HFA Advantage, or the [Fannie Mae Guide](#) and [HomeReady™](#) requirements for HFA Preferred.

**Loan Purpose and Product**

- Purchase only
- Conforming Fixed Rate with 30 Year Amortization
- Refer to the [Vermont HFA](#) guide for additional details

**Borrower Eligibility** Follow the more restrictive requirements of the [Vermont HFA](#) Program guides, Freddie Mac [Home Possible®](#) requirements for HFA Advantage, or Fannie Mae [HomeReady™](#) requirements for HFA Preferred.

**Income Limits** **Fannie Mae HFA Preferred / Freddie Mac HFA Advantage:**  
Refer to the [Vermont HFA](#) program guidelines for income limit requirements.

**Sales Price Limits** Refer to the [Vermont HFA](#) guidelines for details.

<b>Property Type</b>	<b>Eligible Properties</b>	<b>Ineligible Properties</b>
	<ul style="list-style-type: none"> <li>• 1 – 2 Units</li> <li>• Approved Condos and Townhomes</li> <li>• Manufactured Home – Fannie Only</li> </ul>	<ul style="list-style-type: none"> <li>• 3 – 4 Units</li> <li>• Manufactured Home Condo</li> <li>• Single Wide Manufactured Homes</li> <li>• Co-ops</li> </ul>

<b>Loan to Values (LTV/TLTV/CLTV)</b>	<b>AUS Submissions – Accept/Approve Eligible <sup>8</sup></b>					
<b>Debt to Income (DTI)</b>						
<b>Credit Score</b>		<b>Maximum LTV <sup>1, 4</sup></b>	<b>Maximum TLTV/CLTV <sup>1, 4</sup></b>	<b>Maximum DTI <sup>2, 4</sup></b>	<b>Minimum Credit Score <sup>3, 4</sup></b>	<b>Required Reserves</b>
	1 Unit	97%	105%	50%	640	As determined by DU or LPA
	Condos/Townhomes <sup>5</sup>					
	2 Units	95%	105%	50%	640	
	Fannie Manufactured Homes <sup>6</sup>	95%	105%	45%	660	
	Fannie MH Advantage™ <sup>6, 7</sup>	97%	105%	45%	660	

1. Maximum LTV, CLTV/TLTV; if [Vermont HFA](#), [Freddie Mac](#) under [Home Possible®](#), [Fannie Mae](#) under [HomeReady™](#) or the Mortgage Insurer require a lower LTV, CLTV/TLTV, the lowest required LTV, CLTV/TLTV must be used.

2. Maximum DTI; if the [Vermont HFA](#), [Freddie Mac](#) under [Home Possible®](#), [Fannie Mae](#) under [HomeReady™](#), or the Mortgage Insurer require a lower DTI, the lowest required DTI must be used .

3. Minimum credit score shown is required for all borrowers **who have a credit score**. If [Vermont HFA](#), [Freddie Mac](#) under [Home Possible®](#), [Fannie Mae](#) under [HomeReady™](#), or the Mortgage Insurer require a higher credit score, the highest required credit score must be used.

4. If [Vermont HFA](#), [Freddie Mac](#) under [Home Possible](#), [Fannie Mae](#) under [HomeReady](#), or the Mortgage Insurer require a reduction in the LTV, TLTV/CLTV, DTI, or a higher credit score based on any combination of these loan attributes, the more restrictive guidelines must be followed.

5. Refer to [Condo Project Approval Requirements](#) below for condo approval information.

6. Manufactured homes must meet all [Fannie Mae guide B5-2-01](#) or [Freddie Mac guide 5703](#), HFA, State, and U.S. Bank requirements to be eligible for sale to U.S. Bank. Refer to the HFA Lending Guide [900: H. Manufactured Housing Requirements](#), [713.19 Manufactured Housing](#), [1500: Manufactured Housing](#), and [Vermont HFA](#) for additional information.

7. Refer to [Fannie Mae Selling Guide Announcement SEL-2018-05](#), [Fannie Mae B5-2-01](#) and [MH Advantage™](#) guides.

8. Refer to [Desktop Underwriter](#) for DU submissions and [Loan Product Advisor](#) for LPA submissions for additional information.

**Community Land Trust (CLT)** Loans must comply with U.S. Bank, [Freddie Mac](#) guide and [Home Possible®](#) or [Fannie Mae](#) guide and [HomeReady™](#) requirements for Community Land Trusts. This includes but is not limited to the following requirements:

- The LTV/TLTV/CLTV are based upon the appraised value factoring in the leasehold interest and any improvements. Refer to [Freddie Mac](#) or [Fannie Mae](#) for an example.
- Not Allowed:
  - Manufactured Homes
  - Attached Condos

**Freddie Mac LPA**

- Select the Community Land Trust Offering Identifier

**Fannie Mae DU**

- Enter Affordable LTV in the Product Description field.

Refer to the following HFA Lending Guide sections for additional details:

- 700: Underwriting / Credit Policy > 710: Guidelines > 713: Conventional – General Agency > [713.17: Eligible Properties](#).
- 1400: Overlay Matrix > [1400.01 US Bank Delegated HFA Agency Overlays](#)
- 1400: Overlay Matrix > [1400.03 US Non-Bank Delegated HFA Agency Overlays](#)

<b>Loan Product Advisor (LPA)</b>	<p>Loans must comply with the <a href="#">Freddie Mac</a> guide and <a href="#">Home Possible®</a> requirements. This includes but is not limited to the following requirements:</p> <ul style="list-style-type: none"> <li>• Not allowed on: <ul style="list-style-type: none"> <li>○ 3 – 4 Units</li> <li>○ Manufactured Homes</li> <li>○ Co-ops</li> </ul> </li> <li>• Accept/Eligible only, (including borrowers with no score) no exceptions: <ul style="list-style-type: none"> <li>○ 1 – 2 Units</li> <li>○ Condos/Townhomes</li> </ul> </li> <li>• If <a href="#">Vermont HFA</a>, Freddie Mac under <a href="#">Home Possible</a>, or the Mortgage Insurer require a reduction in the LTV, TLTV/CLTV, DTI, or a higher credit score based on any combination of these loan attributes, the more restrictive guidelines must be followed.</li> <li>• Refer to the Property Type section above for <a href="#">Eligible Properties</a> and the <a href="#">LTV / DTI / Credit Score</a> for maximum LTVs, DTIs, and Credit Scores.</li> <li>• Lenders must follow <a href="#">Freddie Mac</a> chapter 5201 for borrower credit score requirements and meet the <a href="#">minimum credit score</a> requirements.</li> <li>• LPA submissions with non-traditional credit, including borrower with no credit scored, must follow <a href="#">Freddie Mac Guide 5201.1</a>.</li> <li>• Numeric Offering Identifier – Select <i>251 Home Possible Advantage® for HFAs</i>.</li> <li>• Narrative Offering Identifier – Select <i>Home Possible Advantage for® HFAs (eligible users only)</i>.</li> </ul>
<b>Desktop Underwriter (DU)</b>	<p>Loans must comply with the <a href="#">Fannie Mae</a> guide and <a href="#">HomeReady™</a> requirements. This includes but is not limited to the following requirements:</p> <ul style="list-style-type: none"> <li>• Not allowed on: <ul style="list-style-type: none"> <li>○ 3 – 4 Units</li> <li>○ Manufactured Home Condos</li> <li>○ Single Wide Manufactured Homes</li> <li>○ Co-ops</li> </ul> </li> <li>• Approve/Eligible only, (including borrowers with no score) no exceptions: <ul style="list-style-type: none"> <li>○ 1 – 2 Units</li> <li>○ Condos/Townhomes</li> <li>○ Manufactured Homes</li> </ul> </li> <li>• If <a href="#">Vermont HFA</a>, <a href="#">Fannie Mae</a> under <a href="#">HomeReady</a>, or the Mortgage Insurer require a reduction in the LTV, TLTV/CLTV, DTI, or a higher credit score based on any combination of these loan attributes, the more restrictive guidelines must be followed.</li> <li>• Refer to the Property Type section above for <a href="#">Eligible Properties</a> and the <a href="#">LTV / DTI / Credit Score</a> for maximum LTVs, DTIs, and Credit Scores.</li> <li>• Lenders must follow <a href="#">Fannie Guide Chapter B5-6-02</a> for borrower credit score requirements and meet the <a href="#">minimum credit score</a>.</li> <li>• DU submissions with non-traditional credit, including borrowers with no credit scores, must follow <a href="#">Fannie Mae guidelines</a>.</li> <li>• Select <i>HFA Preferred</i> on the Additional Data screen.</li> <li>• Fannie Mae MH Advantage™ loans: <ul style="list-style-type: none"> <li>○ Select <i>MH Advantage™</i> in the Subject Property Type field.</li> <li>○ Reserve requirements are determined by DU.</li> </ul> </li> </ul>
<b>Manual Underwriting</b>	<p>Not allowed</p>
<b>Appraisal Requirements</b>	<p><b>Freddie Mac</b> – Eligible appraisal types</p> <ul style="list-style-type: none"> <li>• Appraisal with interior and exterior inspection regardless of AUS findings. <ul style="list-style-type: none"> <li>○ Freddie Mac SSR is required for all loans.</li> </ul> </li> <li>• Automated Valuation Consideration (ACE) – Loans must comply with the <a href="#">Freddie Mac</a> guide and <a href="#">Home Possible</a>.</li> </ul> <p><b>Fannie Mae</b> – Eligible appraisal types</p> <ul style="list-style-type: none"> <li>• Appraisal with interior and exterior inspection regardless of AUS findings. <ul style="list-style-type: none"> <li>○ Fannie Mae SSR is required for all loans.</li> </ul> </li> <li>• Value Acceptance appraisal - Loans must comply with the <a href="#">Frannie Mae</a> guide and <a href="#">HomeReady</a> requirements.</li> <li>• Fannie Mae <a href="#">MH Advantage™</a> – The following must be present in the appraisal as evidenced in the photographs, no exceptions: <ul style="list-style-type: none"> <li>○ <a href="#">MH Advantage™ Sticker</a></li> <li>○ HUD Data Plate and HUD Certification labels.</li> <li>○ The presence of a driveway leading to the home, a garage, or a carport.</li> <li>○ The presence of a sidewalk connecting the home to the driveway, a garage, or a carport.</li> <li>○ Refer to <a href="#">Fannie Mae MH Advantage™ Appraisal Requirements</a> fact sheet for further details.</li> </ul> </li> </ul> <p><b>NOTE:</b> Lenders are responsible to confirm ACE and Value Acceptance requirements and eligibility with <a href="#">Vermont HFA</a>.</p>
<b>Uniform Closing Dataset (UCD)</b>	<p>UCD submission for Fannie Mae HFA Preferred <b>and</b> Freddie Mac for HFA Advantage with all pages is required on all loans:</p> <p><b>Fannie Mae Preferred – UCD Findings Report</b></p> <ul style="list-style-type: none"> <li>• Must reflect Successful</li> <li>• Must not contain any Fatal edit messages</li> <li>• Eligibility Message <i>2011</i> must not be present</li> </ul> <p><b>Freddie Mac Advantage – Loan Closing Advisor Feedback Certificate</b></p> <ul style="list-style-type: none"> <li>• Must reflect Satisfied</li> <li>• Must not contain any RED critical messages</li> <li>• <i>Without a Closing Disclosure PDF message must not be present</i></li> </ul>
<b>Delegated Condominium Project Authority</b>	<p>Delegated Condominium Authority is a distinct and separate process from Delegated Loan Underwriting Authority.</p>

	<p>Obtaining Delegated Condominium Authority requires approval from U.S. Bank and is subject to the requirements as outlined in the HFA Lending Guide &gt; 100: Lender Eligibility &gt; <a href="#">100.6 Requirements for Condo Delegation – Full Project Review</a>.</p> <p>U.S. Bank reserves the right to request and review lenders condominium procedures and any projects submitted for purchase at any time.</p> <p>Delegated Condominium Authority is not required for projects listed as Approved on the U.S. Bank <a href="#">Conventional Products – Reviewed Project List</a>; lenders are responsible for following all condominium requirements in section <a href="#">800: Condominium Project Review</a> of the HFA Lending Guide.</p> <p>For questions or inquiries on obtaining Delegated Condo Authority please contact Lender Management at <a href="mailto:Lender.Management@usbank.com">Lender.Management@usbank.com</a></p>												
<b>Condominium Project Review Requirements</b>	<p>Refer to HFA Lending Guide <a href="#">800: Condominium Project Review</a> for all U.S. Bank condo requirements.</p> <p>For questions on Delegated Condo Approval please contact Lender Support at (800) 562-5165 Option 2 or by email <a href="mailto:HFA.Programs@usbank.com">HFA.Programs@usbank.com</a>.</p>												
<b>Mortgage Insurance</b>	<p>For loans where the income for all borrowers who sign the Note is:</p> <ul style="list-style-type: none"> <li>&lt; 80% of the Area Median Income (AMI), lenders may use the charter minimum Mortgage Insurance rates in the table below.</li> <li>&gt; 80% of the AMI, lenders must use standard Mortgage Insurance rates.</li> </ul> <p>For all loans where the Mortgage Insurance provider requires a higher credit score based on the LTV, TLTV, or DTI the higher credit score must be used.</p> <p>Charter Minimum Mortgage Insurance Rates:</p> <table border="1"> <thead> <tr> <th>LTV</th> <th>MI Coverage</th> <th>LTV</th> <th>MI Coverage</th> </tr> </thead> <tbody> <tr> <td>80.01 – 85%</td> <td>6%</td> <td>85.01 – 90%</td> <td>12%</td> </tr> <tr> <td>90.01 – 95%</td> <td>16%</td> <td>95.01 – 97%</td> <td>18%</td> </tr> </tbody> </table>	LTV	MI Coverage	LTV	MI Coverage	80.01 – 85%	6%	85.01 – 90%	12%	90.01 – 95%	16%	95.01 – 97%	18%
LTV	MI Coverage	LTV	MI Coverage										
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<b>Home Buyer / Landlord Education</b>	<p><b><u>Home Buyer / Landlord Education</u></b></p> <ul style="list-style-type: none"> <li><b>Must be completed prior to the Note date.</b></li> <li>Effective with loan file receipt on or after 10/6/2025 the certificate of completion for the course, including face-to-face, telephone, or online courses, must be submitted to: <ul style="list-style-type: none"> <li><a href="#">Vermont HFA</a> in the compliance file</li> <li>U.S. Bank in the loan file submission</li> </ul> </li> <li>If the HFA requires a particular course, the borrower(s) must complete the HFA required course.</li> <li>If the HFA offers a course, the course is permitted to fulfill the home buyer education requirements.</li> <li>If the HFA does not offer a course: <ul style="list-style-type: none"> <li>HFA Advantage – Must follow <a href="#">Freddie Mac</a> guide, <a href="#">Chapter 5103.6: Homeownership Education</a> guidelines.</li> <li>HFA Preferred – Must follow <a href="#">Fannie Mae</a> guide, <a href="#">Chapter B2-2-06, Homeownership Education and Housing Counseling</a> guidelines.</li> </ul> </li> <li>Landlord Education &gt; 1 Unit properties: <ul style="list-style-type: none"> <li>Fannie Mae Preferred – Refer to Fannie Mae <a href="#">HomeReady</a> guide and <a href="#">Fannie Mae Eligibility Matrix</a></li> <li>Freddie Mac Advantage – Refer to Freddie Mac <a href="#">Home Possible®</a> guide Section 4501.12: Homeownership education and landlord education.</li> </ul> </li> </ul>												
<b>Additional Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Freddie Mac Advantage – Follow Freddie Mac Affordable Second guidelines</li> <li>Fannie Mae Preferred – Follow Fannie Mae Community Second guidelines</li> </ul>												
<b>HFA Program Fees</b>	Refer to the <a href="#">HFA Lending Guide Program Fees</a> and <a href="#">Vermont HFA</a> guide for other fees.												
<b>Lender Compensation</b>	Refer to the <a href="#">Vermont HFA</a> guide for details on compensation and fees.												
<b>Loan Level Pricing Adj.</b>	Not applicable												
<b>Buydowns</b>	Not allowed												
<b>Assumable</b>	Not allowed												
<b>Escrow Waivers</b>	Not allowed												
<b>Correspondent Disclaimer</b>	<p>Loans underwritten by U.S. Bank are subject to additional underwriting requirements. Refer to the <a href="#">HFA Lending Guide</a>, Bulletins and Communications for requirements.</p> <p>The information contained in this product description does not modify, replace or substitute any requirements or information under Fannie Mae, or Desktop Underwriter Guides, related release notes, or any supplements. Lenders are responsible for checking Fannie Mae, U.S. Bank HFA Division, and <a href="#">Vermont HFA</a> communications for updates, current underwriting guidelines and ensuring the loan meets all requirements.</p> <p>Several states and local municipalities have enacted legislation that define High-Cost loans based on APR and fee thresholds which may or may not relate to the HOEPA thresholds. These types of loans typically have various restrictions. <b><i>It is the policy of U.S. Bank not to purchase any loan defined as High Cost under any federal or state law/regulation, local ordinances, and any subsequent amendments thereto.</i></b></p>												