

Fannie Mae’s HFA Preferred Risk Sharing™ conventional product allows a 97% loan-to-value (LTV) ratios with **no mortgage insurance** coverage requirements, and must be layered with a Minnesota Housing Mortgage Loan Program. This product description summarizes Minnesota Housing guidelines, Fannie Mae and U.S. Bank overlays required for loan eligibility. Lenders are also responsible for meeting all program guidelines ([Start Up](#), or [Step Up](#)), underlying product guidelines and U.S. Bank overlays. Where terms differ, the more restrictive terms apply.

PARAMETERS	REQUIREMENTS
Eligible Minnesota Housing Program(s)	<ul style="list-style-type: none"> • Start Up • Step Up
Loan Terms	<ul style="list-style-type: none"> • Fully-amortizing mortgages • 30-year term • Fixed-rate • Purchase • Refinance option with Step Up
Mortgage Insurance	Not required
Eligible Property Types	<ul style="list-style-type: none"> • One unit, single-family • Duplex • Condos • Planned unit developments (PUD) • Manufactured home taxed as real property
Manufactured Housing	<ul style="list-style-type: none"> • See page 2 of Credit and DTI Matrix • Manual underwriting not allowed
Ineligible Property Types	<ul style="list-style-type: none"> • Co-ops • Community Land Trusts (CLT)
Eligible Occupancy	Owner-occupied
Income Requirements	Minnesota Housing’s Start Up/Step Up income limits
Minimum Credit Score/Maximum DTI	Credit and DTI Matrix
Minimum LTV/CLTV	Greater than 80%
Maximum LTV/CLTV	<ul style="list-style-type: none"> • One-unit: 97% / 105% • Two-unit: 95% /105% • Manufactured housing: 97% / 105%
Desktop Underwriter® (DU®)	<ul style="list-style-type: none"> • HFA Preferred Risk Sharing™ is available through DU® using the "Additional Data" screen; select "HFA Preferred Risk Sharing." • DU® must recommend "Approve/Eligible" • DU® recommendation "Refer with Caution" not eligible
Non-Traditional Credit	<ul style="list-style-type: none"> • Defer to Fannie Mae HomeReady™ guidelines
Manual Underwriting	Not allowed
Minimum Borrower Contribution	<ul style="list-style-type: none"> • One-unit: \$1,000 or 1% of the purchase price, whichever is less, if receiving Minnesota Housing downpayment and closing cost loan. • Two-unit:3% of the Purchase Price (per HomeReady™ guidelines)
Downpayment and Closing Cost Loans	Refer to Start Up and Step Up program descriptions
Reserves	Defer to DU® requirements
Interested Party Contributions	Defer to Fannie Mae HomeReady™ guidelines
Homebuyer Education	Required of at least one borrower, if <u>all</u> borrowers are first-time homebuyers.
Special Feature Code (SFC)	Use SFC 001 and SFC 820 to identify HFA Preferred Risk Sharing™ loans
Underlying Product Guidelines	Unless otherwise stated in this product description or U.S. Bank HFA Division overlays, refer to Fannie Mae’s HomeReady™ guidelines.
Fannie Mae Delivery Fee	Zero
LLPA	Zero LLPA (Loan Level Price Adjustment)