

Credit Policy Announcement

Enact Mortgage Insurance Credit Policy Announcement
January 13, 2023 – Bulletin 2023-01

This Credit Policy Bulletin addresses Enact's Underwriting Guideline Updates.

Effective **January 13, 2023**, our *Underwriting Guidelines* were updated with changes to further clarify and simplify our guidelines. A few of the updates are highlighted below.

Simply Underwrite® and Standard Guideline updates include:

- Updated guidelines to reflect loan limit changes
- Expanded Construction-to-Permanent Commitment term to fifteen (15) months

Simply Underwrite® updates include:

- Updated Simply Underwrite Guidelines to allow an Approve/Ineligible or Accept/Ineligible recommendation or risk classification for ARM Type

Standard Guideline updates include:

- Expanded Nontraditional Credit Guidelines
- Expanded Manufactured Housing LTV to 97%

Peak Portfolio GuidelineSM updates include:

- Expansion of Peak Portfolio program eligibility
- Expanded Construction-to-Permanent Commitment term to fifteen (15) months
- Updated Adjustable-Rate Mortgage qualification requirements.

*Peak Portfolio is an opt-in program and may not be available in all states at this time. Contact your Enact Sales Representative with questions.

Refer to the attached Change Summaries and Eligibility Recap documents for additional details and any other applicable effective dates.

Please distribute this information to your organization. If you have any issues when submitting loans with the new loan limits, please contact the ActionCenter® at 800-444-5664 for assistance in getting these loans processed through our system. As always, we appreciate your business.

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Enact Underwriting Guideline Change Summary

The following guideline changes and clarifications will be effective for MI Applications received on or after **January 13, 2023**, unless otherwise specified. The *Underwriting Guidelines* with complete details will be updated and available on our website, EnactMI.com on **January 13, 2023**.

Guideline Updates Effective January 13, 2023		
Topic	Old Guideline	New Guideline
Various Loan Amount References	Simply Underwrite and Standard Guidelines: Not addressed	Simply Underwrite and Standard Guidelines: <ul style="list-style-type: none"> Simply Underwrite updates effective 12/3/22 to align with 2023 FHFA Loan Limits Standard Guidelines effective 12/15/22: All references to loan amounts of \$1,000,000 have been increased to \$1,100,000
General Requirements for Affordable Housing Programs	Standard Guidelines: All borrowers must occupy the property	Standard Guidelines: <ul style="list-style-type: none"> At least one borrower must occupy the property If all Borrowers are first time homebuyers, at least one borrower must complete Homebuyer Education
Adjustable Rate Mortgages	Simply Underwrite: Not addressed	Simply Underwrite: Allowing Approve/Ineligible and Accept/Ineligible for ARM Type
Balloon/Call Options	Standard Guidelines: Balloons are ineligible with: <ul style="list-style-type: none"> Investment property Manufactured Housing Affordable Housing and HFA loans Loan amounts > \$1,000,000 	Standard Guidelines: Balloons are ineligible with: <ul style="list-style-type: none"> Cash-out refinances Loan amounts > \$1,100,000
Ineligible Loan Features (Borrower Eligibility)	Simply Underwrite and Standard Guidelines: Ineligible loan features: <ul style="list-style-type: none"> Borrowers with diplomatic immunity Foreign Nationals 	Simply Underwrite and Standard Guidelines: Ineligible loan features: <ul style="list-style-type: none"> Foreign Nationals with diplomatic immunity Non-permanent resident aliens with diplomatic immunity
Cash-Out Refinance Guidelines (Seasoning Requirement)	Simply Underwrite and Standard Guidelines: <ul style="list-style-type: none"> Properties purchased within the last six (6) months are ineligible for cash-out refinance transactions Properties previously listed for sale must be removed from market prior to closing 	Simply Underwrite and Standard Guidelines: Follow GSE standard underwriting guidelines
Commitment Terms	Simply Underwrite and Standard Guidelines: Construction-to-permanent Commitment term is twelve (12) months	Simply Underwrite and Standard Guidelines: Construction-to-permanent Commitment term is fifteen (15) months
Financed MI Premium	Simply Underwrite and Standard Guidelines: Financed MI premium is not allowed for cash-out refinance transactions or investment property	Simply Underwrite and Standard Guidelines: Financed MI premium is eligible for cash-out refinance transactions or investment property

Guideline Updates Effective January 13, 2023

Topic	Old Guideline	New Guideline
HomePath Properties	Simply Underwrite: Allows Approve/Ineligible for HomePath Properties	Simply Underwrite: Removing all references to HomePath Properties
Investment Property	Simply Underwrite and Standard Guidelines: Investment Property ineligible features: <ul style="list-style-type: none"> Cash-out refinances Construction-to-Permanent 2 – 4 units Financed MI ARM with initial term < 1 year Balloons Temporary Buydowns 	Simply Underwrite and Standard Guidelines: Investment Property ineligible features: <ul style="list-style-type: none"> Cash-out refinances Construction-to-Permanent 2 – 4 units ARM with initial term < 1 year
Manufactured Housing	Standard Guidelines: <ul style="list-style-type: none"> Maximum 95% LTV Leaseholds, temporary buydowns and balloons are ineligible 	Standard Guidelines: <ul style="list-style-type: none"> Maximum 97% LTV Leaseholds, temporary buydowns and balloons are eligible
Nontraditional Credit	Standard Guidelines: Single family detached and attached: <ul style="list-style-type: none"> Maximum LTV/CLTV 95%/105% Maximum DTI 41% Ineligible: Construction-to-permanent, manufactured housing, second homes, investment property and 2 – 4 units	Standard Guidelines: Single family detached and attached: <ul style="list-style-type: none"> Maximum LTV/CLTV 97%/105% Maximum DTI 45% 2 – 4 units: <ul style="list-style-type: none"> Max LTV/CLTV 95%/105% Maximum DTI 45% Ineligible: Second Homes, Investment properties and non-warrantable condominiums
Professional Program	Standard Guidelines: Maximum LTV/CLTV is 97% or 95%	Standard Guidelines: Updating to add maximum LTV/CLTV requirements for 90% and 85%
Shared Equity	Simply Underwrite and Standard Guidelines: Shared equity is an ineligible asset type	Simply Underwrite and Standard Guidelines: Removing reference to shared equity as an ineligible asset type
Subordinate Financing	Simply Underwrite and Standard Guidelines: Subordinate financing is ineligible with the following: <ul style="list-style-type: none"> Cash-out Refinances Second Homes Investment Property Loan amounts > \$1,000,000 	Simply Underwrite and Standard Guidelines: Subordinate financing is ineligible with the following: <ul style="list-style-type: none"> Cash-out Refinances
Temporary Buydowns	Standard Guidelines: Temporary buydowns are ineligible with the following: <ul style="list-style-type: none"> Cash-out Refinances Investment Property Manufactured Housing Loan amounts > \$1,000,000 	Standard Guidelines: Temporary buydowns are ineligible with the following: <ul style="list-style-type: none"> Cash-out Refinances Loan amounts > \$1,100,000

This summary is intended for reference only and is subject to the complete terms and conditions of Enact's *Underwriting Guidelines* at [EnactMI.com](https://www.enactmi.com). In case of differences with this document, the *Underwriting Guidelines* will govern.

01/13/2023

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Enact Peak Portfolio Underwriting Guideline Change Summary

The following guideline changes and clarifications will be effective for MI Applications received on or after January 13, 2023 unless otherwise specified. The Peak Portfolio *Underwriting Guidelines* with complete details will be updated and available on our website, EnactMI.com on January 13, 2023.

Enact Peak Portfolio Underwriting Guideline Changes and Clarifications		
Guideline Updates Effective January 13, 2023		
Topic	Old Guideline	New Guidelines
Overview and Geography	Peak is currently unavailable for Lenders domiciled in AK, HI, ME, NH and WA	Peak is currently unavailable for: Lenders domiciled and/or properties located in ME, NH, Guam, Puerto Rico and the U.S. Virgin Islands
Commitment Term	Construction-to-Permanent Commitment term is twelve (12) months.	Construction-to-Permanent Commitment term is fifteen (15) months.
Various Loan Amount References	Loan amount references to \$1,000,000	Effective 12/15/2022: All references to loan amounts of \$1,000,000 have been increased to \$1,100,000
2-4 Unit Loan Limit	2-4 Units Max Loan amount \$1,250,000	2-4 Units Max Loan amount increased to \$1,400,000
Subordinate Financing	Subordinate financing is ineligible with investment property loans	Subordinate financing is eligible with investment property loans
Manufactured Housing	Maximum LTV is 95%	Maximum LTV is now 97%
Affordable Housing Manufactured Loan Amount	Manufactured Housing maximum loan amount \$647,200	Manufactured Housing maximum loan amount increased to \$726,200 aligning with 2023 FHFA Base Conforming Loan Amount

Enact Peak Portfolio Underwriting Guideline Changes and Clarifications		
Guideline Updates Effective January 13, 2023		
Topic	Old Guideline	New Guidelines
General Requirements for Affordable Housing	Various updates	<p>Clarification - At least one borrower must occupy the property</p> <p>Homebuyer Education - If all Borrowers are first time homebuyers, at least one borrower must complete Homebuyer Education.</p>
Adjustable Rate Mortgages	<ul style="list-style-type: none"> Minimum ARM term for loan amounts \geq \$1,000,000 is 3 years Following GSE requirements for ARMs with initial fixed periods < 5 years ARMs with initial fixed periods \geq 5 years qualify at the Note Rate 	<ul style="list-style-type: none"> Minimum ARM term for loan amounts \geq \$1,250,000 is 3 years Follow GSE standard ARM qualification requirements.
Balloon Mortgages	<p>Balloons are ineligible with:</p> <ul style="list-style-type: none"> Cash-out refinances Manufactured Housing Investment properties Loan Amounts > \$1,250,000 	<p>Balloons are ineligible with:</p> <ul style="list-style-type: none"> Cash-out refinances Loan Amounts > \$1,250,000
Temporary Buydowns	<p>Temporary Buydowns are ineligible in conjunction with:</p> <ul style="list-style-type: none"> Manufactured Housing Investment properties Cash-out Refinances Nontraditional Credit 	<p>Temporary Buydowns are ineligible in conjunction with:</p> <ul style="list-style-type: none"> Cash-out Refinances
Investment Property	Ineligible features: Cash-out refinances, construction-to-permanent, 2-4 Units, financed MI, ARMs with initial term < 1 year, balloons and temporary buydowns	<p>Investment Property ineligible feature:</p> <ul style="list-style-type: none"> Cash-out refinances Construction to Perm 2-4 Units ARMs with initial term <1 year
Cash-out Refinance	<p>Ineligible features:</p> <ul style="list-style-type: none"> Properties purchased within the last 6 months Requirements for properties listed for sale Resubordinated secondary financing 	<p>Ineligible features:</p> <ul style="list-style-type: none"> Resubordinated secondary financing.

Enact Peak Portfolio Underwriting Guideline Changes and Clarifications		
Guideline Updates Effective January 13, 2023		
Topic	Old Guideline	New Guidelines
Nontraditional Credit	<ul style="list-style-type: none"> The following guidelines apply for loans with Nontraditional credit: <ul style="list-style-type: none"> Loan amounts \leq \$1,000,000 Maximum LTV 95% and maximum DTI of 41% 	<p>Peak Nontraditional credit guidelines now align with Enact's Standard Nontraditional guidelines located in:</p> <p>Section 4.9 of the Enact Mortgage Insurance Corporation Underwriting Guidelines manual.</p>

This summary is intended for reference only and is subject to the complete terms and conditions of Enact's *Peak Portfolio Underwriting Guidelines* at [EnactMI.com](https://enactmi.com). In case of differences with this document, the *Peak Portfolio Underwriting Guidelines* will govern

Simply Underwrite[®] Eligibility Recap



Simply Underwrite applies to eligible loans with a Desktop Underwriter[®] recommendation or Loan Product Advisor[®] risk classification. Contact your sales representative or the ActionCenter[®] at 800-444-5664 with any questions.

Effective January 13, 2023

Primary Residence – Purchase, Rate/Term Refinance & Construction-to-Permanent ¹				
Property Type	Max LTV/CLTV	Max Loan Amount	Minimum Credit Score	Max DTI ²
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing ³	97%	Agency Base Conforming	600 ⁴	Per DU & Loan Product Advisor
	95%	FHFA High Cost		
2 units	95%	FHFA High Cost		
3 units	95%	Agency Base Conforming		
4 units	95%	Agency Base Conforming		
Second Home – Purchase, Rate/Term Refinance & Construction-to-Permanent ¹				
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing	90%	FHFA High Cost	620	Per DU & Loan Product Advisor
Investment Property, Purchase & Rate/Term Refinance				
Single family (detached & attached), Condominiums	85%	FHFA High Cost	620	Per DU & Loan Product Advisor
¹ Construction-to-Permanent is ineligible for property types other than Single family (detached & attached) or Manufactured Housing.				
² Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.				
³ Manufactured Housing is eligible to a maximum LTV of 97% for MH Advantage loans.				
⁴ A minimum credit score of 600 is eligible for loans with the following characteristics: Primary residence, Purchase, Rate/Term Refinance transactions with multiple borrowers.				
Eligibility	In addition to Approve/Eligible and Accept/Eligible loans, the following GSE AUS recommendations or risk classifications may be eligible for Simply Underwrite: <ul style="list-style-type: none">Approve/Ineligible for ARM TypeSee Simply Underwrite sections 4.1 and 6.1 in the <i>Underwriting Guidelines</i> for complete detailsHomeReady® and Home Possible® are eligible for Simply Underwrite. For more information, see section 4.2 in our <i>Underwriting Guidelines</i>.			
Exclusions from Simply Underwrite	<ul style="list-style-type: none">Lender-negotiated guideline variances, waivers or programs unless approved by Enact.			
Other Underwriting Requirements	<ul style="list-style-type: none">Enact does not insure the following: Properties located in Guam, Puerto Rico and Virgin IslandsFollow sections 4.1 and 6.1 Simply Underwrite requirements in our <i>Underwriting Guidelines</i>Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae’s Rural High-Needs Appraisal Waiver requirements			
Note	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits			

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Standard Guidelines

Eligibility Recap

Standard Guidelines apply to loans that are not eligible for **Simply Underwrite**. Contact your sales representative or the ActionCenter® at 800-444-5664 with any questions.

Effective January 13, 2023

Primary Residence – Purchase, Rate/Term Refinance & Construction-to-Permanent²

Property Type	Max LTV/CLTV	Max Loan Amount ¹	Min Credit Score	Max DTI ³
Single family (detached & attached), Condominiums, Cooperatives	97%	\$1,100,000	620	50%
Manufactured Housing	97%	\$726,200	620	50%
2 units	95%	\$929,850	620	50%
3 units	95%	\$1,123,900	700	45%
4 units	95%	\$1,396,800	700	45%

Primary Residence - Cash-Out Refinance

Single family (detached & attached), Condominiums, Cooperatives	90%/NA	\$726,200	700	45%
	85%/NA	\$726,200	620	50%
	85%/NA	\$1,100,000	720	45%

Second Home – Purchase, Rate/Term Refinance & Construction-to-Permanent²

Single family (detached & attached), Condominiums, Cooperatives	90%	\$726,200	620	50%
	90%	\$1,100,000	700	45%
Manufactured Housing	90%	\$726,200	620	50%

Second Home – Cash-Out Refinance

Single family (detached & attached), Condominiums, Cooperatives	85%/NA	\$1,100,000	740	45%
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Investment Property – Purchase & Rate/Term Refinance

Single family (detached & attached), Condominiums	85%	\$1,100,000	700	45%
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¹ Maximum loan amounts in AK & HI are \$1,100,000 for 1 unit and \$1,396,800 for 2- 4 units.

² Construction-to-Permanent is ineligible for property types other than Single family (detached & attached) or Manufactured Housing.

³ Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

Other Underwriting Requirements	<ul style="list-style-type: none"> Loans may be underwritten using delegated underwriting authority, as allowed, or submitted for Enact underwriting Maximum cash-out amount: \$250,000
Note	<i>References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits</i>

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Simply Underwrite®

Eligibility Recap for Credit Union

Simply Underwrite applies to eligible loans with a Desktop Underwriter® recommendation or Loan Product Advisor® risk classification. Contact your sales representative or the ActionCenter® at 800-444-5664 with any questions.

Effective January 13, 2023

Primary Residence – Purchase, Rate/Term Refinance & Construction-to-Permanent ¹				
Property Type	Max LTV/CLTV	Max Loan Amount	Minimum Credit Score	Max DTI ²
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing ³	97%	Agency Base Conforming	600 ⁴	Per DU & Loan Product Advisor
	95%	FHFA High Cost		
2 units	95%	FHFA High Cost		
3 units	95%	Agency Base Conforming		
4 units	95%	Agency Base Conforming		
Second Home – Purchase, Rate/Term Refinance & Construction-to-Permanent ¹				
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing	90%	FHFA High Cost	620	Per DU & Loan Product Advisor
Investment Property, Purchase & Rate/Term Refinance				
Single family (detached & attached), Condominiums	85%	FHFA High Cost	620	Per DU & Loan Product Advisor
¹ Construction-to-Permanent is ineligible with property types other than single family (detached & attached) or Manufactured Housing.				
² Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.				
³ Manufactured Housing is eligible to a maximum LTV of 97% for MH Advantage loans.				
⁴ A minimum credit score of 600 is eligible for loans with the following characteristics: Primary residence, Purchase, Rate/Term Refinance transactions with multiple borrowers				
Eligibility	In addition to Approve/Eligible and Accept/Eligible loans, the following GSE AUS recommendations or risk classifications may be eligible for Simply Underwrite: <ul style="list-style-type: none">• Approve/Ineligible for ARM Type• See Simply Underwrite sections 4.1 and 6.1 in the <i>Underwriting Guidelines</i> for complete details• HomeReady® and Home Possible® are eligible for Simply Underwrite. For more information, see section 4.2 in our <i>Underwriting Guidelines</i>.			
Exclusions from Simply Underwrite	<ul style="list-style-type: none">• Lender-negotiated guideline variances, waivers or programs unless approved by Enact.			
Other Underwriting Requirements	<ul style="list-style-type: none">• Enact does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands• Follow sections 4.1 and 6.1 Simply Underwrite requirements in our <i>Underwriting Guidelines</i>• Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae’s Rural High-Needs Appraisal Waiver requirements			
Note	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits			

¹Construction-to-Permanent is ineligible with property types other than single family (detached & attached) or Manufactured Housing.

²Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

³Manufactured Housing is eligible to a maximum LTV of 97% for MH Advantage loans.

⁴A minimum credit score of 600 is eligible for loans with the following characteristics: Primary residence, Purchase, Rate/Term Refinance transactions with multiple borrowers

Eligibility	In addition to Approve/Eligible and Accept/Eligible loans, the following GSE AUS recommendations or risk classifications may be eligible for Simply Underwrite: <ul style="list-style-type: none"> Approve/Ineligible for ARM Type See Simply Underwrite sections 4.1 and 6.1 in the <i>Underwriting Guidelines</i> for complete details HomeReady® and Home Possible® are eligible for Simply Underwrite. For more information, see section 4.2 in our <i>Underwriting Guidelines</i>.
Exclusions from Simply Underwrite	<ul style="list-style-type: none"> Lender-negotiated guideline variances, waivers or programs unless approved by Enact.
Other Underwriting Requirements	<ul style="list-style-type: none"> Enact does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands Follow sections 4.1 and 6.1 Simply Underwrite requirements in our <i>Underwriting Guidelines</i> Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae's Rural High-Needs Appraisal Waiver requirements
Note	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits

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Standard Guidelines

Eligibility Recap for Credit Unions

Standard Guidelines apply to loans that are not eligible for **Simply Underwrite**. Contact your sales representative or the ActionCenter® at 800-444-5664 with any questions.

Effective January 13, 2023

Primary Residence – Purchase, Rate/Term Refinance & Construction-to-Permanent ²				
Property Type	Max LTV/CLTV	Max Loan Amount ¹	Min Credit Score	Max DTI ³
Single family (detached & attached), Condominiums, Cooperatives	97%	\$1,100,000	620	50%
Manufactured Housing	97%	\$726,200	620	50%
2 units	95%	\$929,850	620	50%
3 units	95%	\$1,123,900	700	45%
4 units	95%	\$1,396,800	700	45%
Primary Residence - Cash-Out Refinance				
Single family (detached & attached), Condominiums, Cooperatives	90%/NA	\$726,200	700	45%
	85%/NA	\$726,200	620	50%
	85%/NA	\$1,100,000	720	45%
Second Home – Purchase, Rate/Term Refinance & Construction-to-Permanent ²				
Single family (detached & attached), Condominiums, Cooperatives	90%	\$726,200	620	50%
	90%	\$1,100,000	700	45%
Manufactured Housing	90%	\$726,200	620	50%
Second Home – Cash-Out Refinance				
Single family (detached & attached), Condominiums, Cooperatives	85%/NA	\$1,100,000	740	45%
Investment Property – Purchase & Rate/Term Refinance				
Single family (detached & attached), Condominiums	85%	\$1,100,000	700	45%

¹ Maximum loan amounts in AK & HI are \$1,100,000 for 1 unit and \$1,396,800 for 2 - 4 units.

² Construction-to-Permanent is ineligible for property types other than Single family (detached & attached) or Manufactured Housing.

³ Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

Other Underwriting Requirements	<ul style="list-style-type: none"> Loans may be underwritten using delegated underwriting authority, as allowed, or submitted for Enact underwriting Maximum cash-out amount: \$250,000
Note	References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits

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Simply Underwrite[®]

Eligibility Recap for Housing Finance Agencies

Simply Underwrite applies to eligible loans with a **Desktop Underwriter[®]** recommendation or **Loan Product Advisor[®]** risk classification. Contact your sales representative or the ActionCenter[®] at 800-444-5664 with any questions.

Effective January 13, 2023

Primary Residence – Purchase, Rate/Term Refinance & Construction to Permanent ¹				
Property Type	Maximum LTV/CLTV	Maximum Loan Amount	Minimum Credit Score	Maximum DTI ²
Single family (detached & attached), Condominiums, Cooperatives, Manufactured Housing ³	97%/105%	Agency Base Conforming	600 ⁴	Per DU & Loan Product Advisor
	95%/105%	FHFA High Cost		
2 units	95%/105%	FHFA High Cost		
3 units		Agency Base Conforming		
4 units		Agency Base Conforming		

¹ Construction-to-Permanent is ineligible with property types other than Single family (detached & attached) or Manufactured Housing.

² Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

³ Manufactured Housing is eligible to a maximum LTV of 97% for MH Advantage loans.

⁴ A minimum credit score of 600 is eligible for loans with the following characteristics: **Primary residence, Purchase, Rate/Term Refinance transactions with multiple borrowers**

Eligibility	In addition to Approve/Eligible and Accept/Eligible loans, the following GSE AUS recommendations or risk classifications are eligible for Simply Underwrite: <ul style="list-style-type: none"> Approve/Ineligible for ARM Type See Simply Underwrite sections 4.1 and 6.1 of the <i>Underwriting Guidelines</i> for complete details
Desktop Underwriter: HFA Preferred[™] or HomeReady[®]	<ul style="list-style-type: none"> Loan must be processed in DU[®] as either HFA Preferred[™] or HomeReady[™], according to Fannie Mae's directions Follow Fannie Mae's published program guidelines for HFA Preferred or HomeReady through DU and <i>Exclusions from Simply Underwrite for HFAs</i> found in this chart.
Loan Product Advisor: Home Possible[®], or HFA Advantage[®]	<ul style="list-style-type: none"> Loan must be processed in Loan Product Advisor with the applicable Home Possible[®], or HFA AdvantageSM offering identifiers Follow Freddie Mac's published Home Possible or HFA Advantage program guidelines and <i>Exclusions from Simply Underwrite for HFAs</i> found in this chart.
Eligibility Exclusions	<ul style="list-style-type: none"> Lender-negotiated guideline variances, waivers or programs unless approved by Enact
Other Underwriting Requirements	<ul style="list-style-type: none"> Enact does not insure the following: Properties located in Guam, Puerto Rico and Virgin Islands Follow sections 4.1 and 6.1 Simply Underwrite in our <i>Underwriting Guidelines</i> for complete details Appraisal waivers are eligible when offered by DU or LPA for rate/term refinance transactions receiving a DU Approve/Eligible or LPA Accept/Eligible recommendation and loans meeting Fannie Mae's Rural High-Needs Appraisal Waiver requirements
Note	<i>References to FHFA (Federal Housing Finance Agency) pertain to HERA High-Cost Areas Loan Limits which can be found at FHFA Loan Limits</i>

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Standard Guidelines

Eligibility Recap for Housing Finance Agencies

Standard Guidelines apply to loans that are not eligible for HFA Simply Underwrite. Contact your sales representative or the ActionCenter® at 800-444-5664 with any questions.

Effective January 13, 2023

Primary Residence – Purchase, Rate/Term Refinance & Construction to Permanent ²				
Property Type	Maximum LTV/CLTV	Maximum Loan Amount ¹	Minimum Credit Score	Maximum DTI ³
Single family (detached & attached), Condominiums, Cooperatives	97%/105%	\$1,100,000	620	50%
Manufactured Housing	97%/105%	\$726,200	620	50%
2 units	95%/105%	\$929,850	620	50%
3 units	95%/105%	\$1,123,900	700	45%
4 units	95%/105%	\$1,396,800	700	45%

¹ Maximum loan amounts in AK & HI are \$1,100,000 for 1 unit, \$1,396,800 for 2 – 4 units.

² Construction-to-Permanent is ineligible with property types other than Single family (detached & attached) or Manufactured Housing.

³ Enact utilizes the DTI excluding the mortgage insurance for pricing purposes, the total DTI including mortgage insurance is used for guideline eligibility.

HFA Preferred or HomeReady	Follow Fannie Mae's published program guidelines for manually underwritten HFA Preferred or HomeReady loans
Home Possible or HFA Advantage Mortgages	Follow Freddie Mac's published Home Possible or HFA Advantage program guidelines for manual underwriting

For loans other than HomeReady, HFA Preferred or Home Possible or HFA Advantage that are eligible through an HFA program, follow the LTV/Loan Limit/Score eligibility grid above and the remaining guidelines below.

Documentation	<ul style="list-style-type: none"> Full documentation for credit, income, employment and assets
Minimum Borrower Contribution	<ul style="list-style-type: none"> 1 unit & DTI < 45%: 1% minimum borrower contribution. 1 unit & DTI > 45%: 3% minimum borrower contribution. <p>Notes:</p> <ul style="list-style-type: none"> Borrower's minimum contribution can be met by acceptable sources per GSE guidelines, including personal gifts, gifts of equity, donations from entities, funds from employer assistance programs and Community Seconds®/Affordable Seconds®. Sweat Equity is permitted for one-unit properties with a minimum 5% down payment. The borrower must contribute at least 3% of their own funds (2% sweat equity). The maximum LTV is 95% for HomeReady and Home Possible loans. (Enact overlay for Home Possible loans) 2 - 4 units: Minimum 3% borrower contribution
Subordinate Financing	<ul style="list-style-type: none"> Subordinate financing must meet Fannie Mae's Community Seconds or Freddie Mac's Affordable Seconds guidelines
Reserves	<ul style="list-style-type: none"> Purchase, 1-unit: 2 months 2 – 4 units: 6 months
Loan Type	<ul style="list-style-type: none"> Fixed rate/fixed payment Fully amortizing ARMs, with initial adjustments > 1 year Temporary buydowns Balloons
Valid Credit Score	<ul style="list-style-type: none"> Minimum of three (3) tradelines / credit references, open or closed, that have been evaluated at least 12 months Credit references may be a combination of tradelines, traditional or nontraditional credit At least one borrower on the loan must have a valid credit score. See section 7.5 of Underwriting Guidelines.
Nontraditional Credit	<ul style="list-style-type: none"> Loans receiving a DU Approve/Ineligible recommendation or Loan Product Advisor Accept/Ineligible risk classification must be manually underwritten to the Nontraditional Credit Guidelines in section 4.9 of the Underwriting Guidelines.
Standard Guidelines	<ul style="list-style-type: none"> Applies to loans that are not eligible for Simply Underwrite, including manually underwritten loans without a GSE automated underwriting system recommendation/risk classification May be underwritten as delegated, as allowed, or submitted for Enact underwriting Must meet the underwriting criteria found within our Underwriting Guidelines

This summary is intended for reference only and is subject to the complete terms and conditions of Enact's Underwriting Guidelines at [EnactML.com](https://www.enactml.com). In case of differences with this document, the Underwriting Guidelines will govern.

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Enact mortgage insurers include Enact Mortgage Insurance Corporation and Enact Mortgage Insurance Corporation of North Carolina.
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