



# Advantage MPP

## Guide Update Bulletin

### FHLBank Indianapolis releases Advantage MPP Guide updates.

MPP Bulletin 05-24

Effective Sept. 30, 2024

Please contact our MPP Department at 800-274-4636 with questions.

FHLBank Indianapolis is implementing Guide changes related to the required debt to income (DTI) ratios and loan to value (LTV) ratios in certain circumstances. The changes include:

- Maximum DTI has been increased to 45% with AUS approval.
- Purchase and rate/term refinance LTV/CLTV/HCLTV's have been increased to 97/97/97 with AUS approval.
- Home Possible/HomeReady qualified loan LTV's have been increased to 97/105/97 with AUS approval. Special Feature Code 900 must be delivered for all HomeReady or Home Possible mortgage loans.
- Manual Underwriting to follow Freddie Mac Guidelines. FHLBank Indianapolis Guide restrictions still apply.

Section 6 has been updated as follows:

### 6 FHLBank Indianapolis Underwriting Guidelines

FHLBank Indianapolis - Eligibility Matrix				
Fixed Rate, First Lien Only		Minimum Credit Score 680		Maximum DTI 45
Transaction Type 5–30-year terms	Number of Units	Maximum LTV/CLTV/HCLTV	Credit Score/LTV	Minimum Reserves
<b>Primary Residence - with AUS Approval</b>				
Purchase Limited Cash-Out Special Purpose Refinance	1-Unit	97/97/97	680	2 months**
	2-4 Unit	95/95/95	680	5% own funds 2 months **
Cash-Out Refinance	1-Unit	80/80/80	720 if > 75% 680 if ≤ 75%	
	2-4 Unit	75/75/75	720 if > 75% 680 if ≤ 75%	
<b>Second Home - with AUS approval</b>				

Purchase Limited Cash-Out Refinance	1-Unit	90/90/90	680	5% own funds 2 months **
Cash-Out Refinance	1-Unit	75/75/75	720 if > 75% 680 if ≤ 75%	2 months**
<b>Construction Perm - with AUS approval</b>				
Purchase Limited Cash-Out Refinance	1-Unit	95/95/95	680	2 months**
	2-4 Unit	85/85/85	680	5% own funds 2 months **
Cash-Out Refinance	1-Unit	80/80/80	720 if > 75% 680 if ≤ 75%	5% own funds
	2-4 Unit	75/75/75	720 if > 75% 680 if ≤ 75%	5% own funds
<b>Home Possible/HomeReady - with AUS approval</b>				
<b>Special Feature Code 900 must be delivered for all HomeReady or Home Possible mortgage loans.</b>				
Purchase Limited Cash-Out Refinance	1-Unit	97/105/97	680	
	2-4 Unit	95/95/95	680	3% for LTV/CLTV/HCLT V > 80%
<b>Manual Underwriting – Follow Freddie Mac Guidelines (FHLBank Indianapolis restrictions still apply)</b>				

*FHLBank Indianapolis periodically issues Informational Bulletins to provide program updates and information to approved Mortgage Purchase Program (MPP) sellers, including: MPP Guide revisions and changes; operational guidance or clarifications; and notices/reminders of industry issues that may affect sellers and servicers. The Informational Bulletins are coded so that users can easily identify the issue and year of bulletin publication. For example, "Bulletin 02-24" indicates the second Informational Bulletin issued in 2024.*

*Please retain these bulletins with your MPP Guide for easy reference. Bulletins can also be found posted on the **MPP Guide and Other Resources** page on [www.fhlbi.com](http://www.fhlbi.com).*