

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
Primary Residence - with AUS Approval 95.01-97% LTV loans for first time home buyers only. First time homebuyer indicator must be used.				
Purchase	1 Unit	97/97/97	680	2 months**
Limited Cash-Out	2-4 Unit	95/95/95	680	5% own funds 2 months**
Special Purpose Refinance				
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%	
Second Home - with AUS Approval				
Purchase	1 Unit	90/90/90	680	5% own funds 2 months**
Limited Cash-Out Refinance				
Cash-Out Refinance	1 Unit	75/75/75	720 if > 75% 680 if ≤ 75%	2 months**
Construction Perm - with AUS Approval				
Purchase	1 Unit	95/95/95	680	2 months**
Limited Cash-Out Refinance*	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
Home Possible/Home Ready - with AUS Approval Affordable Housing Initiative indicator must be used for all HomeReady or Home Possible loans.				
Purchase	1 Unit	97/105/97	680	
Limited Cash-Out Refinance	2-4 Unit	95/95/95	680	3% for LTV/CLTV/HCLTV > 80%
Manual Underwriting – Follow Freddie Mac Guidelines (FHLBank Indianapolis restrictions still apply)				

Income per AUS

* When a limited cash-out refinance transaction is used, the borrower must have held legal title to the lot before he or she receives the first advance of interim construction financing. The borrower is using the proceeds from the construction financing to pay off any existing liens on the lot and finance the construction of the properties.

**Reserve requirements when loan includes multiple financed properties and manually underwritten loans

Limitations and Restrictions

In addition to the underwriting guidelines provided in Section 6 of the MPP Guide, the following limitations and restrictions are highlighted:

Limitations Applicable to all Matrices

Alternative Appraisals - Fannie Mae and Freddie Mac Alternative Appraisal Products are acceptable if the AUS feedback certificate specifies the alternative appraisal option for Purchase and Limited Cash Out refinances with a maximum LTV of 80%. Cash Out refinances are not eligible.

Construction-to-permanent - These transactions are subject to applicable eligibility requirements based on the loan purpose. Single-closing transactions are processed as purchases or limited cash-out refinances and two-closing transactions are processed as limited cash-out or cash-out refinances.

Escrow Holdback - Permitted only for grade and seed and/or weather related for new construction.

Life Estates - Life Estates are not allowed with the exception of Enhanced Life Estates in the state of Michigan (Lady Bird Deed) with a qualified title policy.

Minimum cash investment - Second home, 2-4-unit and manually underwritten loans require 5% of the borrower's own verified funds.

Multiple financed properties - Borrowers of second homes with additional financed properties are subject to additional reserves requirements.

Post Frame Homes - eligible fore delivery conditional upon:

1. The subject property must meet all requirements, including the appraisal, for delivery to Fannie Mae or Freddie Mac.
2. The subject property must have been purpose built as a home. Barn conversions are not eligible.
3. A full appraisal is required. Not eligible for appraisal waiver programs.
4. The loan must be marked in LAS by stating "Post Frame" in Special Feature Code 6.

Second Homes - Limited to one-unit single family dwelling or condominium in a project only.

***For manually underwritten loans, follow Freddie Mac manual underwriting guidelines along with any pertaining overlays in the Guide.**

Restrictions (Overlays) Not Eligible For Purchase

Appraisals: Condition rating of C5 or C6

Credit Score below 680

High-Balance Loans

Income from the following:

- Foreign shell banks
- Medical marijuana dispensaries
- Any business or activity related to recreational marijuana use, including the growing, selling or supplying of marijuana, even if legally permitted under state or local law
- Business engaged in any type of internet gambling

Investment Properties

Ineligible Condominium project types

- Any project that is operated as a hotel
- Timeshare or segmented ownership projects
- Projects that permit an owner to hold title to more than one unit under only one deed or mortgage
- Projects with legal non-conforming use of the land if zoning does not allow rebuilding to current density in the event of full or partial destruction
- Houseboat projects
- Projects consisting of manufactured housing
- Cooperatives

Judgements, Tax Liens, Collections, Charge-Offs or Repossessions' must be paid in full for manual underwriting

Land Contract - Cash Out

Non-Warrantable Condominiums

PACE program in 1st lien position

Partnerships and/or Corporations

Properties:

- Manufactured Homes
- Mobile Homes
- On Frame Modular Homes

Reduced Private Mortgage Insurance

Second home: Cash Out owned ≤ 6 months

Second Mortgages

Temporary Buy Downs

Third Party Originated Loans



FHLBank Indianapolis Underwriting Guidelines

FHLBank Indianapolis will accept any loan that has been underwritten in accordance with an Automated Underwriting System (AUS) with Fannie Mae (DU) or Freddie Mac (LPA), as well as the underwriting guidelines contained in Section 6 of the FHLBank Indianapolis Mortgage Purchase Program Guide (may be amended or supplemented from time to time). Loans also must meet criteria established in the applicable Mortgage Commitment Contract with FHLBank Indianapolis.

Questions?

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Advantage MPP Underwriting Guidelines Quick Reference

