

Referencing Fannie Mae and Freddie Mac Conventional Guidelines

This job aid is a TOOL only and does not constitute an approval of a loan. Use of the job aid is not a requirement for Essent mortgage insurance. For complete Essent underwriting guidelines, visit essent.us. Consult your program/product guidelines to determine qualifying income eligibility.

		FNMA Option 1	FNMA Option 2	FHLMC	FHLMC Option 1	FHLMC Option 2
		Paystub obtained before Loan Delivery	Paystub NOT obtained before Loan Delivery	Income Commencing Prior to the Note Date	Income Commencing After the Note Date	Income Commencing After the Note Date
Eligibility						
• Owner Occupied		✓	✓	✓	✓	✓
• Purchase		✓	✓	✓	✓	✓
• No Cash-out Refinance		n/a	n/a	✓	✓	✓
• 1-unit		✓	✓	✓	✓	✓
• Owner Occupied 1-4 units, 2 nd home 1-unit, Investment 1-4 units, Purchase/No Cash-out/Cash-out		n/a	n/a	n/a	n/a	✓
Determine the Option (s) that apply						
Fill in the applicable dates in order to determine which option applies per agency guidelines.						
Start Date:	_____	n/a	n/a	n/a	n/a	n/a
1 st Paystub Date:	_____					
Closing Date/Note Date:	_____					
Delivery Date:	_____					
• FNMA - Paystub obtained before <u>Loan Delivery</u>?	Yes/No	Yes - Option 1	No - Option 2	n/a	n/a	n/a
– Is start date within 90 days after the Note date?	Yes/No	n/a	Yes - Eligible No - Ineligible	n/a	n/a	n/a
– Is a VVOE required?	Yes/No	n/a	Yes – if start date is 30 days prior to note date	n/a	n/a	n/a

		FNMA Option 1	FNMA Option 2	FHLMC	FHLMC Option 1	FHLMC Option 2
		Paystub obtained before Loan Delivery	Paystub NOT obtained before Loan Delivery	Income Commencing Prior to the Note Date	Income Commencing After the Note Date	Income Commencing After the Note Date
• FHLMC - Income Commencing Prior to the Note Date?	Yes/No	n/a	n/a	Yes - this option Paystub required	No - Option 1	No - Option 2
- Is start date within 90 days after the Note date (may be before or after the delivery date)?		n/a	n/a	n/a	Yes - Option 1 No - Ineligible	n/a
- Is the start date prior to the delivery date? No limit on # of days of the Note date (must be before delivery date)		n/a	n/a	n/a	n/a	Yes - Option 2 No - Ineligible
- Is a VVOE required?		n/a	n/a	No	Yes - 10-day PCV A 10-day PCV verifying the terms of the employment offer letter, contract has not changed (refer to Section 5302.2(d)).	n/a
Paystub/VOE		Matches Contract	n/a	Matches Contract	n/a	Matches Contract
Assets		n/a	(See FNMA B3-3.1-09)	(See FHLMC 5303.2)	(See FHLMC 5303.2)	(See FHLMC 5303.2)
Executed Contract						
1. New Employer Name	Yes/No					
2. Borrower Name	Yes/No					
3. Non-fluctuating/salaried	Yes/No			If no, 2 yr. employment history (same or similar employment)		
4. Borrower not employed by-Family member or Interested Party to transaction	Yes/No					
5. Start Date	Yes/No					
6. Accepted and signed by Borrower	Yes/No					
7. Signed by Employer	Yes/No					
8. Contingencies?	Yes/No	n/a	If yes, must be satisfied prior to closing	n/a	If yes, must be satisfied prior to closing	If yes, must be satisfied prior to closing

FNMA B3-3.1-09
FHLMC 5303.2