






Agency Guideline Comparison: Non-Occupant Co-Borrower Income

The chart below provides transaction and eligibility information regarding non-occupant co-borrower income. Be sure to read the footnotes!

Agency	Program	Loan Purpose	Guideline									
			Allowed <i>(Primary residence only)</i>	Eligible Non-Occupant Co-Borrower Restrictions	LTV Restrictions		Funds Restrictions		Occupying Borrower DTI Restrictions			
					Man. UW	AUS	Manual UW	AUS	Manual UW			
Fannie Mae*	Conforming & High Balance <i>Selling Guide B3-3.1-09 & B2-2-04</i>	Purchase		May not be an interested party on a purchase transaction.	90%	95%	Occupying borrower must make first 5% of down payment from their own funds unless: <ul style="list-style-type: none">LTV is ≤80% ORTransaction is on 1-unit and borrower is using gifts, grants or employer funds.	None	43%			
		Limited Cash-Out Refi										
		Cash-Out Refi										
	HomeStyle® <i>Selling Guide B3-3.1-09 & B2-2-04</i>	Purchase		<ul style="list-style-type: none">May not be an interested party on a purchase transaction.Non-occupant co-borrower will also be subject to income restriction.								
		Limited Cash-Out Refi										
	HomeReady <i>Selling Guide B5-6-03, B3-3.1-09 & B2-2-04</i>	Purchase										
Limited Cash-Out Refi												
Freddie Mac*	Conforming & Super Conforming <i>Selling Guide 5103.1 & 5103.3</i>	Purchase			<ul style="list-style-type: none">May not be an interested party on a purchase transaction.Non-occupant co-borrower will also be subject to income restriction.	90% ²	95% ²	None	35%/43%			
		No Cash-Out Refi ¹										
		Cash-Out Refi										
	HomePossible® <i>Selling Guide 4501.7</i>	Purchase			N/A					N/A	N/A	N/A
		No Cash-Out Refi										
	HomeOne® <i>Selling Guide 4605.2</i>	Purchase										
No Cash-Out Refi												
FHA	203 (b) 203 (k) 4000.1 II.A.2.b.ii.(B) II.A.5.d.viii II.A.1.b.ii	Purchase ⁴				Must either be U.S. citizens or have a principal residence in the U.S.	75%/96.5% 75% 2-4 Unit or 96.5% on a 1-unit ³	None	None			
		No Cash-Out Refi ⁴										
		Cash-Out Refi ⁴		N/A	N/A	N/A	N/A					

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					Man. UW	AUS	Manual UW	AUS	Manual UW
VA	All <i>Lender's Handbook</i>	All	X	N/A	N/A		N/A		N/A
USDA	All <i>3555.1 Chap 9</i>	All	X	N/A	N/A		N/A		N/A

*Fannie Mae & Freddie Mac allow **non-occupant co-borrowers on 1-4 unit properties**.

¹ Freddie Mac - Includes Special Purpose Cash-Out

² Freddie Mac -Manually underwritten mortgages & A- Mortgages - The LTV must not exceed 90%

³ FHA - The LTV for a one-unit can only be increased to 96.5% **IF** the non-occupant co-borrower is a family member.

Family Member is defined as follows, regardless of actual or perceived sexual orientation, gender identity, or legal marital status:

- child, parent, or grandparent
 - a child is defined as a son, stepson, daughter, or stepdaughter
 - a parent or grandparent includes a step-parent/grandparent or foster parent/grandparent
- spouse or domestic partner
- legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption
- foster child
- brother, stepbrother
- sister, stepsister
- uncle
- aunt, or
- a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law of the borrower.

⁴ FHA - Non-occupant co-borrowers are not allowed on transactions where borrower has no credit scores.

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