

Maximum Number of Financed Properties

August 2008

During the last few months lenders began rapidly changing guidelines in a reaction to Fannie Mae and Freddie Mac announcing changes to the maximum number of financed properties for real estate investors. As recently as this week, some of our primary lenders announced that they will again allow up to **10 financed properties**. The word on the street is that other lenders are considering this move as well.

This is great news since many borrowers with exceptional credit, abundant assets and low LTV requirements have been unable to obtain financing because they own too many properties.

The following guidelines are subject to change without prior notice.

- Borrowers may have up to 10 total financed properties, including a primary residence (free and clear properties or properties that do not show on credit do not count)
- Minimum credit scores are determined by the lender's automated underwriting engine and overall strength of the borrower (typical minimum score is 680 for purchases or rate & term refinances and 700 for cash out refinances)
- Debt-to-income ratios (DTIs) are also determined by the lender's automated underwriting engine and overall strength of the borrower
- The maximum loan-to-value (LTV) for purchases or rate & term refinances is 90% for 1-2 unit properties and 75% for 3-4 unit properties
- The maximum loan-to-value (LTV) for cash out refinances is 85% for 1-2 unit properties and 70% for 3-4 unit properties
- Loans over 80% loan-to-value (LTV) require mortgage insurance and no subordinate financing is allowed
- Loan-to-value (LTV) maximums may vary if the property is considered to be in a declining market
- Eligible properties include attached/detached SFR's, attached/detached PUD's, low rise warrantable condos and 2-4 units
- **Full Documentation Only**, stated income loans are not available with this product
- Loan amounts must meet current Fannie Mae/Freddie Mac conforming loan limits
- There is no seasoning requirement for rate & term refinances, however, cash out requires 6 months seasoning to refinance to current appraised value
- All guidelines must comply with conforming 30 year fixed rate programs

To apply for a mortgage or discuss a particular scenario please email a brief description to info@reinusa.com.