



# Medical Professionals Program

## Program Eligibility Guide

**Version**  
**1.1**  
**Effective**  
**12.15.2025**

*This document is provided for approved partners only and may not be copied, distributed, or disclosed to any other party. All terms herein are subject to change by Windsor Mortgage / Plains Commerce Bank without prior notice.*

## Table of Contents

<b>Medical Professionals Eligibility Matrix.....</b>	<b>3</b>
Primary Residence   Purchase, Rate and Term Refinance <sup>2</sup> .....	3
<b>Medical Professionals Underwriting Guidelines.....</b>	<b>4</b>
Eligible Products.....	4
Eligible Transaction Type .....	4
Loan Amount.....	4
Debt-to-Income Ratio (DTI).....	4
AUS Findings.....	4
Eligible Borrowers .....	4
Ineligible Borrowers.....	4
ARM Features.....	5
Ineligible Products.....	5
Eligible Occupancy Types .....	5
Underwriting.....	5
Documentation .....	7
LTV Calculation for Refinances.....	8
Refinance Transactions .....	8
Secondary Financing .....	9
Texas 50 (a) (6) & Texas 50 (f) (2) Refinances.....	9
Construction-To-Permanent Financing .....	9
Credit .....	9
Liabilities .....	11
Departure Residence Feature.....	13
Income / Employment .....	15
Assets.....	16
Financing Concessions .....	16
Seller Concessions .....	16
Properties Listed for Sale .....	16
Appraisal Requirements.....	17
Escrow Holdbacks .....	17
Ineligible Properties.....	17
Non-Arms Length Transactions .....	18
Disaster Policy.....	18
<b>Version History.....</b>	<b>19</b>

Medical Professionals Eligibility Matrix				
Fixed rate (15, 20, 25 and 30-year) & Hybrid ARM Products <sup>3</sup>				
Primary Residence   Purchase, Rate and Term Refinance <sup>2</sup>				
Transaction Type	Units	FICO	Max LTV	Max Loan Amount
Purchase or Rate and Term Refinance	1-unit only	680	95%	\$2,000,000
		680	100%	\$1,500,000
		720	100%	\$2,000,000

<sup>1</sup>The following requirements apply for transactions with LTVs greater than 90.01%:

- MI not required
- Secondary financing not allowed
- Escrow/impound accounts required for LTVs greater than 90.01% unless prohibited by applicable laws

<sup>2</sup>Texas 50 (a) (6) & Texas 50 (f) (2) refinances (Texas Equity Loans) only allowed on 20, 25 and 30-year fixed rate only. Additional restrictions apply, please see Program Eligibility Supplement Section 2(D).

<sup>3</sup>ARM and 15-year fixed rate loans: Maximum DTI 45%

**Medical Professionals Program Notes:**

- Minimum LTV required is 90.01%
- ARMs loans in New York state must be \$1 over current conforming/high balance limit set by FHFA.
- J-1 visa holders are generally ineligible (see non-permanent resident alien section)
- The medical professional must contribute at least 50% of the total qualifying income. If a co-borrower earns more, their income may only be used to the extent that the medical professional remains at or above 50% of the total qualifying income.

Medical Professionals Underwriting Guidelines	
Eligible Products	<ul style="list-style-type: none"> <li>• <b>Fixed Rate:</b> 15, 20, 25, 30-year term</li> <li>• <b>ARM:</b> 5/6, 7/6 and 10/6 ARM, Fully Amortizing 30-year term</li> </ul>
Eligible Transaction Type	<ul style="list-style-type: none"> <li>• Primary Residence Purchase</li> <li>• Primary Residence R/T Refinances</li> </ul>
Loan Amount	<ul style="list-style-type: none"> <li>• Minimum Loan amount: \$100,000 (ARM \$350,000)</li> <li>• Maximum Loan amount: \$2,000,000</li> </ul>
Debt-to-Income Ratio (DTI)	<ul style="list-style-type: none"> <li>• 45% - LTV &gt; 95%</li> <li>• 50%</li> <li>• At least 50% of the qualifying income must come from the medical professional.</li> </ul>
AUS Findings	<ul style="list-style-type: none"> <li>• AUS findings are not eligible. Full manual underwrite required.</li> </ul>
Eligible Borrowers	<ul style="list-style-type: none"> <li>• At least one borrower whose income is being used to qualify must be one of the following eligible professional designations: <ul style="list-style-type: none"> <li>➤ Doctor of Medicine (<b>MD</b>)</li> <li>➤ Doctor of Osteopathy (<b>DO</b>)</li> <li>➤ Doctor of Dental Surgery (<b>DDS</b>)</li> <li>➤ Doctor of Dental Medicine (<b>DMD</b>)</li> <li>➤ Doctor of Pharmacy (<b>PharmD</b>)</li> <li>➤ Doctor of Veterinary Medicine (<b>DVM or VMD</b>)</li> <li>➤ Doctor of Podiatric Medicine (<b>DPM</b>)</li> <li>➤ Certified Registered Nurse Anesthetist (<b>CRNA</b>)</li> <li>➤ Medical residents and fellows with one of the above degrees</li> </ul> </li> <li>• Borrower must be a medical professional holding an <b>MD, DO, DDS, DMD, PharmD, DVM, VMD, DPM or CRNA</b> degree with an active employment contract related to their field of medicine (or verification of terms of employment acceptance).</li> <li>• Must be able to practice without supervision (excl. residency/fellowship)</li> <li>• Non-occupant co-borrowers are eligible; however, non-occupant contributing income must be less than or equal to 50% of total qualifying income.</li> </ul>
Ineligible Borrowers	<ul style="list-style-type: none"> <li>• Chiropractors (DCs), Registered Nurses (RNs), Physician Assistants (PAs), Nurse Practitioners (NPs that are not CRNAs), Doctor of Nursing Practice (DNPs that are not CRNAs), Doctor of Naturopathy (ND), Naturopathic Medical Doctors (NMDs), Psychologists, (PhD/PsyD), Audiologists (AuD), Dental Hygienists (RDH), Optometrists (OD), Doctor of Physical Therapy (DPT) (<b>Non-exhaustive list</b>)</li> <li>• DACA, ITIN/Asylum, Foreign Nationals, Borrowers with Diplomatic status</li> <li>• Life Estates</li> <li>• Non-Revocable Trusts</li> <li>• Guardianships</li> <li>• LLCs, Corporations or Partnerships</li> <li>• Land Trusts, except for Illinois Land Trust</li> <li>• Borrowers with <b>any</b> ownership in a business that is federally illegal, regardless if the income is not being considered for qualifying</li> </ul>

Medical Professionals Underwriting Guidelines	
<b>ARM Features</b>	<p><b>ARM Features:</b></p> <ul style="list-style-type: none"> <li>• Minimum loan amount is \$350,000</li> <li>• No Investment properties allowed</li> <li>• Caps: 2/1/5 -5/6 ARM</li> <li>• Caps: 5/1/5 allowed on 7/6, 10/6 ARM</li> <li>• Index: SOFR (30 Day Average)</li> <li>• Margin: 3.5</li> <li>• Floor: 3.5</li> <li>• No Conversion Option</li> <li>• Assumable (Fixed Rate programs are not assumable)</li> <li>• <b>Qualifying Rate:</b> <ul style="list-style-type: none"> <li>➤ <b>5/6 ARM</b> qualify with the greater of the fully indexed rate or the Note rate +2%. <i>Loans in New York state must be \$1 over current conforming/high balance limit set by FHFA.</i> <ul style="list-style-type: none"> <li>➤ Windsor Will allow for Rebuttal Presumption (HPCT) on 5/6 ARM's. Note: Rebuttable Presumption = APR less than 2.25% above the applicable APOR.</li> </ul> </li> <li>➤ <b>7/6, 10/6 ARM</b> – qualify with greater of the fully indexed rate or the Note rate. <i>Loans in New York state must be \$1 over current conforming/high balance limit set by FHFA.</i></li> </ul> </li> </ul>
<b>Ineligible Products</b>	<ul style="list-style-type: none"> <li>• Higher-Priced Mortgage Loans (HPML)</li> <li>• Temporary Buydowns</li> <li>• Non-Standard to Standard Refinance Transactions (ATR Exempt)</li> <li>• Higher-Priced Covered Transactions (HPCT QM-Rebuttable Presumption)</li> <li>• Balloons</li> <li>• Graduated Payments</li> <li>• Interest Only Products</li> <li>• Loans with Prepayment Penalties</li> <li>• Convertible ARMs</li> <li>• Loans with bridge financing or departure residence buyout by third party, ie: Knock, Homelight or Opendoor</li> <li>• Points and Fees exceeding 3% see eligibility supplement section 6.E</li> </ul>
<b>Eligible Occupancy Types</b>	<ul style="list-style-type: none"> <li>• Primary residences 1-unit only</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>• Manual underwrite is required, Follow Fannie Mae Selling Guide subject to Windsor Mortgage overlays.</li> <li>• AUS findings are not considered; no documentation waivers are considered.</li> <li>• All loans must meet the Price-Based QM Safe Harbor definition: Safe Harbor=APR less than 1.50% above the applicable APOR</li> <li>• QM designation must be provided in the loan file; <ul style="list-style-type: none"> <li>➤ QM designation is QM Safe Harbor -APOR (or similar name i.e. Price Based)</li> </ul> </li> </ul>

Medical Professionals Underwriting Guidelines

Underwriting

- In all cases, the loan file must document the eight (8) ATR rules.
- In some cases, exceptions to program eligibility may be acceptable when strong compensating factors exist to offset the risk. Prior exception approval required from Windsor Mortgage.
- Permanent Resident Aliens with evidence of lawful residency
  - Must be employed in the US for the past twenty-four (24) months.
- Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions:
  - Primary residence only.
  - Unexpired Visas only.
  - Credit tradeline requirements must be met, no exceptions.
  - Borrower must have a current twenty-four (24) month employment history in the US.
  - Maximum LTV is 95%
  - Excludes J-1 exchange visitors. J-1 visas are generally ineligible; however, exceptions may be considered if the borrower can provide:
    - Evidence of an approved waiver of the two-year home residency requirement, and
    - Documentation of approved or pending transition to H-1B status or lawful permanent resident status, and
    - Evidence of continued employment authorization and income stability.
- Documentation evidencing lawful residency must be met (see Program Eligibility Supplement for requirements).
- Illinois Land Trust (see Program Eligibility Supplement for requirements).
- Inter Vivos Revocable Trust (see Program Eligibility Supplement for requirements).
- All borrowers must have a valid Social Security Number.

**Documentation**

- All loans must be manually underwritten and fully documented. No documentation waivers based on AUS recommendations permitted.
- Income calculation worksheet or 1008 with income calculation. Current Fannie Mae Form 1084, Freddie Mac Form 91 or equivalent is required for self-employment income analysis. Full income and asset verification is required.
- All credit documents, including title commitment, must be no older than 120 days from the Note date.
- Loan file must document the eight (8) Ability to Repay (ATR) rules identified in Part 1026-Truth-in-Lending (Regulation Z).
- If subject transaction is paying off a HELOC, the loan file must contain evidence that the HELOC has been closed.
- If the URLA/1003, title commitment or credit documents indicate the borrower is a party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower's ability to repay, assets or collateral.

Medical Professionals Underwriting Guidelines	
<b>LTV Calculation for Refinances</b>	<ul style="list-style-type: none"> <li>• Follow Fannie Mae Selling Guide</li> <li>• Can use current appraised value when owned less than 12 months</li> </ul>
<b>Refinance Transactions</b>	<p><b>Rate and Term Refinance:</b></p> <ul style="list-style-type: none"> <li>• The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items. <ul style="list-style-type: none"> <li>➤ If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed \$2000 in the most recent twelve (12) months.</li> <li>➤ A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months.</li> <li>➤ A seasoned equity line is defined as not having draws totaling over \$2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history.</li> <li>➤ Max cash back at closing is limited to 1% of the new loan amount.</li> </ul> </li> <li>• Properties inherited less than twelve (12) months prior to application date can be considered for a Rate and Term refinance transaction if the following requirements are met: <ul style="list-style-type: none"> <li>➤ Must have clear title or copy of probate evidencing borrower was awarded the property.</li> <li>➤ A copy of the will or probate document must be provided, along with the buy-out agreement signed by all beneficiaries.</li> <li>➤ Borrower retains sole ownership of the property after the pay out of the other beneficiaries.</li> <li>➤ Cash back to borrower not to exceed 1% of loan amount.</li> </ul> </li> </ul> <p><b>Delayed Purchase Refinancing is allowed with the following requirements:</b></p> <ul style="list-style-type: none"> <li>• Property was purchased by borrower for cash within six (6) months of the loan application.</li> <li>• HUD-1/CD from purchase reflecting no financing obtained for the purchase of the property.</li> <li>• Preliminary title reflects the borrower as the owner and no liens.</li> <li>• Funds used to purchase the property are fully documented and sourced and must be the borrower's own funds (no gift funds or business funds).</li> <li>• Funds drawn from a HELOC on another property owned by the borrower, funds borrowed against a margin account or funds from a 401(k) loan are acceptable if the following requirements are met: <ul style="list-style-type: none"> <li>➤ The borrowed funds are fully documented.</li> <li>➤ The borrowed funds are reflected on the Closing Disclosure (CD) as a payoff on the new refinance transaction.</li> </ul> </li> <li>• LTV for Rate and Term refinances must be met. The loan is treated as a Rate and Term refinance except for primary residence transactions in Texas which are not allowed.</li> </ul>

Medical Professionals Underwriting Guidelines	
<b>Refinance Transactions</b>	<p><b>Continuity of Obligation:</b> When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements have been met. If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible:</p> <ul style="list-style-type: none"> <li>• The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the borrower meets the following requirements: <ul style="list-style-type: none"> <li>➤ Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or</li> <li>➤ Is related to the borrower on the mortgage being refinanced.</li> </ul> </li> <li>• The borrower on the new refinance transaction was added to title twenty-four (24) months or more prior to the disbursement date of the new refinance transaction.</li> <li>• The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership.</li> <li>• The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply: <ul style="list-style-type: none"> <li>➤ Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer.</li> <li>➤ The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan.</li> </ul> </li> </ul> <p><b>NOTE:</b> Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement.</p>
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Texas 50 (a) (6) &amp; Texas 50 (f) (2) Refinances</b>	<ul style="list-style-type: none"> <li>• 20, 25 and 30-year fixed rate only</li> <li>• No Delayed Financing, no cash-out transactions allowed.</li> <li>• See Program Eligibility Supplement Section 2(D) for additional requirements.</li> </ul>
<b>Construction-To-Permanent Financing</b>	<ul style="list-style-type: none"> <li>• No Construction to Perm allowed.</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Minimum 1 FICO score required</li> <li>• Credit History must cover a minimum of 24+ months</li> <li>• Minimum 1 active tradeline required, non-traditional tradelines acceptable</li> <li>• Housing lates 0x30x12</li> <li>• 4 years seasoning for derogatory credit events</li> </ul> <p><b>Derogatory Credit:</b></p> <ul style="list-style-type: none"> <li>• Bankruptcy, Chapter 7, 11, 13 – Four (4) years since discharge / dismissal date</li> <li>• Foreclosure – Four (4) years since completion date</li> <li>• Notice of Default – Four (4) years</li> <li>• Short Sale/Deed-in-Lieu – Four (4) years since completion / sale date</li> </ul>

Medical Professionals Underwriting Guidelines

Credit

- Mortgage accounts that were settled for less, negotiated or short payoffs – Four (4) years since settlement date
- Credit events seasoned more than 10 years do not need to be considered.
- Loan Modification –
  - Lender initiated modification will not be considered a derogatory credit event if the modification did not include debt forgiveness and was not due to hardship as evidenced by supporting documentation. No seasoning requirement would apply.
  - If the modification was due to hardship or included debt forgiveness – Four (4) years since modification.
- A forbearance that results in a loan modification (moving payments to the end of the mortgage) is a credit event and will be considered “due to hardship.”
- Multiple derogatory credit events not allowed. However, credit events seasoned more than 10 years do not need to be considered.
  - A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event.
  - A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event.
- Medical collections - allowed to remain outstanding if the balance is less than \$10,000 in aggregate.

**Outstanding Judgments/Tax Liens/Charge-offs/Past-Due Accounts:**

- Tax liens, judgments, charge-offs and past-due accounts must be satisfied or brought current prior to or at closing. Cash-out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge-offs or past-due accounts.
- Payment plans on prior year tax liens/liabilities are not allowed, must be paid in full.

**Credit Inquiries:**

- If the credit report indicates inquiries within the most recent 90 days of the credit report, the seller must confirm the borrower did not obtain additional credit that is not reflected in the credit report or mortgage application. In these instances, the borrower must explain the reason for the credit inquiry.
- If additional credit was obtained, a verification of that debt must be provided, and the borrower must be qualified with the monthly payment.
- Confirmation of no new debt may be in the form of a new credit report, pre-close credit report or gap credit report.

**Credit Reports-Frozen Bureaus:**

- Credit reports with bureaus identified as “frozen” are required to be unfrozen and a current credit report with all bureaus unfrozen is required.
- Credit Refreshes/Rescores: Windsor Mortgage will allow for Credit Score refreshes; however, the closed loan file must include all documentation to support the change in score and still meet sufficient assets as required by the program guidelines.

Medical Professionals Underwriting Guidelines

Liabilities

**Liability Requirements:**

- The monthly payment on revolving accounts with a balance must be included in the borrower’s DTI, regardless of the number of months remaining. If the credit report does not reflect a payment and the actual payment cannot be determined, a minimum payment may be calculated using the greater of \$10 or 5%.
- If the credit report reflects an open-end or net thirty (30) day account, the balance owing must be subtracted from liquid assets.
- Loans secured by financial assets (life insurance policies, 401(k), IRAs, CDs, etc.) do not require a payment to be included in the DTI if documentation is provided to show the borrower’s financial asset as collateral for the loan.

**Student Loan Payment Exclusion Criteria:**

- Student loan payments that are in deferment, forbearance, or reporting as \$0 due to an Income-Based Repayment (IBR) plan may be excluded from the borrower’s debt-to-income (DTI) ratio if all of the following conditions are met:
  - The borrower is currently in residency, or the borrower is currently in training in a medical clinical fellowship program.
  - The borrower is qualified based on the current income received during residency or medical clinical fellowship program.
- For all other student loans, that do not meet “*Student Loan Payment Exclusion Criteria*” whether deferred, in forbearance, or in repayment, a monthly payment must be included in the borrower’s monthly debt obligation.
  - If a monthly payment is provided on the credit report, the amount indicated for the monthly payment may be used in qualifying.
  - If the credit report does not provide a monthly payment or if it shows \$0 as the monthly payment, the monthly payment may be one of the options below:
    - Loan payment indicated on student loan documentation verifying monthly payment is based on an income-driven plan.
    - For deferred loans or loans in forbearance:
      - 1% of the outstanding loan balance (even if this amount is lower than the actual fully amortizing payment) or
      - A fully amortizing payment using the documented loan repayment terms.
- HELOCs with a current outstanding balance with no payment reflected on the credit report may have the payment documented with a current billing statement. HELOCs with a current \$0 balance do not need a payment included in the DTI unless using for down payment or closing costs.
- Lease payments, regardless of the number of payments remaining must be included in the DTI.

Medical Professionals Underwriting Guidelines

Liabilities

- Alimony payments may be deducted from income rather than included as a liability in the DTI for divorces prior to 1/1/2019. For borrowers with a divorce on or after 1/1/2019, the alimony payment must be treated as a liability.
- If the most recent tax return or tax extension indicate a borrower owes money to the IRS or State Tax Authority, evidence of sufficient liquid assets to pay the debt must be documented if the amount due is within ninety (90) days of loan application date or if tax transcripts show an outstanding balance due.
- A payment plan for the most recent tax year is allowed if the following requirements are met:
  - Payment plan was set up at the time the taxes were due. Copy of payment plan must be included in loan file.
  - Payment is included in the DTI.
  - Satisfactory pay history based on terms of payment plan is provided.
  - Payment plan is only allowed for taxes due for most recent tax year, prior years not allowed. For example, borrower files their 2019 return or extension in April 2020. A payment plan would be allowed for taxes due for 2019 tax year. Payment plans for 2018 or prior years would not be allowed.
  - Borrower does not have a prior history of tax liens.

**Contingent Liabilities:**

- **Co-Signed Loans:** The monthly payment on a co-signed loan may be excluded from the DTI if evidence of timely payments made by the primary obligor (other than the borrower) is provided for the most recent twelve (12) months and there are no late payments reporting on the account.
- **Debts Paid by Others:** Follow Fannie Mae/Selling Guide
- **Court Order:** If the obligation to make payments on a debt has been assigned to another person by court order, the payment may be excluded from the DTI if the following documents are provided.
  - Copy of court order.
  - For mortgage debt, a copy of the document transferring ownership of property.
  - If transfer of ownership has not taken place, any late payments associated with the repayment of the debt owing on the mortgage property should be considered when reviewing the borrower's credit profile.
- **Assumption with No Release of Liability:** The debt on a previous mortgage may be excluded from DTI with evidence the borrower no longer owns the property. The following requirements apply:
  - Payment history showing the mortgage on the assumed property has been current during the previous twelve (12) months or
  - The value on the property, as established by an appraisal or sales price on the HUD-1/CD results in an LTV of 75% or less.

**Medical Professionals Underwriting Guidelines**

- To exclude the departure residence payment on a primary residence, the following requirements must be met:
  - See departure residence to be rented -or- departure residence to be sold guidelines below.

<b>Departure Residence to be Rented</b>	
<b>Option 1 (No lease)</b>	<b>Option 2 (Lease required)</b>
<ul style="list-style-type: none"> <li>No lease required.</li> <li>Signed letter of intent from borrower indicating they intend to rent the departure residence within ninety (90) days of closing on the subject transaction.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of current lease agreement.</li> <li>Copy of security deposit and evidence of deposit into borrower's account.</li> </ul>
<ul style="list-style-type: none"> <li>Departure residence must have a minimum of 20% equity after deduction of outstanding liens to use rent to offset the payment.</li> <li>If less than 20% equity, the full payment with no benefit of rent must be included in the DTI.</li> <li>Equity in the departure residence must be documented with the prior purchase price, AVM, BPO or 2055 exterior appraisal dated within six (6) months of the subject transaction.</li> </ul>	<ul style="list-style-type: none"> <li>Departure residence must have a minimum of 20% equity after the deduction of outstanding liens to use rent to offset the payment.</li> <li>If less than 20% equity, the full payment with no benefit of rent must be included in the DTI.</li> <li>Equity in the departure residence must be documented with the prior purchase price, AVM, BPO or 2055 exterior appraisal dated within six (6) months of the subject transaction.</li> </ul>
<ul style="list-style-type: none"> <li>Market Rent Survey is required by a licensed appraiser. Rent calculation is 75% of the market rent less PITIA.</li> <li>Any negative amount must be included in the DTI.</li> <li>Any positive rental income is disregarded for the income calculation and can only be used to offset the payment.</li> </ul>	<ul style="list-style-type: none"> <li>Rental calculation is based on 75% of the lease amount less PITIA. Any negative amount must be included in the DTI. Any positive income is included as rental income.</li> </ul>
Required reserves for departure residence = 6 months PITIA	Required reserves for departure residence = 3 months PITIA
No limit on LTV, refer to program maximum	

**Departure Residence  
Feature**

Medical Professionals Underwriting Guidelines	
Departure Residence Feature	Departure Residence to be Sold
	Option 1 (Not under contract)
	Option 2 (Under contract)
No limit on LTV, refer to program maximum.	

Medical Professionals Underwriting Guidelines

Income / Employment

**Non-Self Employment Requirements:**

- Follow FNMA seller guide

**Self-Employment Requirements:**

- Follow FNMA seller guide for standard self-employment guidelines
- Minimum one (1) year of personal and business tax returns required with at least 12 months of self-employment reported.
- YTD P/L required if the Note date is after April 30<sup>th</sup>

**Medical Professionals hired as a contractor or 1099 Employee:**

- Must have an executed employment contract
- The contract must have a guaranteed salary or hourly rate and stated number of hours to be worked.
- A satisfactory letter from the hospital or clinic must specifically confirm that there are no expenses to the medical professional in order for them to perform their duties.
- The start date must be within 60 days of loan closing.
- If the borrower has filed taxes using 1099 income in the previous year, tax returns are required.
  - If the returns show expenses, a letter cannot be used to document that there are no expenses.
  - In this case, the borrower must qualify under standard self-employment guidelines.

**Projected Income: Employment Contract / Offer Letter Requirements**

- A fully executed employment contract or offer letter must be signed by all parties.
- The document must specifically state the following:
  - Position/Title of the borrower.
  - Start date of employment, which must be **no more than 150 days** after the Note date.
  - Salary/compensation details.
- The employment contract or offer letter may only include contingencies related to:
  - Borrower's receipt of their medical license, OR
  - Normal administrative requirements, such as background checks, drug testing, and fingerprinting.

**Asset depletion:** Supplemental income only and may not be used as the sole source of qualifying income.

- Eligible assets must be held in US account
- Calculate the depletion of assets using a 3% rate of return over the life of the loan; the same as calculating a P & I payment for a mortgage.
  - For borrowers > 59 1/2, all post-closing retirement and liquid assets may be used in the calculation if the assets are fully vested and unrestricted.
  - For borrowers < 59 1/2, all post-closing liquid (non-retirement) assets can be included in the calculation. Minimum liquid post-closing assets of \$500,000 required to include asset depletion for qualifying income.
  - Business funds are not allowed for income calculation.

Medical Professionals Underwriting Guidelines	
<b>Assets</b>	<p><b>Minimum Reserves Required for LTVs <math>\leq</math> 95%</b></p> <ul style="list-style-type: none"> <li>• Loan amount: \$100,000 - \$1,500,000 – 0 months</li> <li>• Loan Amount: \$1,500,001 - \$2,000,000 – 3 months</li> </ul> <p><b>Minimum Reserves Required for LTVs &gt; 95%</b></p> <ul style="list-style-type: none"> <li>• Loan amount: \$100,000 - \$1,500,000 – 3 months</li> <li>• Loan Amount: \$1,500,001 - \$2,000,000 – 6 months</li> </ul> <p>Note: Gift Funds are eligible for reserves</p> <p><b>Note: When projected income is used for qualifying,</b> the borrower must have enough reserves to cover additional months of PITIA (Principal, Interest, Taxes, Insurance, and Assessments) for each month between the first payment due date and the employment start date. For every month after the Note date and before employment begins, an additional month of PITIA reserves is required.</p> <p><b>Purchase transactions:</b> The statements must cover the most recent full two (2) month period of account activity (60 days, or, if account information is reported on a quarterly basis, the most recent quarter).</p> <p><b>Refinance transactions:</b> The statements must cover the most recent full one (1) month period of account activity (30 days, or, if account information is reported on a quarterly basis, the most recent quarter).</p>
<b>Financing Concessions</b>	<ul style="list-style-type: none"> <li>• Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender or their affiliates and/or any other party with an interest in the real estate transaction. The following restrictions for interested party contributions apply: <ul style="list-style-type: none"> <li>➤ May only be used for closing costs and prepaid expenses and may not be used for down payment or reserves.</li> <li>➤ Maximum interested party contributions must meet Fannie Mae requirements.</li> </ul> </li> </ul>
<b>Seller Concessions</b>	<ul style="list-style-type: none"> <li>• All seller concessions must be addressed in the sales contract, appraisal and HUD-1/CD. A seller concession is defined as any interested party contribution beyond the stated limits (as shown in the prior section, financing concessions) or any amounts not being used for closing costs or prepaid expenses.</li> <li>• If a seller concession is present, both the appraised value and the sales price must be reduced by the concession amount for the purposes of calculating the LTV</li> </ul>
<b>Properties Listed for Sale</b>	<ul style="list-style-type: none"> <li>• Properties currently listed for sale (at the time of application) are not eligible for refinance transactions.</li> <li>• Properties listed for sale within six (6) months of the application date are not acceptable for refinance transactions.</li> </ul>

Medical Professionals Underwriting Guidelines	
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Loan amounts ≤ \$2,000,000 – 1 Full Appraisal Required</li> <li>• Loan amounts &gt; \$2,000,000 – 2 Full Appraisals Required</li> <li>• Appraisal waivers are not allowed</li> <li>• Transferred Appraisals are not allowed</li> <li>• Collateral Desktop Analysis (CDA) ordered from Clear Capital, or a Consolidated Collateral Analysis (CCA) ordered from Consolidated Analytics is required to support the value of the appraisal. The Seller is responsible for ordering the CDA.               <ul style="list-style-type: none"> <li>➤ If the CDA or CCA returns a value that is “Indeterminate” or if the CDA or CCA indicates a lower value than the appraised value that exceeds a 10% tolerance, then one (1) of the following requirements must be met:                   <ul style="list-style-type: none"> <li>○ A Clear Capital BPO or Consolidated Analytics BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation or a Consolidated Analytics Value Reconciliation (of Three Reports) is required.</li> <li>○ The Value Reconciliation will be used for the appraised value of the property. The Seller is responsible for ordering the BPO and Value Reconciliation through Clear Capital or Consolidated Analytics.</li> <li>○ A field review or 2<sup>nd</sup> full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. The Seller is responsible for providing the field review or 2<sup>nd</sup> full appraisal.</li> </ul> </li> <li>➤ If two (2) full appraisals are provided, a CDA is not required.</li> </ul> </li> <li>• <b>Collateral Underwriter (CU) score in lieu of a CDA or CCA.</b> <ul style="list-style-type: none"> <li>➤ The use of the Collateral Underwriter (CU) score in lieu of a CDA is allowed with the following requirements:                   <ul style="list-style-type: none"> <li>○ UCDP SSR included in loan file with a Fannie CU score of 2.5 or less</li> </ul> </li> </ul> </li> </ul> <p><i><b>Note:</b> (CU score cannot be used if a CDA or CCA has been pulled and value is not supported within 10% tolerance, further value support is required by either a Value Reconciliation from Clear Capital, Field Review, or 2<sup>nd</sup> full appraisal)</i></p>
<b>Escrow Holdbacks</b>	<ul style="list-style-type: none"> <li>• Not allowed</li> </ul>
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• 2-4 unit Owner Occupied Properties</li> <li>• Second Home Properties</li> <li>• Investment properties</li> <li>• Manufactured Homes / Mobile Homes</li> <li>• Mixed-Use Properties</li> <li>• Model Home Leasebacks</li> <li>• Properties with condition rating of C5/C6</li> <li>• Properties with construction rating of Q6</li> <li>• Properties located in Hawaii in lava zones 1 &amp; 2</li> </ul>

Medical Professionals Underwriting Guidelines	
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• Properties located in areas where a valid security interest in the property cannot be obtained</li> <li>• Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant</li> <li>• Tenants-in-Common projects (TICs)</li> <li>• Unique properties</li> <li>• Working farms, ranches or orchards</li> <li>• Properties with income producing attributes or commercial use</li> <li>• Non-Warrantable Condominiums</li> <li>• CondoHotels</li> <li>• Properties with &gt; 40 acres are ineligible               <ul style="list-style-type: none"> <li>➤ 20, 25, 30-year fixed rate only for transactions over ten (10) acres.</li> </ul> </li> </ul>
<b>Non-Arms Length Transactions</b>	<p>A non-arm's length transaction exists whenever there is a personal or business relationship with any parties to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party. The following non-arm's length transactions are eligible:</p> <ul style="list-style-type: none"> <li>➤ Family sales or transfers</li> <li>➤ Property seller acting as their own real estate agent</li> <li>➤ Relative of the property seller acting as the seller's real estate agent</li> <li>➤ Borrower acting as their own real estate agent</li> <li>➤ Relative of the borrower acting as the borrower's real estate agent</li> <li>➤ Borrower is the employee of the originating lender and the lender has an established employee loan program. Evidence of employee program to be included in loan file.</li> <li>➤ Originator is related to the borrower</li> <li>➤ Originator is a current subsidiary of the builder</li> <li>➤ Borrower purchasing from their landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord).</li> </ul> <p>Gifts from relatives that are interested parties to the transaction are not allowed, unless it is a gift of equity.</p> <p>Real estate agents may apply their commission towards closing costs and/or prepaids if the amounts are within the interested party contribution limitations.</p> <p>Other non-arm's length transactions may be acceptable on an exception basis.</p>
<b>Disaster Policy</b>	See Program Eligibility Supplement for requirements.
<b>Recast</b>	Allowed. Fixed rate only. No delinquency. Borrower must request from servicer.

**Version History**

Version Number	Date	Description of Change
1.0	12.15.2025	<ul style="list-style-type: none"> <li data-bbox="756 279 1466 310">• New Medical Professionals Program Eligibility Guideline</li> </ul>
1.1	02.02.2026	<ul style="list-style-type: none"> <li data-bbox="756 369 1466 543">• Clarified eligible degrees. Temporary buydowns clarified as ineligible. At least 50% of qualifying income comes from eligible medical professional clarified. Eligible recasting clarified. Transferred Appraisals not allowed. Clarified acreage requirement. Clarified J-1 visa.</li> </ul>