

Non-Conforming fact sheet

The Non-Conforming Loan program provides you with the opportunity to serve more markets and help more borrowers purchase or refinance a home. Below are highlights of the Prior Approval Non-Conforming Loan program.

For complete guidelines, refer first to the *Wells Fargo Funding Seller Guide Section 825: Non-Conforming Underwriting Guidelines* and *Section 950: Non-Conforming Conventional LTV Matrix*. Where policy is not stated, refer to *Section 820: Conforming Underwriting Guidelines* and then to the more restrictive of Fannie Mae or Freddie Mac guidelines.

Program features	Requirement for Loans with LTVs ≤ 80%	Requirements for Loans with LTVs > 80%
Occupancy/Loan purpose	<ul style="list-style-type: none"> • Primary residences • Second homes • Investment properties • Purchase • Rate/term refinance • Cash-out refinance 	<ul style="list-style-type: none"> • Primary residences • Purchase
Products	<ul style="list-style-type: none"> • 5/1, 7/1, or 10/1 LIBOR ARM • 10-, 15-, 20-, and 30-year fixed rate 	<ul style="list-style-type: none"> • 7/1 or 10/1 LIBOR ARM • 10-, 15-, 20-, and 30-year fixed rate
Loan amount/combined loan amount	<ul style="list-style-type: none"> • Maximum \$3 million for one-unit primary residence, purchase, and rate/term refinance • Maximum \$2 million for all other transactions <p>Refer to Seller Guide Section 950.</p>	<p>Maximum loan amount \$1.5 million</p> <p>Note: Maximum loan amount may be limited depending on the metropolitan statistical area median home price and market classification. Refer to Seller Guide Section 825.50.</p>
	Loan amount must be greater than the contiguous U.S. one-, two-, or three- to four-unit conforming loan limit (as applicable).	
Secondary financing	Allowed	Not allowed
Loan Score	<p>Minimum Loan Score requirements:</p> <ul style="list-style-type: none"> • 700 for transactions that meet all of the following: <ul style="list-style-type: none"> - Primary residence or second home - Purchase or rate/term refinance - Fixed-rate product • 740 for investment property transactions • 720 for all other transactions 	Minimum Loan Score is 740.
	Loan Score definition: Selected credit score of the occupying borrower with the highest income and valid credit score.	



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Credit reports	<ul style="list-style-type: none"> • CoreLogic Credco • Equifax <p>If not provided at the time the Credit Package is submitted for underwriting, Wells Fargo Funding will obtain a credit report from CoreLogic Credco or Equifax prior to underwriting the file. This Loan Score will be used to determine pricing and Loan eligibility.</p>	
Reserves/post-closing liquidity (PCL)	Standard reserves vary depending on transaction details. Refer to Seller Guide Section 950 .	
LTV/CLTV	<ul style="list-style-type: none"> • Maximum 80% LTV/CLTV • Maximum 75% LTV/85% CLTV <p>Maximum LTV/CLTV requirements may vary depending on loan amount, market classification, transaction type, occupancy, product, and property. Refer to Seller Guide Section 950.</p>	<p>Maximum 85% LTV</p> <p>Refer to Seller Guide Section 825.50.</p>
Maximum qualifying ratios	<p>Front-end/total debt-to-income:</p> <ul style="list-style-type: none"> • 36%/43% for primary residence fixed-rate purchase or rate/term refinance • 36%/43% for occupant borrower's ratio with a nonoccupant coborrower • 36%/38% for investment property • 36%/40% for all other transactions 	<p>Front-end/total debt-to-income:</p> <ul style="list-style-type: none"> • 30%/35% for fixed rate • 30%/32% for adjustable rate
Nonoccupant coborrowers	Allowed	Not allowed
Eligible property types	<ul style="list-style-type: none"> • Single family (attached or detached) • Condominium (condo) • Planned unit development (PUD) • Cooperative (co-op) • Leasehold • 2- to 4-unit property 	<ul style="list-style-type: none"> • One-unit single family (attached or detached) • Condo • PUD • Co-op
Mortgage insurance	Not applicable	Not required
Contributions	6% maximum seller contribution	
Gift funds	For primary residences and second homes, the full down payment may be from a gift when the LTV/CLTV is 80% or less.	Gifts of cash, equity, or land are not allowed.

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Multiple properties	<ul style="list-style-type: none"> The maximum number of financed properties for all borrowers is four (including the subject property). For primary residence or second home transactions, there is no restriction for the number of properties owned free and clear. For investment property transactions, the maximum number of properties owned free and clear is five. <p>For complete details, refer to Section 825.04.</p>	The maximum number of financed properties for all borrowers is two (including the subject property). There is no restriction for the number of properties owned free and clear.
	<p>If aggregate financing for all properties owned by borrower exceeds \$3 million, one of the following is required:</p> <ul style="list-style-type: none"> Minimum 36 months' PITI reserve (post-closing liquidity) Maximum 50% LTV/CLTV 	
Appraisal requirements	Appraisal requirements are determined by the total Loan amount provided by Wells Fargo. Refer to Seller Guide Section 825.11 .	
Wells Fargo Funding authorized appraisal management companies (AMCs)	<p>Sellers must obtain valuation products from authorized AMCs including:</p> <ul style="list-style-type: none"> Clear Capital CoreLogic Valuation Solutions PCV Murcor ServiceLink Solidifi Xome Valuation Services, LLC (formerly Assurant Valuations – available through Direct Order/Direct Deliver only) <p>Refer to Seller Guide Section 800.10 for ordering and appraisal delivery requirements.</p>	
Delivery options	<ul style="list-style-type: none"> Data delivery: <ul style="list-style-type: none"> Uniform Loan Delivery Dataset (ULDD) file upload to wellsfargofunding.com Direct loan data transfer via Ellie Mae Encompass Document delivery: <ul style="list-style-type: none"> Wells Fargo Image ExpressSM Program eDelivery and eSignature 	
Recast option	<p>Once purchased and serviced by Wells Fargo, Loans may be eligible for recasting (reamortizing) based on the specific scenario. Recast eligibility requirements include but are not limited to:</p> <ul style="list-style-type: none"> Additional principal payment of \$20,000 or more Wells Fargo must be the current Mortgage servicer and owner of the Loan Request must be made 90 days or more after the Loan has been purchased Mortgage must be current (i.e., no payments past due) 	
Commitment options	Best Effort	
Underwriting option	Wells Fargo Prior Approval	
Buydowns	Not allowed	

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Tax and insurance escrow	<ul style="list-style-type: none"> Sellers are responsible for adhering to applicable state laws for LTV requirements. Refer to Section 515.04 for additional information. If the property is located in a Special Flood Hazard Area (SFHA), an escrow/impound account must be established for the payment of flood insurance premiums, regardless of LTV. 	Escrows for taxes and hazard insurance are required (subject to state law). Refer to Section 515.04 for additional information.
Other policy parameters	Refer to Seller Guide Section 825 .	<ul style="list-style-type: none"> Refer to Seller Guide Section 825.50. Refer to Seller Guide Section 825 where Section 825.50 is silent.
Seller Guide	<ul style="list-style-type: none"> Section 400: Registrations and Pricing Section 505.08: Additional Documentation Required for Non-Conforming Conventional Loans Section 800.01(a): Wells Fargo Underwriting Philosophy Section 800.10: Appraisal/Valuation Policy Section 825: Non-Conforming Underwriting Guidelines Section 825.50: Loans with LTVs Greater Than 80% Section 850: Qualifying Ratio Tables Sections 950, 955, 974, and 975: Non-Conforming LTV Matrices and Product Eligibility Requirements Section 973: Non-Conforming 5/1 LIBOR ARM (for Loans with LTVs ≤80%) Exhibit 3: Verbal Verification of Employment Exhibit 6: Non-Conforming Initial Loan Submission Checklist Exhibit 7: Valuation Product Vendor Information Exhibit 20: Wells Fargo Funding Market Classification Exhibit 26: Metropolitan Statistical Area Median Home Price (MSA MHP) List (for Loans with LTVs > 80%) Form 1: Loan Submission Summary 	

Contact us

To learn more about our Non-Conforming program and Seller eligibility, contact a member of your regional sales team.