



MPF REFERENCE GUIDE: HIGH-BALANCE MORTGAGE LOANS



Participating members originating loans in high-cost areas find the Mortgage Partnership Finance® (MPF®) Program especially beneficial because pricing is the same as conventional conforming loans. Unlike other secondary market alternatives, the MPF Program doesn't have a different pricing schedule for this mortgage type, and there are no loan-level price adjustments or adverse market fees. However, there are certain county and LTV/TLTV requirements and restrictions to consider.

Definition of a Conventional High-Balance Mortgage Loan

A High-Balance Mortgage Loan is defined as a conventional mortgage where the original loan amount exceeds the conforming loan limits published yearly by the Federal Housing Finance Agency (FHFA), but does not exceed the loan limit for the high-cost area in which the mortgaged property is located, as specified by the FHFA. The conforming loan limit is \$424,100 and the high-cost area limit is \$636,150 for a 1-unit dwelling in the continental U.S.

Selling High-Balance Mortgage Loans into the MPF Program

Every borrower on a High-Balance Mortgage Loan must have a valid FICO score based on an established credit history. The use of alternative credit references is not allowed in lieu of a valid FICO score based on an established traditional credit history. (See Selling Guide Chapter 5.4.2 for established credit).

If mortgage insurance is financed, the maximum LTV, including the financed mortgage insurance premium, cannot exceed ninety percent (90%) for a purchase or rate term refinance transaction.

If the mortgaged property was purchased within the prior six (6) months, the borrower is ineligible for a cash-out refinance transaction type.

High-Balance Mortgage Loans are not eligible as expedited refinance transactions. Cash-out refinance transactions are allowable only for Primary Residence property types (see Selling Guide, Chapter 4.4, for maximum LTV and TLTV for Affordable Housing Program Loans).

In addition to standard property valuation and eligibility requirements of Selling Guide Chapter 7, High-

Balance Mortgage Loans are also subject to the following appraisal requirements:

- » A field review appraisal is required in addition to the full appraisal report if the:
 - Loan amount is \geq \$625,500 and the LTV/TLTV is $>$ 80%; OR
 - Property value is \geq \$1,000,000 and the LTV/TLTV is $>$ 75%;

See Selling Guide Chapter 7.2 for field review appraisal form requirement.

- » If a field review appraisal is required, the "value" to determine maximum LTV/TLTV ratios and eligibility is to be calculated using the lower of the value determined by the original appraisal or the value determined by the field review appraisal;
- » If the Mortgaged Property is a condominium property type, the appraisal must contain at least two (2) comparable sales from outside the Mortgaged Property's condominium project in addition to comparable sales available from within the Mortgaged Property's condominium project.

[Over for Conventional High-Balance Mortgage Loan Maximum LTV and TLTV Ratios >](#)



HIGH-COST COUNTIES AND LOAN LIMITS



High-cost counties are designated by the Federal Housing Finance Agency (FHFA). Exhibit N to the MPF Selling Guide contains a listing of all high-cost counties and applicable loan limits. The high-cost counties located in New Jersey and New York with their applicable loan limits effective for mortgages purchased on or after January 1, 2017 are as follows:

| 2-Digit State Code & State | 3-Digit County Code & County | | Loan Limits | | | |
|----------------------------|------------------------------|-----------------|-------------|-----------|------------|-------------|
| | | | One-Unit | Two-Unit | Three-Unit | Four-Unit |
| 34 New Jersey | 003 Bergen | 027 Morris | \$636,150 | \$814,500 | \$984,525 | \$1,223,475 |
| | 013 Essex | 029 Ocean | | | | |
| | 017 Hudson | 031 Passaic | | | | |
| | 019 Hunterdon | 035 Somerset | | | | |
| | 023 Middlesex | 037 Sussex | | | | |
| | 025 Monmouth | 039 Union | | | | |
| 36 New York | 005 Bronx | 071 Orange | \$636,150 | \$814,500 | \$984,525 | \$1,223,475 |
| | 027 Dutchess | 081 Queens | | | | |
| | 047 Kings | 085 Richmond | | | | |
| | 059 Nassau | 087 Rockland | | | | |
| | 061 New York | 103 Suffolk | | | | |
| | 079 Putnam | 119 Westchester | | | | |

Maximum LTV and TLTV Ratios

Selling Guide: 2.4.3: Conventional High-Balance Mortgage Loan Maximum LTV and TLTV Ratios.

The maximum LTV and TLTV for Conventional High-Balance Mortgage Loans delivered to the MPF Bank are as follows (the TLTV limit includes loans with any HELOC secondary financing. See Selling Guide Chapters 2.4.1 & 11.1.2 for details):

| Terms of 30 Years or Less Manual Underwriting | | | | |
|--|-------------------------------|-----------------------------------|-----------------------------------|---|
| Property Type | Max. LTV without sec. fin. | Max. LTV with sec. fin. | Max. TLTV with sec. fin. | Minimum Primary Credit Score |
| PURCHASE, RATE AND TERM REFINANCE and LIMITED CASH-OUT REFINANCE | | | | |
| 1 unit Primary Residence <i>(All Purchase Transactions OR No-Cash Out & Limited Cash-Out Transactions with Loan Amount ≤ \$636,150)</i> | 90% | 90% | 90% | 700 > 75% LTV or TLTV 660 ≤ 75% LTV and TLTV |
| 1 unit Primary Residence <i>(No-Cash Out and Limited Cash-Out Transactions with Loan Amount > \$636,150)</i> | 80% | 80% | 80% | 700 > 75% LTV or TLTV 660 ≤ 75% LTV and TLTV |
| 1 unit Second Home | 65% | 65% | 65% | 740 |
| 2-4 unit Primary Residence | 75% | 75% | 75% | 740 |
| Manufactured Housing (Primary Residence only) Loan Amount ≤ \$636,150 | 90% | Secondary financing not permitted | Secondary financing not permitted | 700 > 75% LTV or TLTV 660 ≤ 75% LTV and TLTV |
| Manufactured Housing (Primary Residence only) Loan Amount > \$636,150 | 80% | Secondary financing not permitted | Secondary financing not permitted | 700 > 75% LTV or TLTV 660 ≤ 75% LTV and TLTV |
| CASH-OUT REFINANCE MORTGAGES | | | | |
| 1 unit Primary Residence only | 60% | 60% | 60% | 740 |
| Manufactured Housing with a term ≤ 20 years (Primary Residence only) | 60% | Sec. fin. not permitted | Sec. fin. not permitted | 740 |

For more information, contact an MPF representative at (212) 441-6710.

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