

2–4 Units Comparison Matrix

	Conforming		FHA		VA	
	2 Unit	3-4 Units	2 Unit	3-4 Units	2 Unit	3-4 Units
Max DTI*	Determined by LPA / DU (typically 50%)		55%		60%	
Minimum FICO*	580 LPA / 620 DU		600		600	
Max LTV	85% LPA / 80% DU	80% LPA/DU	96.5%		100%	
HomeReady/ Home Possible	95% Freddie LPA 85% FNMA DU	95% Freddie LPA 75% FNMA DU				
Appraisal	Full with Interior photos & Rent Schedule		Full with Interior photos & Rent Schedule		Full with Interior photos & Rent Schedule	
Landlord Experience	Not Required		Not Required		Not Required	Not Required But highly recommended
Rent Loss	Not Required		Not Required		Not Required	
Reserves	Determined by LPA/DU (Typically 2–6 months)	6 months	Not required (2 months desirable)	3 months (6 months desirable)	• None if rent income not used to qualify. • 6 months if rent income used to qualify.	
Rental Income Used to Qualify	• Allowed with no Landlord experience • Generally 75% of Gross Rents		• Allowed with no Landlord experience. • 100% of Net Rents		• Allowed. 75% of Net Rents. • 100% may be used if Borrower has 2 years of Landlord experience and 6 months reserves	
Gifts	• Allowed from blood relatives after 5% of Borrowers own funds. • Cannot be used for reserve requirement.		• Allowed from blood relatives and/or close family friends		• Allowed from blood relatives. • Cannot be used for reserve requirement.	

* DU or LPA Approval required. Max DTI and Minimum FICO on this table are for reference purposes only. Actual Minimum FICO and Maximum DTI is determined by DU and LPA.