

Chase Community Lending Program (01/14/26)

Table of Contents

Included in this document are:

- Introduction
- Determining Product Eligibility
- Market Types
- Eligible Features
- Amortization Type
- Appraisal
- ARM Data
- Assumability
- Completion Escrows
- Construction to Perm (CTP) Financing Requirements
- Credit Score/Report
- DU Validation Services/LPA-AIM
- Eligible Borrowers
- Eligible Loan Terms
- Escrow Waivers
- Geographic Restrictions
- Homeownership Education/Homebuyer Counseling
- Income Calculator
- Income Limits
- Ineligible Products and Features
- Interested Party Contributions (also known as Maximum Financing Concessions)
- Loan Amount
- Maximum LTV/CLTV/HCLTV
- Multiple Financed Properties
- Negative Amortization
- Occupancy
- Principal Curtailments
- Private Mortgage Insurance
- Property Type
- Qualifying Ratios
- Recast
- Refinance (Cash-out)
- Refinance (No Cash-out)
- Reserves
- Temporary Interest Rate Buydowns (also known as Temporary Subsidy Buydown)
- Title Vesting
- Underwriting

Introduction

The Non-Delegated Community Lending product is available in designated Correspondent Community Lending Census tracts. Refer to the Register and Lock section of the Best Efforts topic for detailed system input required to determine Non-Delegated Community Lending product eligibility

This document is designed as a quick reference guide for Chase’s Community Lending Program requirements. For underwriting purposes, this tool should be used in conjunction with the the Chase Fannie Mae and Freddie Mac Overlay Matrix and applicable Fannie Mae and Freddie Mac guidelines based on AUS method.

Note: This guide only outlines products, programs and features eligible for sale to Chase. Agency products/programs and features not addressed in this guideline are not eligible for sale to Chase

Determining Product Eligibility

The Non-Delegated Community Lending product is available in designated Correspondent Community Lending Census tracts. Refer to the Register and Lock section of the Best Efforts topic for detailed system input required to determine Non-Delegated Community Lending product eligibility

Market Types

Fixed Rate Conforming Primary Residence

Product	Market Types (LPA including HomeOneSM and DU)
Non-Delegated Community 30 Yr Fixed	816
Non-Delegated Community 20 Yr Fixed	148
Non-Delegated Community 15 Yr Fixed	821

Fixed Rate High Balance Primary Residence

Product	Market Types (LPA and DU)
Non-Delegated Community 20 and 30 Yr Fixed – High Balance	817
Non-Delegated Community 15 Yr Fixed – High Balance	822

ARM Conforming and High Balance Primary Residence

Product	Market Types (LPA and DU)
Non-Delegated Community 7yr/6mo SOFR ARM (Conforming and High Balance)-2.75 Margin	141
Non-Delegated Community 10yr/6mo SOFR ARM (Conforming and High Balance)-2.75 Margin	146
Non-Delegated Community 7yr/6mo SOFR ARM (Conforming and High Balance)-3.00 Margin	382*

*Product is only available in Chase Investor Portal. Loans locked and delivered in ChaseLoanManager are not eligible for this product type.

Home Possible / HomeReady

Product	Market Types (LPA and DU)
Non-Delegated Community 30 Yr Fixed HomeReady (Conforming and High Balance)	820
Non-Delegated Community 30 Yr Fixed Home Possible (Conforming and High Balance)	820

Eligible Features

Eligible Features:

- DU Validation Services/LPA AIM (Asset and Income Modeler),
- DU Value Acceptance/LPA ACE
- DU Value Acceptance + PD/LPA ACE + PDR
- HUD Section 8 Homeownership Program
- Freddie Mac HomeOne®
- Texas 50(a)(6)1
- Texas 50(f)(2)1

1 Refer to the Texas Homestead Refinance Transactions topic for detailed requirements.

Amortization Type

Fully Amortizing

Appraisal

Follow respective Agency guidelines based on AUS method, plus overlays outlined in the Fannie Mae and Freddie Mac Overlay Matrix.

ARM Data

Refer to the chart below for required ARM parameters

Characteristic	Requirement
Index	30-Day Average of SOFR
Rate Adjustments	<ul style="list-style-type: none"> • The interest rate can be adjusted up or down at each rate change date, based on the movements in the index • The interest rate will be adjusted to equal the sum of the index plus the required margin, rounded to the nearest .125% subject to the interest rate caps • The monthly payment will be adjusted in accordance with the change in the interest rate
Interest Rate Change Dates	<ul style="list-style-type: none"> • The interest rate at lock-in will remain constant until the first rate change date. Subsequent rate change dates will occur on the 1st day of every 6th calendar month thereafter • The first change date is the month prior to the First Payment date, plus the number of years (5, 7, or 10) based on the ARM program type. For example, 5yr/6mo ARM with a First Payment date of 4/01/2025 has an Interest Rate change date of 3/01/2030
Caps	7yr/6mo & 10yr/6mo SOFR ARM: 5/1/5%. Note: The Floor is the margin.
Margin	2.75% (Market Types: 141 and 146) 3.00% (Market Type: 382)
ARM Change Look Back Period	45 days
Fully Indexed Rate	In accordance with Reg Z and the required look back period defined in the Note, the fully indexed rate is the sum of the Margin plus the applicable index value, rounded to the nearest one-eighth of 1% (0.125%). The applicable index value that determines the fully indexed rate is any index value in effect during the 45 days that precede the Note date
Conversion Option	Not eligible

Assumability

Fixed Rate Loans are not assumable

Completion Escrows

Follow respective Agency guidelines based on AUS method, plus:

- Holdback to combine two condo or co-op units is not permitted
- See the Escrow Holdback/Completion Escrow Requirements topic for additional Chase requirements.

Construction-to-Perm (CTP)

Follow respective Agency guidelines based on AUS method, plus:

- Single close CTP is not permitted
- Two-time close CTP is permitted

Credit Score/Report

- Purchase and No Cash-out Refinance:
 - LTV/CLTV <= 95%: Minimum 620 credit score
 - LTV 95.01 to 97%/ CLTV 95.01-105% (where permitted under Agency guidelines): Minimum 640 credit score
- Cash-out Refinance: Minimum 620 credit score
- Each applicant must have at least one valid credit score
- Non-traditional credit is not permitted, and
 - 000 credit score is not considered valid
 - Credit reports (such as, Experian Boost, UltraFICO) based on non-traditional credit are not permitted
- Credit reports must be free of suppressed information

DU Validation Services/LPA-AIM

Eligible for Employment, Income and Assets, including positive rent payment assessment and borrower cash-flow credit assessment, as permitted by the GSE's. Follow respective agency guidelines based on AUS method.

Closed loan file must contain the following items:

- AUS Findings
- Associated employment, income and asset reports
- Documentation in accordance with Agency guidelines and AUS findings

Eligible Borrowers

- U.S. Citizens
- Permanent and Temporary Residents
 - Must meet Foreign Borrower documentation requirements. Refer to the Foreign Borrower Requirements topic for detailed requirements
 - Chase will consider legal Permanent Residents and Temporary Residents to be eligible borrowers under the same terms available to United States citizens
 - Temporary Residents without U.S Citizen or Permanent Resident applicant:
 - Primary Residence transactions only (Purchase, No Cash-Out and Cash-Out)
 - All borrowers must occupy the property
- Maximum number of borrowers: 4
- Individuals must have reached the age of majority in the jurisdiction where the property is located. There is no maximum age limit for a borrower.
- Note: Refer to Foreign Borrower Requirements topic for detailed requirements

Eligible Loan Terms

Eligible Loan Terms	Years
Agency Fixed Rate Conforming and High Balance	<ul style="list-style-type: none"> • 10 • 15 • 20 • 25 • 30
HomeReady & Home Possible Conforming and High Balance	<ul style="list-style-type: none"> • 30
7yr/6mo SOFR ARM Conforming	<ul style="list-style-type: none"> • 10 • 15 • 20 • 25

	<ul style="list-style-type: none"> • 30
10yr/6mo SOFR ARM Conforming	<ul style="list-style-type: none"> • 15 • 20 • 25 • 30
7yr/6mo & 10yr/6mo SOFR ARM High Balance	<ul style="list-style-type: none"> • 30

Escrow Waivers

When the monthly qualifying income supports sufficient funds to cover the monthly portion of taxes, and ground rents, premiums for property insurance, some or all of these costs may be excluded from the escrow account when the following requirements are met:

- The LTV must be less than or equal to 90% except as follows:
 - Properties located in California: In accordance with California State Law, LTV must be less than 90.00% for waiver of escrows
 - Properties located in New Mexico: In accordance with New Mexico State Law, LTV must be less than 80.00% for waiver of escrows on primary residence transactions
- All additional requirements described in the Escrow Waiver Funding Requirements section of the Closed Loan Documentation Requirements topic have been met.

Note: For impacts to pricing, refer to the Adjustments for Agency and Non-Agency Loans With or Without Property Tax Escrows section of the Best Efforts topic.

Geographic Restrictions

- Property address must be in the Continental U.S., Alaska or Hawaii

Texas Homestead transactions:

- Limited to a maximum LTV/CLTV/HCLTV of 80/80/80%.
- Prior to submitting the loan to Chase for purchase, the Correspondent must forward the complete loan file to a Chase-approved attorney to review Texas Homestead refinance loans and determine whether the loan meets the requirements of a Texas Homestead refinance transaction.
- Refer to the Texas Homestead Refinance topic for additional requirements

Co-ops:

- Chase restricts purchase of Co-op loans to the following locations: DC, MD, NJ and specific counties in NY (unless otherwise restricted by applicable product guide). Refer to the Geographic Restrictions section of the Cooperative Share Lending Overview topic for complete details.

Miscellaneous State Legislation Requirements:

- Follow your state-specific guidelines, plus
- Alaska: Maximum LTV limited to 80% for loans with loan amounts less than or equal to \$25,000
- Massachusetts: Properties with resale restrictions that survive foreclosure or deed-in-lieu of foreclosure are not eligible

Homeownership Education / Homebuyer Counseling

Follow respective agency guideline based on AUS method. When homebuyer education/counseling is required, evidence of completion must be included in the closed loan file delivered to Chase.

Income Calculator

Fannie Mae and Freddie Mac Income Calculator may be used. However, Chase will not offer rep and warrant relief for its use.

Income Limits

Chase CLP does not have income limits except where required by applicable Agency guidelines.

Ineligible Products and Features

If a product, feature or program offered by either Agency is not part of Chase's products, features or programs (including but not limited to products, features and programs that require separate GSE approval), then loans originated to those standards are ineligible for sale to Chase.

Additionally, the following products and features are not eligible:

- Fannie Mae and Freddie Mac Energy Efficient Mortgage Programs (HomeStyle Energy, Green Choice)
- Fannie Mae and Freddie Mac Renovation programs (HomeStyle Renovation, Choice Renovation/Choice Renovation Express)
- Programs exclusively available only to housing financing agencies (HFA Preferred, HFA Advantage)
- Refi Now/Refi Possible

- Homesteps/HomePath
- HomeReady®
 - ARMs
 - \$500 Homebuyer Counseling LLPA Credit
 - Non-borrower household income
- Loans closed as a HomeReady® First transaction
- Home Possible® ARMs
- There is an outstanding PACE/HERO lien on the property after closing, regardless of the ability to subordinate
- Loans where Right of Rescission has been waived or reopened
- Loans with unexpired redemption period regardless if the risk is covered by an insurance policy, redemption policy, redemption bond, or other risk mitigant. Loans sold to Chase must have clear, marketable title.
- High cost, Subprime and loans with a prepayment penalty
- REO LLPA waiver

Interested Party Contributions (also known as Maximum Financing Concessions)

In accordance with Fannie Mae and Freddie Mac guidelines max IPC's are outlined in the table below. Correspondents are to follow respective Agency guidelines based on AUS method.

Occupancy Type	LTV/CLTV/HCLTV	Maximum IPC
Primary	> 90%	3%
	> 75.01% - 90%	6%
	<= 75%	9%

Loan Amount

Refer to the chart below for minimum and maximum loan amount:

Loan Amount	Requirement(s)
Minimum	\$5,000
Maximum	Agency county loan limits apply. Refer to Federal Housing Finance Agency Conforming Loan Limits

Maximum LTV/CLTV/HCLTV

Primary Residence, Second Home, and Investment

Follow respective Agency guidelines based on AUS method for maximum LTV/CLTV, plus:

- When a Chase condo review is requested, a more restrictive LTV/CLTV may apply if the Chase Condo Project Review Type is Limited Review (refer to Chase Limited Review of Established Condominium Projects topic for additional information)
- See Geographic Restrictions section in this topic for additional requirements

Multiple Financed Properties

Follow respective Agency guidelines based on AUS method.

Note: In accordance with Agency guidelines, occupying borrower is limited to two financed properties, including the subject property as of the Note Date on HomeReady® and Home Possible® transactions.

Negative Amortization

None

Occupancy

Primary Residence only.

- Non-occupant borrower: Follow respective Agency guidelines based on AUS method.

Principal Curtailments

All loans must comply with current guidelines and program requirements regarding cash-back to the borrower. Refer to TILA-RESPA Integrated Disclosure (TRID) topic for information.

Private Mortgage Insurance

Follow respective Agency guidelines based on AUS method, plus:

- Standard mortgage insurance coverage is required.
- Refer to the tables below for standard MI coverage requirements.
- Refer to the Private Mortgage Insurance topic for detailed requirements, including but not limited to eligible/ineligible MI types.

LTV	>20 Years	≤ 20 Years
>95% - 97%	35%	35%
>90% - 95%	30%	25%
>85% - 90%	25%	12%
>80% - 85%	12%	6%

HomeReady and Home Possible

LTV	% of Coverage
>90-97%	25%
>85-90%	25%
>80-85%	12%

Property Type

Eligible Property Types

- 1 Unit/Condo/PUD, 2-4 Unit, co-op
- Attached/Detached Properties

Notes:

- Condos and attached PUDs must meet respective agency guidelines based on automated underwriting method.
- Condo Delegated Correspondents: Refer to the Delegated Project Reviews for Attached and Detached Condominiums topic for requirements.
- Condo Non-Delegated Correspondents: Refer to the Project Submissions Process and Chase Requirements topic for requirements
- Refer to the Co-op Share Lending Overview topic for requirements related to co-op transactions

Ineligible Property Types:

- Manufactured homes (including manufactured housing accessory dwelling units (ADUs))
- Properties located in Lava Zones 1 and 2
- Boarding house
- Bed and Breakfast
- Any land, building, property, structure, etc. in which there is knowledge of an illegal activity occurring past or present (based on federal or state law), regardless of whether any income or assets are being derived from the illegal activity. Property alterations cannot be made to achieve collateral eligibility

Refer to the Fannie Mae and Freddie Mac Overlay Matrix for additional requirements.

Qualifying Ratios

Follow respective Agency guidelines based on AUS method, plus:

- Maximum qualifying ratio is the more restrictive of AUS Findings or 50.494%.

Recast

Refer to Recast Option topic for requirements.

Refinance (Cash-out)

Home Ready and Home Possible

- Not eligible

Agency Fixed and ARMs

- Eligible. Follow respective agency guidelines based on AUS method, plus:
- The following additional requirements apply to Freddie Mac Special Purpose Cash-out (Equity buyout):
 - Must be seasoned for at least 12 months (at least 12 months must have passed between the Note Date of the Mortgage being refinanced and the Note Date of the cash-out refinance Mortgage), as documented in the Mortgage file (for example on the credit report or title commitment).

Note: Cash-out LLPA's apply to all cash-out refinance transactions, including FNMA Student Loan cash-out and Freddie Mac Special Purpose Cash-out Refinance (Equity Buyout) transactions

Refinance (No Cash-out)

Follow respective Agency requirements based on AUS method.

Note: Additional requirements apply to standard Agency Fixed NCO Refinance with LTV > 95%. Refer to respective agency guidelines for these requirements.

Reserves

Follow respective Agency guidelines and AUS Findings based on AUS method.

Temporary Interest Rate Buydowns (also known as Temporary Subsidy Buydown)

Follow respective Agency guidelines based on AUS method, plus:

- Borrower must qualify at Note rate, and
- Transactions with the following characteristics are ineligible:
 - Buydown structures other than 3/2/1, 2/1 and 1/0
 - Refinance transactions
 - Borrower funded buydowns
 - The buydown agreement contains provisions contrary to the applicable Agency requirements, such as requiring the lender and/or servicer to hold the funds in an account that is with a third party or other financial institution

Refer to the Temporary Interest Rate Buydowns section of the Closed Loan Documentation Requirements topic for additional requirements.

Title Vesting

- Follow respective agency guideline based on AUS method, plus:
- Community Land Trusts are not eligible
- Title Alternatives, such as Attorney Opinion Letters are not eligible

Underwriting Method

- Loans must be evaluated through DU or LPA and approved by Chase underwriting prior to closing the loan.
- Delegated underwriting is not permitted except as follows:
 - Housing or Down Payment Assistance Programs (including review of any associated Resale Restrictions)– Refer to the Down Payment Assistance Program topic for additional information.
 - Condominium projects (including review of any associated Ground Lease/Leasehold) – Refer to the Delegated Project Reviews for Attached and Detached Condominiums topic for additional information.
 - Attached PUD (including review of any associated Ground Lease/Leasehold or Resale Restrictions) – Refer to the PUD Project Requirements topic for additional information.
 - Resale Restrictions – Refer to the Resale Restrictions – Property topic for additional information.
- Manual underwriting is not permitted.
- Refer to the Fannie Mae and Freddie Mac Overlay Matrix for additional underwriting requirements.
- Refer to the Automated Underwriting topic for additional information regarding AUS requirements.