



Non-Delegated

Citi HomeRun Program

Sales & Operations Program Summary

Training Date: March 7, 2024

Rollout Date: March 8, 2024

Program information current as of training date above. Please see the Citi Guidelines in AllRegs (contact Genius Bar for access, if needed) or contact scenarios@princetonmortgage.com with any questions.

Who is eligible to participate at PMC



-
- All PMC Loan Officers originating loans in a Citibank assessment area* where PMC is also licensed!

*Later slide in this presentation shows the current assessment area.

Why and How to Use this Program— Key Selling Points

Homeownership: This is a flexible, low down payment program for low to moderate income borrowers purchasing a property within the Citibank N.A. assessment area.

- It offers as little as 1% borrower contribution towards the purchase of a primary home.
- **No Mortgage Insurance applies!**

How does it work:

For all practical purposes, it is a conforming conventional loan. This is a non-delegated program, so PMC will disclose and pre-underwrite the loan. Assuming the loan is eligible to be approved subject to investor approval, then the file will be sent to Citi for their review and approval. Note that all Citi conditions and PMC conditions must be cleared prior to the loan closing.

Maximum Loan Amount:

Base conforming loan amounts only. High balance and agency jumbo loan amounts are not eligible.

Key Highlights

Understanding the Parameters

Conforming Loan Amounts – Single Family and PUDs						
Property Type	Min. FICO	Maximum LTV / CLTV	Minimum Borrower Contribution	Reserves	Maximum Housing Ratio	Maximum Total Debt Ratio
1-unit, incl PUDs	700	97% / 105%	1%	1-month	43%	43%
1-unit, incl PUDs	640	97% / 105%	1%	2-months	38%	41% ¹
Condo	700	97% / 105%	1%	2-months	43%	43%
Condo	660	97% / 105%	1%	2-months	38%	41% ¹
2-unit	700	89.99% / 100%	5%	6-months ²	38%	43%

¹ Back-end ratio permitted up to 43% provided the housing payment does not increase and borrower has demonstrated the ability to handle credit; OR if the borrower's FICO score ≥ 680 .

² 2-unit – Only 2-months reserves required if rental income is not used to qualify.

Borrower Payment Scenario

Understanding the Parameters

Loan Assumptions

Single-Family Purchase, Primary Residence, Best Efforts Lock- 30 Day RCO, with escrows, based on 4/21/23 pricing

Loan Amount: \$500,000 (\$508,750 FHA)

Conv. BPMI: 0.79

Term: 360 Months

FHA Annual MIP Rate: 0.55%

FICO: 700

FHA Upfront MIP Rate: 1.75%

LTV: 97%

MSA/County: Los Angeles

	Citi HomeRun	HomeReady / Home Possible Standard MI	FHA
Note Rate	6.500%	6.625%	6.500%
Principal & Interest	\$3,160.34	\$3,201.55	\$3,215.64
Monthly MI	\$0.00	\$329.17	\$229.17
Total Monthly	\$3,160.34	\$3,530.72	\$3,444.81
Increase in monthly payment vs. HomeRun	N/A	\$370.38	\$284.47
Base Price	101.362	102.218	103.25
LLPAs			
FICO / LTV	0.000	0.000	0.000
State Adj	0.000	-0.050	0.000
CRA	0.500	1.000	0.000
HomeRun Adjuster	1.250	0.000	0.000
Net	103.112	103.168	103.250

Key Parameters

Underwriting Parameters

CRA Eligibility: (Loan Officer can check within Optimal Blue)

- It must meet the CRA Eligibility Requirement of the subject property being located within a Citibank assessment area.
- The subject property must either be located in a Low-to-Moderate Income census tract for the Metropolitan Statistical Area (MSA) as indicated by the Citi systems (Optimal Blue will capture) (in which case there is no income limitation), OR the total borrower income must be less than 80% of the Median Family Income (MFI) for the Metropolitan Statistical Area (MSA).

Underwriting:

- Underwriting Type: Manual Underwrite.
- Documentation Type: Traditional manual underwrite—full documentation, including verification of current housing.
- Citi's full approval is required including clearance of all conditions prior to closing.

Property Type:

- 1-unit, including condos and PUDs
- 2-units

Key Parameters

Underwriting Parameters

Occupancy:

- Primary residence only.

Borrower Eligibility:

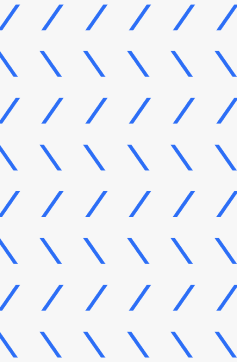
- All borrowers must occupy the property, regardless of LTV.

Property Ownership:

- All borrowers and non-applicant spouses/fiance/fiancée/or domestic partner of a borrower—may not own nor have an ownership interest in any other residential property as of the loan closing date. (See Citi guides for exceptions regarding situations like a displaced homemaker or a single parent who had an ownership interest in a primary residence.)

Appraisal:

- A full interior/exterior appraisal is required (no Property Inspection Waivers).



Key Parameters

Underwriting Parameters

Homeownership Education:

- All borrowers must participate in a homeownership education program meeting Citi requirements prior to closing unless waiver requirements are met.

Condo Project Approval:

- Condo projects must be reviewed and approved by Citi. Limited condo reviews are permitted provided it meets Citi guidelines.

Escrows:

- Cannot be waived, per Citi requirements.

Temporary Buydowns:

- Not permitted by Citi.

Higher Priced Mortgage Loans:

- Not permitted by Citi.

Key Parameters

Underwriting Parameters

Student Loans:

- Repayment of all student loans—including deferred accounts—must be included in the debt-to-income ratio. The monthly payment should be calculated using 1% of the outstanding loan balance OR the actual documented payment (via the credit report, verification from the student loan lender, or satisfactory documentation supplied by the borrower).

Deferred Installment Debt:

- The payment amount that will be required once the deferment or forbearance period has ended must always be included as part of the borrower's debt-to-income ratio. If the credit report does not indicate a monthly payment at the end of the deferment period, then satisfactory documentation per Citi guidelines must be provided—otherwise the monthly payment must be calculated at 1% of the outstanding balance due.

Verification of Current Housing:

- Cannot be waived. The minimum number of months of housing that must be verified is 6. If the borrower is living rent-free, the borrower must meet the Citi waiver criteria and provide a signed and dated written explanation as to why the housing history cannot be verified.

VA Residual Income Test:

- A satisfactory VA residual income test must be used and documented in the file for any transactions in which the FICO score is less than or equal to 700, the ratios exceed 31/38 and the borrower is unable to verify rent for the most recent 6 months. The residual income must be 120% or greater than the VA requirements—no exceptions.

Key Parameters

Underwriting Parameters

2-units:

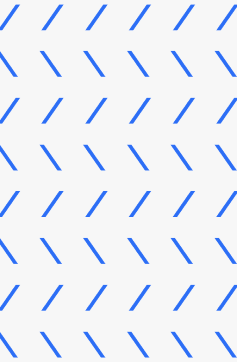
- A borrower purchasing a 2-unit property must also participate in a landlord education program meeting Citi's requirements prior to closing.

2-units:

- The FNMA 1007 or 1025, as applicable, is required on all 2-unit properties—regardless of whether the income is needed to qualify.

Subordinate Financing:

- Only subordinate financing provided by a Citi-approved Community Second is permitted. Non-community seconds are not permitted.



Program Codes

- Note that PMC is currently offering the Fixed 15 & 30 terms on this program.
- Choosing the correct program at the outset is essential so that the automated conditions associated with the program will populate.



PROGRAM CODES

Citi HomeRun Non-Del Fix15
Citi HomeRun Non-Del Fix30

Locking the Loan

Understanding the Process

- In Optimal Blue, you will lock the first trust as a Citi HomeRun Loan. If there is secondary financing as well, in Optimal Blue (OB) on the first mortgage as “Yes” under Community/Aff Second and make sure the CLTV matches Encompass—see OB snapshot below:

Loan Information

• Price/Estimated Value	• Appraisal Amount	Loan Purpose
<input type="text" value="225000"/>	<input type="text" value="225000"/>	<input type="text" value="Purchase"/>
• LTV	CLTV New	HCLTV
<input type="text" value="95.00"/>	<input type="text" value="99.44"/>	<input type="text"/>
Waive Escrows	Com/Aff Second	
<input type="text" value="No"/>	<input type="text" value="Yes"/>	

DPA--Locking the Loan

Understanding the Process

- Responsibility for locking the 1st mortgage loan: Loan Officer through Optimal Blue.
- The 1st mortgage will be sold on the secondary market.

- Refer to the Lock Desk Policies in the PMC Policy and Procedure Handbook for information on lock desk timeframes/service level agreements.

Where is Citi's Geographic Footprint?

As of 2024-03-08—the below chart applies. Please see the most current information in [Allregs/Investor Guidelines/Citi/Program Descriptions/Sections 290 & 290.1 Citi HomeRun](#).

Citibank Assessment Areas

Some Community Lending programs are only available to borrowers located in a Citibank Assessment Area as shown in this Exhibit. Citibank, N. A., which is regulated by the OCC, is subject to Bank Regulatory income limits *not* Agency income limits. Because there are differences between the two in income limits by state and county, it is important to note that the income reported in this matrix reflects Bank Regulatory income limits.

Refer to Section 302 of the Correspondent Manual for detailed information regarding any potential pricing enhancements that may be based on the following Assessment Areas.

County	Metropolitan Area (MSA/MD)	MSA	ST/CTY	2023 MEDIAN FAMILY INCOME (MFI)		
				80%	100%	120%
CALIFORNIA						
Alameda	Oakland-Berkeley-Livermore	36084	06/001	\$118,320	\$147,900	\$177,480
Contra Costa			06/013			
Fresno	Fresno	23420	06/019	\$63,520	\$79,400	\$95,280
Los Angeles	Los Angeles-Long Beach-Glendale	31084	06/037	\$78,560	\$98,200	\$117,840
Kern	Bakersfield	12540	06/029	\$58,080	\$72,600	\$87,120
Kings	Hanford-Corcoran	25260	06/031	\$58,080	\$72,600	\$87,120
Marin	San Rafael	42034	06/041	\$148,320	\$185,400	\$222,480
San Francisco	San Francisco-San Mateo-Redwood City	41884	06/075	\$138,560	\$173,200	\$207,840
San Mateo			06/081			
Merced	Merced	32900	06/047	\$53,920	\$67,400	\$80,880
Orange	Anaheim-Santa Ana-Irvine	11244	06/059	\$102,240	\$127,800	\$153,360
Sacramento	Sacramento-Roseville-Folsom	40900	06/067	\$91,120	\$113,900	\$136,680
Riverside	Riverside-San Bernardino-Ontario	40140	06/065	\$75,600	\$94,500	\$113,400
San Bernardino			06/071			
San Diego	San Diego-Chula Vista-Carlsbad	41740	06/073	\$93,440	\$116,800	\$140,160
Santa Clara	San Jose-Sunnyvale-Santa Clara	41940	06/085	\$143,040	\$178,800	\$214,560
Santa Cruz	Santa Cruz-Watsonville	42100	06/087	\$106,240	\$132,800	\$159,360
San Joaquin	Stockton	44700	06/077	\$80,240	\$100,300	\$120,360
Stanislaus	Modesto	33700	06/099	\$74,080	\$92,600	\$111,120
Ventura	Oxnard-Thousand Oaks-Ventura	37100	06/111	\$98,800	\$123,500	\$148,200

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Citibank Assessment Areas

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County	Metropolitan Area (MSA/MD)	MSA	ST/CTY	2023 MEDIAN FAMILY INCOME (MFI)		
				80%	100%	120%
CONNECTICUT						
Fairfield	Bridgeport-Stamford-Norwalk	14860	09/001	\$114,240	\$142,800	\$171,360
FLORIDA						
Broward	Fort Lauderdale-Pompano Beach-Sunrise	22744	12/011	\$70,800	\$88,500	\$106,200
Miami - Dade	Miami-Miami Beach-Kendall	33124	12/086	\$59,760	\$74,700	\$89,640
Duval	Jacksonville, FL	27260	12/031	\$74,480	\$93,100	\$111,720
Palm Beach	West Palm Beach-Boca Raton-Boynton Beach	48424	12/099	\$78,640	\$98,300	\$117,960
ILLINOIS						
Cook	Chicago-Naperville-Evanston	16984	17/031	\$87,840	\$109,800	\$131,760
Du Page			17/043			
McHenry			17/111			
Will			17/197			
Kane	Elgin	20994	17/089	\$90,800	\$113,500	\$136,200
Lake	Lake County-Kenosha County, IL-WI	29404	17/097	\$99,680	\$124,600	\$149,520
Maryland						
Montgomery	Frederick-Gaithersburg-Rockville	23224	24/031	\$121,120	\$151,400	\$181,680
Prince George's	Washington-Arlington-Alexandria, DC-MD-VA-WV	47894	24/033	\$120,080	\$150,100	\$180,120

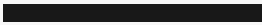
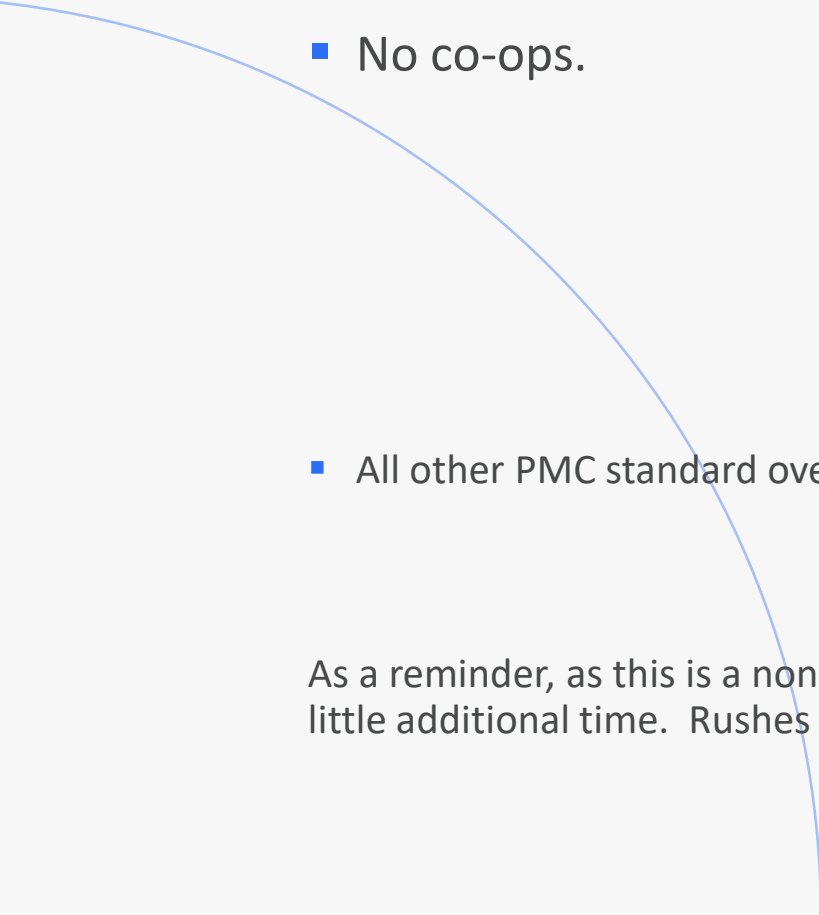
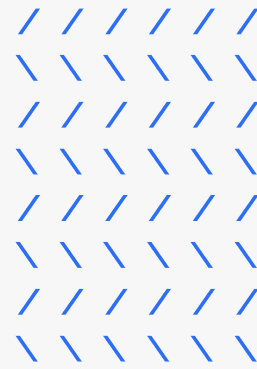
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County	Metropolitan Area (MSA/MD)	MSA	ST/CTY	2023 MEDIAN FAMILY INCOME (MFI)		
				80%	100%	120%
NEW JERSEY						
Bergen	New York-Jersey City-White Plains, NY-NJ	35614	34/003	\$79,440	\$99,300	\$119,160
Hudson			34/017			
Passaic			34/031			
Essex	Newark NJ-PA	35084	34/013	\$100,880	\$126,100	\$151,320
VIRGINIA						
Arlington	Washington-Arlington-Alexandria, DC-MD-VA-WV	47894	51/013	\$120,080	\$150,100	\$180,120
Alexandria City			51/510			
Fairfax			51/059			
Fairfax City			51/600			
Falls Church City			51/610			
WASHINGTON D.C.						
D.C.	Washington-Arlington-Alexandria, DC-MD-VA-WV	47894	11/001	\$120,080	\$150,100	\$180,120

PMC Overlays

Understanding the Limits

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- No non-traditional credit.
 - No co-ops.
 - All other PMC standard overlays apply per the PMC Policies and Procedures Handbook.

As a reminder, as this is a non-delegated product, setting proper expectations is essential as these loans will take a little additional time. Rushes do not apply as this is a non-delegated product.

Questions/Scenarios

Where to Go for Help

- For any questions, PMC sales should email scenarios@princetonmortgage.com .
PMC needs visibility for any scenarios, and this also allows us to ascertain if there are additional training or resource needs.)
- Remember that for TBD files, we recommend utilizing the TBD process and submitting to underwriting for review.
- Resources:
 - PMC Hub—Policies, Procedures, and Products Tab to locate this presentation and product information.
 - AllRegs—for the most current Citi guidelines (Genius Bar can provide access, if needed).

Ops Responsibilities

Disclosure, Opening, & Appraisal Teams

The **Disclosure Desk** is responsible for disclosing the 1st mortgage using the normal templates. Loan must comply with all ATR/QM requirements. Neither Rebuttable Presumption nor HPML are permitted.



Ops Responsibilities

Disclosure, Opening, & Appraisal Teams

Opening follow standard procedures

Appraisal Desk—follow standard procedures, noting that a full appraisal is always required (no PIWs).

If the subject property is a 2-unit, a FNMA 1007 or 1025 Form, as applicable, is required (regardless of whether the income is needed to qualify).



Ops Responsibilities

Secondary Marketing

- 1** Receive in lock registration requests via Optimal Blue. Locks can only be done on real property transactions with sales contracts (no TBDs).
- 2** Lock the 1st mortgage loan following the normal procedures.



Ops Responsibilities

Processing Team

Series1

10/1

1

The Processor follows the standard loan processing flow, being mindful that if Homebuyer Education/Counseling is required, the applicable certificate must be received and satisfactorily reviewed by underwriting prior to closing. If the subject property is a 2-unit, landlord education is also required.

2

As this is a manually underwritten product, traditional documentation requirements apply, including verification of current housing.

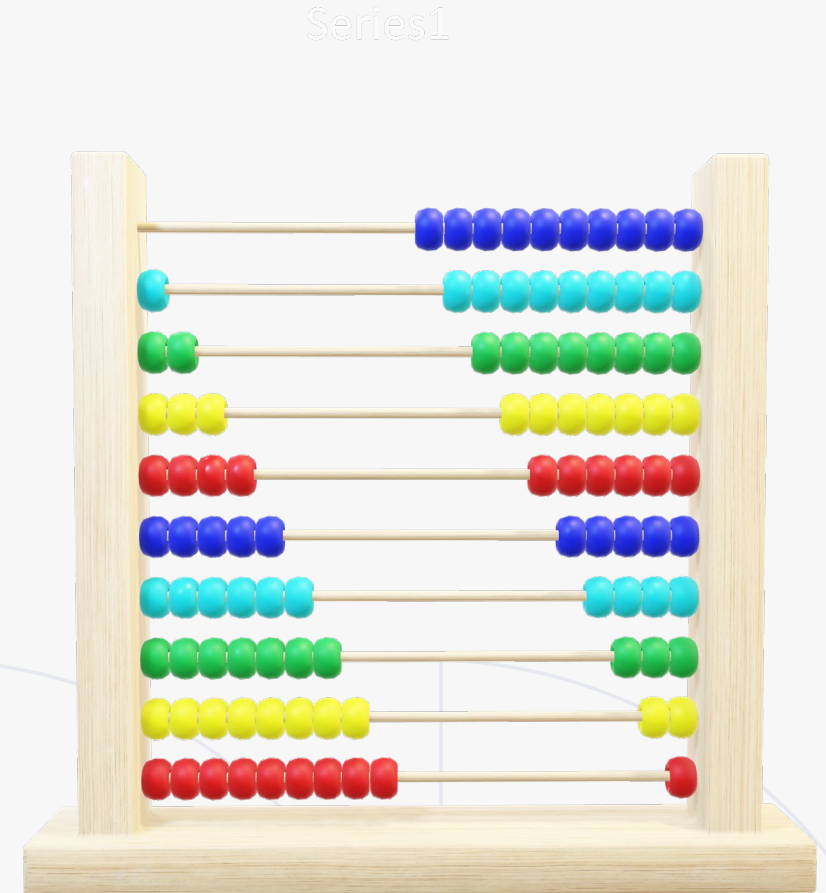


Ops Responsibilities

Underwriting Team

- 1** The loans follow the standard non-delegated pre-underwriting process.
- 2** If the loan is able to be approved subject to the investor approval, the file underwriter should complete the Citi UW Submission checklist and submit the file to Citi for the investor's initial underwrite.
- 3** Note that the turn-times can be up to 5 business days for new underwrites and up to 3 business days for conditions.

ALL of the Citi required conditions and PMC conditions must be cleared prior to the PMC Final Approval being issued—no exceptions.



Ops Responsibilities

Closing/Funding Team



- 1** The Closing Team is responsible for issuing the initial and final Closing Disclosures using the normal templates. Loan must comply with all ATR/QM requirements. Neither Rebuttable Presumption nor HPML are permitted.
- 2** Max interested party contributions are 3% if the CLTV is greater than 90%. Max interested party contributions are 6% if the CLTV is less than or equal to 90%. Interested party contributions may only be used for closing costs and prepaids; they may not be used to fund the down payment.
- 3** Escrow may NOT be waived (Citi requirement).

Ops Responsibilities

Closing/Funding Team

- 4 Borrower Contribution:** 1% of the appraised value or purchase price—whichever is less—is required from the borrower's own funds to be used towards the down payment. For 2-unit properties, 5% of the appraised value or purchase price—whichever is less—is required from the borrower's own funds to be used towards the down payment.



Ops Responsibilities

Post-Closing Team

- 1 Post Closing follows standard delivery procedures.



For Operations Personnel: Citi Contact

To find out if a condo project or subordinate community second is Citi-approved

Please email Belinda.Goedde@citi.com to inquire regarding the above.







Thank you!