



MPF REFERENCE GUIDE: HIGH-BALANCE MORTGAGE LOANS



Participating members originating loans in high-cost areas find the Mortgage Partnership Finance® (MPF®) Program especially beneficial since there are no loan level price adjustments. 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 \$510,400 and the high-cost area limit is \$765,600 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 \$765,600 and the LTV/TLTV is $>$ 80%; or
 - Property value is \geq \$1,000,000 and the LTV/TLTV is $>$ 75%;

See Selling Guide Chapter 7.2.6 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, 2020 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	\$765,600	\$980,325	\$1,184,925	\$1,472,550
	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	\$765,600	\$980,325	\$1,184,925	\$1,472,550
	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 Program are as follows (the TLTV limit includes loans with any HELOC secondary financing. See Selling Guide Chapters 2.4.1 and 11.1.2 for details):

TERMS OF 30 YEARS OR LESS - MANUAL UNDERWRITING				
PROPERTY TYPE	MAX. LTV WITHOUT SECONDARY FIN.	MAX. LTV WITH SECONDARY FIN.	MAX. TLTV WITH SECONDARY FIN.	MINIMUM PRIMARY CREDIT SCORE
PURCHASE, RATE & TERM REFINANCE AND LIMITED CASH-OUT REFINANCE				
1 Unit Primary Residence Loan Amount ≤ \$765,600 <i>All Purchase Transactions OR Rate & Term and Limited Cash-Out Transactions</i>	90%	90%	90%	700 > 75% LTV or TLTV 660 ≤ 75% LTV and TLTV
1 Unit Primary Residence Loan Amount > \$765,600 <i>Rate & Term and Limited Cash-Out Transactions</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 Loan Amount ≤ \$765,600 <i>Primary Residence only</i>	90%	Secondary financing not permitted	Secondary financing not permitted	700 > 75% LTV or TLTV 660 ≤ 75% LTV and TLTV
Manufactured Housing Loan Amount > \$765,600 <i>Primary Residence only</i>	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 (<i>Primary Residence only</i>)	60%	Secondary financing not permitted	Secondary financing not permitted	740

For more information, contact an MPF representative at (212) 441-6700.

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