

# Expanded Approval™ with Timely Payment Rewards® (EA/TPR™)

For Informational and Educational Purposes Only

Expanded Approval with Timely Payment Rewards is an option within Fannie Mae's automated underwriting system that allows lenders to take a more comprehensive look at borrowers' overall creditworthiness. As a result, you may be able to receive conventional financing, even if you have been unable to do so in the past.

An Expanded Approval mortgage may help you buy the home you need—and want—at a competitive interest rate, even if you have less-than-perfect credit, past credit problems, or minimal funds for a down payment or closing costs.

The Timely Payment Rewards feature provides you with the opportunity to reduce your interest rate by up to one percent if you make timely payments on your Expanded Approval mortgage for a specified period.

## Loan Features

- Loan amounts up to 100 percent of the purchase price.
- You must make a minimum contribution toward down payment and/or closing costs of at least \$500 from your own funds, or 3 percent of the loan amount, which can come from flexible sources of funds. Allowable sources include gifts, grants, or unsecured loans from relatives, employers, public agencies, or nonprofit organizations.
- Expanded Approval applies to standard fixed-rate loans, such as 30-year, and 5/1, and 7/1 ARMs (ARMs are not eligible for the Timely Payment Rewards rate reduction feature).

## Considerations

- Timely Payment Rewards feature offers you the potential of reducing your monthly mortgage payments without refinancing.
- Fast loan approvals and streamlined documentation.
- No prepayment penalty.

## Example

Here is a hypothetical example:

- \$100,000 purchase price
- 3% down payment
- 1% origination fee (including prepaid interest and mortgage insurance)
- 30 year fixed rate
- 8% interest rate
- 8.109% APR

The interest rate and APR shown are examples only and are not intended to represent actually available terms.