Program Updates and Reminders

The First Look Program continues to be an important contributor in the mission to stabilize neighborhoods. The following information will assist with your understanding and support of this initiative. Properties within the First Look Marketing Period will have a countdown clock on the property details page on HomePath.com. The presence of the countdown clock indicates the period of time reserved for negotiations with eligible buyers. The initial First Look Marketing Period is 20 days, except Nevada where it is 30 days.

Eligible Buyers
Refer to the separate Buyer Eligibility Chart to identify eligible buyer types and the required documentation.

**Owner Occupants**
*(Indicated by the response to Section 4 of Real Estate Purchase Addendum)*
- Intend to occupy the dwelling on the property as their primary residence within 60 days of closing and maintain their occupancy for 1 year.
- Must sign the Owner Occupant Certification form, regardless of First Look status or financing type, before you can enter their offer into Equator. You must indicate receipt of the signed certification in the offer comments.
- Are considered investors if purchasing a Second Home (used by the buyer occasionally such as a vacation property) and are not eligible as an Owner Occupant buyer type.
- If using Public Funds, the offer will be negotiated by the Public Entity (PE) Sales Team.

Eligible Investors
- Offers will be negotiated by the PE Sales Team.
- Enter the correct Public Funds code so the offers can be identified by PE Sales Team and note the source of public funds being used in the offer comments or nonprofit status.

Time Frames
- The countdown clock begins the day after listing by Fannie Mae. The appearance of the clock is not tied to MLS but it is your responsibility to place the listing in MLS within 1 day of receipt.
- There is no feed from the Fannie Mae system to HomePath® on Sunday night, therefore if a property is listed by Fannie Mae on Sunday, day 1 does not begin until Tuesday, 2 days later. Thereafter, HomePath® countdown clock counts all days, regardless of holidays or weekends.
- Properties are not eligible for negotiation, regardless of buyer eligibility within First Look during the first 3 days on HomePath®. Look for the countdown clock to display 17 days (27 in Nevada) remaining for the first day your Sales Representative can enter into negotiations with eligible buyers. Do not hold complete offers. Submit as received provided all required elements for submission are present. Offers submitted earlier than the 3 days will be rejected.
- If a sale falls through and you receive another offer, which you submit the same day, the HomePath.com clock will still show “Under Contract” until the site is updated with the next nightly feed. The Sales Representative may reject the offer in order to confirm the First Look status on HomePath.com the following day. This also allows time to return the property to MLS which may yield additional interest.

Initial and Subsequent First Look Marketing Periods
- Properties placed under contract during the initial First Look Marketing Period that later fall through will have a 10 day (15 in Nevada) subsequent First Look Marketing Period
- Properties that become unavailable, (due to a major title issue or repairs, etc.) during the initial First Look Marketing Period will begin a full First Look Marketing Period of 20 days upon re-entering Listed Status, except Nevada where it is 30 days. Similarly, properties that go into Do Not Market or Unlisted status during a subsequent First Look Marketing Period will begin a restart of 10 days (15 in Nevada), upon re-entering Available status.

**NOTE:** If the First Look Marketing Period(s) completed or two fall-throughs occurred (on different days), there is no repeat of the First Look Marketing Period if the status changes.

Exceptions
There are only three exceptions where a property can be excluded from going through the First Look Marketing Period:
- The property has been selected for disposition through the Public Entity REO Sales channel.
  - Property is selected as part of a pool sale to a public entity or designated partner.
  - Buyer is purchasing property as part of a larger neighborhood stabilization strategy and thus, may get consideration over other interested parties.
- The property is tenant occupied. Exception applies for tenant or investor purchase.
- HECM properties are excluded from First Look but owner occupants must still execute the OOC.

Check the HomePath® Clock!
Owner Occupant Considerations

Questions you may ask to find out an Owner Occupant buyer’s motivation for purchase:

- What additional properties does the buyer own? What is the proximity and value to the subject property?
- Is this a move up or move down (empty nester)?
- Does the buyer currently own or rent their current home?
- Does the buyer’s pre-qualification letter indicate the buyer is receiving terms for a principal residence purchase? A pre-qualification letter is not required for submission but may be required for further negotiations.
- Can any required repairs be reasonably performed within 60 days of closing to allow occupancy and buyer’s capacity to accomplish the work.

In a co-purchaser situation, as long as one buyer is occupying, then the sale is eligible as an owner occupant sale. The occupying buyer must sign the Owner Occupant Certification form and all buyers must be on the contract, mortgage (if applicable) and deed. The non-occupying buyer may be an individual or a company. As a general rule, at least one buyer name must be human to be considered an Owner Occupant. If only an entity name shows as the buyer (such as an LLC or Inc), then Fannie Mae will consider it an investor deal. An exception to this rule is a trust established on behalf of an individual who will reside in the home. In that situation, as long as the signor for the trust is willing to execute the Owner Occupant Certification, we will consider it an owner occupant deal.

Note: Owning another property does not automatically make a buyer an investor

Reminders

- Ineligible buyers are not permitted to participate in the Multiple Offer Process with an eligible buyer during First Look. Submit those offers and do not flag as multiple offers. Your Sales Representative will reject any ineligible offers. Remaining eligible offers may start the multiple offer process or a sole offer should be submitted for negotiation. The PE Sales Team reviews all MOP offers prior to negotiation where one or more of the buyers is using public funds or is a non-profit prior.

- Offer comments should include: First Look clock status, buyer type details (licensed real estate agent owner occupant, Multi-purchase owner occupant, or Vendor owner occupant, if applicable), source of public funds (if applicable) and details about other properties owned and buyer’s motivation for purchase- failure to include may delay a response by the Sales Representative.

- Do not hold offers for submission after expiration of First Look. If ineligible, your Sales Representative will reject and you may invite resubmission upon expiration of First Look.

- Following closing, any request for hardship waivers by buyers unable to complete the occupancy requirements must be directed to fanniemae_firstlook@fanniemae.com.

If there are additional questions about the First Look status or buyer eligibility, contact your Fannie Mae Sales Representative immediately.

If you have questions about offers using public funds, you may contact reo_publicentity_offers@fanniemae.com and copy your Sales Representative.

Check the HomePath® Clock!

PROPERTY FEATURES

FirstLook

> 17 days left
# Buyer Eligibility Chart

<table>
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<th>Buyer Type</th>
<th>Definition</th>
<th>Example</th>
<th>Required Certification</th>
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<tr>
<td>Owner Occupant</td>
<td>Buyer who intends to occupy a property as a primary residence. This includes licensed real estate agents, vendors and multi-purchasers if they will be using the home as their primary residence. Buyers purchasing for use as a second (vacation/partial use) home would be classified as an investor and therefore would be ineligible during First Look. Buyers purchasing in the name of a company cannot be considered an owner occupant.</td>
<td>John Smith, Jane Doe</td>
<td>Buyer and selling agent are required to execute the Owner Occupant Certification form. The buyer will occupy the property within 60 days and maintain it as a primary residence for at least 12 months. The Certification is required for any owner occupant buyers, regardless of First Look status, prior to offer presentation and negotiation. The listing agent is also required to sign a disclosure indicating that they have the duty to report any knowledge of misrepresentation.</td>
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<tr>
<td>Tenant or Investor Purchasing Tenant Occupied Property</td>
<td>Buyer who is a tenant with a lease in place with a Fannie Mae property management company and intends to occupy the property as their primary residence. The tenant must be the actual purchaser.</td>
<td>John Smith, Jane Doe, any investor or entity</td>
<td>Tenants require same Certification as Owner. Tenant occupied properties are exempt from First Look.</td>
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<tr>
<td>Public Entity (Buyer type - investor or multi-purchaser)</td>
<td>A local, municipal or state government agency.</td>
<td>City of Chicago, Miami Housing Authority, Massachusetts Housing Finance Agency, Fulton County Land Bank</td>
<td>Letter on government letterhead, maintaining that person is an employee of the respective entity and is purchasing properties as an agent thereof.</td>
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<tr>
<td>Non-Profit (Buyer type - investor or multi-purchaser)</td>
<td>A recognized 501(c)(3) organization - charitable trust, community development corporations (CDCs), volunteer organizations, etc.</td>
<td>Habitat for Humanity, Tampa Bay Community Development Corporation, Trinity Church</td>
<td>Document showing 501(c)(3) status. Public Entity REO Sales Team reviews all offers from non-profit buyers to confirm eligibility. Although, not all non-profits use public funds, the public funds usage section of the offer should be flagged as “other entity using public funds” to ensure review by the PE Team. If the PE Team determines the non-profit is not an eligible non-profit, they will change the usage to “buyer not using public funds” and reject. The offer may be resubmitted upon expiration of First Look.</td>
</tr>
<tr>
<td>For-Profit Using Public Funds (Buyer type - investor or multi-purchaser)</td>
<td>A for-profit developer working as a recipient or administrator of public funds, which includes funds from a government agency, foundation funds, leveraged private financial institution and/or consortium funds.</td>
<td>Housing Investments, LLC; Habitat Construction</td>
<td>Letter from public funding agency, authorizing the entity to purchase properties on its behalf.</td>
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</tbody>
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