

**SUPER JUMBO
300 SERIES**

**AA Fixed & ARM (Temporarily Suspended as of 8/11/17)
BB Fixed and Fixed High Reserve (Temporarily Suspended)**

**** DU is required on all loans ****

Approve Eligible, or Approve Ineligible for loan amount only

Product Description	300 Series Super Jumbo, Wholesale and Retail, Fixed & ARM. ARM not offered on BB Product
Program Numbers	324 = 15 yr fixed 326 = 30 yr fixed 328 = 5/1 ARM 329 = 7/1 ARM 320 = 10/1 ARM 324HR = 15 Yr fixed High Reserve 326HR = 30 yr fixed High Reserve
Non-Arms Length	Not allowed
ARM ADJUSTMENTS	(if applicable) On AA program only
Index	1 Year Libor
Margin	2.25% w/ 2/2/5 Caps 2.50% all others
Annual Adjust. Cap	2%
Lifetime Cap	5.00%
Floor Rate	2.25% or 2.50%
First Adjust. Cap	2% or 5% on 5/1 ARM. 5% on 7 and 10/1 ARMs
Temporary Buydown	Not Permitted
Prepayment Penalty	Not Permitted
Qualifying Rate	Fixed Rate = Note Rate 5/1 ARM = Greater of fully indexed rate, or Note rate plus 2% on 2/2/5 Caps, Note rate plus 5% on 5/2/5 Caps. 7/1 and 10/1 ARM = Greater of fully indexed rate, or Note rate
Max Debt Ratio	<u>AA Product</u> - 40% - 43% - see LTV matrix on following pages. <u>BB Fixed rate product</u> - 40% for Primary > 80% LTV, 2 nd home c/o, and inv prop; 43% all others. <u>BB High Reserve</u> - 40% if credit score < 680, otherwise 43%.
Payment Shock	AA: not applicable. BB: Max for 1 st Time Homebuyer 200%, max for all others is 250%.
Types of Financing	Purchase, Rate Term Refinance, Cash Out Refinance (Delayed Refi not permitted)
Max Loan Amount	\$2,000,000
Min Loan Amount	AA: \$1 over the max high balance loan amount for the subject county. BB: \$1 over the max conforming loan amount.
Eligible Property Type	1-4 Unit, PUD, Condo - FULL review required on condo & investor approval required by Condo Team.
Eligible Borrowers	U.S. Citizens and Permanent Resident Aliens. (Perm Res Aliens must be employed in U.S. for min 24 months)
Mortgage Insurance	Not Applicable
Employment	Must be employed in the U.S. for the past 24 months.
Appraisal	<u>O/O & 2nd Home</u> : Full URAR ordered through any approved AMC is required. Loan amounts > \$1m on AA, > \$1.5m on BB, require 2 full URARs. Collateral Desktop Analysis (CDA) ordered through Clear Capital is required appraisals, except on 2-4 unit on AA requires Field Review. <u>Investment Property</u> : (not allowed on AA) Full URAR ordered through any approved AMC is required, along with Interior BPO, and Value Reconciliation Report (VRR). CDA is not required.

Value Determination	<p>AA: Rate/Term Refinance; use current appraised value. C/O Refi; If owned less than 12 months, use the lesser of original purchase price or appraised value.</p> <p>BB: R/T or C/O Refi; If owned less than 12 months, use the lesser of original purchase price or appraised value.</p>
Property Restrictions	>10 & <20 acres must be typical, may not be income producing and max land to value ratio 35%
Delegated	Delegated to \$1,000,000
Impounds	Not required
Max Cash	see LTV grid
Credits/Concessions	BB Fixed and High Reserve: 6% LTV/CLTV \leq 75%, 3% LTV/CLTV $>$ 75% . AA 6%
2 nd Home	Units are not allowed.
Investment Property	Allowed on BB Fixed only.
Document Expirations	Credit, Income, Assets, Title = 90 days Appraisal = 120 days
Minimum Credit Score	680-760 dependent upon program, loan amount, LTV, etc – see LTV/CLTV section on following page(s)
Minimum Housing Payment History	Most recent 24 months housing payment history is required. AA: No late payments allowed in past 12 months, 1 allowed in most recent 13-24 months. BB: No late payments allowed $>$ / = 30 days in past 24 months. If borrower is living rent free, they are not eligible for this program.
First Time Homebuyer	AA: Allowed on primary residence, purchase transaction only. BB Fixed: Allowed on primary residence, purchase transaction only. Not allowed on BB Fixed High Reserve.
Credit	<p>Auth User accounts may not be used to satisfy minimum requirement. All borrowers whose income is used to qualify must meet minimum trade requirements.</p> <p>AA: Disputed accounts may not be used to satisfy the tradeline requirements. A minimum of 3 tradelines with a 12 month history is required regardless of whether the account is open or closed . A minimum of 3 open trade lines for borrowers who do not have a previous mortgage history . If unable to meet the minimum 3 open trade line requirements, credit may be acceptable if all of the following are met: The borrower has a prior mortgage history reviewed for at least 12 months: The borrower exhibits significant credit depth and favorable performance. All borrowers must meet the trade line requirements . All borrowers must demonstrate a 24 month housing payment history 0x30 in the last 12 months, 1x30 in the last 13 – 24 months, 0x60 in last 24 months. Revolving Debt 2 x 30 in last 12 months. Installment Debt 1 x 30 in last 12 months</p> <p>Significant Derogatory Credit Minimum 7 years since discharge or dismissal of the following: Bankruptcy Foreclosure Modification of Distressed Loan Preforeclosure Short sale, deed-in-lieu Collection or charge-off accounts do not have to be paid off if There is no material effect on priority of new lien and Does not exceed \$5,000 as a single item or in aggregate</p> <p>BB Fixed and High Reserve: Min 3 open trade lines. One must be open and active for 24 months, At least 1 of the 3 open trade lines must be an installment or mortgage. Remaining trade lines must be rated for 12 months. Two open trade lines are acceptable for purchase transactions in which the borrower(s) has a 24 month mortgage history within the past 5 years. If unable to meet the minimum 3 open trade line requirements, credit may be acceptable if all of the following are met. At least 10 trade lines are reporting, one of which must be a mortgage, at least 1 trade line has been reporting for a minimum of 12 months, the borrower has established a credit history of at least 10 years.</p> <p>Significant Derogatory Credit The following are not permitted Bankruptcy Foreclosure Preforeclosure Charge-off mortgage Restructured mortgage Short sale, deed-in-lieu Consumer credit counseling Maximum 1x30 on revolving or non-mortgage installment debt in last 24 months - letter of explanation required. BB Fixed: LTV/CLTV $>$ 80% LTV/CLTV – no adverse credit in the last 36 months BB High Reserve: Credit score $<$680 - 1x30 revolving or non-mortgage installment debt in last 24 months, 2x30 and 1x60 on revolving or non-mortgage installment debt 24 -36 months No collection accounts, charge-offs or judgments in the last 36 months. Borrower letter of explanation required</p>

Debt Payoff/Pay Down	Payoff of installment (except Lease) and/or revolving debt to qualify is allowed. Source of funds is required. Payoff revolving to qualify also requires proof the account is closed, and minimum \$10 payment for each debt paid must be included in debt ratio. Pay down of revolving debt, and/or installment debt to qualify is not allowed.
Reserve Requirement	AA: 9 months to 24 months PITI Reserves required BB: 9 months to 36 months PITI Reserves required See following pages. **BB only - All non-borrowing parties on an account must provide a written statement that borrower has full access to account(s).
All HELOCs	<p>AA: Existing HELOC that will be subordinate to the proposed mortgage: Whether the HELOC is frozen or not, use the monthly payment reflected on the credit report as a liability. If the credit report does not indicate a payment, use the payment from the most recent billing statement. If the payment is not reflected on the credit report and a billing statement is not obtained, use 0.75% of the full line amount. If there is no payment reflected on the credit report but there is a zero balance, no monthly payment is required to be counted in the recurring monthly debt. If HELOC is new, qualify the borrower at 0.75% of the full line amount .</p> <p>Note: HELOCs that have been frozen by the lender, with or without a balance, must still be calculated into the CLTV.</p> <p>If the subordinate financing is a deferred Community Second loan: If repayment of the loan is deferred for five years or more, then the monthly payment should not be included in the monthly housing expense calculation. If repayment is deferred less than five years, then the payment required at the end of the deferral period must be included in the monthly housing expense calculation. If paid off or paid down but not closed: Include existing monthly payment on current outstanding balance in the Debt Ratio, Include the full line amount in the CLTV ratio. If paid off and closed, provide all of the following to exclude the payment from the DTI ratio: Copy of HUD1 specifically naming the debt a being paid off, and Supplemental credit report or direct verification with the creditor supporting the debt is closed, or Closing instructions requiring closure of debt.</p> <p>BB: Heloc on subject; Must be qualified with a payment based on the <u>greater</u> of payment per credit report or statement, or 1% of total line amount whether or not Heloc has a balance. Heloc on other property; If the balance is -0-, no payment is required in qualifying. If there is a balance use payment per credit report.</p>

**AA Super Jumbo Fixed & ARM
Max LTV/CLTV, Max Loan Amount,
Minimum Credit Score, &
Reserve Requirements**

PRIMARY RESIDENCE				
Units	Loan Amount	LTV/CLTV	Minimum Credit Score	Max Debt Ratio
Purchase and Rate Term Refinance				
1-2	1,000,000	80	700	43
	1,500,000	80	720	43
3 - 4	1,000,000	80	700	43
Cash Out Refinance¹				
1-2	1,000,000	75	700	40
	1,500,000	70	720	
3 - 4	1,000,000	75	700	
2nd HOME				
Purchase and Rate Term Refinance				
1	1,000,000	75	700	40
	1,500,000	70	720	
Cash Out Refinance¹				
1	1,000,000	70	700	40

Reserve Requirement²

Loan Amount	PITIA Reserves Required
< / = \$1,000,000	9 months
>\$1,000,000 <\$2,000,000	12 months
\$2,000,000	24 months

¹ Max cash out \$325,000 (includes debt paid with loan proceeds)

² Second Homes – standard reserve requirements plus 2 months PITIA reserves for each additional financed property.

Subject property is 2-4 unit property and rental income from subject property is being used – standard reserve requirements plus 6 months PITIA reserves (regardless of positive or negative cash flow).

Additional reserve requirements when primary current residence is converting to an investment property, second home or pending sale: Departing property with less than 30% documented equity or undocumented equity;

Standard reserve requirements plus 6 months PITIA reserves for the departing property. Departing property with more than 30% documented equity; Standard reserve requirements plus 2 months PITIA reserves for the departing property

BB Super Jumbo Fixed & Fixed High Reserve Max LTV/CLTV, Max Loan Amount, Minimum Credit Score, & Reserve Requirements

Additional Reserve Requirements

- Must have additional 6 months PITIA reserves for each property financed (excluding subject). Reserves calculation based on the PITIA of each financed property

BB Fixed

PRIMARY RESIDENCE					
Units	Max Loan Amount	Max LTV/CLTV and Max C/O on C/O Refi Transactions	Minimum Qualifying Credit Score	# Months Reserves Required	
Purchase					
1-4	1,000,000	85	740	18	
	1,000,000	75	700	12	
	1,500,000	85	740	24	
	1,500,000	80	720	9	
	2,000,000	85	760	36	
	2,000,000	80	740	12	
	2,000,000	75	720	12	
** First Time ** Homebuyer 1-4 Units	1,000,000 ³	80	740	12	
	1,500,000 ⁴	75	720	12	
	2,000,000 ⁵	70	760	18	
Rate/Term Refinance					
1-4	1,000,000	80	720	9	
	1,000,000	75	700	12	
	1,500,000	80	740	9	
	1,500,000	75	720	12	
	2,000,000	70	720	12	
Cash Out Refinance					
		Max LTV	Max C/O		
1 - 4	1,000,000	75	\$250,000	740	9
	1,500,000	65	\$350,000	720	12
	2,000,000	60	\$400,000	720	12
	2,000,000	55	\$500,000	720	18

2 nd Home (Units not allowed)					
Units	Max Loan Amount	Max LTV/CLTV	Minimum Qualifying Credit Score	Reserves Required	
Purchase and Rate/Term Refinance					
1	1,000,000	80	740	12	
	1,500,000	75	720	9	
	2,000,000	65	720	18	
Cash Out Refinance					
		Max LTV	Max C/O		
1	1,000,000	70	\$250,000	740	12

Investment Property				
Units	Max Loan Amount	Max LTV/CLTV	Minimum Qualifying Credit Score	Reserves Required
Purchase and Rate/Term Refinance				
1	1,000,000	70	740	24

Investment properties that generate a negative cash flow are only eligible if the borrower qualifies with the PITIA without the use of rental income

³ max payment shock of 200%, no gifts

⁴ max payment shock of 200%, gifts allowed

⁵ max payment shock of 200%, gifts allowed

High Reserve, Reserve Requirements BB Fixed Rate High Reserve

Minimum 36 months reserves for subject property PLUS 6 months reserves (based on the subject property PITIA) for each additional financed property (excluding the subject)

- A minimum of 50% reserves must be liquid

BB High Reserve Max LTV/CLTV, Max Loan Amount, and Minimum Credit Score Requirements Fixed Rate only

PRIMARY RESIDENCE				
Units	Max Loan Amount	Max LTV/CLTV	Min Credit Score	Max Cash Out
Purchase except First Time Homebuyer				
1-4	1,500,000	80	680	N/A
	1,500,000	70	660	
	2,000,000	80	700	
Rate/Term Refinance				
1-4	1,000,000	80	680	N/A
	1,000,000	70	660	
	1,500,000	80	700	
	2,000,000	75	700	
Cash Out Refinance ⁶				
1-4	2,000,000	50	700	500,000
1-4	2,000,000	45	700	750,000

2 nd HOME				
Units	Max Loan Amount	Max LTV/CLTV	Min Credit Score	Max Cash Out
Purchase & Rate/Term Refinance				
1	2,000,000	50	700	N/A

Cash Out Refinance not allowed

Investment Property not allowed

⁶ Max cash out includes p/o of a HELOC that remains open.