



**AGENCY PRODUCTS
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1-6 Financed Properties, for Fannie Mae and Freddie Mac: Follow standard guidelines for Maximum LTV/CLTV, and Minimum Credit Score. Please see separate guidelines for 7-10 financed properties which are located at the end of each Conforming and High Balance Conforming section. See below for Reserve Requirements

Reserve Requirement FNMA

This is applicable to all FNMA / DU Loans, & is regarding Multiple Finances Properties when subject is a 2nd Home or Investment Property.

The reserve calculation has been redefined for the other financed properties, and will now be determined by applying a specific percentage based on the number of financed properties, to the aggregate of the outstanding unpaid principal balance (UPB) for all mortgages & HELOCs: EXCLUDES PRINCIPAL RESIDENCE and SUBJECT. DU will determine SUBJECT Reserve Requirement.

2% of the aggregate UPB if the borrower has 1 to 4 financed properties

4% of the aggregate UPB if the borrower has 5 to 6 financed properties

6% of the aggregate UPB if the borrower has 7 or more financed properties .

A minimum credit score of 720 is required for borrowers that have 7 to 10 financed properties. Borrowers remain limited to 10 financed properties. Please see separate guidelines for 7-10 financed properties which are located at the end of each Conforming and High Balance Conforming section.

Reserve Requirement FHLMC

1 Unit principal Residence no reserves usually required; follow LP findings

2-4 Unit Principal Residence 6 months PITIA on subject

2nd Home 2 months PITIA on subject and all other financed 2nd home or investment properties

Investment Property LP will determine subject reserve requirement, and 2 months PITIA on all other financed 2nd home or Investment properties

AGENCY CONFORMING

See last page for 7-10 Financed Properties; OK on DU 100, 300, 500, and 800 Series

Product Description	Conventional Conforming Fixed and ARM	
Program Numbers	03 = 10 Year Fixed, 04 = 15 Year Fixed, 05 = 20 Year Fixed, 06 = 30 Year Fixed 54 = 5/1 ARM, 55 = 7/1 ARM, 56 = 10/1 ARM	
ARM ADJUSTMENTS	5/1 ARM¹	7/1 & 10/1 ARM²
Index	1 Year Libor	1 Year Libor
Margin	2.25%	2.25%
Annual Adjust. Cap	2.00%	2.00%
Lifetime Cap	5.00% or 6.00% ³	5.00%
Floor Rate	2.25%	2.25%
First Adjustment Cap	2.00% or 5.00% ⁴	5.00%
Temporary Buydowns	Not Permitted	
Prepayment Penalty	Not Permitted	
Qualifying Rate	Fixed Rate = Note Rate 5/1 ARM = start rate plus 2% 7/1 and 10/1 ARM = The greater of the start rate, or the fully indexed rate.	
Debt Ratio	Evaluated by DU or LP (Approve Eligible or Accept required) Max D/R 50%. 300 series: D/R > 45% must lock on LP.	
2106 Expense/ Unreimbursed Business Expense	Not applicable for income types which do not require cash flow analysis; salary, overtime, bonus, or for borrowers with commissioned income < 25% of their monthly income.	
Types of Financing	Purchase, Rate Term Refinance, Cash Out Refinance	
Maximum Loan Amount	1 Unit = \$453,100 2 Unit = \$580,150 3 Unit = \$701,250 4 Unit = \$871,450 Refer to https://entp.hud.gov/idapp/html/hicostlook.cfm For Alaska and Hawaii	
Minimum Loan Amount	\$150,000 (lower loan amount may be approved case by case with additional price adjustments)	
Eligible Property Types	1 to 4 Unit Properties Fannie /Freddie Eligible Condos ⁵ and PUDs	
Mortgage Insurance	Required when LTV exceeds 80%	
M.I. Types Available	Zero Monthly = Zero upfront, monthly premium paid Single Premium Borrower Paid = can be financed Single Premium Lender Paid = premium is a price adjustment	

¹ 100 Series – ARMs not allowed.

² 100 Series – ARMs not allowed :

³ LIFETIME CAP: 500 series – Freddie Mac Lifetime Cap is 6. (Caps are 2/2/6) (FNMA has lifetime cap of 5)

⁴ FIRST ADJUSTMENT CAP: 300 series offers 2 & 5 for the 1st adj cap, 500 series, 2 & 5 (FHLMC ARM not allowed) 900 Series, FNMA & FHLMC = 2, Series 1000 offers 1st adj cap of 2 only.

⁵ 100 Series and 500 Series require investor approval for all condominiums. Submit all condo documents at one time to Investor's Condo Review Department for approval, PTD. Allow extra time for review.

M.I. Companies	Genworth, ARCH, Essent, Radian, RMIC
M.I. Overlays	Must meet the specific M.I. Company's eligibility requirements
Impounds	Required over 80% LTV (90% in CA) .250% escrow waiver, if applicable M.I. must be impounded, if applicable
Max Cash Out	Purchase = Earnest Money Deposit Rate/Term = Lesser of 2% of the loan amount or \$2,000 Cash Out = No Max.
Credits/Concessions	Primary and 2nd Home: CLTV < / = 75% is 9% CLTV 75.01 – 80% is 6%, CLTV > 80% is 3% Investment Property: All LTV /CLTV are 2%
Investment Property	No gift funds, no rural prop, non-arms length transaction not allowed, may not be vested in a trust. 6 months PITI is always required. 6 mos. rent loss insurance, and 1007 required when using rent income to qualify. When not using rent income to qualify, may use documentation of fair market rent value in lieu of 1007.
Document Expirations	120 Days – Appraisal 90 Days – Prelim 90 Days – All Income, Assets, and Credit
Income / 1040s	When 1040s used to qualify/calculate income: If LP findings call for one year 1040 for self employed, this will be acceptable. 2 years 1040s are required for rental properties to calculate income/loss
Tax Returns & Transcripts	Tax Transcripts are never acceptable in lieu of Tax Returns on 500 series. W-2 Transcripts only are allowed if we are using only W-2s, and not 1040s to qualify.
Appraisal – Additional Requirements	Transferred appraisals are allowed on series 300, 500, and 800. 300 Series: Unpermitted addition may be acceptable. 500 Series: On a purchase when seller is FSBO & subject is owned by seller less than 24 months, or a non-arm's length transaction, or 3-4 unit property, or construction purchase and construction to perm (with LTV > 70%), or an employee loan, Appraisal must be ordered from Investor's AMC, website. If not, an Enhanced Field Review is required, and must be from Investor's AMC, website. Unpermitted addition may be acceptable with minimum one like comparable.

100 AGENCY CONFORMING

ARM is not available on this product

Owner Occupied Purchase and Rate/Term Refinance			
Units	Minimum Credit Score	DU Max LTV/CLTV	LP Max LTV/CLTV
1	620	97/97 ¹	NA
1	620	95/95	95/95
2		85/85	80/80
3-4		75/75	80/80
Owner Occupied Cash Out Refinance			
1	620	80/80	80/80
2-4		75/75	75/75

2 nd Home Purchase and Rate/Term Refinance			
Units	Minimum Credit Score	DU Max LTV/CLTV	LP Max LTV/CLTV
1	620	90/90	85/85
2 nd Home Cash Out Refinance			
1	620	75/75	75/75

Investment Property Purchase			
Units	Minimum Credit Score	DU Max LTV/CLTV	LP Max LTV/CLTV
1	620	85/85	85/85
2-4		75/75	75/75
Investment Property Rate/Term Refinance			
1	620	75/75	85/85
2-4		75/75	75/75
Investment Property Cash Out Refinance			
1	620	75/75	75/75
2-4		70/70	70/70

¹ PURCHASE: At least one borrower must be a first time homebuyer; may not have owned any residential property in the past 3 years and must have a credit score.

RATE TERM REFINANCE: At least one borrower must have a credit score. Existing loan being refinanced must be owned by Fannie Mae.

200 AGENCY CONFORMING¹

Owner Occupied Purchase and Rate/Term Refinance			
Units	Minimum Credit Score	DU Max LTV/CLTV	LP Max LTV/CLTV
1	620	97/97 ²	NA
1	620	95/95	95/95
2		85/85	80/80
3-4		75/75	80/80
Owner Occupied Cash Out Refinance			
1	620	80/80	80/80
2-4		75/75	75/75

2 nd Home Purchase and Rate/Term Refinance			
Units	Minimum Credit Score	DU Max LTV/CLTV	LP Max LTV/CLTV
1	620	90/90	85/85
2 nd Home Cash Out Refinance			
1	620	75/75	75/75

Investment Property Purchase			
Units	Minimum Credit Score	DU Max LTV/CLTV	LP Max LTV/CLTV
1	620	85/85	85/85
2-4		75/75	75/75
Investment Property Rate/Term Refinance			
1	620	75/75	85/85
2-4		75/75	75/75
Investment Property Cash Out Refinance			
1	620	75/75	75/75
2-4		70/70	70/70

¹ Loans requiring mortgage insurance may require a higher minimum credit score, and/or other criteria. Refer to specific M.I. Company guidelines.

² Fixed Rate Only.

PURCHASE: At least one borrower must be a first time homebuyer; may not have owned any residential property in the past 3 years, and must have a credit score.

RATE TERM REFINANCE: At least one borrower must have a credit score. Existing loan must be owned by FNMA

300 AGENCY CONFORMING¹

DU Approve/Eligible				LP Accept			
Units	LTV	CLTV	Credit Score	Units	LTV	CLTV	Credit Score
PRIMARY RESIDENCE Purchase and Rate/Term Refinance							
1	97 ²	97 ²	620	NA	NA	NA	NA
1	95	95	620	1	95	95	620
2	85	85	620	2	80	80	620
3-4	75	75	620	3-4	80	80	620
PRIMARY RESIDENCE Cash Out Refinance							
1	80	80	620	1	80	80	620
2-4	75	75	620	2-4	75	75	620

2nd HOME Purchase and Rate/Term Refinance							
1	90	90	620	1	85	85	620
2nd HOME Cash Out Refinance							
1	75	75	620	1	75	75	620

INVESTMENT PROPERTY Purchase							
1	85	85	620	1	85	85	620
2-4	75	75	620	2-4	75	75	620
INVESTMENT PROPERTY Rate/Term Refinance							
1-4	75	75	620	1-4	75	75	620
INVESTMENT PROPERTY Cash Out Refinance							
1	75	75	620	1	75	75	620
2-4	70	70	620	2-4	70	70	620

¹ LP products with secondary financing require reduction to max LTV of 5%.

² Fixed Rate Only.

PURCHASE: At least one borrower must be a first time homebuyer; may not have owned any residential property in the past 3 years, and must have a credit score.

RATE TERM REFINANCE: At least one borrower must have a credit score. Existing loan must be owned by FNMA

500 AGENCY CONFORMING DU & LP

Fixed and ARM

PRIMARY RESIDENCE – PURCHASE AND RATE TERM REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
SFR, Condo, PUD	97 ¹	NA	620	Fixed rate, DU only
SFR, Condo, PUD	95%	95%	620	LP ARM max LTV 95%
2-Unit	85%	85%	620	LP fixed and ARM max LTV 80%
3-4 Unit	75%	75%	620	LP fixed and ARM max LTV 80%

PRIMARY RESIDENCE – CASH OUT REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1-Unit, Condo PUD	80%	80%	620	LP ARM max LTV 80%
2-4 Unit	75%	75%	620	LP ARM max LTV 75%

SECOND HOME – PURCHASE AND RATE/TERM REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	90%	90%	620	LP fixed and ARM max LTV 85%

SECOND HOME – CASH OUT REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	LP ARM max LTV 75%

INVESTMENT PROPERTY – PURCHASE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	85%	85%	620	LP ARM max LTV 85%
2-4 Unit	75%	75%	620	LP ARM max LTV 75%

INVESTMENT PROPERTY – RATE TERM REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1-4 Unit, Condo, PUD	75%	75%	620	LP fixed and ARM max LTV 85% for 1-Unit and 75% for 2-4 Unit

INVESTMENT PROPERTY – CASH OUT REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	LP ARM max LTV 75%
2-4 Unit	70%	70%	620	LP ARM max LTV 70%

¹ Fixed Rate Only.

PURCHASE: At least one borrower must be a first time homebuyer; may not have owned any residential property in the past 3 years, and must have a credit score.

RATE TERM REFINANCE: At least one borrower must have a credit score. Existing loan must be owned by FNMA

800 AGENCY CONFORMING¹

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	97 ²	NA	620	DU only Fixed Rate only
1 Unit, Condo, PUD	95	95	620	
2 Unit	85	85	620	Fixed and ARM LP max LTV 80%
3-4 Unit	75	75	620	Fixed and ARM LP max LTV 80%

PRIMARY RESIDENCE – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit Detached	80%	80%	620	
2 Unit	75%	75%	620	
3-4 Unit	75%	75%	620	

SECOND HOME – PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90%	90%	620	Fixed and ARM LP max LTV 85%

SECOND HOME – RATE / TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90	90	620	Fixed and ARM LP max LTV 85%

SECOND HOME – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	

INVESTMENT PROPERTY – PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY – RATE TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1-Unit, Condo, PUD	75%	75%	620	Fixed and ARM LP max LTV 85%
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	
2-4 Unit	70%	70%	620	

¹ For all LP products, reduce max LTV by 5% when there is secondary financing

² Fixed Rate Only.

PURCHASE: At least one borrower must be a first time homebuyer; may not have owned any residential property in the past 3 years, and must have a credit score.

RATE TERM REFINANCE: At least one borrower must have a credit score. Existing loan must be owned by FNMA

900 AGENCY CONFORMING^{1, 2}

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	97 ³	NA	620	DU only, Fixed Rate only
1 Unit, Condo, PUD	95	95	620	
2 Unit	85	80	620	
3-4 Unit	80	80	620	

PRIMARY RESIDENCE – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1 Unit Detached	80%	80%	620	
2-4 Unit	75%	75%	620	

SECOND HOME – PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90%	85	620	

SECOND HOME – RATE / TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90	85	620	

SECOND HOME – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	

INVESTMENT PROPERTY – PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY – RATE TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1-Unit, Condo, PUD	85%	85%	620	
2-4 Unit ¹	75	75	620	

INVESTMENT PROPERTY – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/ CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	
2-4 Unit	70%	70%	620	

¹ Reduce max LTV by 5% when there is secondary financing

² LP does not offer 10/1 ARM

³ Fixed Rate Only.

PURCHASE: At least one borrower must be a first time homebuyer; may not have owned any residential property in the past 3 years, and must have a credit score.

RATE TERM REFINANCE: At least one borrower must have a credit score. Existing loan must be owned by FNMA

1000 AGENCY CONFORMING

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1 Unit, condo, PUD	97% ¹	NA	620	DU only, Fixed Rate only
1 Unit, Condo, PUD	95%	95%	620	LP Fixed and ARM 95%
2 Unit	85%	85%	620	LP Fixed and ARM 80%
3-4 Unit	75%	75%	620	LP Fixed and ARM 80%

PRIMARY RESIDENCE – CASH OUT REFINANCE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1 Unit Detached	80%	80%	620	LP Fixed and ARM 80%
2-4 Unit	75%	75%	620	LP Fixed and ARM 75%

SECOND HOME – PURCHASE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90%	90%	620	LP Fixed and ARM 85%

SECOND HOME – RATE / TERM REFINANCE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90%	90%	620	LP Fixed and ARM 85%

SECOND HOME – CASH OUT REFINANCE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	LP Fixed and ARM 75%

INVESTMENT PROPERTY – PURCHASE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	85%	85%	620	LP Fixed and ARM 85%
2-4 Unit	75%	75%	620	LP Fixed and ARM 75%

INVESTMENT PROPERTY – RATE TERM REFINANCE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1-Unit, Condo, PUD	75%	75%	620	LP Fixed and ARM 75%
2-4 Unit	75%	75%	620	LP Fixed and ARM 75%

INVESTMENT PROPERTY – CASH OUT REFINANCE

Property Type	Max LTV/CLTV DU FIXED	Max LTV/CLTV DU ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	LP Fixed and ARM 75%
2-4 Unit	70%	70%	620	LP Fixed and ARM 70%

¹ Fixed Rate Only.

PURCHASE: At least one borrower must be a first time homebuyer; may not have owned any residential property in the past 3 years, and must have a credit score.

RATE TERM REFINANCE: At least one borrower must have a credit score. Existing loan must be owned by FNMA

7-10 FINANCED PROPERTIES - DU Only

100¹, 300, 500, & 800 Series AGENCY CONFORMING

Cash Out not allowed on 100 series

ARMs not allowed on 100 series

**** See below Revised Reserve Requirement ****

SECOND HOME – PURCHASE - 7-10 Financed Properties				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	90	90	720	DU ONLY

SECOND HOME – RATE TERM REFINANCE - 7-10 Financed Properties				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	90	90	720	DU ONLY

SECOND HOME – CASH OUT REFINANCE - 7-10 Financed Properties				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	75	75	720	DU ONLY

INVESTMENT PROPERTY – PURCHASE - 7-10 Financed Properties				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	85	85	720	DU ONLY
2-4 Unit	75	75	720	DU ONLY

INVESTMENT PROPERTY – RATE TERM REFINANCE - 7-10 Financed Properties				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	75	75	720	DU ONLY
2-4 Unit	75	75	720	DU ONLY

INVESTMENT PROPERTY – CASH OUT REFINANCE - 7-10 Financed Properties				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit, Condo, PUD	75	75	720	DU ONLY
2-4 Unit	70	70	720	DU ONLY

The reserve calculation has been redefined for the other financed properties, and will now be determined by applying a specific percentage based on the number of financed properties, to the aggregate of the outstanding unpaid principal balance (UPB) for all mortgages and HELOCs:

EXCLUDES PRINCIPAL RESIDENCE

- 2% of the aggregate UPB if the borrower has 1 to 4 financed properties
- 4% of the aggregate UPB if the borrower has 5 to 6 financed properties
- 6% of the aggregate UPB if the borrower has 7 or more financed properties

A minimum credit score of 720 is required for borrowers that have 7 to 10 financed properties. Borrowers remain limited to 10 financed properties

HIGH BALANCE CONFORMING (DU)

See last page for 7-10 Financed Properties
OK on DU 100, 300, 500, & 800 Series

100 Series does not allow ARMs

Product Description	Conventional Conforming Fixed and ARM High Balance (DU)	
Program Numbers	44 = 15 yr fixed, 45 = 20 yr fixed, (500 series only), 46 = 30 yr fixed 74 = 5/1 ARM, 75 = 7/1 ARM, 76 = 10/1 ARM (some series do not offer 10/1 ARM – see LTV pages)	
ARM ADJUSTMENTS	5/1 ARM	7/1 & 10/1 ARM
Index	1 Year Libor	1 Year Libor
Margin	2.25%	2.25%
Annual Adjust. Cap	2.00%	2.00%
Lifetime Cap	5.00%	5.00%
Floor Rate	2.25%	2.25%
First Adjust. Cap	2.00% or 5.00% ¹	5.00%
Temp. Buydowns	Not Permitted	
Prepayment Penalty	Not Permitted	
Qualifying Rate	Fixed Rate = Note Rate 5/1 ARM = start rate plus 2% 7/1 and 10/1 ARM = the greater of the start rate or the fully indexed rate	
Debt Ratio	Evaluated by DU (Approve Eligible required) Max D/R is 50%.	
2106 Expense/Unreimbursed Business Expense	Not applicable for income types which do not require cash flow analysis; salary, overtime, bonus, or for borrowers with commissioned income amounting to < 25% of their monthly income.	
Types of Financing	Purchase, Rate Term Refinance, Cash Out Refinance	
Maximum Loan Amount	1 Unit = \$679,650 2 Unit = \$870,225 3 Unit = \$1,051,875 4 Unit = \$1,307,175 Refer to website for max loan amount per county & for AK & HI: https://entp.hud.gov/idapp/html/hicostlook.cfm	
Minimum Loan Amount	1 Unit = \$453,101 2 Unit = \$580,151 3 Unit = \$701,251 4 Unit = \$871,451	
Eligible Property Types	1 to 4 Unit Properties (500 series, 1-2 units only) Fannie Mae Eligible Condo ² Attached and Detached PUDs.	
Mortgage Insurance	Required when LTV exceeds 80%	

¹ FIRST ADJUSTMENT CAP: 300 series = 2 or 5, 500 series = 5, 900 Series = 2. 1000 series = 2

² 100 Series and 500 Series require investor approval for all condominiums. Submit all condo documents at one time to Investor's Condo Review Department for approval, PTD. Allow extra time for review.

M.I. Types Available	Zero Monthly = Zero upfront, monthly premium paid Single Premium Borrower Paid = can be financed Single Premium Lender Paid = premium is a price adjustment
M.I. Companies	Genworth, Radian, RMIC
M.I. Overlays	Must meet the specific M.I. Company's eligibility requirements
Impounds	Required over 80% LTV (90% in CA) .250% escrow waiver, if applicable M.I. must be impounded, if applicable
Max Cash Out	Purchase = Earnest Money Deposit Rate/Term = Lesser of 2% of the loan amount or \$2,000 Cash Out = No Max
Credits/Concessions	Primary and 2nd Home: CLTV < / = 75% is 9% CLTV 75.01 – 80% is 6%, CLTV > 80% is 3% Investment Property: All LTV /CLTV are 2%
Investment Property	No gift funds, no rural prop, non-arms length transaction not allowed, may not be vested in a trust. 6 months PITI is always required. 6 mos. rent loss insurance, and 1007 required when using rent income to qualify. When not using rent income to qualify, may use documentation of fair market rent value in lieu of 1007.
Document Expirations	120 Days – Appraisal 90 Days – Prelim, and All Income, Assets, and Credit
Income / 1040s	300 Series: When 1040s used to qualify/calculate income, 2 years are always required regardless of AUS feedback. (ie self employed, or rental)
Tax Returns & Transcripts	Tax Transcripts are never acceptable in lieu of Tax Returns on 500 series. (For example, if 2106 expense shows on transcripts, we must have the actual tax returns in file as well).
Appraisal – Additional Requirements/Overlays	300 Series: A Field Review of appraisal is required when Loan amount is >/ = \$625,500 and the LTV, CLTV or HCLTV is > 80%, or the property is valued at > = \$1,000,000 and the LTV, CLTV or HCLTV is > 75%. 500 Series: On a purchase when seller is FSBO & subject is owned by seller less than 24 months, or a non-arm's length transaction, or 3-4 unit property, or construction purchase and construction to perm (with LTV > 70%), or an employee loan, Appraisal must be ordered from Investor's AMC, website. If not, an Enhanced Field Review is required, and must be from Investor's AMC, website. 1000 Series: A Field Review of appraisal is required when the property is valued at > = \$1,000,000 and the LTV, CLTV or HCLTV is > 75%.

100 Series

CONFORMING HIGH BALANCE PROGRAM (DU)

ARMs are not allowed on this series

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	95	95	620	
2 Units	85	85	620	
3-4 Units	75	75	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	80	80	620	
2-4 Units	75	75	620	

SECOND HOME—PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	90	90	620	

SECOND HOME—CASH OUT REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75	75	620	

INVESTMENT PROPERTY—PURCHASE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85	85	620	
2-4 Units	75	75	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-4 Units	75	75	620	

INVESTMENT PROPERTY—CASH OUT REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75	75	620	
2-4 Units	70	70	620	

200 Series¹

CONFORMING HIGH BALANCE PROGRAM (DU)

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit	95	95	620	
2 Unit	85	85	620	
3-4 Units	75	75	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit	80	80	620	
2-4 Units	75	75	620	

SECOND HOME—PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit	90	90	620	

SECOND HOME—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit	75	75	620	

INVESTMENT PROPERTY—PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit	85	85	620	
2-4 Units	75	75	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit	75	75	620	
2-4 Units	75	75	620	

INVESTMENT PROPERTY—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit	75	75	620	
2-4 Units	70	70	620	

¹ When subordinate financing exists, reduce max LTV by 5%

300 Series

CONFORMING HIGH BALANCE PROGRAM (DU)

5/1, 7/1, and 10/1 ARM AVAILABLE

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	95	95	620	
2 Units	85	85	620	
3-4 Units	75	75	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	80	80	620	
2-4 Unit	75	75	620	

SECOND HOME—PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	90	90	620	

SECOND HOME—Cash Out Refinance

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	75	75	620	

INVESTMENT PROPERTY—PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	85	85	620	
2-4 Units	75	75	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1-4 Units	75	75	620	

INVESTMENT PROPERTY—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	75	75	620	
2-4 Units	70	70	620	

500 Series

CONFORMING HIGH BALANCE PROGRAM (DU)

5/1 ARM, and 7/1 ARM only. (10/1 ARM not allowed)

PRIMARY RESIDENCE – PURCHASE and RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit, Condo, PUD	95%	95%	620	
2 Unit	85%	85%	620	
3-4 Unit	75%	75%	620	

PRIMARY RESIDENCE – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit, Condo PUD	80%	80%	620	
2-4 Unit	75%	75%	620	

SECOND HOME—PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit, Condo, PUD	90%	90%	620	

SECOND HOME—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	

INVESTMENT PROPERTY—PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit, Condo, PUD	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1-4 Unit, Condo, PUD	75%	75%	620	

INVESTMENT PROPERTY—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	
2-4 Unit	70%	70%	620	

800 Series

CONFORMING HIGH BALANCE PROGRAM (DU)

5/1, 7/1, and 10/1 ARM AVAILABLE

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	95	95	620	
2 Unit	85	85	620	
3-4 Unit	75	75	620	

PRIMARY RESIDENCE – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit Detached	80%	80%	620	
2 Unit	75%	75%	620	
3-4 Unit	75%	75%	620	

SECOND HOME – PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90%	90%	620	

SECOND HOME – RATE / TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90	90	620	

SECOND HOME – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	

INVESTMENT PROPERTY – PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY – RATE TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1-Unit, Condo, PUD	75%	75%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY – CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75%	75%	620	
2-4 Unit	70%	70%	620	

900 Series

CONFORMING HIGH BALANCE PROGRAM (DU)

5/1, 7/1, and 10/1 ARM AVAILABLE

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	95	90	620	
2 Units	85	75	620	
3-4 Units	75	65	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	80	75	620	
2-4 Unit	75	65		

SECOND HOME—PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	90	80	620	

SECOND HOME—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	75	65	620	

INVESTMENT PROPERTY—PURCHASE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	85	75	620	
2-4 Units	75	65		

INVESTMENT PROPERTY—RATE TERM REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	75	65	620	
2-4 Units	75	65		

INVESTMENT PROPERTY—CASH OUT REFINANCE

Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Minimum Credit Score	Notes
1 Unit	75	65	620	
2-4 Units	70	60		

1000 Series

CONFORMING HIGH BALANCE PROGRAM (DU)

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	95	95	620	Max LTV/CLTV ARM 95%
2 Units	85	85	620	Max LTV/CLTV ARM 85%
3-4 Units	75	75	620	Max LTV/CLTV ARM 75%

PRIMARY RESIDENCE—CASH OUT REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	80	80	620	Max LTV/CLTV ARM 80%
2-4 Unit	75	75	620	Max LTV/CLTV ARM 75%

SECOND HOME—PURCHASE AND RATE/TERM REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	90	90	620	Max LTV/CLTV ARM 90%

SECOND HOME—CASH OUT REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75	75	620	Max LTV/CLTV ARM 75%

INVESTMENT PROPERTY—PURCHASE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85	85	620	Max LTV/CLTV ARM 85%
2-4 Units	75	75	620	Max LTV/CLTV ARM 75%

INVESTMENT PROPERTY—RATE TERM REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-4 Units	75	75	620	Max LTV/CLTV ARM 75%

INVESTMENT PROPERTY—CASH OUT

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75	75	620	Max LTV/CLTV ARM 75%
2-4 Units	70	70	620	Max LTV/CLTV ARM 70%

7-10 FINANCED PROPERTIES - DU Only

100, 300, 500, & 800 Series HIGH BALANCE CONFORMING

500 Series ARM: Allows 5/1 only

Cash Out is not allowed on Series 100.

No Bankruptcy or Foreclosure in past 4 years, 0 X 30 Mtg lates in past 12 months.

** See below Revised Reserve Requirement **

SECOND HOME – PURCHASE - 7-10 Financed Properties				
Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90	90	720	

SECOND HOME RATE TERM REFINANCE - 7-10 Financed Properties				
Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	90	90	720	

SECOND HOME CASH OUT REFINANCE ¹ - 7-10 Financed Properties				
Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75	75	720	

INVESTMENT PROPERTY – PURCHASE - 7-10 Financed Properties				
Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	85	85	720	
2-4 Unit	75	75	720	

INVESTMENT PROPERTY – RATE TERM REFINANCE - 7-10 Financed Properties				
Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75	75	720	
2-4 Unit	75	75	720	

INVESTMENT PROPERTY – CASH OUT REFINANCE ¹ - 7-10 Financed Properties				
Property Type	Max LTV/CLTV FIXED	Max LTV/CLTV ARM	Min. Credit Score	Notes
1 Unit, Condo, PUD	75	75	720	
2-4 Unit	70	70	720	

The reserve calculation has been redefined for the other financed properties and will now be determined by applying a specific percentage based on the number of financed properties to the aggregate of the outstanding unpaid principal balance (UPB) for all mortgages and HELOCs:

EXCLUDES PRINCIPAL RESIDENCE

2% of the aggregate UPB if the borrower has 1 to 4 financed properties

4% of the aggregate UPB if the borrower has 5 to 6 financed properties

6% of the aggregate UPB if the borrower has 7 or more financed properties

A minimum credit score of 720 is required for borrowers that have 7 to 10 financed properties. Borrowers remain limited to 10 financed properties

¹ Cash out is allowed on 300, 500, and 800 Series only, except for Delayed refinance

SUPER CONFORMING (LP)

Product Description	Conventional Conforming Fixed and ARM High Balance (LP)	
Program Numbers	30 = 15 yr fixed 31 = 30 yr fixed ARMs are not available for all Series Numbers 32 = 5/1 ARM 33 = 7/1 ARM 34 = 10/1 ARM	
ARM ADJUSTMENTS	5/1 ARM	7/1 & 10/1 ARM
Index	1 Year Libor	1 Year Libor
Margin	2.25%	2.25%
Annual Adjust. Cap	2.00%	2.00%
Lifetime Cap	5.00%	5.00%
Floor Rate	2.25%	2.25%
First Adjust. Cap	2.00%	5.00%
Temp Buydowns	Not Permitted	
Prepayment Penalty	Not Permitted	
Qualifying Rate	Fixed Rate = Note Rate 5/1 ARM = start rate plus 2% 7/1 and 10/1 ARM = The greater of the start rate or the fully indexed rate	
Debt Ratio	Evaluated by LP (Accept / Approve required) Max D/R is 50%, except on 300 series; Max D/R is 45%.	
Types of Financing	Purchase, Rate Term Refinance, Cash Out Refinance. 300 Series does not allow non-arm's length transaction on purchase.	
Maximum Loan Amount	1 Unit = \$679,650 2 Unit = \$870,225 3 Unit = \$1,051,875 4 Unit = \$1,307,175 Refer to website for max loan amount per county & for AK & HI: https://entp.hud.gov/idapp/html/hicostlook.cfm	
Minimum Loan Amount	1 Unit = \$453,101 2 Unit = \$580,151 3 Unit = \$701,251 4 Unit = \$871,451	
Eligible Property Types	1 to 4 Unit Properties Freddie Mac Eligible Condo ¹ Attached and Detached PUDs.	
Mortgage Insurance	Required when LTV exceeds 80%	
M.I. Types Available	Zero Monthly = Zero upfront, monthly premium paid Single Premium Borrower Paid = can be financed Single Premium Lender Paid = premium is a price adjustment	
M.I. Companies	Genworth, Radian, RMIC	
M.I. Overlays	Must meet the specific M.I. Company's eligibility requirements	

¹ 100 Series and 500 Series require investor approval for all condominiums. Submit all condo documents at one time to Investor's Condo Review Department for approval, PTD. Allow extra time for review.

Impounds	Required over 80% LTV (90% in CA) .250% escrow waiver, if applicable M.I. must be impounded, if applicable
Max Cash Out	Purchase = Earnest Money Deposit Rate/Term = Lesser of 2% of the loan amount or \$2,000 Cash Out = No Max on most programs. Max C/O on 500 Series – see 500 matrix
Credits/Concessions	Primary and 2nd Home: CLTV < / = 75% is 9% CLTV 75.01 – 80% is 6%, CLTV > 80% is 3% Investment Property: All LTV /CLTV are 2%
Investment Property	5/1 ARM is not allowed. No gift funds, no rural prop, non-arms length transaction not allowed, may not be vested in a trust. 6 months PITI is always required. 6 mos. rent loss insurance, and 1007 required when using rent income to qualify. When not using rent income to qualify, may use documentation of fair market rent value in lieu of 1007.
Document Expirations	120 Days – Appraisal 90 Days – Prelim 90 Days – All Income, Assets, and Credit
Income / 1040s	300 Series: When 1040s used to qualify/calculate income, 2 years are always required regardless of AUS feedback. (ie self employed, or rental)
Tax Returns & Transcripts	Tax Transcripts are never acceptable in lieu of Tax Returns on 500 series. (For example, if 2106 expense shows on transcripts, we must have the actual tax returns in file as well).
Appraisal – Additional Requirements	Field Review of appraisal is required when: Loan amount is >/ = \$625,500 and the LTV, CLTV or HCLTV is > 80%, or the property is valued at > = \$1,000,000 and the LTV, CLTV or HCLTV is > 75%, except for 500 series; no longer requires Field Review 500 Series: On a purchase when seller is FSBO & owned by seller less than 24 months, or a non-arm's length transaction, or 3-4 unit property, or construction purchase and construction to perm (with LTV > 70%), or an employee loan, Appraisal must be ordered from Investor's AMC, website. If not, an Enhanced Field Review is required, and must be from Investor's AMC, website.

**100 Series
SUPER CONFORMING
(LP) Fixed (ARM not allowed)**

* See Notes Below *

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	95%	95%	620	
2 Unit	80%	80%	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	80%	80%	620	
2 - 4 Unit	75%	75%	620	

SECOND HOME— PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	

SECOND HOME—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	

INVESTMENT PROPERTY—PURCHASE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2 - 4 Unit	75%	75%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2 Unit	75%	75%	620	

INVESTMENT PROPERTY—CASH OUT				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	
2-4 Unit	70%	70%	620	

- **Field Review of appraisal is required when:** LTV, CLTV or HCLTV is > 75%, and the property value is => \$1m
- **LP products with secondary financing** require reduction to max LTV of 5%.

200 Series
SUPER CONFORMING
LP Fixed and ARM
(5/1, 7/1, and 10/1 ARMs allowed)

* See Notes Below *

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	95%	95%	620	
2-4 Unit	80%	80%	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85% ARM 80%	85% ARM 80%	620	
2-4 Unit	75%	75%	620	

SECOND HOME— PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	

SECOND HOME—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	

INVESTMENT PROPERTY—PURCHASE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	70%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—CASH OUT				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	
2-4 Units	70%	70%	620	

Field Review of appraisal is required when: the property is valued at \$1 million or more and the LTV/CLTV/HCLTV is greater than

LP products with secondary financing require reduction to max LTV of 5%.

300 Series
SUPER CONFORMING
LP Fixed and ARM

(5/1, 7/1, and 10/1 ARMs allowed)

* See Notes Below *

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1-Unit	90%	95%	620	
2-4 Unit	75%	80%	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit	75%	80%	620	
2-4 Unit	65%	75%	620	

SECOND HOME— PURCHASE & RATE TERM REFI

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit	80%	85%	620	

SECOND HOME—CASH OUT REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit	65%	75%	620	

INVESTMENT PROPERTY—PURCHASE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit	80%	85%	620	
2-4 Unit	70%	75%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit	75%	85%	620	
2-4 Unit	70%	75%	620	

INVESTMENT PROPERTY—CASH OUT

Property Type	FIXED Max LTV/CLTV	ARM Max LTV/CLTV	Min. Credit Score	Notes
1 Unit	65%	75%	620	
2-4 Unit	65%	70%	620	

- **Field Review of appraisal is required when:** the property is valued at \$1 million or more and the LTV/CLTV/HCLTV is greater than 75%.
- **LP products with secondary financing** require reduction to max LTV of 5%.

500 Series
SUPER CONFORMING (LP)
Fixed and ARM
(5/1 and 7/1 ARMs only)

* See Notes Below *
also see footnotes regarding max cash out

PRIMARY RESIDENCE – PURCHASE and RATE/TERM REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	95	95	620	
2-4 Unit	80	80	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	80%	80%	620	
2-4 Unit	75%	75%	620	

SECOND HOME—PURCHASE AND RATE/TERM REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	

SECOND HOME—CASH OUT ¹				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	

INVESTMENT PROPERTY—PURCHASE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—CASH OUT ¹				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	75%	75%	620	
2-4 Unit	70%	70%	620	

- **Field Review of appraisal is required when:** Loan amount is \geq \$625,500 and the LTV, CLTV or HCLTV is $>$ 80%, or the property is valued at $>$ \$1,000,000 and the LTV, CLTV or HCLTV is $>$ 75%.
- **LP products with secondary financing** require reduction to max LTV of 5%.

¹ Max cash out on 2nd home and investment properties, including debt pay off, may not exceed \$200,000 for 1unit properties, or \$100,000 for 2-4 unit properties

800 Series
SUPER CONFORMING
LP Fixed & ARM
(5/1, 7/1, and 10/1 ARMs allowed)

* See Notes Below *

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	95%	95%	620	
2-4 Unit	80%	80%	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	80%	80%	620	
2-4 Unit	75%	75%	620	

SECOND HOME— PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	

SECOND HOME—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	

INVESTMENT PROPERTY—PURCHASE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—CASH OUT				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	
2-4 Units	70%	70%	620	

- **Field Review of appraisal is required when:** the property is valued at \$1 million or more and the LTV/CLTV/HCLTV is greater than 75%.
- **LP products with secondary financing** require reduction to max LTV of 5%.

900 Series
SUPER CONFORMING
LP Fixed & ARM
(5/1, 7/1, and 10/1 ARMs allowed)

* See Notes Below *

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	95%	95%	620	
2-4 Unit	80%	80%	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	80%	80%	620	
2-4 Unit	75%	75%	620	

SECOND HOME— PURCHASE & RATE TERM REFI

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	

SECOND HOME—CASH OUT REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	

INVESTMENT PROPERTY—PURCHASE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—CASH OUT

Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	
2-4 Unit	70%	70%	620	

- **Field Review of appraisal is required when:** the property is valued at \$1 million or more and the LTV/CLTV/HCLTV is greater than 75%.
- **LP products with secondary financing** require reduction to max LTV of 5%.

1000 Series
SUPER CONFORMING
LP Fixed and ARM
(5/1, 7/1, and 10/1 ARMs allowed)

* See Notes Below *

PRIMARY RESIDENCE – PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1-Unit	95%	95%	620	
2-4 Unit	85%	85%	620	

PRIMARY RESIDENCE—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	80%	80%	620	
2-4 Unit	75%	75%	620	

SECOND HOME— PURCHASE & RATE TERM REFI				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	

SECOND HOME—CASH OUT REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	

INVESTMENT PROPERTY—PURCHASE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—RATE/TERM REFINANCE				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	85%	85%	620	
2-4 Unit	75%	75%	620	

INVESTMENT PROPERTY—CASH OUT				
Property Type	Max LTV	Max CLTV	Min. Credit Score	Notes
1 Unit	75%	75%	620	
2-4 Unit	70%	70%	620	

- **Field Review of appraisal is required when:** the property is valued at \$1 million or more and the LTV/CLTV/HCLTV is greater than 75%.
- **LP products with secondary financing** require reduction to max LTV of 5%.

FHA FIXED & ADJUSTABLE RATE Series 300, 500, & 800

Product Description	FHA Conforming Fixed Rate & ARM
Program Numbers	FHA15 = 15 year fixed FHA30 = 30 year fixed FHA5/1 = 5/1 ARM FHASTREAM15 = 15 year fixed Streamline Refi FHASTREAM30 = 30 year fixed Streamline Refi FHASTREAM5/1 = 5/1 ARM Streamline Refi
ARM Adjustments	If applicable
Index	1 Year CMT (Constant Maturity Treasury)
Margin	See rate sheet
Annual Adjustment Cap	1.00%
Lifetime Cap	5.00%
Floor Rate	Floor rate is equal to the Margin
First Adjustment Cap	1.00%
Temporary Buydowns	Not Permitted
Non-Traditional Credit	300 Series does not allow non-traditional credit
Qualifying Rate	Note Rate
Max Debt Ratio	31%/43% unless there is AUS approval, or significant compensating factors. 800 series: Debt Ratio > 50%, requires a minimum credit score of >= 640 unless LTV is 5% below maximum. Otherwise minimum credit score is 620.
Types of Financing	Purchase, Rate/Term, Cash Out, Streamline
Maximum Loan Amount	Varies by county; see https://entp.hud.gov/idapp/html/hicostlook.cfm . Also, use applicable Max Mortgage Worksheet. 500 series, 3-4 unit, max loan amount is \$650,000.
Minimum Loan Amount	\$150,000. (lower loan amount may be approved on a case by case basis, with additional price adjustments.
Eligible Property Type	1-4 unit, Condo, & PUD. Eligible Condo must be listed on FHA's approved Condo Project list at https://entp.hud.gov/idapp/html/condlook.cfm FHA Streamline Refi <u>without</u> an appraisal does not have to meet condo approval.
Mortgage Insurance	See attached
Ineligible Property Type	Manufactured Home, Cooperative, Working Farm, Ranch, or Orchard.
Subordinate Financing	Allowed. Refer to FHA standard guidelines. Pace/Hero are not allowed; must be paid in full.
Non-Occupant Co-Borrower	Allowed per FHA guidelines. May not be added to meet qualifying requirements for a cash out refinance
Impounds	Required
Max Cash Out	\$500 = Rate Term Refinance \$500 = Streamline Refinance No Max on Cash Out Refinance, except on 500 series – max cash out \$200,000
Credit Concessions	Maximum 6%
2 nd Home & Investment Property	Not allowed
Document Expiration Dates	Appraisal = 180 days Prelim = 60 days Income, Assets, Credit = 90 days

FHA FIXED-RATE & ADJUSTABLE RATE

PRIMARY RESIDENCE - PURCHASE						
PROPERTY TYPE	MAX LTV	MAX LOAN ¹ AMOUNT	MINIMUM CREDIT SCORE BY SERIES NUMBER			UW ENGINE & REQUIRED RESPONSE
			300	500	800	
1 Unit PUD Condo	96.50%	Varies by County	580	600	620	FHA Total Mortgage Scorecard DU Approve or LP Accept. Refer responses will be manually underwritten
2 Units ²	96.50%		580	600	620	
3-4 Units ²	96.50%		580	620	620	

PRIMARY RESIDENCE - RATE/TERM REFINANCE						
PROPERTY TYPE	MAX LTV	MAX LOAN ³ AMOUNT	MINIMUM CREDIT SCORE BY SERIES NUMBER			UW ENGINE & REQUIRED RESPONSE
			300	500	800	
1 Unit PUD Condo	97.75%	Varies by County	600	600	620	FHA Total Mortgage Scorecard DU Approve or LP Accept. Refer responses will be manually underwritten
2 Units	97.75%		600	600	620	
3-4 Units	97.75%		620	620	620	

PRIMARY RESIDENCE - CASH OUT REFINANCE						
PROPERTY TYPE	MAX LTV	MAX LOAN AMOUNT ⁴	MINIMUM CREDIT SCORE BY SERIES NUMBER			UW ENGINE & REQUIRED RESPONSE
			300	500 ⁵	800	
1 Unit PUD Condo	85%	Varies by County	600	600	620	FHA Total Mortgage Scorecard DU Approve or LP Accept. Refer responses will be manually underwritten
2 Units	85%		620	620	620	
3-4 Units	85%		620	640	620	

¹ Refer to FHA Purchase Maximum Mortgage Worksheet for calculation of maximum purchase loan amount.

² Purchase with a non-occupant co-borrower secured by 2 to 4 unit properties are limited to a maximum 75% LTV on all Series.

³ Refer to FHA Rate/Term Refinance Maximum Mortgage Worksheet for calculation of maximum rate/term refinance loan amount.

⁴ Refer to FHA Cash Out Refinance Maximum Mortgage Worksheet for calculation of maximum rate/term refinance loan amount.

⁵ 500 Series is limited to \$300,000 cash out

PRIMARY RESIDENCE – STREAMLINE REFINANCE				
Property Type	Max LTV	Max Loan Amount	Minimum Credit Score ⁶	Underwriting Engine
1-4 Unit PUD Condo	Refer to FHA Streamline Maximum Mortgage Worksheet	Refer to FHA Streamline Maximum Mortgage Worksheet	See Footnote	Manually Underwritten

**** 300 Series requires proof the subject is Owner Occupied as of the Case Number Assignment Date. The borrower must provide either a utility bill or employment documentation such as a paystub as acceptable documentation ****

⁶ 300 Series: 600

500 Series: 1-2 Units 580, 3-4 Units 620

800 Series 620

Exhibit A – FHA Mortgage Insurance ¹

Loans with Closing/Disbursement date on / after January 27, 2017 – Excluding Streamlines of Loans Endorsed Prior to June 1, 2009

Loan Term > 15 Years			
Base Loan Amount	LTV	Up-Front MIP	Annual (Monthly) MIP
≤\$625,500	≤95%	1.75%	80 bps
≤\$625,500	>95%	1.75%	85 bps
>\$625,500	≤95%	1.75%	100 bps
>\$625,500	>95%	1.75%	105 bps
Loan Term ≤ 15 Years			
≤\$625,500	>78%-90%	1.75%	45 bps
≤\$625,500	>90%	1.75%	70 bps
>\$625,500	< / = 78%	1.75%	45 bps
>\$625,500	78%-90%	1.75%	70 bps
>\$625,500	>90%	1.75%	95 bps

Loans with Closing/Disbursement date on / after January 27, 2017 – Streamline or Simple Refinance of previous Mortgage endorsed prior to June 1, 2009

Loan Term >15 Years		
LTV	Up-Front MIP	Annual (Monthly) MIP
All LTV's	.01%	55 bps
Loan Term ≤15 Years		
All LTV's	.01%	55 bps

¹ For loans with LTV < / = 90%, the duration of the monthly M.I. is 132 months (11 years)

DU REFI PLUS

Guideline	Prog. #s 384, 385, 386, 388	Prog. #'s 584, 585, 586, 588	Prog. #'s 884, 885, 886
Type	15, 20, 30 Year Fixed, & 5/1 ARM	15, 20, 30 Year Fixed, & 5/1 ARM	15, 20, 30 Year Fixed ARMs not allowed
Max LTV	ARM and Non-same servicer 105% Same servicer No limit	O/O - 150% 2 nd Home – 125% Inv. Prop – 105%	O/O 1-2 unit – 135% ¹ O/O 1-4 Unit – 105% ² 2 nd Home – 105% Inv Prop – 105%
Max CLTV	No Max CLTV	Primary = No Max 2 nd Home = 125% Investment Property = 105% *Expanded guidelines may be available when loan will be with same Investor.	O/O 1-2 unit – 135% ¹ O/O 1-4 Unit – 105% ² 2 nd Home – 105% Inv Prop – 105%
Max D/R	Per DU	Per DU	50%
Mortgage Insurance	Not required if existing loan does not have M.I. New or Transferred M.I. is not allowed		
Max Cash Out	\$250.00		
PIW	Required	Required	Required
DU	Approve / Eligible only		
Minimum Credit Score	No minimum credit score, except on Escrow Waiver; min 620 score required.	Primary = 640 2 nd Home = 660 Investment Property = 660	Primary = 660 with LTV to 135%, 620 with LTV to 105% 2 nd Home = 660 Inv Prop = 660
Escrow Waiver Requirement	Same servicer where tax and insurance are already waived, or LTV <= 80%, CA <= 90% Min 620 score, max D/R 50%	12 Months PITI required. Property tax may not be past due. O/O requires 700 score, Inv and 2 nd homes require 720 score. Max LTV 80%	Escrow accounts not required unless loan has PMI
Below applies to all			
Underwriting	Delegated		
2nd Liens	Must subordinate		
Continuity of Obligation	At least one borrower on the existing loan, must be on the proposed loan		
Net Tangible Benefit	Benefit is required, and loan must meet NTB guidelines		

¹ Min credit score 660

² Minimum Credit Score 620

Freddie Mac Relief and Open Access

Guideline	Prgrm #'s 593, 594, 595, 596, 598	Prgrm #'s 894, 895, 896
Type	10, 15, 20, 30 year fixed & 5/1 ARM (ARM Adjustments are 2-2-6)	15, 20, 30 Year Fixed ARMS not allowed
Max LTV	O/O = 150% Fixed Rate 2 nd Home = 125% Fixed Inv Prop = 105% ALL ARMs max 105%	O/O = 135% ¹ 2 nd Home = 105% Inv Prop = 105%
Max CLTV	na	Same as Max LTV above
Max D/R	60%	50%
Mortgage Insurance	Not required if existing loan does not have M.I.	Not required if existing loan does not have M.I.
Max Cash Out	\$100.00	\$250.00
Appraisal / PIW / HVE	Open Access HVE form is required, except on Super Conforming; Appraisal is required	Open Access HVE form is required on 1-2 units; 3-4 units require full appraisal
L.P.	Accept is required	Accept is required
Min. Fico	Primary = 640 2 nd Home = 660 Investment Property = 660	Primary = 660 ¹ 2 nd Home = 660 Inv Prop = 660
Escrow Waiver Requirement	12 Months PITI required.	Required only when there is M.I.
N.T.B.	Benefit is required, and loan must meet NTB guidelines	Benefit is required, and loan must meet NTB guidelines
Underwriting	2 nd Signature is required	Delegated
2 nd Liens	Must subordinate; new sub financing is not allowed	Must subordinate; new subordinate financing now allowed
Continuity of Obligation	At least one borrower on the existing loan, must be on the proposed loan.	At least one borrower on the existing loan, must be on the proposed loan
Maximum Mortgage Amount	MFG FHLMC Relief and Open Access Max Mortgage Worksheet must be completed to determine max loan amount; loan amount must also fall within standard guidelines.	MFG FHLMC Relief and Open Access Max Mortgage Worksheet must be completed to determine max loan amount; loan amount must also fall within standard guidelines

¹ Max LTV/CLTV on O/O with qualifying credit score of 620 is 105%

P.I.W.
Property Inspection Waiver
THIS IS A FNMA PRODUCT; IT DOES NOT APPLY TO FHLMC

Fannie Mae is now offering an enhanced Property Inspection Waiver through DU.

Below are the criteria and MFG Policies and Procedures regarding utilization of this new enhancement:

Eligible Transactions:

- One-Unit properties including condos
- Principal residence, second home and investment properties
- Rate and Term transactions up to 90% LTV/CLTV on O/O, 75% LTV/CLTV second home and N/O/O
- Cash-Out transactions up to 70% LTV/CLTV on O/O, 60% LTV/CLTV second home and N/O/O

The loan casefile must receive an Approve/Eligible recommendation with the PIW offer. Per FNMA purchase transactions and most rate and term transactions will not receive a PIW offer, which means they will require an appraisal to establish the market value. For a PIW to be offered a prior appraisal must be associated with one of the borrowers on the loan casefile. DU will compare the address for the subject property to the property address found in CU. When a property address match is found, DU will then compare both the first and last names of the borrowers on the loan casefile to the borrowers associated with the prior appraisal on record. Once a borrower name match has been found DU will then use the information from the prior appraisal to determine if the loan casefile is eligible for the PIW for our transaction. In some cases, the prior appraisal may not be acceptable, for example is the CU score is unacceptable or there was an Overvaluation Flag issued.

The following message will be displayed in the DU Underwriting Findings report when a loan receives a PIW offer: Desktop Underwriter accepts the value submitted as the market value for this subject property. This loan is eligible for delivery to Fannie Mae without an appraisal if the Property Inspection Waiver is exercised by the lender at the time of loan delivery to Fannie Mae. To exercise this Property Inspection Waiver and be eligible for representation and warranty relief on the value, condition and marketability of the subject property, Special Feature Code 801 and the Casefile ID. must be included in the loan delivery file. If the waiver is not exercised, an appraisal based on an interior and exterior property inspection reported on Form 1004 is required for this transaction. If the subject property is located in a condominium project, the appraisal must be reported on Form 1073. If an appraisal is obtained for this transaction, the Property Inspection Waiver may not be exercised and the loan cannot be delivered with Special Feature Code 801.

When the PIW offer has been received, the MFG Underwriter will condition the file to give the borrower the option for both the inspection or PIW.

MFG could still require an appraisal inspection if one is required to obtain Mortgage Insurance through the insurance provider. If this is the situation the condition placed on the loan requiring an appraisal inspection will state, why it is required when the PIW has been offered by FNMA.

Per FNMA once an appraisal has been obtained MFG cannot utilize the PIW offer on that transaction.

When the PIW offer is utilized, MFG is required to prove that the property is not currently listed for sale. This will show as an internal condition for the Operations staff to clear unless they are unable to, at which point the broker (on a wholesale transaction) will be conditioned to supply proof.

Due to the small amount of transactions this new enhancement will apply to, MFG recommends all transactions disclose an appraisal fee until it has been determined that the PIW will be utilized. At which point there would be a COC to remove the fee from the transaction and the Property Inspection Waiver disclosure will be supplied to the borrower(s) for signature.

**Home Possible Advantage & Home Possible Mortgage
Primary Residence Only
300, 500, and 900 Series**

Product Description	Conventional Conforming Fixed and ARM	
Program Options	03 = 10 Year Fixed, 04 = 15 Year Fixed, 05 = 20 Year Fixed, 06 = 30 Year Fixed 55 = 7/1 ARM, 56 = 10/1 ARM	
ARM ADJUSTMENTS	7/1 ARM	10/1 ARM
Index	1 Year Libor	1 Year Libor
Margin	2.25%	2.25%
Annual Adjust. Cap	2.00%	2.00%
Lifetime Cap	5.00%	5.00%
Floor Rate	2.25%	2.25%
First Adjustment Cap	5.00%	5.00%
Temporary Buydowns	Not Permitted	
Prepayment Penalty	Not Permitted	
Qualifying Rate	Fixed Rate = Note Rate 7/1 and 10/1 ARM = The greater of the start rate, or the fully indexed rate.	
Debt Ratio	Maximum Debt Ratio is Evaluated LP. L.P. Accept is required.	
2106 Expense/ Unreimbursed Business Expense	Not applicable for income types which do not require cash flow analysis; salary, overtime, bonus, or for borrowers with commissioned income < 25% of their monthly income	
Types of Financing	Purchase, & Rate Term Refinance (Cash out refi is not allowed)	
Maximum Loan Amount	1 Unit = \$453,100 2 Unit = \$580,150 3 Unit = \$701,250 4 Unit = \$871,450	
Minimum Loan Amount	\$150,000 (lower loan amount may be approved case by case with additional price adjustments)	
Income Requirements and Limits	Only the income used to qualify the borrowers must be included in the income limit. L.P. will determine income eligibility. 100% of area median income (AMI) except for properties in high cost area. Go to http://www.freddiemac.com/homepossible/eligibility.html to determine income limit. Income limit does not apply if subject property is located in an Underserved Area defined on the Affordable Income and Property Eligibility tool; website referenced above. See attached regarding residual income.	
Eligible Property Types	Fixed Rate: 1 to 4 Unit Properties ARM: 1-2 Unit Properties Condo PUD	

Mortgage Insurance	Required when LTV exceeds 80%
M.I. Types Available	Zero Monthly = Zero upfront, monthly premium paid Single Premium Borrower Paid = can be financed Single Premium Lender Paid = premium is a price adjustment
	These programs offer reduced M.I. See last page for Chart.
M.I. Companies	Genworth, ARCH, Essent, Radian, RMIC
M.I. Overlays	Must meet the specific M.I. Company's eligibility requirements.
Impounds	Required over 80% LTV (90% in CA) .250% escrow waiver, if applicable M.I. must be impounded, if applicable
Max Cash Out	Purchase = Earnest Money Deposit Rate/Term = Lesser of 2% of the loan amount or \$2,000
Credits/Concessions	Primary: LTV/CLTV < / = 75% is 9% CLTV 75.01 – 90% is 6%, CLTV > 90% is 3%
2nd Home and Investment Property	Not allowed.
Document Expirations	120 Days – Appraisal 90 Days – Prelim 90 Days – All Income, Assets, and Credit
Income / 1040s	When 1040s used to qualify/calculate income: If LP findings call for one year 1040 for self employed, this will be acceptable. 1 year 1040s may also be used for rental properties to calculate income/loss if LP findings call for one year only.
Tax Returns & Transcripts	Tax Transcripts are never acceptable in lieu of Tax Returns on 500 series.
Appraisal – Additional Requirements	Transferred appraisals are allowed on series 300, & 500. 300 Series: Unpermitted addition may be acceptable. 500 Series: On a purchase when seller is FSBO & subject is owned by seller less than 24 months, or a non-arm's length transaction, or 3-4 unit property, or construction purchase and construction to perm (with LTV > 70%), or an employee loan, Appraisal must be ordered from Investor's AMC, website. If not, an Enhanced Field Review is required, and must be from Investor's AMC, website. Unpermitted addition may be acceptable with minimum one like comparable.
Document Expirations	120 Days – Appraisal 90 Days – Prelim 90 Days – All Income, Assets, and Credit
Borrower Eligibility	Non-occupant co-borrowers are not permitted. Must occupy subject as primary residence. Permanent and non-permanent resident aliens allowed with acceptable documentation. Foreign Nationals and Trusts are not permitted. Please see Special Requirements / Restrictions on following page(s)
Reserves, Assets, Cash On Hand	Please see Chart on following page

Assets / Reserves / Cash On Hand

Minimum Borrower Investment				
	1 Unit		2-4 Unit	
	< / = 80% LTV/CLTV/HCLTV	> 80% LTV/CLTV/HCLTV	< / = 80% LTV/CLTV/HCLTV	> 80% LTV/CLTV/HCLTV
Minimum investment from borrower's own funds	None	None	None	3%
Gifts Permitted	Yes	Yes	Yes	Yes

Minimum Reserve Requirement Follow L.P. Findings

CASH ON HAND

When the borrower is a cash basis individual and that the cash on hand is not borrowed and could be saved by the borrower the below documents are needed :

A completed Freddie Mac [Exhibit 23 Monthly Budget and Residual Analysis](#) Form or another document containing the same information, confirming that the total monthly residual income available for savings is a positive number
Copies of six months cash receipts or acceptable alternative documentation to verify the recurring obligations, including the payment of revolving and installment debt, are customarily paid in cash.

The credit report must not show more than three trade lines.

Copies of three months statements for any open revolving account that reveal cash advances are not the source of borrower funds. Any cash advances must be explained and documented.

An updated credit report (LQCC acceptable) must be obtained one week prior to closing that does not show any new accounts or a substantial increase to an existing account that exceeds the amount of cash on hand provided by the borrower.

RESIDUAL INCOME	
Residual income is the qualified gross monthly income less the gross monthly debt. The debt and income used to calculate the debt ratio should be used for the residual income evaluation per the base product guideline.	
Primary Residence	
If monthly residual income is:	Then, the minimum reserves required are:
\$2,500 or greater	No minimum reserves, comply with minimum reserve requirement for base loan program
> / = \$800 < \$2500	The greater of 3 months liquid reserves or minimum reserve for base loan program
< \$800	Not eligible

Special Requirements / Restrictions

Homebuyer Education

Must be completed prior to the Note date

Must be completed by at least one qualifying borrower, if all borrowers are first time homebuyers, for purchase transactions.

Any borrower with an individual or joint ownership interest in any other residential property as of the Note date, is Ineligible.

Homeownership Education Certification/documentation or Credit Smart-Steps to Homeownership certificate of completion must be retained in the mortgage file.

The following types of homeownership education are acceptable:

Programs developed by HUD approved counseling agencies, Housing Finance Agencies(HFAs) or Community Development Financial Institutions (CDFIs)

Homeownership education programs developed by mortgage insurance companies or other providers programs that meet the standards of the [National Industry Standards for Homeownership Education and Counseling](#)

As an alternative to the programs listed above, Freddie Mac's free financial literacy curriculum, CreditSmart, meets the homeownership education requirements, provided:

The borrower completes the on- line [Credit Smart Steps to Homeownership Tutorial](#) which includes modules 1, 2, 7, 11, and 12.

The financial literacy curriculum is not provided by an interested party to the transaction, the originating lender or by the Seller

Landlord Education (units)

Must be completed prior to the Note date

At least one borrower must participate in a landlord education program for a purchase transaction.

Must not be provided by an interested party to the transaction, the Client or ditech.

Landlord Education is not required for refinance transactions but it is recommended for borrowers who have not previously attended a program.

Evidence of completion of the landlord education requirement must be retained in the mortgage file (certificate or letter from the provider).

Early Delinquency Counseling

Early Delinquency Counseling must be provided to all borrowers

Home Possible Advantage & Home Possible Mortgage

HOME POSSIBLE ADVANTAGE FIXED RATE

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE			
Property Type	Max LTV	Max CLTV ¹	Minimum Credit Score
I Unit, Condo, PUD	97	105	500 Series has a minimum credit score requirement of 620. 300 and 900 Series have no Minimum Credit Score - Evaluated by L.P.

HOME POSSIBLE MORTGAGE FIXED RATE

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE			
Property Type	Max LTV	Max CLTV / HCLTV	Minimum Credit Score
I-4 Unit, Condo, PUD ²	95	95	500 Series has a minimum credit score requirement of 620. 300 and 900 Series have no Minimum Credit Score - Evaluated by L.P.

HOME POSSIBLE MORTGAGE ARM

PRIMARY RESIDENCE – PURCHASE AND RATE/TERM REFINANCE			
Property Type	Max LTV	Max CLTV / HCLTV	Minimum Credit Score
I-2 Unit, Condo, PUD	95	95	500 Series has a minimum credit score requirement of 620. 300 and 900 Series have no Minimum Credit Score - Evaluated by L.P.

Pay off of a non-purchase money 2nd mortgage is always considered cash out, regardless of seasoning and will not be eligible on this program.

¹ Secondary Financing subordinated to a Home Possible Advantage mortgage must be an Affordable Second only -Maximum 105% CLTV; HCLTV not allowed. See below.

Seller seconds are not permitted

Home Possible Advantage secondary financing must be an Affordable Second

Down Payment Assistance Programs (DPA) are not eligible unless the following are met for the Affordable Second Program

Affordable Seconds (Fixed Rate only)

Home Possible Advantage 30 Yr Fixed w/Affordable 2nd

May be funded by a federal agency, municipality, state, county or local housing finance agency, non-profit organization, or an employer

Maximum 105% CLTV

May be used to fund all or part of the down payment or closing costs

The more restrictive down payment requirement between the product and the second mortgage will apply.

Income limits imposed by the Affordable Second provider apply

No reporting requirements permitted

Enter the amount in the "Total Gift Fund" field of LPA instead of entering it into the "Subordinate Amount" field provided that there is not a required payment before the due date of the 61st monthly payment.

Mortgage Insurance Chart

Transaction Type	LTV			
	>80% & </= 85%	>85% & </= 90%	>90% & </=95%	>95% & </= 97%
Fixed Rate, Term </= 20 years	6%	12%	25%	25%
Fixed Rate, Term > 20 years and All ARMs	12%	25%	25%	25%

² 3-4 units with LTV > 80% is only eligible for M.I. through Genworth

**New Employment
Income Commencing After Note Date
FREDDIE MAC ONLY**

**The Employment/Income must meet all of the below requirements.
Please see Notes Below which are specific to different investors.**

Subject	Requirement
Employment and Earnings Type	Income must be from primary employment. Income must be Base Pay, non-fluctuating salaried earnings.
General Eligibility	Purchase Money Mortgage. 1 unit owner occupied residence
Ineligible	Borrower employed by a family member or by an interested party to the transaction.
Offer Letter or Employment Contract	Copy of the Employment Offer Letter or Employment Contract must be fully executed and accepted by the borrower. Offer Letter or Contract must be non-contingent, or provide documentation, such as letter (on letterhead), or e-mails from the employer verifying all contingencies have been cleared. Must include the terms of employment, including, but not limited to, employment start date, and annual base non-fluctuating earnings. Documentation confirming employment contracts are reasonably common to the particular employment field, industry, or region.
10 Day PCV	10 day pre-closing verification of employment; verifying the terms of the offer letter or employment contract have not changed.
Prior to the Note Date, the seller (MFG) must determine and document in its written analysis, which of the following options is chosen:	
Option 1	The seller is NOT required to obtain a paystub from the new employer. The Note Date cannot occur more than 60 days prior to the commencement of employment as documented on the offer letter or employment contract (& verified verbally). The seller must document adequate income and/or liquid assets to pay the monthly housing expense, and other monthly liabilities between the Note date and the employment start date. Document an additional 6 months housing expense reserves.
Option 2 This option is only allowed with Senior Management approval.	The seller is required to obtain the paystub from the new employer prior to the delivery date; the paystub must validate the income used. The seller must document adequate income and/or liquid assets to pay the monthly housing expense, and other monthly liabilities between the Note date and the employment start date.

**** Notes specific to investors:**

100 Series - Only allows Option 1

200 Series - Note Date to Employment Date is 45 days, rather than 60 days.

300 Series - no overlays

500 Series - no overlays

800 Series - no overlays

900 Series - no overlays

1000 Series - no overlays