

AGENCY CONFORMING

See last page for 7-10 Financed Properties; OK on DU 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 amounting to < 25% of their monthly income	
Types of Financing	Purchase, Rate Term Refinance, Cash Out Refinance	
Maximum Loan Amount	1 Unit = \$484,350 2 Unit = \$620,200 3 Unit = \$749,650 4 Unit = \$931,600	
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	

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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, FNMA = 5. (FHLMC ARM not allowed) 900 Series, FNMA & FHLMC = 2, Series 1000 offers 1st adj cap of 2 only.

⁵ 500 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. 800 series allows W-2 transcripts only.
Appraisal – Additional Requirements	Transferred appraisals are allowed on series 300, 500, 700, 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.

7-10 FINANCED PROPERTIES - DU Only

300, 500, & 800 Series AGENCY CONFORMING

**** 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