

SECTION 1	SUMMARY
	<p><b>Program Summary</b>            A CEMA, also known as a Consolidation, Extension and Modification Agreement, allows the customer to consolidate, extend and modify (CEMA), or extend and modify (EMA) the terms of an existing loan. By using a CEMA or EMA, the customer can significantly reduce or eliminate the mortgage tax due. This method of financing can save the customer a significant amount of money. A CEMA is only acceptable for New York property. WesLend follows Fannie Mae CEMA requirements.</p> <p>Any loan closed as a CEMA is a modification. A CEMA can change terms of the existing loan and allow the customer to receive additional funds. There is no limit to the number of times a borrower may refinance the same property as a CEMA or EMA.</p> <ul style="list-style-type: none"> <li>▪ If there is no increase in the principal balance of the current loan, only a change in terms (i.e. rate, maturity date, etc.), the loan is an Extension and Modification (EMA).</li> <li>▪ If there is an increase in the principal balance of the current loan, regardless of changes in any loan term, the loan is a Consolidation, Extension and Modification (CEMA).</li> </ul>
SECTION 2	PROGRAMS / GUIDELINES
	<p><b>Available Programs</b></p> <ul style="list-style-type: none"> <li>▪ Conforming Fixed DU</li> <li>▪ DU High Balance</li> <li>▪ DU Refi Plus</li> <li>▪ Conforming Fixed LP</li> <li>▪ LP Super Conforming</li> <li>▪ Open Access</li> <li>▪ FHA</li> </ul> <p><b>Available Products</b></p> <ul style="list-style-type: none"> <li>▪ Fixed Rate terms, only.</li> </ul> <p><b>Guidelines:</b> Loans must meet all published guidelines, in addition to the requirements specified below.</p>
SECTION 3	REQUIREMENTS
	<p><b>New Money</b>            Defined as any amount of money above the customer's existing/current principal balance. The term "new money" as it applies to the mortgage recording tax must not be confused with the underwriting criteria of a "cash out" refinance or "no cash out" refinance. It is common to have a "no cash out" refinance with "new money." This scenario occurs when the amount of the "new money" is less than 1% of the total loan amount.</p> <p>CEMA's can be used in a refinance of a single lien to modify the existing terms or to consolidate several existing liens. The existing liens can be a first or second mortgage, Equity Source Account (ESA) or Preferred Line of Credit. All of these options can be done with or without receiving "new money."</p> <p><b>Refinance Transactions</b>            All of the following documents are required for a refinance CEMA:</p> <ul style="list-style-type: none"> <li>▪ All original Notes, recorded mortgages, intervening recorded assignments, and previous recorded CEMAs.</li> <li>▪ If the original of a recorded document is not available, we accept a recorder's certified copy of the recorded mortgages, assignments and CEMAs from the clerk/registrar's office.  <b>Note:</b> For files underwritten in LP (Freddie Mac) or Total Scorecard (FHA), recorder's certified copies are not acceptable, as such if original documents are not available then the CEMA is not allowed.</li> <li>▪ The existing mortgagee must be willing and able to assign the mortgage, by an officer of the lending institution.</li> </ul>

- The existing Note must contain the proper endorsement and be signed by an officer of the lending institution.
- A recorded assignment is required for each historical transaction where the transfer was not a MERS lender to MERS lender transfer.

All document deficiencies must be cured before the loan is purchased.

All documents must be properly executed, endorsed and listed in sequential order without a break in the chain of assignments. The original documents (recorder's certified true copies, as applicable) must be in the closing package. Loans without the original documents are not eligible.

**Purchase Transactions - Not Allowed**

**Prior Note(s)**

Documents are reviewed to ensure the chain of title is intact and all Note endorsements are present/correct. The endorsement must have an original signature from the assigning lender and include the lender's name and the name and title of the individual signing.

**New Documents**

If the principal balance increases, a new "Gap Note" and "Gap Mortgage" must be executed for the "new money." This Gap Note and Gap Mortgage, along with all "old" Notes and "old" Mortgages, are then consolidated into a single lien with the governing terms described in the CEMA. The CEMA must be the last document placed on public record. If the customer does not receive cash out, a new Gap Note and Gap Mortgage is not required. A Consolidated Note) and Consolidated Mortgage and all applicable riders must be attached to the CEMA for recording.