

<b>SECTION 1</b>	<b>MATRIX:</b>		
<i>Transaction</i>	<i>FICO</i>	<i>Number of Units</i>	<i>Maximum LTV/CLTV</i>
<b>Primary Residence – Owner Occupied</b>			
Purchase	620	1 - Unit	95%
		2 - 4 Units	80
Rate/Term	620	1 - 2 Unit	95
		3 - 4 Units	80
Cash-Out Refinance	620	1 - Unit	80
		2-4 Units	75
<b>Second Home</b>			
Purchase	620	1 – Unit	85
Rate/Term	620	1 – Unit	85
Cash-Out Refinance	620	1 – Unit	75
<b>Investment Property – Non-Owner Occupied</b>			
Purchase	620	1 – Unit	80
		2 - 4 Units	75
Rate / Term	620	1 – Unit	85
		2 – 4 Units	75
Cash-Out Refinance	620	1 – Unit	75
		2 - 4 Units	70
<b>SECTION 2</b>			
	<b>Overlays:</b>		
	<ul style="list-style-type: none"> <li>• 620 Minimum FICO score.</li> <li>• Borrowers without credit scores – Not Allowed</li> <li>• Max of 6 financed properties for 2<sup>nd</sup> Home and Investment Property transactions.</li> <li>• Min loan amount \$60,000.</li> <li>• Min loan amount \$75,000 for properties located in NY and TX</li> <li>• Manufactured Homes with accessory dwellings or guest houses – not allowed</li> <li>• Texas Cash out Refi's 50(a)(6) are not eligible</li> <li>• Investment Properties not allowed with LPMI</li> <li>• Investment Properties limited to the lesser of program guidelines or 80% LTV/CLTV</li> </ul> <p><b>Additional for LP Super Conforming LPMI:</b></p> <ul style="list-style-type: none"> <li>• 1 Unit owner occupied only</li> <li>• 2<sup>nd</sup> homes and Investment Properties – Not Allowed</li> <li>• 41% Max DTI for FICO's &lt; 740</li> </ul>		

<b>SECTION 3</b>	<b>Products:</b>																																
Program Codes	<table border="1" data-bbox="548 256 1759 516"> <thead> <tr> <th colspan="4">Conforming</th> </tr> </thead> <tbody> <tr> <td>15 Year Fixed LP</td> <td>1301-00</td> <td>15 Year LP LPMI</td> <td>1320-00</td> </tr> <tr> <td>20 Year Fixed LP</td> <td>1201-00</td> <td>20 Year LP LPMI</td> <td>1220-00</td> </tr> <tr> <td>25 Year Fixed LP</td> <td>1101-00</td> <td>25 Year LP LPMI</td> <td>1120-00</td> </tr> <tr> <td>30 Year Fixed LP</td> <td>1001-00</td> <td>30 Year LP LPMI</td> <td>1020-00</td> </tr> <tr> <th colspan="4">Super Conforming</th> </tr> <tr> <td>15 Year Fixed Super Conforming</td> <td>1353-00</td> <td>15 Year Fixed Super Conforming LPMI</td> <td>1354-00</td> </tr> <tr> <td>30 Year Fixed Super Conforming</td> <td>1053-00</td> <td>30 Year Fixed Super Conforming LPMI</td> <td>1054-00</td> </tr> </tbody> </table>	Conforming				15 Year Fixed LP	1301-00	15 Year LP LPMI	1320-00	20 Year Fixed LP	1201-00	20 Year LP LPMI	1220-00	25 Year Fixed LP	1101-00	25 Year LP LPMI	1120-00	30 Year Fixed LP	1001-00	30 Year LP LPMI	1020-00	Super Conforming				15 Year Fixed Super Conforming	1353-00	15 Year Fixed Super Conforming LPMI	1354-00	30 Year Fixed Super Conforming	1053-00	30 Year Fixed Super Conforming LPMI	1054-00
Conforming																																	
15 Year Fixed LP	1301-00	15 Year LP LPMI	1320-00																														
20 Year Fixed LP	1201-00	20 Year LP LPMI	1220-00																														
25 Year Fixed LP	1101-00	25 Year LP LPMI	1120-00																														
30 Year Fixed LP	1001-00	30 Year LP LPMI	1020-00																														
Super Conforming																																	
15 Year Fixed Super Conforming	1353-00	15 Year Fixed Super Conforming LPMI	1354-00																														
30 Year Fixed Super Conforming	1053-00	30 Year Fixed Super Conforming LPMI	1054-00																														
<b>SECTION 4</b>	<b>Parameters and Underwriting:</b>																																
ATR and QM	<ul style="list-style-type: none"> <li>All loans must meet the Ability to Repay (ATR) and Qualified Mortgage (QM) provisions of the Dodd-Frank Act.</li> </ul>																																
Loan Limits	<table border="1" data-bbox="499 722 1759 915"> <thead> <tr> <th>Conforming Limits:</th> <th>Continental US</th> <th>Alaska / Hawaii</th> </tr> </thead> <tbody> <tr> <td>1 – Unit</td> <td>\$424,100</td> <td>\$636,150</td> </tr> <tr> <td>2 – Units</td> <td>\$543,000</td> <td>\$814,500</td> </tr> <tr> <td>3 – Units</td> <td>\$656,350</td> <td>\$984,525</td> </tr> <tr> <td>4 – Units</td> <td>\$815,650</td> <td>\$1,233,45</td> </tr> </tbody> </table> <p>Conforming loan limits set by FHFA: <a href="https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx</a></p>	Conforming Limits:	Continental US	Alaska / Hawaii	1 – Unit	\$424,100	\$636,150	2 – Units	\$543,000	\$814,500	3 – Units	\$656,350	\$984,525	4 – Units	\$815,650	\$1,233,45																	
Conforming Limits:	Continental US	Alaska / Hawaii																															
1 – Unit	\$424,100	\$636,150																															
2 – Units	\$543,000	\$814,500																															
3 – Units	\$656,350	\$984,525																															
4 – Units	\$815,650	\$1,233,45																															
REFINANCES	<p><b>All Refinance Mortgage requirements:</b></p> <ul style="list-style-type: none"> <li>When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met:</li> <li>At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced. OR</li> <li>The borrower has been on title, and residing in the property, for at least 12 months and has either paid the mortgage for the last 12 months or can demonstrate a relationship (relative, domestic partner, etc...) with the current obligor. OR</li> <li>The borrower has recently inherited, or was legally awarded, the property (divorce, separation, or dissolution of a domestic partnership).</li> </ul> <p><b>Rate and Term requirements:</b></p> <p>A “no cash-out” refinance Mortgage, Rate and Term, is a mortgage for which the proceeds may be used only to:</p> <ul style="list-style-type: none"> <li>Pay off the first Mortgage, regardless of its age; for Construction Conversion Mortgage and Renovation Mortgages, the amount of the Interim Construction Financing secured by the Mortgaged Premises is considered an amount used to pay off the first mortgage.</li> <li>Pay off any junior liens secured by the Mortgaged Premises, that were used in their entirety to acquire the subject property.</li> <li>Pay related Closing Costs, Financing Costs, and Prepaids / Escrows</li> <li>Disburse cash out to the borrower (or any other payee) not to exceed 2% of the new refinance Mortgage or \$2000, whichever is less.</li> </ul>																																

	<p><b>Cash Out requirements:</b></p> <ul style="list-style-type: none"> <li>• If the borrower has not owned the property for six months the following requirements apply:</li> <li>• At least one borrower on the refinance mortgage inherited or was legally awarded the subject property ( divorce, separation or dissolution of a domestic partnership) OR all of the following:</li> <li>• The settlement/closing disclosure statement from the purchase transaction must reflect that no financing secured by the subject property was used to purchase the subject property.</li> <li>• The preliminary title report for the refinance must reflect the borrower as the owner of the subject property and must reflect that there are no liens on the property.</li> <li>• Source of funds to purchase the property must be documented.</li> <li>• If funds were borrower to purchase the subject property, those funds must be repaid and reflected on the Settlement/Closing Disclosure Statement for the refinance transaction.</li> <li>• The amount of the cash-out refinance mortgage must not exceed the sum of the original purchase price and related Closing Costs, Financing Costs and Prepaids/Escrows as documented by the Settlement/Closing Disclosure Statement for the purchase transaction. A recorded trustee's deed or equivalent documentation may be used when a Settlement /Closing Disclosure Statement was not used for the purchase transaction.</li> <li>• There must have been no affiliation or relationship between the buyer and seller of the purchase transaction.</li> <li>• If the property was listed for sale in the past 6 months, LTV for cash out refinance may not exceed 70%.</li> <li>• Texas cash out refinances are not allowed.</li> <li>• All cash-out refinance transactions require a full appraisal.</li> </ul>	
<p><b>Derogatory Credit</b></p>	<p><b>Derogatory Seasoning</b></p> <ul style="list-style-type: none"> <li>• Bankruptcy</li> <li>• Foreclosure</li> <li>• Deed-in-Lieu, Pre-Foreclosure, Charge-off of Mortgage account</li> <li>• Short Sale</li> <li>• Mortgage Modification</li> <li>• Foreclosure and Bankruptcy on the same Mortgage (Mortgages not-reaffirmed)</li> <li>• Judgement / Liens</li> <li>• Collections and Charge off</li> </ul>	<ul style="list-style-type: none"> <li>• As per Loan Prospector (LP) - LP Streamline Accept – Only. (If LP is accept with standard documentation the waiting periods apply).</li> </ul>
<p><b>Student Loan Payment</b></p>	<p><b>Student loan payment requirements:</b> Deferred, forbearance, in repayment.</p> <ul style="list-style-type: none"> <li>• 1% of outstanding balance or obtain documentation verifying the proposed monthly payment amount.</li> </ul> <p><b>IBR</b> – Interest Based Repayment plan – not acceptable</p>	
<p><b>Underwriting</b></p>	<ul style="list-style-type: none"> <li>• Loan Prospector – “LP Accept” <b>only</b></li> <li>• Manual Underwriting – Not Allowed</li> </ul>	

<b>Ratio</b>	<b>Debt to Income Ratio – DTI:</b> <ul style="list-style-type: none"> <li>As per LP – LP Accept</li> </ul>																		
<b>High Priced Mortgage Loans (HPML)</b>	<ul style="list-style-type: none"> <li>Loans with Automated Collateral Evaluation (ACE) – Not Allowed</li> <li>A five (5) year escrow account must be established.</li> <li>Subject to second review to meet Agency guidelines</li> </ul>																		
<b>Texas 50(a)(6)</b>	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>																		
	<p><b>Assets:</b></p> <ul style="list-style-type: none"> <li>Assets used for down payment must be documented to show that they are from borrower's own funds. The loan application should provide an accurate reflection of the funds required from the borrower to close the transaction. The application must clearly state the source of the funds for down payment and closing costs, and cannot state other or any vague description. This applies to all loan applications. The funds required to close are the difference between the funds needed to complete the transaction and the mortgage amount. When a borrower will be paying off debts, adequate funds should be documented to complete the debt payoff, in addition to the funds required to close the transaction and any required cash reserves.</li> </ul> <p><b>Reserves:</b></p> <table border="1" data-bbox="499 836 1575 1209"> <thead> <tr> <th colspan="2">Reserves are to be documented per LP except as follows:</th> </tr> <tr> <th>Subject Property</th> <th>LP Required Reserves</th> </tr> </thead> <tbody> <tr> <td>Primary Residence 1 unit</td> <td>As Per LP</td> </tr> <tr> <td>Primary Residence 2-4 units</td> <td>6 Months PITI</td> </tr> <tr> <td>Second Home</td> <td>2 Months PITI</td> </tr> <tr> <td>Investment Property</td> <td>6 Months PITI</td> </tr> </tbody> </table> <table border="1" data-bbox="499 1039 1575 1209"> <thead> <tr> <th colspan="2">When Borrower has up to 6 Financed Properties, Additional reserves are required:</th> </tr> <tr> <th>Subject Property</th> <th>Additional LP required reserves</th> </tr> </thead> <tbody> <tr> <td>Second home or Investment</td> <td>2 months additional PITI for each additional financed property. Based on the qualifying PITI payment amount of each financed property</td> </tr> </tbody> </table> <p>All reserves submitted to LP must be verified, regardless of LP feedback.</p> <p><b>Note:</b> LP is not able to determine the exact number of financed properties the borrower owns. The underwriter must manually apply the Multiple Property and Departure Property reserve requirement policies. Borrowers with more than 6 financed properties are not permitted.</p>	Reserves are to be documented per LP except as follows:		Subject Property	LP Required Reserves	Primary Residence 1 unit	As Per LP	Primary Residence 2-4 units	6 Months PITI	Second Home	2 Months PITI	Investment Property	6 Months PITI	When Borrower has up to 6 Financed Properties, Additional reserves are required:		Subject Property	Additional LP required reserves	Second home or Investment	2 months additional PITI for each additional financed property. Based on the qualifying PITI payment amount of each financed property
Reserves are to be documented per LP except as follows:																			
Subject Property	LP Required Reserves																		
Primary Residence 1 unit	As Per LP																		
Primary Residence 2-4 units	6 Months PITI																		
Second Home	2 Months PITI																		
Investment Property	6 Months PITI																		
When Borrower has up to 6 Financed Properties, Additional reserves are required:																			
Subject Property	Additional LP required reserves																		
Second home or Investment	2 months additional PITI for each additional financed property. Based on the qualifying PITI payment amount of each financed property																		

<p><b>Non-Occupant Co-Borrower</b></p>	<p>A non-occupant co-borrower is a person who has applied contemporaneously with the applicant for shared or joint credit, and who takes title to the security property but does not occupy the property. A non-occupant co-borrower must sign the Note and Security Instrument.</p> <p>The income of a non-occupant co-borrower can be considered for qualifying purposes on a first or second mortgage with an LTV/CLTV/HCLTV up to 95%, subject to the following additional criteria:</p> <ul style="list-style-type: none"> <li>• <b>LP Accept only</b>, Manual underwriting not available.</li> <li>• Purchase and Rate &amp; Term Only.</li> <li>• Primary Residence Only.</li> <li>• 1 Unit properties only.</li> <li>• The non-occupant co-borrower may not be an interested third party in the transaction (e.g., builder or real estate agent).</li> </ul>
<p><b>Number of Financed Properties</b></p>	<p><b><u>Number of financed properties permitted:</u></b></p> <ul style="list-style-type: none"> <li>• If the subject property is owner occupied, there are no restrictions on the number of financed properties that a borrower can own.</li> <li>• If the subject property is a second home or NOO, the borrower may own up to 6 financed properties. Properties the borrower owns free and clear are not included. When the borrower owns &gt;6 properties, documentation must be provided to show the excess properties are owned free and clear.</li> </ul> <p><b><u>Number of properties WesLend will finance:</u></b></p> <ul style="list-style-type: none"> <li>• WesLend will finance up to 4 multiple properties for one borrower.</li> <li>• Maximum 4 multiple loans to one borrower with the same investor or \$2,000,000 to one borrower with the same investor.</li> </ul>
<p><b>Property / Appraisal</b></p>	<p><b><u>Eligible Properties</u></b> are attached &amp; detached SFR, 2-4 units, warrantable condo and PUD units, rural properties and modular homes.</p> <p><b><u>Agency Warrantable condo projects</u></b> allowed. See condo section for more info.</p> <p><b><u>2<sup>nd</sup> Homes</u></b> must be suitable for year round occupancy. Timeshares, condotels, mandatory rental pools and properties with recreational leases are not allowed. Multi-units and mixed-use properties are not eligible for second homes.</p> <p><b><u>Modular Housing</u></b> is acceptable. Modular housing is prefabricated, panelized or sectional housing that assumes the characteristics of a site built home, meets all local and state building codes, is permanently affixed to the land and is legally classified as real estate.</p> <p><b><u>Leaseholds</u></b> permitted. The term of the lease must extend at least 5 years beyond the term of the loan. All other Freddie Mac requirements must be met.</p> <p><b><u>Listed Properties:</u></b>  <b><u>Rate and Term Refinances:</u></b> For rate and term refinances of properties recently listed for sale, the listing agreement must be cancelled at least one day prior to the date the application is taken.  <b><u>Cash Out Refinances:</u></b> On cash out refinances, listing agreements on the subject property must be cancelled six months prior to the application date or the loan is subject to a maximum loan-to-value of 70%. In all circumstances, listing agreements must be cancelled at least one day prior to the loan application.</p>

<p><b>Rental Income</b></p>	<p>If the borrower owned rental property during the previous tax year, provide complete federal income tax returns to determine the net rental income or loss for qualifying. The rental income or loss from the tax returns must be used unless there are reasons for not using the income or loss (tax returns show large one-time expenses or the borrower documents and explains that the property was under renovation)</p> <p>Subject Property 2-4 Unit Primary Residence and Subject Property 1-4 Unit Investment Property</p> <p>Use the following to determine and document income:</p> <ul style="list-style-type: none"> <li>The borrower's prior year federal tax return if reported on Schedule E and the borrower has owned the property for at least on year: or</li> <li>Form 998, Operating Income Statement</li> </ul> <p>Rental income used to qualify the borrower must be substantiated when using:</p> <ul style="list-style-type: none"> <li>Income approach on the appraisal; and</li> <li>Copies of the present lease(s), if applicable.</li> </ul> <p>Positive net rental income may be considered stable monthly income provided the borrower meets the reserve requirements and the income approach on the appraisal and copies of current leases substantiate the rental income used to qualify the borrower.</p> <p>Form 998 is not required if rental income from the subject property is not considered or if the borrower has owned the subject property for at least one year and reports the income on Schedule E.</p> <p><u>Investment Property other than the Subject Property</u></p> <p>Use the following to determine and document income.</p> <ul style="list-style-type: none"> <li>Schedule E of the borrower's federal tax returns to determine the net rental income when rental income; or</li> <li>Verified net rental income from signed lease(s) may be used to determine the net rental income for an investment property not owned during the previous tax year.</li> </ul> <table border="1" data-bbox="483 889 1633 1003"> <thead> <tr> <th><i>Subject Property</i></th> <th><i>Reserves For Subject Property</i></th> <th><i>Reserves for each Property owned other than the subject.</i></th> </tr> </thead> <tbody> <tr> <td>Primary residence 2-4 Units</td> <td>6</td> <td>2</td> </tr> <tr> <td>Investment Property 1-4 Units</td> <td>6</td> <td>2</td> </tr> </tbody> </table> <p><b>Note:</b> Reserves are required regardless of whether rental income is used in qualifying the borrower.</p>	<i>Subject Property</i>	<i>Reserves For Subject Property</i>	<i>Reserves for each Property owned other than the subject.</i>	Primary residence 2-4 Units	6	2	Investment Property 1-4 Units	6	2																			
<i>Subject Property</i>	<i>Reserves For Subject Property</i>	<i>Reserves for each Property owned other than the subject.</i>																											
Primary residence 2-4 Units	6	2																											
Investment Property 1-4 Units	6	2																											
<p><b>Other Income</b></p>	<p><u><b>Other types of Income:</b></u></p> <table border="1" data-bbox="483 1169 1953 1453"> <tbody> <tr> <td>Alimony or Child Support</td> <td>Allowed</td> <td>Foster-Care Income</td> <td>Allowed</td> </tr> <tr> <td>Automobile Allowances</td> <td>Allowed</td> <td>Foreign Income</td> <td>Allowed</td> </tr> <tr> <td>Boarder Income</td> <td>Allowed</td> <td>Interest/Dividend Income</td> <td>Allowed</td> </tr> <tr> <td>Capital Gains Income</td> <td>Allowed</td> <td>Notes Receivable</td> <td>Allowed</td> </tr> <tr> <td>Expected Income(Future Income)</td> <td>Allowed</td> <td>Royalty Payment Income</td> <td>Allowed</td> </tr> <tr> <td>Housing or Parsonage Allowance</td> <td>Allowed</td> <td>Tip Income</td> <td>Allowed</td> </tr> <tr> <td>Employment Related Assets (Asset Depletion) Some examples: 401(k), IRA, SEP, Keogh.</td> <td>Allowed</td> <td>Trust Income</td> <td>Allowed</td> </tr> </tbody> </table>	Alimony or Child Support	Allowed	Foster-Care Income	Allowed	Automobile Allowances	Allowed	Foreign Income	Allowed	Boarder Income	Allowed	Interest/Dividend Income	Allowed	Capital Gains Income	Allowed	Notes Receivable	Allowed	Expected Income(Future Income)	Allowed	Royalty Payment Income	Allowed	Housing or Parsonage Allowance	Allowed	Tip Income	Allowed	Employment Related Assets (Asset Depletion) Some examples: 401(k), IRA, SEP, Keogh.	Allowed	Trust Income	Allowed
Alimony or Child Support	Allowed	Foster-Care Income	Allowed																										
Automobile Allowances	Allowed	Foreign Income	Allowed																										
Boarder Income	Allowed	Interest/Dividend Income	Allowed																										
Capital Gains Income	Allowed	Notes Receivable	Allowed																										
Expected Income(Future Income)	Allowed	Royalty Payment Income	Allowed																										
Housing or Parsonage Allowance	Allowed	Tip Income	Allowed																										
Employment Related Assets (Asset Depletion) Some examples: 401(k), IRA, SEP, Keogh.	Allowed	Trust Income	Allowed																										

## Conforming Fixed LP & LP Super Conforming

10/16/2017



### FREDDIE MAC GUIDELINES

For further information not covered here please proceed to Freddie Mac Guidelines.

- [Freddie Mac Guidelines](#)