HARP – Fannie Mae DU Refi Plus

12/14/2017

WesLend FINANCIAL

SECTION 1	MATRIX:

Fixed Standard Balance Loans (Conforming Loan Limits)			
Occupancy	**Minimum FICO**	**Max LTV**	**Max CLTV**
Owner Occupied	As Per DU	Unlimited	Unlimited
Second Home	As Per DU	Unlimited	Unlimited
Investment Property	As Per DU	Unlimited	Unlimited
Fixed High Balance Loans (Amount above conforming loan limits)			
Occupancy	**Minimum FICO**	**Max LTV**	**Max CLTV**
Owner Occupied	As Per DU	105%	105%
Second Home	As Per DU	105%	105%
Investment Property	As Per DU	105%	105%
ARM Loans (Conforming loan limits)			
Occupancy	**Minimum FICO**	**Max LTV**	**Max CLTV**
Owner Occupied	As Per DU	105%	105%
Second Home	As Per DU	105%	105%
Investment Property	As Per DU	105%	105%

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SECTION 2	Highlights:

Standard Conforming

LTV's <= 105%

- Minimum loan amount $60,000.
- Minimum loan amount $75,000 for properties located in NY and TX
- Standard Conforming Loan Limits only. No High Balance loan limits allowed on this program.
- MI not allowed for all "No MI" product codes.
- MI required for all "With MI" product codes.
- 105% Max LTV.
- Unlimited Max CLTV for Primary Residence and 2nd Homes.
- 110% Max CLTV for investment properties.
- 620 Min FICO score for Primary Residences.
- 700 Min FICO score for Primary Residences with CLTVs > 175%.
- 620 Min FICO score for 2nd Homes and Investment Properties.
- 720 Min FICO score for 2nd Homes with CLTVs > 175%.

	LTV's 105.01% - 125% • Min loan amount $60,000. • Minimum loan amount $75,000 for properties located in NY and TX • Standard Conforming Loan Limits only. No High Balance loan limits allowed on this program. • MI not allowed for all "No MI" product codes. • MI required for all "With MI" product codes. • 105.01% Min LTV. • 125% Max LTV. • Unlimited Max CLTV • 620 Min FICO score for Primary Residences. • 700 Min FICO score for Primary Residences with CLTVs > 175%. • 620 Min FICO score for 2nd Homes. • 720 Min FICO score for 2nd Homes with CLTVs > 175%. • 620 Min FICO score for investment properties 1-4 units • 720 Min FICO score for investment properties 1-4 units with CLTVs > 175% **LTV's > 125%** • Min loan amount $60,000. • Minimum loan amount $75,000 for properties located in NY and TX • Standard Conforming Loan Limits only. No High Balance loan limits allowed on this program. • MI not allowed for all "No MI" product codes. • MI required for all "With MI" product codes. • 125.01% Minimum LTV. • Unlimited Maximum LTV. • 620 Min FICO score for Primary Residences. • 700 Min FICO score for Primary Residences with LTVs > 150% and/or CLTVs > 175%. • 620 Min FICO score for 2nd Homes. • 720 Min FICO score for 2nd Homes with LTVs > 150% and/or CLTVs > 175%. • 620 Min FICO score for investment properties 1-4 units • 720 Min FICO score for investment properties 1-4 units with CLTVs > 175% ***High Balance*** • High balance loan limits only, through this program. • MI not allowed for all "No MI" product codes. • MI required for all "With MI" product codes. • 105% Max LTV/CLTV • 660 Min FICO score for Primary Residences. • 680 Min FICO score for 2nd Homes and Investment Properties.

SECTION 3 — Products:

Program Codes

Standard Conforming: < = 105% LTV/CLTV			
10 Year Fixed DU Refi Plus	1440-00	15 Year DU Refi Plus w/MI	1341-00
15 Year Fixed DU Refi Plus	1340-00	20 Year DU Refi Plus w/MI	1241-00
20 Year Fixed DU Refi Plus	1240-00	25 Year DU Refi Plus w/MI	1141-00
25 Year Fixed DU Refi Plus	1140-00	30 Year DU Refi Plus w/MI	1041-00
30 Year Fixed DU Refi Plus	1040-00		

Standard Conforming: 105.1% - 125% LTV/CLTV			
15 Year Fixed DU Refi Plus 105-125	1345-00	15 Year DU Refi Plus 105-125 w/MI	1347-00
20 Year Fixed DU Refi Plus 105-125	1245-00	20 Year DU Refi Plus 105-125 w/MI	1247-00
25 Year Fixed DU Refi Plus 105-125	1145-00	25 Year DU Refi Plus 105-125 w/MI	1147-00
30 Year Fixed DU Refi Plus 105-125	1045-00	30 Year DU Refi Plus 105-125 w/MI	1047-00

Standard Conforming: < = 125% LTV/CLTV			
15 Year Fixed DU Refi Plus 125+	1346-00	15 Year DU Refi Plus 125+ w/MI	1348-00
20 Year Fixed DU Refi Plus 125+	1246-00	20 Year DU Refi Plus 125+ w/MI	1248-00
25 Year Fixed DU Refi Plus 125+	1146-00	25 Year DU Refi Plus 125+ w/MI	1148-00
30 Year Fixed DU Refi Plus 125+	1046-00	30 Year DU Refi Plus 125+ w/MI	1048-00

DU High Balance:			
15 Year Fixed DU Refi Plus High Balance	1342-00	15 Year DU Refi Plus High Balance w/MI	1343-00
25 Year Fixed DU Refi Plus High Balance	1142-00	25 Year DU Refi Plus High Balance w/MI	1143-00
30 Year Fixed DU Refi Plus High Balance	1042-00	30 Year DU Refi Plus High Balance w/MI	1043-00

Standard Conforming ARM: < = 105% LTV/CLTV			
5/1 ARM DU Refi Plus	1740-00		
7/1 ARM DU Refi Plus	1840-00		

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SECTION 4 — Parameters and Underwriting:

ATR and QM

- All loans must meet the Ability to Repay (ATR) and Qualified Mortgage (QM) provisions of the Dodd-Frank Act

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Loan Limits

Units	2018 General Loan Limits	
	Continuous 48 States, DC and Puerto Rico	**Alaska, Guam, Hawaii and the U.S. Virgin Islands**
One	$453,100	$679,650
Two	$580,150	$870,225
Three	$701,250	$1,051,875
Four	$871,450	$1,307,175

The corresponding 2018 loan limit for a specific county can be found here, FHFA 2018 Conforming Loan Limits.

Units	2017 General Loan Limits	
	Continuous 48 States, DC and Puerto Rico	**Alaska, Guam, Hawaii and the U.S. Virgin Islands**
One	$424,100	$636,150
Two	$543,000	$814,500
Three	$656,350	$984,525
Four	$815,650	$1,233,45

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Refinances

Rate and Term Refinances:
The standard limited cash out refinance requirements are modified as follows for DU Refi Plus loan transactions.

All other guidelines for limited cash out refinances continue to apply:
-The new loan amount may include payoff of the unpaid principal balance, the financing of closing costs, prepaids and points, cash back not to exceed $250. Seconds may subordinate per Fannie Mae requirements for subordinate seconds.

Cash Out – Not Allowed

Mortgage Insurance

Eligible loans include those where the existing loan has MI as well as loans that do not.
If the loan originally had MI, the mortgage insurance will be transferred to the new loan.

Loans will only require MI if the existing loan has MI, regardless of the LTV.

- Product Codes ending in 41-00, 47-00, 48-00 and 43-00 must be used for loans that require MI.

The existing loan must be insured by one of the following mortgage insurers to be eligible:

- MGIC
- Radian
- PMI
- RMIC
- Triad
- UGI

The DU findings will specify the current mortgage insurer.

	When a loan that is insured by one of the above listed mortgage insurance companies is being refinanced, a new MI certificate will not be issued. The current mortgage insurance company will “transfer” or “modify” the original MI certificate so it will apply to the new loan. The new loan does not require any additional MI coverage than is currently in place, regardless of the LTV of the new loan. The borrower’s current MI premium will not change. ***Note:*** If the loan being refinanced was obtained via an LPMI program, or a single up-front MI premium was paid, the MI certificate will transfer to the new loan at no additional cost. If the loan was obtained via an LPMI program, the premium paid by the lender as an Up-Front premium. Loans requiring transfers of LPMI certificates, where the MI payment is made annually or monthly, are not allowed. **MI Certificate Transfer Process (to be performed by the Underwriter)** Each mortgage insurer has its own documentation requirements, policy and submission process that must be followed in order to have the existing MI certificate transferred to the new loan. The links below will direct you to the process, form and submission requirements for each MI company: • **MGIC:** ***http://www.mgic.com/origination/refi_to_mod.html*** • **Radian:** ***http://www.radian.biz/page?name=HASPSameServicerPerf*** • **Genworth:** ***http://mortgageinsurance.genworth.com/RatesAndGuidelines/MakingHomeAffordable.aspx*** • **PMI:** ***http://www.pmi-us.com/lenders/harp.html*** • **RMIC:** ***http://www.rmic.com/productsandservices/recovery/Pages/default.aspx*** • **Triad:** ***http://www.tgic.com/HASP.aspx*** • **UGI:** ***https://www.ugcorp.com/services/harp.html*** .
Derogatory Credit	**Credit:** Compliance with the waiting periods and re-establishment of credit requirements for significant derogatory credit is not required. DU will issue a message when a significant derogatory credit event is identified that indicates the loan is eligible regardless of when the event occurred. DU will not require the satisfaction of a judgment shown on the credit report. In addition DU will not require the 1003 Section VIII Declarations to be reviewed and DU will not consider them in the underwriting evaluation. **Loan Modifications**: A borrower who has received a loan modification is eligible to refinance under DU Refi Plus. Note the following: The borrower benefit provision must be met. The terms of the modified loan (trial or permanent) must be used for this comparison. If the borrower was previously in a trial period plan but denied a permanent modification the current terms of the loan must be used for this purpose. The borrower must meet DU’s mortgage delinquency policy for the existing mortgage. **Borrower benefit:** The borrower must receive a benefit in the form of at least one of the following: • A reduced monthly mortgage P&I payment • A more stable mortgage product such as ARM to Fixed • A reduction in the interest rate: or • A reduction in the amortization term. .
Student Loan Payment Requirements	Whether deferred, in forbearance, or in repayment (not deferred), monthly payment must be included in the borrower’s recurring monthly debt obligation when qualifying the borrower.

	If a monthly payment is provided on the credit report, the lender may use that amount as the monthly payment for qualifying purposes. If the credit report does not provide a monthly payment for the student loan, or if the credit report shows $0 as the monthly payment (which may be the case for deferred loans or loans in forbearance), the lender must calculate a qualifying monthly payment using one of the options below: • 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or • a fully amortizing payment using the documented loan repayment terms.
Underwriting	• Desktop Underwriter, DU – "Approve/Eligible" **only** • Manual Underwriting – Not Allowed
Ratio	**Debt to Income Ratio – DTI:** • As per DU – Approve / Eligible **Note**: The DU Refi Plus message must be reflected on the DU findings. .
Texas 50(a)(6)	• Allowed – Subject to Agency Guidelines • Subordinate financing – Not Allowed .
Reserves	**Reserves:** Reserves are required **<u>if the payment is increasing 20%</u>** or more. This requirement can be met either by verifying an income source or by verifying reserves. <u>Income source:</u> At least one borrower must have a source of income from an eligible source. Verification of the borrower's employment or self-employment can be completed with a verbal VOE. Other non-employment income sources must be documented. Verification of the amount of income, history of receipt or anticipated continuity of the income is not required. OR <u>Reserves</u>: Verification of liquid assets equal to 12 months of the new PITI payment on the subject property. These reserves must be documented with at least one recent statement and are limited to the following types of accounts: checking/savings, CDs, money market, stocks/bonds/mutual funds, and the amount vested in a retirement account. Large deposits do not need to be sourced. **Calculation of Reserves for Multiple Financed Properties:** • There are no limits on the number of finance properties the borrower may own.
Property	**<u>Eligible Properties:</u>** one-to-four principal residences, one-unit second homes, and one-to-four investment properties. All property types are eligible including detached, attached, manufactured housing and units in a PUD, Condo or co-op project. **<u>Ineligible Properties:</u>** Cooperatives and Manufactured Homes. Unique properties (i.e., log homes, dome homes, etc.) are on an exception basis only.

	Leaseholds – Not Permitted
FANNIE MAE GUIDELINES	For further information not covered here please proceed to Fannie Mae Guidelines. • https://www.fanniemae.com/singlefamily/originating-underwriting .