

**SECTION 1**

**MATRIX:**

<b>Standard Balance Loans (Conforming Loan Limits)</b>			
<b>Occupancy</b>	<b>Minimum FICO</b>	<b>Max LTV</b>	<b>Max CLTV</b>
Owner Occupied	620	150%	175%
	700	Unlimited	Unlimited
Second Home	620	150%	175%
	720	Unlimited	Unlimited
Investment Property	620	105%	110%
<b>Super Conforming Loans (High Cost Areas)</b>			
<b>Occupancy</b>	<b>Minimum FICO</b>	<b>Max LTV</b>	<b>Max CLTV</b>
Owner Occupied	660	105%	110%
Second Home	680	105%	110%
Investment Property	680	105%	110%

**SECTION 2**

**Highlights:**

**Conforming Loan Amounts:**

- Min loan amount \$60,000.
- Min loan amount \$75,000 for properties located in NY and TX
- 620 Min FICO score for Primary Residences and 2nd Homes with LTVs/CLTVs ≤ 150%/175%.
- 620 Min FICO score and Max LTV/CLTV of 105%/110% for Investment Properties.
- 700 Min FICO score for Primary Residences with LTVs/CLTVs > 150%/175%.
- 720 Min FICO score for 2nd Homes with LTVs/CLTVs > 150%/175%.
- Standard Conforming Loan Limits only. No High Balance loan limits allowed on this program.
- 0X30 in the past 12 months for all mortgage tradelines.
- Borrowers are limited to a maximum of 4 financed properties, including the subject.

**Super Conforming Loan Amounts:**

- High balance loan limits only, through this program.
- 660 Min FICO score for Primary Residences.
- 680 Min FICO score for 2nd Homes and Investment Properties.
- 105%/110% Max LTV/CLTV.
- 0X30 in the past 12 months for all mortgage tradelines.

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<b>SECTION 3</b>	<b>Products:</b>																																		
Program Codes	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="512 266 1094 293"><b>Conforming</b></th> <th colspan="2" data-bbox="1146 266 1906 293"><b>Super Conforming</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="512 293 915 321">15 Year Fixed LP Open Access</td> <td data-bbox="915 293 1094 321">1350-00</td> <td data-bbox="1146 293 1682 321">15 Year LP Open Access Super Conforming</td> <td data-bbox="1682 293 1906 321">1351-00</td> </tr> <tr> <td data-bbox="512 321 915 349">20 Year Fixed LP Open Access</td> <td data-bbox="915 321 1094 349">1250-00</td> <td data-bbox="1146 321 1682 349">30 Year LP Open Access Super Conforming</td> <td data-bbox="1682 321 1906 349">1051-00</td> </tr> <tr> <td data-bbox="512 349 915 376">30 Year Fixed LP Open Access</td> <td data-bbox="915 349 1094 376">1050-00</td> <td></td> <td></td> </tr> </tbody> </table>	<b>Conforming</b>		<b>Super Conforming</b>		15 Year Fixed LP Open Access	1350-00	15 Year LP Open Access Super Conforming	1351-00	20 Year Fixed LP Open Access	1250-00	30 Year LP Open Access Super Conforming	1051-00	30 Year Fixed LP Open Access	1050-00																				
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<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"> <thead> <tr> <th data-bbox="478 597 674 683" rowspan="2">Units</th> <th colspan="2" data-bbox="674 597 1388 625"><b>2018 General Loan Limits</b></th> </tr> <tr> <th data-bbox="674 625 1041 683">Continuous 48 States, DC and Puerto Rico</th> <th data-bbox="1041 625 1388 683">Alaska, Guam, Hawaii and the U.S. Virgin Islands</th> </tr> </thead> <tbody> <tr> <td data-bbox="478 683 674 711">One</td> <td data-bbox="674 683 1041 711">\$453,100</td> <td data-bbox="1041 683 1388 711">\$679,650</td> </tr> <tr> <td data-bbox="478 711 674 738">Two</td> <td data-bbox="674 711 1041 738">\$580,150</td> <td data-bbox="1041 711 1388 738">\$870,225</td> </tr> <tr> <td data-bbox="478 738 674 766">Three</td> <td data-bbox="674 738 1041 766">\$701,250</td> <td data-bbox="1041 738 1388 766">\$1,051,875</td> </tr> <tr> <td data-bbox="478 766 674 794">Four</td> <td data-bbox="674 766 1041 794">\$871,450</td> <td data-bbox="1041 766 1388 794">\$1,307,175</td> </tr> </tbody> </table> <p data-bbox="478 824 1656 852">The corresponding 2018 loan limit for a specific county can be found here, <a href="#">FHFA 2018 Conforming Loan Limits</a>.</p> <table border="1"> <thead> <tr> <th data-bbox="478 880 674 966" rowspan="2">Units</th> <th colspan="2" data-bbox="674 880 1388 907"><b>2017 General Loan Limits</b></th> </tr> <tr> <th data-bbox="674 907 1041 966">Continuous 48 States, DC and Puerto Rico</th> <th data-bbox="1041 907 1388 966">Alaska, Guam, Hawaii and the U.S. Virgin Islands</th> </tr> </thead> <tbody> <tr> <td data-bbox="478 966 674 993">One</td> <td data-bbox="674 966 1041 993">\$424,100</td> <td data-bbox="1041 966 1388 993">\$636,150</td> </tr> <tr> <td data-bbox="478 993 674 1021">Two</td> <td data-bbox="674 993 1041 1021">\$543,000</td> <td data-bbox="1041 993 1388 1021">\$814,500</td> </tr> <tr> <td data-bbox="478 1021 674 1049">Three</td> <td data-bbox="674 1021 1041 1049">\$656,350</td> <td data-bbox="1041 1021 1388 1049">\$984,525</td> </tr> <tr> <td data-bbox="478 1049 674 1076">Four</td> <td data-bbox="674 1049 1041 1076">\$815,650</td> <td data-bbox="1041 1049 1388 1076">\$1,233,45</td> </tr> </tbody> </table>	Units	<b>2018 General Loan Limits</b>		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	Units	<b>2017 General Loan Limits</b>		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	<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>In all cases at least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced.</li> </ul> <p><b>Rate and Term requirements:</b> The proceeds of the refinance must be used only to:</p> <ul style="list-style-type: none"> <li>Payoff the first mortgage (only the unpaid principal balance and interest accrued through the date the mortgage being refinanced is paid off),</li> <li>pay related closing costs, financing costs, prepaids and escrows not to exceed \$5,000 and</li> <li>disbursed cash to the borrower not to exceed \$250.</li> </ul> <p><b>Open Access</b> must be originated for one of the following purposes:</p>																																		

	<ul style="list-style-type: none"> <li>• Reduction in the interest rate of the first lien mortgage</li> <li>• Replacement of an ARM, Initial Interest Mortgage (or any mortgage with an initial interest-only period or a balloon mortgage with a fixed rate, fully amortizing mortgage)</li> <li>• Reduction in the amortization term of the first lien mortgage (the new mortgage may have a longer amortization term than the existing mortgage is at least one of the other requirements is met)</li> <li>• Reduction in the monthly principal and interest payment of the first lien mortgage.</li> </ul>	
<b>Derogatory Credit</b>	<b>Derogatory Seasoning</b>	
	<table border="1"> <tr> <td>                     Bankruptcy                      Foreclosure                      Deed-in-Lieu, Pre-Foreclosure, Charge-off of Mortgage account                      Short Sale                      Mortgage Modification                      Foreclosure and Bankruptcy on the same Mortgage (Mortgages not-reaffirmed)                      Judgement / Liens                      Collections and Charge off                 </td> <td> <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> </td> </tr> </table>	Bankruptcy Foreclosure Deed-in-Lieu, Pre-Foreclosure, Charge-off of Mortgage account Short Sale Mortgage Modification Foreclosure and Bankruptcy on the same Mortgage (Mortgages not-reaffirmed) Judgement / Liens Collections and Charge off
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<b>Student Loan Payment</b>	<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>	
<b>Underwriting</b>	<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>	<p><b>Debt to Income Ratio – DTI:</b></p> <ul style="list-style-type: none"> <li>• As per LP – LP Accept</li> </ul>	
<b>Texas 50(a)(6)</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>	
<b>Assets / Reserves</b>	<p><b>Assets:</b> Determined by LP                  Obtain the most recent monthly or quarterly account statement. **Not required to meet the requirements of guide section 5501.3(b) and (c) (e.g. investigate large deposits or increases in a balance, or provide proof of liquidation of funds).</p> <p><u>All reserves submitted to LP must be verified, regardless of LP feedback.</u></p>	

<p><b>Property</b></p>	<p><b>Eligible Properties:</b> 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</p> <p><b>Agency Warrantable condo projects</b> – Allowed</p> <p><b>Leaseholds</b> - Not Allowed</p>						
<p><b>Mortgage Insurance</b></p>	<p>Mortgage Insurance: For an LTV ratio greater than 80%: If the existing mortgage has mortgage insurance coverage, then the same percentage of coverage must be maintained for the refinance mortgage on the entire unpaid principal balance. If the existing mortgage does not have mortgage insurance coverage, then no mortgage insurance coverage is required for the new Freddie Mac Relief Refinance Mortgage.</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="478 1385 1629 1471"> <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> </tbody> </table>	<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
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<p><b>Other Income</b></p>	<p><b>Note:</b> Reserves are required regardless of whether rental income is used in qualifying the borrower.</p> <p><b><u>Other types of Income:</u></b></p> <table border="1" data-bbox="478 496 1955 781"> <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> </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
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<p><b>FREDDIE MAC GUIDELINES</b></p>	<p>For further information not covered here please proceed to Freddie Mac Guidelines.</p> <ul style="list-style-type: none"> <li><a href="#">Freddie Mac Guidelines</a></li> </ul>																															