

SECTION 1 **MATRIX:**

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

SECTION 2 **Overlays:**

- 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.
- Borrowers are limited to a maximum of 4 financed properties, including the subject.

<p>SECTION 3</p> <p>Program Codes</p>	<p>Products:</p> <table border="1" data-bbox="512 266 1094 383"> <thead> <tr> <th colspan="2">Conforming</th> </tr> </thead> <tbody> <tr> <td>15 Year Fixed LP Open Access</td> <td>1350-00</td> </tr> <tr> <td>20 Year Fixed LP Open Access</td> <td>1250-00</td> </tr> <tr> <td>30 Year Fixed LP Open Access</td> <td>1050-00</td> </tr> </tbody> </table> <table border="1" data-bbox="1148 266 1908 354"> <thead> <tr> <th colspan="2">Super Conforming</th> </tr> </thead> <tbody> <tr> <td>15 Year LP Open Access Super Conforming</td> <td>1351-00</td> </tr> <tr> <td>30 Year LP Open Access Super Conforming</td> <td>1051-00</td> </tr> </tbody> </table>	Conforming		15 Year Fixed LP Open Access	1350-00	20 Year Fixed LP Open Access	1250-00	30 Year Fixed LP Open Access	1050-00	Super Conforming		15 Year LP Open Access Super Conforming	1351-00	30 Year LP Open Access Super Conforming	1051-00	
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<p>SECTION 4</p> <p>ATR and QM</p>	<p>Parameters and Underwriting:</p> <ul style="list-style-type: none"> All loans must meet the Ability to Repay (ATR) and Qualified Mortgage (QM) provisions of the Dodd-Frank Act. 															
<p>Loan Limits</p>	<table border="1" data-bbox="495 597 1757 787"> <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</p> <ul style="list-style-type: none"> https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx 	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
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<p>REFINANCES</p>	<p>All Refinance Mortgage requirements:</p> <ul style="list-style-type: none"> When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met: 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. <p>Rate and Term requirements:</p> <p>The proceeds of the refinance must be used only to:</p> <ul style="list-style-type: none"> Payoff the first mortgage (only the unpaid principal balance and interest accrued through the date the mortgage being refinanced is paid off), pay related closing costs, financing costs, prepaids and escrows not to exceed \$5,000 and disbursed cash to the borrower not to exceed \$250. <p>Open Access must be originated for one of the following purposes:</p> <ul style="list-style-type: none"> Reduction in the interest rate of the first lien mortgage 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 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) Reduction in the monthly principal and interest payment of the first lien mortgage. 															

<p>Derogatory Credit</p>	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="464 219 1969 256"> Derogatory Seasoning </th> </tr> </thead> <tbody> <tr> <td data-bbox="464 256 1073 532"> <ul style="list-style-type: none"> 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 data-bbox="1073 256 1969 532"> <ul style="list-style-type: none"> • As per Loan Prospector (LP) - LP Streamline Accept – Only. (If LP is accept with standard documentation the waiting periods apply). </td> </tr> </tbody> </table>		Derogatory Seasoning		<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> • As per Loan Prospector (LP) - LP Streamline Accept – Only. (If LP is accept with standard documentation the waiting periods apply).
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<p>Student Loan Payment</p>	<p>Student loan payment requirements: Deferred, forbearance, in repayment.</p> <ul style="list-style-type: none"> • 1% of outstanding balance or obtain documentation verifying the proposed monthly payment amount. <p>IBR – Interest Based Repayment plan – not acceptable</p>					
<p>Underwriting</p>	<ul style="list-style-type: none"> • Loan Prospector – “LP Accept” only • Manual Underwriting – Not Allowed 					
<p>Ratio</p>	<p>Debt to Income Ratio – DTI:</p> <ul style="list-style-type: none"> • As per LP – LP Accept 					
<p>Texas 50(a)(6)</p>	<ul style="list-style-type: none"> • Not Allowed 					
<p>Assets / Reserves</p>	<p>Assets: 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>Property</p>	<p>Eligible Properties: 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>Agency Warrantable condo projects – Allowed</p> <p>Leaseholds 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>Mortgage Insurance</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>Rental Income</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"> • 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 • Form 998, Operating Income Statement <p>Rental income used to qualify the borrower must be substantiated when using:</p> <ul style="list-style-type: none"> • Income approach on the appraisal; and • Copies of the present lease(s), if applicable. <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"> • Schedule E of the borrower’s federal tax returns to determine the net rental income when rental income; or • 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. <table border="1" data-bbox="478 1162 1629 1279"> <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>Note: 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
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Other Income	<u>Other types of Income:</u>			
	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
FREDDIE MAC GUIDELINES	For further information not covered here please proceed to Freddie Mac Guidelines.			
	<ul style="list-style-type: none"> • Freddie Mac Guidelines 			