

Primary Residence – Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	620	1 - Unit	97% Conforming; 95% High Balance
		2 - Units	85
		3-4 Units	75
Cash-Out Refinance	620	1 - Unit	80
		2-4 Units	75
Second Home			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase / Rate Term	620	1 – Unit	90
Cash-Out Refinance	620	1 – Unit	75
Investment Property – Non-Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase	620	1 – Unit	80
		2-4 Units	75
Rate / Term	620	1-4 Units	75
Cash-Out Refinance	620	1 – Unit	75
		2-4 Units	70

WesLend Choice Conforming Fixed DU Product Codes:			
10 Year Fixed	1400-99	15 Year LPMI	1311-99
15 Year Fixed	1300-99	20 Year LPMI	1211-99
20 Year Fixed	1200-99	25 Year LPMI	1111-99
25 Year Fixed	1100-99	30 Year LPMI	1011-99
30 Year Fixed	1000-99		
WesLend Choice Conforming Fixed DU High Balance Product Codes:			
15 Year Fixed High Balance	1333-99	15 Year Fixed LPMI	1312-99
30 Year Fixed High Balance	1033-99	30 Year Fixed LPMI	1012-99

Highlights

Topic	WesLend Coice Conforming Highlights - DU
1031 Exchange Transactions	Allowed for investment property purchase transactions only.
4506 Transcripts	Tax transcripts are required per income documentation type included in the loan file.
Appraisal	<p>Transferred Appraisals are not allowed. Appraisals generated for third parties are not eligible. Full appraisals are required when:</p> <ul style="list-style-type: none"> • The subject property is an REO; • The subject property was acquired through auction; • The transaction is an Identity of Interest transaction; or • The subject property is deed restricted. <p>Property Inspection Waivers (PIW):</p> <ul style="list-style-type: none"> • A PIW offer may not be exercised if an appraisal has already been obtained. <p>CU Scores of 4-5:</p> <ul style="list-style-type: none"> • Must be reviewed by the Underwriting Manager. • The underwriter must document the steps taken to ensure validity of the appraised value.

	<ul style="list-style-type: none"> ▪ Documentation may include a Field/Desk Review. <p>Re-Use of an Appraisal is not allowed.</p>
Assets	Cryptocurrency, such as Bitcoin and Ethereum may NOT be used for down payment funds or closing funds. These types of funds must be backed out of the borrower's assets.
AUS	DU "approve/eligible" decision is required
Bank Accounts	<p>When a bank account or asset statement indicates "FBO" (for the betterment of) or "ITF" (trust account) confirmation is required that the borrower has access to the account and is either the beneficiary or the trustee. The following documentation may be used to satisfy this requirement:</p> <ul style="list-style-type: none"> • A copy of the Trust or Trust Certificate indicating the borrower is the beneficiary or trustee; and • The borrower's name matches the name on the FBO/ITF account.
Borrower Eligibility	<p>Maximum four borrowers per loan.</p> <p>Eligibility:</p> <ul style="list-style-type: none"> • All borrowers must be natural persons or an eligible <i>inter-vivos</i> trust. • All borrowers must have a valid social security number. ITINs are not allowed. • U.S. Citizens are eligible. • Permanent Resident Aliens – provide one of the following: <ul style="list-style-type: none"> ▪ A copy of a valid Permanent Resident Card (front and back); or ▪ A Passport with the USCIS I-551 stamp. • Non-Permanent Resident Aliens – provide one of the following: <ul style="list-style-type: none"> ▪ USCIS issued <u>Employment Authorization Document</u> (EAD Card) <ul style="list-style-type: none"> ○ If the borrower has less than a two year history of residing in the U.S., a copy of the Passport used to enter the country and a copy of the I-94 issued by the USCIS are required. ○ If the borrower has greater than a two year history of residing in the U.S., a copy of the current and previous EAD card is required.; or ▪ One of the following Visas: <ul style="list-style-type: none"> ○ E-1, E-2, E-3; ○ G-1, G-2, G-3, G-4, G-5; ○ H-1, H-1b, H-2A, H-3; ○ L1; ○ TC, NAFTA Visa; or ○ TN, NAFTA Visa. • Form I-797C, <u>Notice of Action Taken</u>, issued by the United States Citizenship and Immigration Services (USCIS) is not sufficient to document that a non-U.S. citizen is legally present in the United States. • If the authorization for non-permanent residency status will expire within three months or if it is set to expire, confirmation from USCIS that the employer has re-filed a petition of extension is required. If there are no prior renewals, proof of a three year continuance must be determined based on information from USCIS. • Non-Permanent Residents must be employed in the U.S. if their income is used to qualify.

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	<ul style="list-style-type: none"> If a Non-Permanent Resident Alien is borrowing with a U.S. Citizen, it does NOT eliminate or reduce any documentation requirements. <p>The following borrowers are ineligible:</p> <ul style="list-style-type: none"> Borrowers with diplomatic immunity, temporary protected Status, deferred enforced departure status, or humanitarian parole status; Foreign nationals; Non-resident aliens; and Politically exposed persons.
Community Seconds	Not Allowed
Condominiums	<p>Per Fannie Mae requirements; and</p> <ul style="list-style-type: none"> Full reviews must be performed in conjunction with Fannie Mae's Condo Project Manager (CPM) automated system. <p>The following project types are ineligible:</p> <ul style="list-style-type: none"> Projects that require Fannie Mae PERS approval; Subject units with < 650 square feet; Projects with any unit(s) with less than 400 square feet; Manufactured home condo projects; Condotels and Hotel Condos; Condo projects that include registration services and offer the rental of units for a term of ≤ 30 days; Condo projects that share facilities with a hotel or motel; Condo projects that offer services typically provided in a hotel or motel such as maid services, management desks, bellman services, etc.; Condo projects that restrict the owner's ability to occupy the unit; and Condo projects that permit a priority lien for unpaid common expenses in excess of priority lien limitations. <p>Projects in Hawaii:</p> <ul style="list-style-type: none"> Many projects located in Hawaii are subject to ground leases. There are also projects that will have a mixture of both fee simple and ground lease units within the same project. Only fee simple units are eligible Ground lease units are ineligible.
Construction-to-Perm	Not Eligible
Contingent Liability	<ul style="list-style-type: none"> When a borrower is obligated on a non-mortgage debt, but is not the party who is actually repaying the debt, the monthly payment may be excluded from the borrower's recurring monthly obligations. This policy applies whether or not the other party is obligated on the debt, but is not applicable if the other party is an interested party to the subject transaction (such as the seller or realtor). Non-mortgage debts include installment loans, student loans, revolving accounts, lease payments, alimony, child support, and separate maintenance. When a borrower is obligated on a mortgage debt, but is not the party who is actually repaying the debt, the full monthly housing expense (PITIA) may be excluded from the borrower's recurring monthly obligations if: <ul style="list-style-type: none"> The party making the payments is obligated on the mortgage debt; There are no delinquencies in the most recent 12 months; and

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	<ul style="list-style-type: none"> ▪ The borrower is not using rental income from the applicable property to qualify. • In order to exclude non-mortgage or mortgage debts from the borrower's DTI ratio, obtain the most recent 12 months' cancelled checks (or bank statements) from the other party making the payments that document a 12 month consecutive payment history with no delinquent payments. • When a borrower is obligated on a mortgage debt, regardless of whether or not the other party is making the monthly mortgage payments, the referenced property must be included in the count of financed properties, as applicable.
Credit Report	<ul style="list-style-type: none"> • An RMCR or traditional tri-merge credit report is required for all borrowers. • A new credit report may not be pulled once the file has been submitted for underwriting. • A new credit report is allowed only after the existing credit report has expired. • Any debt not reported on the credit report must be documented as being repaid in a satisfactory manner. • If the credit report does not show a required minimum payment amount and there is no supplemental documentation to support a payment, 5% of the outstanding balance must be used as the borrower's recurring monthly debt obligation.
DAPs/MCCs	Not Allowed
Deed Restrictions	Age related (55+) only. All other deed restrictions are ineligible.
Disabled Child/Elderly Parent	<ul style="list-style-type: none"> • Borrowers who wish to provide housing for their physically handicapped or developmentally disabled adult child who is unable to work or does not have sufficient income to qualify for a loan, may be considered owner-occupants; or • Borrowers who wish to provide housing for their parent who is unable to work or does not have sufficient income to qualify may be considered owner-occupants. • The borrower must provide a detailed explanation identifying the situation and need for financing. <ul style="list-style-type: none"> ▪ Exercise caution when the borrower owns investment properties or is doing a cash-out refinance transaction. • When borrowers are financing a home for their disabled child or parents the following apply: <ul style="list-style-type: none"> ▪ The disabled child or parent is not required to be on title or on the mortgage loan. ▪ Acceptable documentation must be included in the loan file to support the transaction. Documentation may include tax returns of the borrower that show the disabled adult child as a dependent or tax returns of the parent which documents insufficient income to qualify.
Electronic Signatures	<p>The following documents may not contain e-signatures:</p> <ul style="list-style-type: none"> • Notes and Riders to the Note; • Security Instruments and Riders; • Notice of Right to Cancel; and • Powers of Attorney.
Escrow Impounds	Escrow accounts are required when the LTV is >80% except where prohibited by state law.
Escrow Withholds/Repair Escrows	Not Eligible

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Frozen Credit	Loans where credit is frozen are ineligible.
Future Employment/Income	The borrower(s) must begin employment before the loan is closed. Income documentation per AUS findings must be provided.
HPML	Not allowed.
Identity of Interest or Non-Arms-Length Transactions	<p>Not eligible for second home or investment transactions. Identity of Interest or non-arms-length transactions are purchase transactions where there is a relationship or business affiliation between parties to the transactions such as:</p> <ul style="list-style-type: none"> • Family Members; • Employer/Employee; or • Principal Agent <p>These transactions include, but are not limited to:</p> <ul style="list-style-type: none"> • Family sales or transfers; • Corporate sales or transfers; • Borrowers employed in the real estate or construction trades who are involved in the construction, financing or sale of the subject property; and • Transactions involving principals or a lender or other vendor (such as an appraiser, settlement agent, or title company) who is involved in the lending process of the subject property. <p>The following requirements must be met:</p> <ul style="list-style-type: none"> • If the property is a newly constructed property and the borrower has a relationship or business affiliation (any ownership interest or employment) with the builder, developer, or seller of the subject property, the loan must be secured by a primary residence. • Transactions must be fully disclosed as non-arms-length and require close examination to ensure the equity position is not compromised. • A non-arms-length transaction is not permitted if the subject property is in foreclosure or a Notice of Default (NOD) has been filed. • Non-arms-length transactions require full documentation for assets and income regardless of the AUS findings. • The file must include all of the following documentation: <ul style="list-style-type: none"> ▪ A copy of the cancelled earnest money check to verify payment to the seller; ▪ Verification that the borrower is not now on title and has not been on title within the past 24 months; ▪ Payment history for the existing mortgage (verification of the seller's mortgage) on the subject property must be obtained. It must show that the loan is paid current and has no pattern of delinquency within the past 12 months; ▪ The borrower must provide a written explanation stating their relationship to the seller and the reason for purchase; and ▪ The transaction must make sense. • A full appraisal must be obtained regardless of the AUS findings. The appraiser must be informed of the non-arms-length transaction and address whether or not the market value has been affected by the relationship of the parties.
Ineligible Programs	<p>The following programs are ineligible:</p> <ul style="list-style-type: none"> • All Affordable Housing Programs including: <ul style="list-style-type: none"> ▪ Community Seconds ▪ Community Solutions and Community HomeChoice;

	<ul style="list-style-type: none"> ▪ HomePath; ▪ HomePossible; ▪ HomeReady; ▪ Homestyle Renovation; and ▪ My Community. <ul style="list-style-type: none"> • Construction Loans
Ineligible Properties	<p>The following property types are not eligible:</p> <ul style="list-style-type: none"> • Assisted Living Facilities • Bed and Breakfast Establishments • Board and Care Facilities • Boarding Houses • Condotels • Co-ops • Dome or Log Homes • Hawaiian Properties Located in Lava Zones 1 and 2 • Houseboats • Indian Leased Land • Indian Tribal Trust Land • Land Trusts • Legal Non-Conforming Properties where zoning regulations prohibit re-building • Mobile Homes • On-Frame Modular Homes • Properties with C5, C6, or Q6 Ratings • Timeshares • Working Farms or Ranches
Interested Party Contributions	<p>Financing concessions for primary residences and second homes must be within the following allowable percentages:</p> <ul style="list-style-type: none"> • LTV/CLTV $\leq 75\%$ - 9% of value • LTV/CLTV $> 75\%$ - $\leq 90\%$ - 6% of value • LTV/CLTV $> 90\%$ - 3% of value <p>Financing concessions for investment properties is limited to:</p> <ul style="list-style-type: none"> • 2% of value regardless of the LTV/CLTV. <p>Value is the lesser of the sales price or appraised value.</p> <p>Note: The property seller cannot pay for future HOA dues.</p>
Leasehold Properties	Not Eligible
Manual Underwriting	Not Allowed
Manufactured Homes	Not Eligible
Marijuana Related Business/Employment	Income from a marijuana related business or employment is not allowed to be used for qualifying income.
Mortgage Insurance	<p>Loans with a DTI greater than 45% and a credit score < 700 are not eligible.</p> <p>Reduced MI Levels are not eligible. Standard coverage must be obtained.</p> <p>For properties in New York:</p> <ul style="list-style-type: none"> • Use the appraised value only to determine if MI is required. • If MI is required, use the lesser of the sales price or the appraised value to determine the required coverage. <p>Mortgage Insurance Options:</p> <ul style="list-style-type: none"> • Borrower Paid Single Premium • Financed MI

	<ul style="list-style-type: none"> • Lender Paid Single Premium <ul style="list-style-type: none"> ▪ Must obtain MI from Genworth • Level Amount • Monthly and Zero Monthly • Standard Annual <p>Ineligible:</p> <ul style="list-style-type: none"> • Any MI where the premium is paid out of the mortgage interest received. • Borrower paid annual. • Lender paid annual. • Lender paid monthly. • Slit Premium.
<p>PACE/HERO Obligations</p>	<p>Not Allowed</p>
<p>Power of Attorney</p>	<p>The Power of Attorney (POA) may only be used for closing documents and must comply with the following:</p> <p>Ineligible Transaction Types: Powers of Attorney are not permitted with the following transaction types:</p> <ul style="list-style-type: none"> • Cash-Out Refinances • Non-Owner-Occupied Transactions • Title Taken as a Trust • Identity of Interest or Non-Arm’s Length Transactions • Non-Occupant Co-Borrowers may not use a POA. <p>Requirements:</p> <ul style="list-style-type: none"> • At least one borrower must be present at closing, unless a face-to-face interview has been conducted with all applicants. • A separate, executed POA must exist for each borrower not present at closing and the Attorney-in-Fact must execute all closing documents at Settlement. • The POA must be Specific, Special, Limited or Military. • The POA must specifically identify the subject property address. • The POA must clearly reflect that the borrower is appointing an Attorney-in-Fact. • General Powers-of-Attorney are not acceptable. • The Attorney-in-Fact may not be: <ul style="list-style-type: none"> ▪ The lender, affiliate of the lender, employee of the lender or lender’s affiliate, originator, title company, closing agent, property seller, appraiser, realtor, a party to the transaction, a party with a direct or indirect financial interest in the transaction, or any other party deemed ineligible by Fannie Mae. • The borrower’s name(s) on the POA must match the name(s) on the Note, security instrument and other documents. • The POA must be signed and dated by the borrower such that it was valid at the time the Note or security instrument was executed. • A notarized signature of the grantor is required. If executed outside the U.S., it must be notarized at a U.S. Embassy or a U.S. military installation. • The POA must bear the Recorder’s stamp, if previously recorded. • The POA must be a durable Power-of-Attorney in full force and effect on the closing date, must survive subsequent disability, and must be revocable only in writing or alternatively gives a specific expiration date which survives the closing date.

	<ul style="list-style-type: none"> • The initial 1003 Loan Application must be signed by the borrower, and not the Attorney-in-Fact except: <ul style="list-style-type: none"> ▪ When the borrower is on military service with the U.S. armed forces servicing outside the U.S. or deployed aboard a U.S. vessel, as long as the POA: <ul style="list-style-type: none"> ○ Expressly states an intention to secure a mortgage loan on the subject property; or ○ Complies with the requirements in the VA Lender's Handbook for POA. • The title company must insure that the lender or assignee is in first lien position without exception to the POA. • The original POA must be recorded with the security instrument and a certified copy delivered with the Note subject to the following: <ul style="list-style-type: none"> ▪ A duplicate or conformed copy of the Power-of-Attorney is acceptable, together with a certificate of receipt from the recording office, certifying that such copy represents a true and complete copy of the original and that such original has been or is currently submitted to be recorded; or ▪ If the original Power-of-Attorney or other such instrument has been delivered for recording in the appropriate public recording office of the jurisdiction where the subject property is located, the original must follow as a final document.
Property Flipping	<p>Prior Sale Within 90 Days:</p> <ul style="list-style-type: none"> • If the subject property had a prior sale within 90 days previous to the sales contract the loan is not eligible except in the following situations: <ul style="list-style-type: none"> ▪ The property was acquired by a relocation agency in connection with the relocation of an employee and resold to someone who is not an employee or affiliate of the original employee's company. ▪ Resale by a lender when the property was obtained foreclosure or deed-in-lieu of foreclosure. ▪ Resale of a property obtained through inheritance or as part of the property settlement in a divorce agreement. <p>Prior Sale Within 180 Days:</p> <ul style="list-style-type: none"> • Identity of Interest transactions not allowed. • If the value has increased 20% or more since the prior sale the appraiser must: <ul style="list-style-type: none"> ▪ Document the previous sale transaction's date and price; ▪ Describe in detail any improvements made; ▪ Estimate the impact of the improvements on the property's value; and ▪ Provide an appropriate explanation of the increase in the property value considering the impact of any improvements on value as well as any recent price trends or changes in local market conditions. <p>Re-execution of the sales contract to avoid this requirement is not allowed.</p>
Reserves	Reserve requirements per AUS Gift funds may not be used for reserves
Restructured Loans/Short Payoffs	Not allowed.
Sales Contract	Assigned sales contracts are not allowed.
Section 8 Vouchers	Not eligible.

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State Restrictions	<ul style="list-style-type: none"> • 2-4 Units in New Jersey not eligible • Properties in West Virginia not eligible
Student Loans	<p>If a monthly student loan payment is provided on the credit report, that payment amount may be used for qualifying purposes. If the credit report does not reflect the correct monthly payment, use the monthly payment that is on the student loan documentation (the most recent student loan statement) to qualify the borrower.</p> <p>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, determine the qualifying monthly payment using one of the following options:</p> <ul style="list-style-type: none"> • If the borrower is on an income-driven payment plan, obtain student loan documentation to verify the actual monthly payment is \$0. The borrower may then be qualified with a \$0 payment. • For deferred loans or loans in forbearance, calculate: <ul style="list-style-type: none"> ▪ A payment equal to 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.
Student Loan Refinance	Not eligible.
Tax Returns	<ul style="list-style-type: none"> • If the tax returns reflect monies owed to the IRS proof of payment is required. • Amended tax returns that increase the borrower’s income may not be used for qualifying purposes. <ul style="list-style-type: none"> ▪ Federal tax installment agreements are allowed with evidence of timely payments and inclusion of the debt in the borrower’s DTI. Refer to the Platinum guidelines for details
Temporary Buydown	Not allowed
Texas 50(a)(6)	Not Allowed
Verification of Employment/Verification of Deposit/Verification of Mortgage/Rent	<ul style="list-style-type: none"> • The use of a Verification of Employment (VOE) and/or a Verification of Deposit (VOD) only is not allowed. <ul style="list-style-type: none"> ▪ At a minimum paystubs and bank statements are required. • When the borrower’s current mortgagee or landlord is a private party, the use of a Verification of Mortgage (VOM) or Verification of Rent (VOR) only is not allowed. <ul style="list-style-type: none"> ▪ Copies of the borrower’s most recent, consecutive 12 months cancelled checks will be required.