

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

<b>Platinum Conforming LPA Fixed Product Codes:</b>			
15 Year Fixed	1301-99	15 Year LPMI	1320-99
20 Year Fixed	1201-99	20 Year LPMI	1220-99
25 Year Fixed	1101-99	25 Year LPMI	1120-99
30 Year Fixed	1001-99	30 Year LPMI	1020-99
<b>Platinum Conforming LPA Fixed Super Conforming Product Codes:</b>			
15 Year Fixed Super Conforming	1353-99	15 Year Fixed Super Conforming LPMI	1354-99
30 Year Fixed Super Conforming	1053-99	30 Year Fixed Super Conforming LPMI	1054-99

## Highlights

<b>Topic</b>	<b>Highlight</b>
<b>1031 Exchange</b>	1031 Tax Deferred Exchanges are permitted for investment property purchases only.
<b>4506 Transcripts</b>	Transcripts are required per income documentation type documented in the file.
<b>Appraisal</b>	<p><b>Transferred appraisals are not allowed.</b></p> <ul style="list-style-type: none"> <li>When an appraisal is required a full appraisal with an interior/exterior inspection must be obtained.</li> <li>A full appraisal is required in the following circumstances regardless of the LPA ACE offering:                             <ul style="list-style-type: none"> <li>When a purchase transaction involves the purchase of an REO property or a property acquired at auction.</li> <li>When the transaction is an Identity-of-Interest or Non-Arm's Length transaction.</li> <li>When the subject property is deed restricted.</li> </ul> </li> <li>Appraisal updates <b>must</b> be reported only on <i>Form 442, Appraisal Update and/or Completion Report</i>.</li> </ul> <p>ACE is allowed when LPA permits</p> <ul style="list-style-type: none"> <li>Eligible transactions:                             <ul style="list-style-type: none"> <li>One unit single family residence or second home (does not include condominiums)</li> <li>Purchase and no cash-out refinances</li> <li>LTV/TLTV <math>\leq</math>80% only</li> <li>LPA findings must reflect "Appraisal Type/MAF – NO APPRAISAL MAF"</li> <li>LPA must indicate the appraisal waiver from LPA is validated and indicate a GREEN result with the message, "Loan is eligible for delivery with an appraisal waiver"</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• ACE may not be used for the following:             <ul style="list-style-type: none"> <li>▪ When an appraisal has already been obtained</li> <li>▪ Condominiums and two-to-four unit properties</li> <li>▪ Cash-out refinance transactions</li> <li>▪ Mortgages with an estimated value or purchase price &gt; \$1 million</li> <li>▪ The property may not be located in an area impacted by a disaster                 <ul style="list-style-type: none"> <li>○ When the property is in a FEMA declared disaster area <b>with individual assistance</b>, if the disaster is prior to loan closing the ACE offer may not be exercised.</li> <li>○ When the property is in a FEMA declared disaster area <b>with individual assistance</b>, if the disaster is after loan closing a re-inspection with interior inspection and photos is required.</li> </ul> </li> <li>▪ When adverse physical property conditions are apparent based on the review of the sales contract, any property inspection or disclosure from the borrower, etc.</li> <li>▪ When required by law or regulation</li> <li>▪ Properties subject to resale restrictions.</li> </ul> </li> </ul> <p>Unpermitted Additions: Loans with unpermitted structural additions are allowed under the following conditions:</p> <ul style="list-style-type: none"> <li>• The subject addition complies with all investor guidelines;</li> <li>• The quality of the work is described in the appraisal and deemed acceptable (workmanlike manner) by the appraiser; and</li> <li>• The addition does not result in a change in the number of units comprising the subject property.</li> <li>• If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance using comparable sales with similar additions and state the following in the appraisal report:             <ul style="list-style-type: none"> <li>▪ “Non-permitted additions are typical for the market area and a typical buyer would consider the ‘unpermitted’ additional square footage to be part of the overall square footage of the property.”</li> <li>▪ “The appraiser has no reason to believe the addition would not pass inspection for a permit.”</li> </ul> </li> </ul>
<p><b>Assets</b></p>	<p>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.</p> <p>When a bank account or asset statement indicates FBO (for the betterment of) or ITF (Trust Account) confirmation that the client of record has access to the account (is either the beneficiary or trustee) is required. This can be satisfied by the following:</p> <ul style="list-style-type: none"> <li>• A copy of the trust or trust certificate indicating the borrower is the beneficiary or trustee; and</li> <li>• The borrower’s name matches the name on the FBO/ITF account.</li> </ul>
<p><b>AUS</b></p>	<p>A Loan Product Adviser (LPA) “Streamlined Accept” or “Accept” decision is required.</p>
<p><b>Borrower Eligibility</b></p>	<ul style="list-style-type: none"> <li>• Maximum four borrowers per transaction</li> <li>• All borrowers must have a valid Social Security number             <ul style="list-style-type: none"> <li>▪ Social Security cards may not be used as evidence of employment eligibility</li> </ul> </li> <li>• All borrowers must be natural persons or an eligible <i>inter-vivos</i> trust             <ul style="list-style-type: none"> <li>▪ Note, non-owner occupied transactions may not close in the name of a trust</li> </ul> </li> <li>• The following are eligible:             <ul style="list-style-type: none"> <li>▪ United States Citizens</li> <li>▪ Permanent Resident Aliens with proof of lawful permanent residency in the United States</li> <li>▪ Non-Permanent Resident Aliens must meet the following requirements:                 <ul style="list-style-type: none"> <li>○ There is no restriction on LTV, occupancy type or transaction type</li> <li>○ All non-permanent resident aliens must provide evidence of a valid Employment Authorization Document (EAD) or an</li> </ul> </li> </ul> </li> </ul>

	<p>acceptable Visa which allows them to work in the United States.</p> <ul style="list-style-type: none"> <li>○ When using an acceptable Visa, a copy of the unexpired Visa and a copy of the borrower's passport must be obtained. The following are acceptable Visa classifications:             <ul style="list-style-type: none"> <li>✓ A Series (A-1, A-2, A-3) and E Series (E-1, E-2) Treaty Trader</li> <li>✓ G Series (G-1, G-2, G-3, G-4, G-5) H-1, Temporary Worker</li> <li>✓ L-1, Intra-Company Transferee</li> <li>✓ O Series, Individual with Extraordinary Ability or Achievement</li> <li>✓ R-1, Temporary Religious Worker</li> <li>✓ TN, NAFTA Visa</li> </ul> </li> <li>○ If the authorization for non-permanent residency status will expire within three months, 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 obtained from USCIS</li> <li>○ Non-permanent residents must be employed in the United States if their income will be used to qualify.</li> </ul> <ul style="list-style-type: none"> <li>• <b>ITINs are not allowed</b></li> </ul>
<b>Buy Downs</b>	Not Eligible
<b>Condominiums</b>	<p>Condominium projects must meet Freddie Mac requirements The following are required for condo and PUD units in Nevada:</p> <ul style="list-style-type: none"> <li>• The HOA dues for the subject unit must be current prior to closing; and</li> <li>• The HOA may not be the seller of the subject unit.</li> </ul> <p>The following are ineligible project types:</p> <ul style="list-style-type: none"> <li>• Subject properties with subject unit size less than 650 square feet;</li> <li>• Condo projects containing any units less than 400 square feet;</li> <li>• Manufactured home projects;</li> <li>• Condotels, Hotel Condos;</li> <li>• Projects that:             <ul style="list-style-type: none"> <li>▪ Include both registration services and offer the rental of units for a term of <math>\leq 30</math> days;</li> <li>▪ Share facilities with a hotel or motel;</li> <li>▪ Offer services typically provided in a hotel or motel such as maid service, a management desk, bellman, etc.; or</li> <li>▪ Restrict the owner's ability to occupy the unit.</li> </ul> </li> <li>• The commercial or non-residential space in the project may not exceed 25% of the total project.</li> </ul> <p>Projects in Hawaii:</p> <ul style="list-style-type: none"> <li>• Many projects located in Hawaii are subject to ground leases.</li> <li>• There are also projects that will have a mixture of both fee simple and ground lease units within the same project.</li> <li>• Only fee simple units are eligible.</li> <li>• Ground lease units are not eligible.</li> </ul>
<b>Construction to Permanent</b>	Not Eligible
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Each borrower must generate a traditional credit score from at least one repository.</li> <li>• Any debt not reported on the credit report must be documented as being repaid in a satisfactory manner.</li> <li>• If the credit report does not show a required minimum payment amount for a revolving or open-end account, and there is no supplemental documentation to support a payment, 3% of the outstanding balance must be used as the borrower's recurring monthly debt obligation.</li> </ul>

<b>Credit Report</b>	<ul style="list-style-type: none"> <li>• A new credit report may not be pulled once the file has been submitted for underwriting.</li> <li>• A rapid rescore is not allowed once the file has been submitted for underwriting.</li> <li>• A new credit report is allowed only when the existing credit report has expired.</li> </ul>
<b>Deed Restrictions</b>	Age related restrictions only. All other deed restrictions are ineligible.
<b>Derogatory Credit</b>	<ul style="list-style-type: none"> <li>• <b>All judgments and tax liens must be paid in full.</b></li> <li>• For “Accept” mortgages, Loan Product Advisor has evaluated the borrower's credit reputation and determined that the credit reputation is acceptable.</li> </ul>
<b>Disabled Child/Elderly Parent Program</b>	Not Eligible
<b>DPA/Community Seconds/MCC</b>	Not Eligible
<b>Electronic Signatures</b>	<p>The following loan documents may not contain E-Signatures:</p> <ul style="list-style-type: none"> <li>• Note and Riders to the Note;</li> <li>• Security Instruments and Riders to the Security Instrument;</li> <li>• Notice of Right to Cancel;</li> <li>• Powers of Attorney</li> </ul>
<b>Escrow Impounds</b>	<ul style="list-style-type: none"> <li>• Required for LTVs <math>\geq</math> 80%</li> <li>• For primary residences and second homes, mandatory flood insurance must be escrowed unless paid by the HOA as a common expense.</li> </ul>
<b>Escrow Withhold/Repair Escrow</b>	Not Eligible
<b>Frozen Credit</b>	Loans where credit is frozen are ineligible.
<b>Future Income/Employment</b>	Not Eligible
<b>Identity-of-Interest/Non-Arm's Length Transactions</b>	<ul style="list-style-type: none"> <li>• Identity –of-Interest/Non-Arm's Length transactions are purchase transactions where there is a relationship or business affiliation between parties to the transaction such as family members, employer/employee, or principal/agent relationships. These transactions include: <ul style="list-style-type: none"> <li>▪ Family sales or transfers;</li> <li>▪ Corporate sales or transfers;</li> <li>▪ Borrowers employed in the real estate or construction trade who are involved in the construction, financing, or sale of the subject property; and</li> <li>▪ Transactions involving principals or a lender or other vendor such as an appraiser, settlement agent, or title company, which is involved in the lending process of the subject property.</li> </ul> </li> <li>• Identity-of-Interest/Non-Arm's Length transactions are not eligible if they are secured by second homes or investment properties.</li> <li>• <b>An Identity-of-Interest/Non-Arm's Length transaction is NOT permitted if the subject property is in foreclosure or a Notice of Default has been filed.</b></li> <li>• The file must include all of the following documentation: <ul style="list-style-type: none"> <li>▪ The transaction must be fully disclosed on the sales contract;</li> <li>▪ A copy of the cancelled earnest money check to verify payment to the seller;</li> <li>▪ Verification that the borrower is not now on title and has not been on title within the past 24 months; and</li> <li>▪ A 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 in the past 12 months.</li> </ul> </li> <li>• <b>A full appraisal must be obtained regardless of the LPA findings.</b> <ul style="list-style-type: none"> <li>▪ The appraiser must be informed of the non-arm's length transaction and address whether or not the market value has been affected by the relationship of the parties.</li> </ul> </li> </ul>
<b>Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• Assisted Living Facilities</li> <li>• Board and Care Facilities</li> <li>• Boarding Houses</li> </ul>

	<ul style="list-style-type: none"> <li>• Bed and Breakfast Establishments</li> <li>• Condotels/Hotel Condominiums or PUDs</li> <li>• Co-ops</li> <li>• Dome or Log Homes</li> <li>• Hawaii Properties in Lava Flow Zones 1 and 2</li> <li>• Houseboats</li> <li>• Indian (Native American) Tribal or Trust Land</li> <li>• Indian (Native American) Leased land</li> <li>• Land Loans</li> <li>• Manufactured Homes</li> <li>• Mobile Homes</li> <li>• On-Frame Modular Homes</li> <li>• Properties with a Condition Rating of C5, C6, or a Quality Rating of Q6</li> <li>• Timeshares</li> <li>• Unimproved/Vacant Land</li> <li>• Working Farms and Ranches</li> </ul>
<b>Land Trusts</b>	Not Eligible
<b>Leaseholds</b>	Not Eligible
<b>Manufactured Homes</b>	Not Eligible
<b>Manual Underwriting</b>	Not Allowed
<b>Marijuana Related Business/Employment</b>	Income from a marijuana related business or employment may not be used as qualifying income.
<b>Mortgage Insurance</b>	<p><b>Loans with a DTI greater than 45% and a credit score &lt; 700 are not eligible</b></p> <p><b>Reduced MI Levels are not eligible. Standard coverage must be obtained</b> For properties in New York state:</p> <ul style="list-style-type: none"> <li>• <b>Use the appraised value only to determine if MI is required.</b></li> <li>• If MI is required, use the <b>lesser</b> of the sales price or the appraised value to determine the required coverage.</li> </ul> <p>Mortgage Insurance Options:</p> <ul style="list-style-type: none"> <li>• Borrower Paid Single Premium</li> <li>• Financed MI</li> <li>• Lender Paid Single Premium             <ul style="list-style-type: none"> <li>▪ Must obtain MI from Genworth</li> </ul> </li> <li>• Level Amount</li> <li>• Monthly and Zero Monthly</li> <li>• Standard Annual</li> </ul> <p>Ineligible:</p> <ul style="list-style-type: none"> <li>• Any MI where the premium is paid out of the mortgage interest received.</li> <li>• Borrower paid annual.</li> <li>• Lender paid monthly.</li> <li>• Split Premium.</li> <li>• <b>Financed MI for High Balance loan amounts.</b></li> </ul>
<b>Mortgage Interest Differential Payment Income</b>	Not Allowed
<b>Multiple Financed Properties</b>	<ul style="list-style-type: none"> <li>• Each borrower individually and all borrowers collectively must not be obligated on more than six 1-4 unit financed properties including the subject property and the borrower's primary residence.</li> <li>• Reserves required will be determined by Loan Product Adviser.</li> </ul>
<b>PACE/HERO Obligations</b>	Not Allowed
<b>Power of Attorney</b>	<p><b>The Power of Attorney (POA) may only be used for closing documents and must comply with the following:</b></p> <p><b>Ineligible Transaction Types:</b> Powers of Attorney are not permitted with the following transaction types:</p> <ul style="list-style-type: none"> <li>• Cash-Out Refinances</li> </ul>

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	<ul style="list-style-type: none"> <li>• Non-Owner-Occupied Transactions</li> <li>• Title Taken as a Trust</li> <li>• Identity of Interest or Non-Arm's Length Transactions</li> <li>• Non-Occupant Co-Borrowers may not use a POA.</li> </ul> <p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>• <b>At least one borrower must be present at closing, unless a face-to-face interview has been conducted with all applicants.</b></li> <li>• 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.</li> <li>• The POA must be Specific, Special, Limited or Military.</li> <li>• The POA must specifically identify the subject property address.</li> <li>• The POA must clearly reflect that the borrower is appointing an Attorney-in-Fact.</li> <li>• General Powers-of-Attorney are not acceptable.</li> <li>• The Attorney-in-Fact may not be:             <ul style="list-style-type: none"> <li>▪ 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 Freddie Mac.</li> </ul> </li> <li>• The borrower's name(s) on the POA must match the name(s) on the Note, security instrument and other documents.</li> <li>• 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.</li> <li>• 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.</li> <li>• The POA must bear the Recorder's stamp, if previously recorded.</li> <li>• 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.</li> <li>• The initial 1003 Loan Application must be signed by the borrower, and not the Attorney-in-Fact except:             <ul style="list-style-type: none"> <li>▪ 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"> <li>○ Expressly states an intention to secure a mortgage loan on the subject property; or</li> <li>○ Complies with the requirements in the VA Lender's Handbook for POA.</li> </ul> </li> </ul> </li> <li>• The title company must insure that the lender or assignee is in first lien position without exception to the POA.</li> <li>• 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"> <li>▪ 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</li> </ul> </li> </ul>
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	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.
<b>Sales Contract</b>	Assigned sales contracts are not allowed.
<b>Section 8 Vouchers</b>	Not Eligible
<b>State Restrictions</b>	Properties in New York – Not Allowed 2-4 Unit Properties in New Jersey – Not Allowed Illinois Land Trusts – Not Allowed Properties in West Virginia – Not Allowed Properties located in U.S. possessions or territories – Not Allowed
<b>Student Loans</b>	<p>For student loans in <b>repayment</b>, use the <b>greater of</b>:</p> <ul style="list-style-type: none"> <li>• The monthly payment amount reported on the credit report; or</li> <li>• 0.5% of the original loan balance or the outstanding loan balance, as reported on the credit report, whichever is <b>greater</b>.</li> </ul> <p>For student loans in <b>deferment or forbearance</b>, use the <b>greater of</b>:</p> <ul style="list-style-type: none"> <li>• The monthly payment amount reported on the credit report; or</li> <li>• 1% of the original loan balance or the outstanding balance, as reported on the credit report, whichever is <b>greater</b>.</li> </ul> <p>The student loan payment may be excluded from the monthly debt-to-income ratio provided the loan file contains documentation that indicates the following:</p> <ul style="list-style-type: none"> <li>• The student loan has ten or less monthly payments remaining until the full balance of the student loan is forgiven, cancelled, discharged, or in the case of an employment-contingent repayment program, paid; or</li> <li>• The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, cancelled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period;</li> </ul> <p><b>AND</b></p> <p>The borrower currently meets the requirements for the student loan forgiveness, cancellation, discharge or employment-contingent repayment program, as applicable, and there is no evidence of circumstances that will make the borrower ineligible in the future.</p>
<b>Student Loan Refinances</b>	Not Eligible
<b>Tax Returns</b>	<ul style="list-style-type: none"> <li>• Amended tax returns that increase the borrower's income – Not Allowed</li> <li>• When the tax return reflects monies owed to the IRS for the most recent tax year, evidence of payment to the IRS is required.</li> </ul>
<b>Texas 50(a)(6) Transactions</b>	Not Allowed
<b>Verification of Employment/Verification of Deposit/Verification of Mortgage/Rent</b>	<ul style="list-style-type: none"> <li>• 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"> <li>▪ At a minimum paystubs and bank statements are required.</li> </ul> </li> <li>• 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"> <li>▪ Copies of the borrower's most recent, consecutive 12 months cancelled checks will be required.</li> </ul> </li> </ul>