

Conforming Standard & Super Conforming – LPA

Primary Residence				
Purchase & No Cash-Out Refinance		Cash-Out Refinance		Min Fico
Property Type	Max LTV/CLTV/HCLTV	Property Type	Max LTV/CLTV/HCLTV	620
1 Unit	95%	1 Unit	80%	
2 Units	85%	2-4 Units	75%	
3-4 Units	80%			
Second Home				
Purchase & No Cash-Out Refinance		Cash-Out Refinance		Min Fico
Property Type	Max LTV/CLTV/HCLTV	Property Type	Max LTV/CLTV/HCLTV	620
1 Unit	90%	1 Unit	75%	
Investment Property				
Purchase & No Cash-Out Refinance		Cash-Out Refinance		Min Fico
Property Type	Max LTV/CLTV/HCLTV	Property Type	Max LTV/CLTV/HCLTV	620
1 Unit	85%	1 Unit	75%	
2-4 Units	75%	2-4 Units	70%	
Footnotes				
• Hawaii and Texas transactions: refer to the Geographic Restrictions section for additional guidance				
• Mortgage insurance (MI) is required if LTV is over 80%				
• No limit on cash-out amount				

Minimum Loan Amount	Conforming	Super Conforming	
	\$60,000	> Conforming loan limit for the # of units for high cost areas	
Debt-To-Income (DTI)	• Refer to the Freddie Mac guidelines		
AUS Requirements	• LPA Approve/Eligible: Freddie Mac guidelines apply • Manual underwriting not permitted		
Documentation	• Refer to the Freddie Mac guidelines		
Qualifying Ratios	• Refer to the Freddie Mac guidelines		
Qualifying Rate	Initial Fixed-Rate Period ≤ 5 years	Initial Fixed Rate Period > 5 years	
	Qualify at the greater of the Fully Indexed Rate or the Note Rate + 2.0%	Qualify at the greater of the Fully Indexed Rate or the Note Rate	
	Per LPA Accept findings; loans with MI may have more restrictive requirements		
Income / Employment	Subject to AUS approval. Subject to additional documentation at the underwriter’s discretion. • Two-year employment history must be verified		
	Salaried Borrowers		
	• Current paystubs dated within 120 days from the Note date • W2s per AUS findings		
	Self-Employed Borrower		
	• Business in existence for at least two years • Personal/Business signed individual tax returns, including all pages and schedules as required by LPA		
	Rental Income		
	Rental income is an acceptable source of stable income if it can be established that the income is likely to continue. • Rental income derived from the subject property must be one of the following: o ADU from 1 unit primary residence o 2-4 unit principal residence in which the borrower occupies one of the units, or o 1-4 unit investment property • Rental income derived from non-subject property have no restrictions on the property type • Refer to the Freddie Mac guidelines		
	Asset / Reserves		
	• Refer to the Freddie Mac guidelines		
Interested Party Contribution (IPC)	Primary Residence and Second Home		
	> 90% LTV/CLTV/HCLTV	75.01 -90% LTV/CLTV/HCLTV	≤ 75% LTV/CLTV/HCLTV
	3%	6%	9%
	• Investment Properties: 2% regardless of LTV/CLTV		

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Borrower Eligibility	Eligible		Ineligible		
	<ul style="list-style-type: none">• U.S. Citizens• Non-U.S. Citizens -Permanent / Non-Permanent• Inter Vivos Revocable Trusts• Non-Occupant Borrowers		<ul style="list-style-type: none">• LLC• Irrevocable Trusts• Foreign National		
Property Types	Eligible		Ineligible		
	<ul style="list-style-type: none">• SFR/PUD (detached/attached)• Condominium (low/mid/high rise)• 2-4 Units		<ul style="list-style-type: none">• Agricultural/Income producing properties• Non-Warrantable Condo/Condotel• Manufactured housing• Earth homes, and geodesic domes• Properties on more than 10 acres are typically ineligible• Co-ops		
Properties Listed for Sale	Refinance transactions: Property must be taken off the market on or before the disbursement date and the borrower must confirm their intent to occupy the subject property (primary residence refinance transaction only)				
Net Tangible Benefit	<ul style="list-style-type: none">• Every refinance transaction must offer a documented, demonstrable, Net Tangible Benefit to the borrower• State-required NTB forms must be completed as applicable.				
Cash-Out	<ul style="list-style-type: none">• At least one Borrower must have been on the title for at least 6 months prior to the Note Date• The mortgage being refinanced must be seasoned for at least 12 months• If property was purchased in the past 6 months, borrower is ineligible for a cash-out refinance unless following delayed financing guidelines or the borrower acquired property through an inheritance or was legally awarded the subject property (divorce, separation, or dissolution of a domestic partnership) Note: Title ownership from LLC to borrower’s name can be transferred at closing (Excluding ARMs)				
Financed Properties	<ul style="list-style-type: none">• Including borrower's primary residence if financed and the subject property• Primary Residence – no limit on number of financed properties• Second Home or Investment Property:<ul style="list-style-type: none">o Max 10 financed properties,o Min 720 credit score for 7-10 financed properties				
Mortgage Insurance	<ul style="list-style-type: none">• BPMI & LPMI are eligible based on program LTV eligibility• Financed/Custom/Reduced MI are not eligible• Acceptable renewal types are Level/Constant and Non-refundable				
	Standard – Required MI Coverage				
	Loan Term	LTV			
		80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%
	25 and 30 Year	12%	25%	30%	35%
	10, 15, and 20	6%	12%	25%	35%
	Super Conforming and ARMs– Required MI Coverage				
	Loan Term	LTV			
		80.01-85.00%	85.01-90.00%	90.01-95.00%	
	25 and 30 Year	12%	25%	30%	
	15 and 20 Year	6%	12%	25%	
	Credit	Mortgage/Rental History			
<ul style="list-style-type: none">• Refer to the Freddie Mac guidelines					
Installment/Revolving					
<ul style="list-style-type: none">• Refer to the Freddie Mac guidelines					
Derogatory Credit					
Note: follow LPA Approve findings, regardless of the time frames listed below.					
Derogatory Event		Discharge/Dismissal			
Bankruptcy - Chapter 7 or 11		4 years			
Bankruptcy - Chapter 13		2 years from discharge date 4 years from dismissal date			
Multiple Bankruptcy Filings		5 years from dismissal or discharge date			
Foreclosure		7 years			
Deed-in-Lieu of Foreclosure, Short Sale		4 years			

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<p>Student Loans</p>	<ul style="list-style-type: none"> Student loans in repayment, deferment or forbearance: <table border="1" data-bbox="391 239 1419 361"> <thead> <tr> <th data-bbox="391 239 639 268">If</th><th data-bbox="639 239 1419 268">Then</th></tr> </thead> <tbody> <tr> <td data-bbox="391 268 639 323">Payment Reflected on Credit Report</td><td data-bbox="639 268 1419 323">May use that amount for qualifying purposes</td></tr> <tr> <td data-bbox="391 323 639 361">Credit report shows \$0</td><td data-bbox="639 323 1419 361">Use 0.5% of the outstanding loan balance reported on the credit report</td></tr> </tbody> </table> Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs: Refer to the Freddie Mac guidelines 	If	Then	Payment Reflected on Credit Report	May use that amount for qualifying purposes	Credit report shows \$0	Use 0.5% of the outstanding loan balance reported on the credit report
If	Then						
Payment Reflected on Credit Report	May use that amount for qualifying purposes						
Credit report shows \$0	Use 0.5% of the outstanding loan balance reported on the credit report						
<p>HPML and HPCT Transactions (ARMs)</p>	<ul style="list-style-type: none"> Higher-priced mortgage loan (HPML) underwriting requirements are applicable to all occupancy types (not just primary residences). Non-primary residences are classified as higher-priced covered transactions (HPCT) which requires those properties to be underwritten just like HPML's 5/1 ARM not eligible if HPML or HPCT 						
<p>Restrictions</p>	<ul style="list-style-type: none"> Texas Limited Cash-Out and Cash-Out Refinances <ul style="list-style-type: none"> 1-Unit primary residence transactions <ul style="list-style-type: none"> Ineligible Refer to Texas Homestead Refinance Matrix Second home and 1-unit investment property transactions <ul style="list-style-type: none"> Eligible when the borrower owns a primary residence homestead in the state of Texas 						