

**Fixed Rate and Fixed Period ARMs (Full/Alt) - Standard and Interest-Only Amortization**

Finance Type	Purchase & Rate/Term Refinances											
Occupancy	Owner-Occupied				Second Home				Investment Property			
Amortization	Standard		Interest-Only <sup>6</sup>		Standard		Interest-Only <sup>6</sup>		Standard		Interest-Only	
LTV/CLTV/FICO <sup>1,5</sup>	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO
SFR/PUD/Condo	97/97% <sup>7</sup>	Det by AUS	70/70%	720	90/90%	Det by AUS	70/70%	720	85/85%-Purch	Det by AUS	N/A	
Cooperatives <sup>4</sup>	95%-Purch	Det by AUS	N/A		90%-Purch	Det by AUS	N/A		N/A		N/A	
	90%-Refi				75%-Refi							
2-Units	80/80%	Det by AUS	N/A		N/A		N/A		75/75%	Det by AUS	N/A	
3-4 Units	75/75% <sup>2</sup>	Det by AUS	N/A		N/A		N/A		75/75%	Det by AUS	N/A	
Finance Type	Cash-Out Refinances <sup>3</sup>											
Occupancy	Owner-Occupied				Second Home				Investment Property			
Amortization	Standard		Interest Only		Standard		Interest Only		Standard		Interest Only	
LTV/CLTV/FICO <sup>1,5</sup>	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO
SFR/PUD/Condo	85/85%	Det by AUS	N/A		75/75%	Det by AUS	N/A		75/75%	Det by AUS	N/A	
Cooperatives <sup>4</sup>	85%	Det by AUS	N/A		N/A		N/A		N/A		N/A	
2-Units	75/75%	Det by AUS	N/A		N/A		N/A		70/70%	Det by AUS	N/A	
3-4 Units	75/75% <sup>2</sup>	Det by AUS	N/A		N/A		N/A		70/70%	Det by AUS	N/A	
Eligible Terms	<ul style="list-style-type: none"> <li>Fixed Rate (10-, 15-, 20-, 25- and 30-Year)</li> <li>Fixed Rate Interest-only 10/20 (30-Year)</li> </ul>				<ul style="list-style-type: none"> <li>Fixed Period LIBOR ARMs with 30-Year terms (3/1, 5/1, 7/1 and 10/1)<sup>6</sup></li> <li>Fixed Period LIBOR ARMs Interest-only with 30-Year term (3/1, 5/1, 7/1 and 10/1)<sup>6</sup></li> </ul>							
Eligible Property Types	<ul style="list-style-type: none"> <li>SFR &amp; PUDs (Attached and Detached)</li> <li>Condos (Low and High-Rise)</li> </ul>				<ul style="list-style-type: none"> <li>2-4 Unit</li> <li>Co-ops<sup>4</sup></li> <li>Factory-Built Housing (modular, panelized and prefabricated)</li> </ul>							
Reserves	<ul style="list-style-type: none"> <li>Reserves are determined by DU</li> <li>Interest-only loans require 24 months PITI, regardless of AUS.</li> <li>Additional reserve requirements apply if the subject property is a second home or investment property and the borrower owns multiple financed properties.</li> </ul>											
Ratios	<ul style="list-style-type: none"> <li>Maximum qualifying ratios are determined by the AUS.</li> </ul>											
Underwriting Method	<ul style="list-style-type: none"> <li><b>Loans must be underwritten through Desktop Underwriter<sup>®</sup> (DU<sup>®</sup>) or Loan Prospector<sup>®</sup> (LP<sup>®</sup>).</b></li> <li><b>Loans must receive a DU "Approve/Eligible" or "EA-I/Eligible", LP "Accept" determination.</b></li> <li>Loans with DU Refi Plus™ Approve/Eligible decisions: Refer to DU Refi Plus matrix</li> </ul>											
Additional Restrictions	<ul style="list-style-type: none"> <li><b>An IRS Form 4506-T must be signed, completed, and dated at application and at closing by all borrowers. In addition, IRS transcripts for the time period covered by the required income documentation must be obtained prior to loan closing for all borrowers</b></li> <li><sup>1</sup> Loan Prospector Loans: Loans with secondary financing submitted to LP must reduce LTV by 5%. For example, max. 90% LTV allowed with max. 95% CLTV.</li> <li><sup>2</sup> Eligible only with an executed Occupancy Declaration. Refer to Client Guide, section 3.2, Occupancy for details.</li> <li><sup>3</sup> Borrower(s) must have owned the property for at least six months to be eligible for cash-out. Seasoning is calculated from the date the existing loan was closed to the application date of the new loan.</li> <li><sup>4</sup> Subordinate financing is not allowed on Cooperatives. Cooperatives are subject to additional underwriting requirements. Refer to the Client Guide for details.</li> <li><sup>5</sup> Minimum credit score(s) will be determined by the AUS. The minimum credit score(s) will never be lower than 620.</li> <li><sup>6</sup> <b>Loan Prospector Loans:</b> 3/1 and 5/1 fully amortizing fixed period ARMs and Interest-only fixed-rate and fixed period ARMs are not allowed.</li> <li><sup>7</sup> <b>LTV greater than 95%:</b> DU Approve / Eligible decision required.</li> </ul>											

**Underwriting Addendum**

**Loan Program Names and Terms**

Fixed Rate Programs	Loan Terms	ARM Programs	Loan Terms	ARM Programs with Interest-Only	Loan Terms
Conf 10-Year	10	Conf ARM 3/1 - 1y LIB	30	Conf ARM 3/1 w/10y IO - 1y LIB	30
Conf 15-Year	15	Conf ARM 5/1 w/2-2-6 Caps - 1y LIB	30	Conf ARM 5/1 w/2-2-6 Caps w/10y IO - 1y LIB	30
Conf 15 Exp Appr'l Level 1	10, 15	Conf ARM 5/1 w/2-2-6 Caps EA 1 - 1y LIB	30	Conf ARM 5/1 w/5-2-5 Caps w/10y IO - 1y LIB	30
Conf 20-Year	20	Conf ARM 5/1 w/5-2-5 Caps - 1y LIB	30	Conf ARM 7/1 w/10y IO - 1y LIB	30
Conf 30-Year	25, 30	Conf ARM 7/1 - 1y LIB	30	Conf ARM 10/1 IO - 1y LIB	30
Conf 30 Exp Appr'l Level 1	20, 25, 30	Conf ARM 7/1 EA 1 - UST	30		
Conf 30 Interest Only (10/20)	30	Conf ARM 10/1 - 1y LIB	30		
		Conf ARM 10/1 EA 1 - UST	30		

<b>Borrower Qualification</b>	<p><b>Fixed Rate:</b></p> <ul style="list-style-type: none"> <li>Borrower is qualified at the Note rate</li> </ul> <p><b>3/1 &amp; 5/1 Fixed Period ARMs</b> (incl. loans with Temporary Buydowns):</p> <ul style="list-style-type: none"> <li>Borrower is qualified at the greater of the Note rate + 2% or the fully indexed rate.</li> </ul> <p><b>7/1 &amp; 10/1 Fixed Period ARMs</b> (incl. loans with Temporary Buydowns):</p> <ul style="list-style-type: none"> <li>Borrower is qualified at the greater of the Note rate or the fully indexed rate.</li> </ul> <p><b>An IRS Form 4506-T must be signed, completed, and dated at application and at closing by all borrowers. In addition, IRS transcripts for the time period covered by the required income documentation must be obtained prior to loan closing for all borrowers</b></p>	<p><b>Interest-Only Loans</b> (Except 3/1 &amp; 5/1 Fixed Period ARM loans):</p> <ul style="list-style-type: none"> <li>Borrower is qualified at the greater of Note rate or fully indexed/fully amortized rate.</li> </ul> <p><b>3/1 &amp; 5/1 Fixed Period ARM Loans with Interest-only:</b></p> <ul style="list-style-type: none"> <li>Borrower is qualified at the greater of Note rate + 2% or fully indexed/fully amortized rate.</li> </ul> <p><b>Qualifying Ratios</b></p> <ul style="list-style-type: none"> <li>Maximum qualifying ratios are determined by the AUS.</li> </ul>
	<p><b>Credit</b></p> <ul style="list-style-type: none"> <li>Minimum credit score(s) will be determined by the AUS.</li> <li>The minimum credit score(s) will never be lower than <b>620</b></li> <li>Credit requirements will be determined by the AUS</li> <li>Mortgage lates: 0x60 in the last 12 months</li> <li>Chapter 7 Bankruptcy: 48 months since discharge/dismissal</li> </ul>	<ul style="list-style-type: none"> <li>Chapter 13 Bankruptcy: 24 months since discharge; 48 months since dismissal</li> <li>Borrowers w/ multiple BK filings: 60 months since most recent discharge / dismissal</li> <li>Foreclosure: 84 months or more since completion</li> <li>Deed-in-Lieu: 48 to 84 months; Refer to Clients Guide for details.</li> <li>Short Sale or Pre-foreclosure: 24 to 84 months; Refer to Clients Guide for details.</li> </ul>
<p><b>Down Payment &amp; Source of Funds</b></p> <ul style="list-style-type: none"> <li>Min. 5% down payment must be from the borrower's own funds.</li> <li>Primary residence with a DU Approve / Eligible: 3% min. down payment from the borrower's own funds is allowed.</li> </ul>	<p>payment may come from gift funds or a gift of equity.</p> <ul style="list-style-type: none"> <li><b>Investment properties:</b> Gift funds and gifts of equity are not allowed.</li> </ul>	
<p><b>Reserves</b></p> <p><b>Reserves are determined by the AUS; the following are generally required:</b></p> <ul style="list-style-type: none"> <li>Owner Occupied and second Homes: 2 months PITI</li> <li>Investment: 6 months PITI</li> </ul>	<ul style="list-style-type: none"> <li><b>Interest-Only loans require 24 months PITI, regardless of AUS.</b></li> <li>Second home or investment property transactions also require 2 months PITI reserves for each additional second home and/or investment property.</li> </ul>	
<p><b>Eligible Borrowers</b></p> <ul style="list-style-type: none"> <li>U.S. Citizens &amp; Permanent and Non-Permanent Resident Aliens are allowed with a valid Social Security number.</li> <li>Inter Vivos Revocable Trusts and Non-Occupant Co-Borrowers are allowed with restrictions, refer to the Client Guide for individual program limitations.</li> <li>Non-Resident aliens (foreign nationals) are not allowed</li> </ul>		
<p><b>Max. Number of Financed Properties</b></p> <p><b>Primary Residence:</b></p> <ul style="list-style-type: none"> <li>There is no limit to the maximum number of financed properties.</li> </ul> <p><b>Second Home or Investment Property:</b></p> <ul style="list-style-type: none"> <li>The borrower(s) can have no more than four properties financed including the subject property.</li> </ul>	<p><b>Loans</b></p> <ul style="list-style-type: none"> <li>The maximum number of Home Loans first lien mortgages permitted to one borrower is four.</li> </ul>	
<p><b>Interested Party Contributions</b></p> <p><b>Owner Occupied and Second Home:</b></p> <ul style="list-style-type: none"> <li>LTV &gt; 90%: 3%</li> <li>LTV 75.01 - 90%: 6%</li> <li>LTV &lt; 75%: 9%</li> </ul> <p><b>Investment Property:</b></p> <ul style="list-style-type: none"> <li>All LTV/CLTVs: 2%</li> </ul>	<p>Cash or items of value, such as giveaways, passed to the buyer by the seller to encourage the buyer to purchase the property and excessive interested party contributions are considered sales concessions. If there is a sales concession present, the LTV/CLTV is calculated using the lower of the reduced sales price (after the reduction for all sales concessions, including excess financing contributions) or the appraised value.</p>	
<p><b>Mortgage Insurance Requirements</b></p> <p><b>25- and 30-year:</b></p> <ul style="list-style-type: none"> <li>95.01-97%: 35%</li> <li>90.01-95%: 30%</li> <li>85.01-90%: 25%</li> <li>80.01-85%: 12%</li> </ul> <p><b>10-, 15- and 20-year:</b></p> <ul style="list-style-type: none"> <li>95.01-97%: 35%</li> <li>90.01-95%: 25%</li> <li>85.01-90%: 12%</li> <li>80.01-85%: 6%</li> </ul>	<ul style="list-style-type: none"> <li>Minimum MI coverage as indicated on the AUS certificate is not eligible.</li> <li>FSPMI not be available on 2-4 Units, Non-Owner Occupied and Cash-Out refinance loans.</li> <li>Refer to Client Guide for details.</li> </ul>	