

Primary Residence							
Purchase and No Cash-Out Refinance							
Conforming			Super Conforming				
Property Type	Maximum LTV/TLTV		Minimum Credit Score	Property Type	Maximum LTV/TLTV		Minimum Credit Score
1 Unit	Fixed Rate	ARM	Per LPA ²	1 Unit	Fixed Rate	ARM	Per LPA ²
	97% ¹	95/95%			95%	95%	
2 Units	95/95%			2 Units	85%	85%	
	75/75%			3-4 Units	80%	75%	

Footnotes
¹ Non-Occupant Borrowers
 • Max 95% LTV/TLTV
² MI company guidelines require minimum credit score 620

COVID-19 Temporary Process Effective 03/23/20	<p>Refer to Fannie Mae and Freddie Mac Temporary Guideline Relief Bulletin for additional guidance.</p> <p>Employed Borrowers: 10-Day Pre-Closing Verbal Verification of Employment (VVOE) Due to COVID-19, there may be difficulty in obtaining the VVOE due to disruption to operations of the borrower's employer. An attempt to obtain the VVOE in accordance with existing requirements must be made. The following alternatives are allowed if a VVOE cannot be obtained:</p> <ul style="list-style-type: none"> Written VVOE <ul style="list-style-type: none"> Email must originate from employer's e-mail address / domain (e.g. @loanDepot.com) Name and title of individual verifying the borrower's current employment status YTD Paystub from the pay period that immediately precedes the note date Bank statements evidencing the payroll deposit from the pay period that immediately precedes the note date <p>Note: Follow LPA Feedback Certificate for 10-Day Pre-Closing VVOE documentation relief using Asset and Income Modeler (AIM).</p> <p>Self-employed Borrowers: Continuity of Income Given the current economic climate associated with COVID-19 and its impact on employment and income, LDW must apply additional due diligence to ensure the most recent information is obtained. LDW must ensure that any disruption to borrowers' employment (or self-employment) and/or income due to COVID-19 is not expected to negatively impact their ability to repay the loan.</p> <p>The health of the business should be constantly checked throughout the full loan process. Recommendation is to validate the borrower's business is operational at each phase of the process from application to closing.</p> <p>Appraisal Due to COVID-19, appraisal inspection and reporting requirements have been revised. The following table provides appraisal requirements based on mortgage purpose, loan-to-value (LTV) ratio, occupancy type and mortgage ownership:</p> <p>Note: These flexibilities are not permitted for new construction properties.</p>																						
	<table border="1"> <thead> <tr> <th colspan="5">Appraisal Requirements</th> </tr> <tr> <th>Mortgage Purpose</th> <th>LTV Ratio</th> <th>Occupancy Type</th> <th>Ownership of Mortgage being refinanced</th> <th>Permissible appraisals</th> </tr> </thead> <tbody> <tr> <td>Purchase Transaction</td> <td>Refer to Program Matrix</td> <td>Primary Residence</td> <td>N/A</td> <td>Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal</td> </tr> <tr> <td rowspan="2">No Cash-out Refinance</td> <td rowspan="2">Refer to Program Matrix</td> <td rowspan="2">Primary Residence</td> <td>Mortgage being refinanced owned by Freddie Mac</td> <td>Interior and exterior inspection appraisal or exterior-only inspection</td> </tr> <tr> <td>Mortgage being refinanced not owned by Freddie Mac</td> <td>Interior and exterior inspection appraisal</td> </tr> </tbody> </table>	Appraisal Requirements					Mortgage Purpose	LTV Ratio	Occupancy Type	Ownership of Mortgage being refinanced	Permissible appraisals	Purchase Transaction	Refer to Program Matrix	Primary Residence	N/A	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal	No Cash-out Refinance	Refer to Program Matrix	Primary Residence	Mortgage being refinanced owned by Freddie Mac	Interior and exterior inspection appraisal or exterior-only inspection	Mortgage being refinanced not owned by Freddie Mac	Interior and exterior inspection appraisal
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Co-ops	<ul style="list-style-type: none"> Subordinate financing is permitted IL, NJ, and NY states only Fixed rate only Requires loanDepot Project Eligibility Desk review and approval 				
Minimum Loan Amount	Conforming		Super Conforming		
	\$60,000		\$1 > Conforming loan limit for the number of units for high cost areas		
Borrower Types	Eligible		Ineligible		
	<ul style="list-style-type: none"> U.S. Citizens Permanent Resident Non-Permanent Residents Inter Vivos Revocable Trusts Non-Occupant Borrower <ul style="list-style-type: none"> Non-occupant borrower is eligible for 1 unit only Funds used to qualify may come from occupying and/or non-occupying borrower First-Time Homebuyer <ul style="list-style-type: none"> No requirement for borrower(s) to be a First-Time Homebuyer 		<ul style="list-style-type: none"> Foreign National 		
Appraisal Requirements	<ul style="list-style-type: none"> Full interior/exterior appraisal is required unless LPA offers an ACE finding for an appraisal waiver 				
Ineligible Transactions Types	<ul style="list-style-type: none"> Down payment assistance options Community Seconds/Grants/Affordable Seconds Sweat Equity Texas 50(a)(6) loans HomeStyle Renovation loans 				
Loan Product Advisor (LPA)	<p>LPA Eligible/Accept</p> <ul style="list-style-type: none"> Manual Underwriting not permitted At least one borrower must have traditional credit Based on income, LPA will determine the income eligibility for Home Possible Mortgages Note: LPA feedback certificate will return Home Possible Mortgages offer message(s) - "This loan meets Home Possible income limits based on property location for address entered. If you choose to deliver this loan as a Home Possible loan, it must meet all requirements of the Home Possible product selected." Or "This loan meets Home Possible income limits based on property location for address entered. This loan must also meet all other Home Possible product requirements for delivery to Agency." LPA Offering Identifier Home Possible Mortgages Standard Agency underwriting and property guidelines apply unless specifically referenced within this matrix 				
Mortgage Insurance	<ul style="list-style-type: none"> BPMI (monthly and single premium) LPMI (single premium) is eligible based on program LTV eligibility and 620 credit score <ul style="list-style-type: none"> LPMI is not available for 5/1 ARMs Financed MI is not available Custom or reduced MI 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%
		Fixed<=20 year	6%	12%	25%
Fixed>20 year	12%	25%	25%	25%	
Homeownership Education and Housing Counseling	<ul style="list-style-type: none"> Homeownership Education required prior to Note date for at least one qualifying borrower if all borrower(s) are First-Time Homebuyers Homeownership education must not be provided by an interested party to the transaction including the originating lender Homeownership Education Certification (exhibit 20) or similar document (such as the CreditSmart – Steps to Homeownership Certificate of Completion) containing comparable information must be retained in the mortgage file The following types of Homeownership Education are acceptable: <ul style="list-style-type: none"> Programs developed by HUD-approved counseling agencies Homeownership Education programs developed by mortgage insurance companies or other providers' programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling An alternative to the types listed above, CreditSmart- Steps to Homeownership Tutorial 				
Landlord Education (2-4 Unit Primary Residence)	<ul style="list-style-type: none"> Purchase Transaction – At least one qualifying borrower must participate in a landlord education program prior to the Note date <ul style="list-style-type: none"> Landlord education must not be provided by an interested party to the transaction, the seller or the originating Lender Copy of a certificate evidencing successful completion of the landlord education must be retained in the mortgage file Refinance Transactions – Landlord education is not required but is recommended by Agency for borrower(s) refinancing particularly those who have not previously attended 				



Borrower Income	<p>The following is general guidance and subject to LPA approval. Follow standard agency income guideline requirements to verify qualifying income in accordance with Agency Guide Chapters 5302 through 5307. Subject to additional documentation at the underwriter's discretion.</p> <ul style="list-style-type: none"> • Two year employment history must be verified • Explanation for any gaps of employment of 30 days or more is required 										
	Qualifying Income Limits										
	<ul style="list-style-type: none"> • LPA will determine if the qualifying income meets the income limits, or use the Home Possible Income & Property Eligibility Tool • Determine whether or not the borrower(s) satisfied the income limits, the income must be calculated as described in Agency Guide 4501.9 • Borrower's qualifying income must not exceed 80% of Area Median Income (AMI) limits • Income (O.T., bonus, etc.) not used to qualify the borrower is not required to be included in the income limit eligibility 										
	Salaried Borrowers										
Borrower Income	<ul style="list-style-type: none"> • Current paystub dated within 120 days from the Note date • W2's per LPA 										
	Rental Income										
	<p>Rental income (boarder income) from a 1 unit primary residence that meets the requirements of Agency Guide Chapter 4501.9 may be considered as stable monthly income or the following:</p> <ul style="list-style-type: none"> • The person providing the rental income and the borrower: <ul style="list-style-type: none"> ◦ Have resided together for at least one year ◦ Will continue residing together in the new residence, and ◦ The person providing the rental income provides appropriate documentation to evidence residency with the borrower (i.e., copy of a driver's license, bill, bank statement, etc., that shows the address of that person to be the same as the borrower's address) • Rental income from the person residing in the mortgage premises (subject): <ul style="list-style-type: none"> ◦ Has been paid to the borrower for the past 12 months on a regular basis ◦ Can be verified by the borrower with evidence showing receipt of regular payments of rental income to the borrower for at least 9 of the past 12 months (i.e., copies of canceled checks) ◦ Must be averaged over 12 months for qualifying purposes when fewer than 12 months of payments are documented ◦ Rental income does not exceed 30% of total income used to qualify • The file must contain a written statement from the borrower affirming: <ul style="list-style-type: none"> ◦ Source of the rental income ◦ The fact that the person providing the rental income has resided with the borrower for the past year and intends to continue residing with the borrower in the new residence for the foreseeable future • Rental income from 2-4 unit primary residence that meets the requirements of Agency Guide 5306.1 may be used as qualifying income 										
	Self-Employed Borrower										
<ul style="list-style-type: none"> • Business in existence for at least two years (as stated on application) • Personal signed individual tax returns, including all pages and schedules per LPA • Corporate or partnership signed tax returns, including all pages and schedules per LPA • Profit and loss required per LPA 											
Qualifying Ratios	Fixed Rate	5/1 ARM	7/1 ARM and 10/1 ARM								
	Qualify at the Note Rate	Qualify at the greater of the Fully Indexed Rate or the Note Rate + 2.0%	Higher Priced Covered Transactions (HPCTs): Qualify at the greater of the Fully Indexed Rate or the Note Rate Non-HPCT/Non-HPML Transactions: Qualify at the Note Rate								
	<i>Per LPA Accept/Eligible findings; loans with MI may have more restrictive requirements</i>										
Subordinate Financing	<ul style="list-style-type: none"> • Subordinate financing must comply with Agency Guide 4204.1 • Permitting standard secondary financing, including HELOCs, for a Mortgage with a TLTV/HTLTV ratio of less than or equal to 97% • No Affordable Seconds • Subordinate financing of a seller-held mortgage is ineligible with Home Possible Mortgages 										
	<ul style="list-style-type: none"> • Minimum contribution from borrower personal funds – Purchase Transaction > 80% LTV: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="background-color: #d9ead3;">Number of Units</th> <th style="background-color: #d9ead3;">Minimum Borrower Contribution</th> <th style="background-color: #d9ead3;">Minimum Down Payment Requirement</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">One</td> <td style="text-align: center;">None</td> <td style="text-align: center;">3%</td> </tr> <tr> <td style="text-align: center;">Two to Four</td> <td style="text-align: center;">3%</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table> • No minimum contribution required for ≤ 80% LTV/TLTV • Acceptable source of funds for down payment and closing costs: <ul style="list-style-type: none"> ◦ Borrower Personal Funds as described in Agency Guide 5501.3(b) ◦ Cash-on-hand permitted as described in Agency Guide 4501.10(i)(2) for requirements <ul style="list-style-type: none"> ▪ Refer to MI company guidelines that would allow cash-on-hand for Home Possible Mortgages ◦ Gift funds as described in Agency Guide 5501.3(c) • Refer to Agency Guide 4501.10 and 5100 for additional asset requirements 			Number of Units	Minimum Borrower Contribution	Minimum Down Payment Requirement	One	None	3%	Two to Four	3%
Number of Units	Minimum Borrower Contribution	Minimum Down Payment Requirement									
One	None	3%									
Two to Four	3%	5%									
Assets											



Reserves	<ul style="list-style-type: none"> Reserves must be verified as required by the LPA feedback certificate <ul style="list-style-type: none"> 1-unit: No reserves required 2-4 unit: 2 months reserves required 											
Interested Party Contribution			LTV/TLVT > 90%	LTV/TLVT 75.01 – 90%	LTV/TLVT ≤ 75%							
			3%	6%	9%							
Property Ownership	<ul style="list-style-type: none"> At least one borrower must occupy the property as their primary residence 											
Additional Restrictions	<ul style="list-style-type: none"> No MCC No Temporary Buydowns 											
Properties Listed for Sale	<ul style="list-style-type: none"> No Cash-Out 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) 											
Credit	Mortgage/Rental History											
	<ul style="list-style-type: none"> Per LPA <ul style="list-style-type: none"> Mortgage lates - 0X60 in past 12 months 											
	Installment/ Revolving											
	<ul style="list-style-type: none"> Per LPA 											
	Foreclosure, Bankruptcy, Deed-in-Lieu, Short Sale											
				Derogatory Event			Discharge/Dismissal					
			Bankruptcy — Chapter 7 or 11			4 years from discharge or dismissal date						
			Bankruptcy — Chapter 13			2 years after discharge date 4 years after dismissal date						
			Multiple Bankruptcy Filings in the past 7 years			5 years from the most recent discharge or dismissal date						
			Foreclosure			7 years						
			Deed-in-Lieu of Foreclosure, Short Sales			4 years						
						Collections and Non-Mortgage Charge-Off						
						<ul style="list-style-type: none"> Per LPA 						
Student Loans	Student loans in repayment, deferment or forbearance:											
	If		Then									
	Payment Reflected on Credit Report		May use that amount for qualifying purposes									
	Payment <i>Not</i> Reflected on credit report		May use the monthly payment that is on the most recent student loan statement to qualify the borrower									
Credit report shows \$0		Use 0.5% of the outstanding loan balance reported on the credit report										
Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs:												
May be excluded from DTI with documentation that indicates												
Monthly payments ≤ 10 remaining until the full balance is forgiven, cancelled, discharged or in the case of an employment-contingent repayment program paid, OR												
The monthly payment is deferred or is in forbearance and the full balance will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period,												
AND the borrower currently meets the requirements for the student loan forgiveness, cancellation, discharge or employment-contingent repayment program, as applicable, and the underwriter is not aware of any circumstances that will make the borrower ineligible in the future												
AND loan file must contain documentation indicating that the borrower is Eligible or Approved for student loan forgiveness, cancellation, discharge or employment-contingent repayment program. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable												
Additional Underwriting Guidelines	Please access loanDepot's Wholesale Underwriting Guidelines for additional guidelines. For ease of access, we have included links to popular topics by category:											
	Assets		Credit		Eligibility		Income		Property		Misc. Topics	
	Business Assets		Contingent Liabilities		Continuity of Obligation		Employment History		Accessory Units		Appraisal Policy	
	Gift Funds		Deferred Installment Debt		Multiple Financed Properties		Non Borrowing Spouse		Hobby Farms		Departure Primary Residence	
	Gift of Equity		Disputed Accounts		Non Arms Length Transactions		Retirement Income		Leasehold		Power of Attorney	
	Large Deposits		Payoff and Paydown of Debt		Non Occupant Co-Borrower		Temporary Leave		Non Permitted Additions			
					Non U.S Citizens		Tax Transcripts		Property Flips			



Net Tangible Benefit	<ul style="list-style-type: none"> Net Tangible Benefit Requirements – All refinance transactions must meet the more restrictive of loanDepot Net Tangible Benefit Policy or agency/program Net Tangible Benefits Requirements.
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Eligible Terms								
Fixed	Conforming				Super Conforming			
	Description/Term				Description/Term			
	15 Year Fixed				15-Year Fixed			
	15 Year Fixed LPMI				15-Year Fixed w/ LPMI			
	20 Year Fixed				20-Year Fixed			
	20 Year Fixed LPMI				20-Year Fixed w/ LPMI			
	30 Year Fixed				30-Year Fixed			
30 Year Fixed LPMI				30-Year Fixed w/LPMI				
ARM	Conforming				Super Conforming			
	Description	Index	Margin	Caps	Description	Index	Margin	Caps
	5/1 ARM	LIBOR	2.25%	2/2/5	5/1 ARM	LIBOR	2.25%	2/2/5
	7/1 ARM			5/2/5	7/1 ARM			5/2/5
	7/1 ARM LPMI			5/2/5	7/1 ARM LPMI			5/2/5
10/1 ARM	5/2/5			10/1 ARM	5/2/5			

