

Conforming and High-Balance ARMs - DU

Primary Residence					
Purchase & Limited Cash-Out Refinance			Cash-Out Refinance		
Property Type	Max LTV/CLTV ¹	Min Credit Score	Property Type	Max LTV/CLTV	Min Credit Score
1 Unit	95%	620	1 Unit	80%	620
2 Units	85%		2-4 Units	75%	
3-4 Units	75%				
Second Home					
Purchase & Limited Cash-Out Refinance			Cash-Out Refinance		
Property Type	Max LTV/CLTV ¹	Min Credit Score	Property Type	Max LTV/CLTV	Min Credit Score
1 Unit	90%	620	1 Unit	75%	620
Investment Property					
Purchase & Limited Cash-Out Refinance			Cash-Out Refinance		
Property Type	Max LTV/CLTV	Min Credit Score	Property Type	Max LTV/CLTV	Min Credit Score
1 Unit	Purchase	620	1 Unit	75%	620
	LCO Refi				
80%	75%		75%		
2-4 Units	75%				

Footnotes
¹ > 80% LTV requires mortgage insurance (MI) and is subject to MI guidelines

COVID-19 Temporary Process Effective 03/23/20	Refer to COVID-19 Communications for additional guidance.																											
	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: <ul style="list-style-type: none"> • Written VOE <ul style="list-style-type: none"> ○ Email must originate from the employer's email 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 																											
	Self-employed borrowers: Continuity of Income Must confirm borrower's business is open and operating within 20 business days of the note date and prior to delivery.																											
	See COVID-19 Communications above for additional self-employed guidance.																											
	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.																											
Note: These flexibilities are not permitted for Fannie Mae HomeStyle Renovation. Appraisal waiver offers remain acceptable when eligible and provided through DU.																												
	<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 rowspan="4">Purchase Transaction, including new construction properties¹</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>≤ 85%</td> <td>Second Home</td> <td>N/A</td> <td>Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal</td> </tr> <tr> <td>≤ 80%</td> <td>Investment Property</td> <td>N/A</td> <td>Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal</td> </tr> <tr> <td>> 85%</td> <td>Second Home</td> <td>N/A</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, including new construction properties ¹	Refer to Program Matrix	Primary Residence	N/A	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal	≤ 85%	Second Home	N/A	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal	≤ 80%	Investment Property	N/A	Interior and exterior inspection appraisal, desktop appraisal or exterior-only appraisal	> 85%	Second Home	N/A	Interior and exterior inspection appraisal
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	Limited Cash-out Refinance ²	Refer to Program Matrix	All	Fannie Mae Owned	Interior and exterior inspection appraisal or exterior-only inspection									
	Cash-out Refinance	Refer to Program Matrix	All	Not Fannie Mae Owned	Interior and exterior inspection appraisal									
	¹ New construction loans are not eligible for exterior-only appraisals ² Verify the final AUS submission matches the agency (Fannie Mae) that owns the existing mortgage <ul style="list-style-type: none"> o Desktop Underwriter (DU) must be used for Fannie Mae to Fannie Mae transactions 													
Conventional Lending Guide	All loans must be underwritten to the standards contained within this matrix and the loanDepot Conventional Lending Guide <ul style="list-style-type: none"> • Any guidance published on this matrix supersedes any guidance referenced within the Wholesale Underwriting Guidelines • If guidance is not provided on this matrix or within the Wholesale Underwriting Guidelines, refer to the Agency Selling Guides 													
Ineligible Transactions	<ul style="list-style-type: none"> • Down Payment Assistance Options • Multiple loanDepot loans: Maximum 2 loans for one borrower active at one time 													
Geographic Restrictions	Hawaii <ul style="list-style-type: none"> • Hawaiian Home Land transactions are ineligible • Properties in Lava Zones 1 and 2 not permitted (verify the appraisal to confirm if property may be in a lava zone) Texas Refinances <ul style="list-style-type: none"> • Primary residence transactions ineligible, refer to Texas 50(a)(6) matrix • Second homes and investment properties allowed (subject property must not be the only property owned in TX) 													
Minimum Loan Amount	Conforming		High-Balance											
	\$60,000		\$1 > Conforming loan limit for the number of units for high cost areas											
Debt-To-Income (DTI)	<ul style="list-style-type: none"> • Per DU 													
AUS Requirements	<ul style="list-style-type: none"> • DU Approve/Eligible for loans underwritten using Fannie Mae guidelines • Manual Underwrites not permitted 													
Documentation	<ul style="list-style-type: none"> • Per DU 													
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											
	<i>Per DU Approve/Eligible findings; loans with MI may have more restrictive requirements</i>													
Income	Salaried Borrowers													
	<ul style="list-style-type: none"> • A current paystub dated within 120 days from the Note date • W-2's: Per DU 													
	Rental Income													
	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> 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 													
	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 DU • Corporate or partnership signed tax returns, including all pages and schedules per DU • Profit and loss generally not required • Maximum 1 business owned 													
Asset Documentation	<ul style="list-style-type: none"> • Refer to the loanDepot Conventional Lending Guide 													
Reserves	<ul style="list-style-type: none"> • Per DU 													
Interested Party Contribution	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3">Primary Residence and Second Homes</th> </tr> <tr> <th>>90% LTV/CLTV/TLTV</th> <th>75.01 – 90% LTV/CLTV/TLTV</th> <th><75% LTV/CLTV/TLTV</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">3%</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">9%</td> </tr> </tbody> </table>					Primary Residence and Second Homes			>90% LTV/CLTV/TLTV	75.01 – 90% LTV/CLTV/TLTV	<75% LTV/CLTV/TLTV	3%	6%	9%
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	<ul style="list-style-type: none"> • Investment Properties: 2% Regardless of LTV/CLTV 													
Borrower Eligibility	Eligible		Ineligible											
	<ul style="list-style-type: none"> • U.S. Citizens • Permanent Resident –Refer to Non-U.S. Citizens 		<ul style="list-style-type: none"> • LLC • Irrevocable Trusts 											



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	<ul style="list-style-type: none"> • Non-Permanent Residents • Inter Vivos Revocable Trusts • Non-Occupant Borrowers 	<ul style="list-style-type: none"> • Foreign National 																
Property Types	Eligible	Ineligible																
	<ul style="list-style-type: none"> • SFR/PUD (detached/attached) • Condo (low/high rise) • 2-4 Units 	<ul style="list-style-type: none"> • Agricultural/Income producing properties • Manufactured housing • Non-Warrantable Condo/Condotel • Co-op • Earth homes and geodesic domes 																
Properties Listed for Sale	<ul style="list-style-type: none"> • Limited Cash-Out and Cash-Out Transactions: Property must be taken off the market on or before the disbursement date <ul style="list-style-type: none"> ◦ When Secured by a Primary Residence: Borrower must confirm their intent to occupy the subject property 																	
Cash-Out Restrictions / Delayed Financing	<ul style="list-style-type: none"> • If property was purchased in the past 6 months, borrower is ineligible for a cash-out refinance unless following delayed financing guidelines • Property majority-owned or controlled by a borrower(s) limited liability corporation (LLC), may be counted towards meeting the borrower's minimum 6-month ownership requirement. In order to close the new refinance transaction, title ownership must be transferred out of the LLC and into the borrower's name. <p>Note: Title ownership from LLC to borrower's name can be transferred at closing</p>																	
Multi-Financed Properties	<ul style="list-style-type: none"> • Primary Residence – no limit on financed properties • Second Home or Investment Property: <ul style="list-style-type: none"> ◦ Max 10 financed properties, • Min 720 credit score for 7- 10 financed properties • Subject property is an investment property and borrower owns more than one financed investment property, 5/1 ARMS 																	
Mortgage Insurance	<ul style="list-style-type: none"> • BPMI (monthly and single premium) are eligible • LPMI (single premium) is eligible based on program LTV eligibility • 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																
	25 and 30 Year	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">80.01-85.00%</td> <td style="width: 25%;">85.01-90.00%</td> <td style="width: 25%;">90.01-95.00%</td> <td style="width: 25%;">95.01-97.00%</td> </tr> <tr> <td>12%</td> <td>25%</td> <td>30%</td> <td>35%</td> </tr> </table>	80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%	12%	25%	30%	35%								
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Credit	Mortgage/Rental History																	
	<ul style="list-style-type: none"> • Per DU <ul style="list-style-type: none"> ◦ Loans with one or more 60-day delinquency reported within the 12 months prior to the credit report date not acceptable 																	
	Installment/ Revolving																	
	<ul style="list-style-type: none"> • Per DU 																	
	Foreclosure, Bankruptcy, Deed-in-Lieu, Short Sale, Repossession, or Loan Modification																	
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Past-Due, Collection, and Charge-Off of Non-Mortgage Accounts																		
1 Unit Primary Residence	Pay off not required regardless of the amount																	
2-4 Units Owner Occupied & Second Homes	Accounts totaling > \$5,000 must be paid in full prior to or at closing																	
Investment Properties	individual accounts ≥ \$250 and totaling > \$1,000 must be paid in full prior to or at closing																	
Note: Collection accounts reported as medical collections are not used in DU risk assessment																		



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Student Loans	Student loans in repayment, deferment or forbearance:	
	If	Then
	Payment Reflected on Credit Report	May use that amount for qualifying purposes
	Payment Not 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	<ul style="list-style-type: none"> Use 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 If income-driven payment plan is \$0: <ul style="list-style-type: none"> Obtain student loan documentation to verify the actual monthly payment is \$0, then may qualify the borrower with a \$0 payment 	
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. 	

	Conforming				High-Balance			
	Description	Index	Margin	Caps	Description	Index	Margin	Caps
SOFR ARM PLANS	5/6 ARM	SOFR	2.25%	2/1/5	5/6 ARM	SOFR	2.25%	2/1/5
	7/6 ARM			5/1/5	7/6 ARM			5/1/5
	7/6 ARM LPMI							
	10/6 ARM							
	Conforming				High-Balance			
	Description	Index	Margin	Caps	Description	Index	Margin	Caps
LIBOR ARM PLANS (last date to lock 9/3/20)	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							
	10/1 ARM							

