

Texas A6 Conforming Fixed

Finance Type	No Cash-Out and Cash-Out Refinances					
Property Type	Primary Residence		Second Home		Investment	
LTV/CLTV/FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO
SFR/PUD/Condo	80%	620	N/A	N/A	N/A	N/A
2 - 4 Units	N/A	N/A	N/A	N/A	N/A	N/A
Eligible Terms	<ul style="list-style-type: none"> Conventional fully amortizing Fixed. 10-Year, 15-Year, 20-Year, 25-Year & 30-Year fixed rate programs ARM's not allowed 					
Eligible Property Types	<ul style="list-style-type: none"> Detached and attached SFR, PUD, and condo only No 2-4 units 					
Eligible Borrowers	<ul style="list-style-type: none"> U.S. Citizens, permanent and non-permanent resident aliens All borrowers must occupy property (non-occupying co-borrowers not allowed) 					
Occupancy	<ul style="list-style-type: none"> 1-unit primary residence only Evidence of homestead required 					
Maximum Fees	<ul style="list-style-type: none"> Max allowable fees are 2% of the loan amount not including prepaids 					
AUS	<ul style="list-style-type: none"> DU or LPA - Approve/Eligible or Accept/Eligible decision required. The payoff of a Texas 50(a)(6) loan means that the new refinance is subject to Texas 50(a)(6) restrictions regardless of whether the new transaction is considered a No Cash-Out or Cash-Out refinance. The "Purpose of Refinance" in LPA must indicate whether or not the new refinance is considered No Cash-Out or Cash-Out for pricing/delivery purposes. For No Cash-Out, the borrower can receive \$0 cash back. 					
DTI	<ul style="list-style-type: none"> Per AUS For loan applications dated on or after 4/1/15 where DU is the AUS type, income calculations for self-employed borrowers and other income types where a cash flow analysis is required must adhere to the requirements of FNMA's Form 1084 dated 12.16.14 					
Reserves	<ul style="list-style-type: none"> Per AUS 					
Subordinate Financing	<ul style="list-style-type: none"> Not allowed 					

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Listing History and Cash Out Restrictions	<ul style="list-style-type: none"> ▪ Refinance Transactions: Property must be taken off the market on or before the disbursement date and borrower must confirm their intent to occupy the subject property (for principal residence transactions)
Appraisal Requirements	<ul style="list-style-type: none"> • Full appraisal required
Vesting in a Trust	<ul style="list-style-type: none"> • Not allowed
Power of Attorney	<ul style="list-style-type: none"> • Not allowed
Survey	<ul style="list-style-type: none"> • Generally required on all Texas A6 loans
No-Cash-Out Transactions (i.e., Rate/Term)	<p>The following are considered rate/term refinance transactions:</p> <ul style="list-style-type: none"> • A loan is a rate/term refinance if the first mortgage being paid off is a Texas 50(a)(6) loan and the borrower is not getting any cash back from the refinance transaction (not including reimbursement of POC's). A second mortgage that is not a Texas 50(a)(6) loan that was used in whole to purchase the subject may be paid off • May include closing costs and prepaids • HUD-1 Settlement Statement or Closing Disclosure required from any transaction within the past 6 months. If previous transaction combined a first and non-purchase money subordinate into a new first, loan must be designated as cash out. If new transaction combines a first and non-purchase money subordinate into a new first loan, it is considered cash out
Cash-Out Transactions	<p>The following are considered cash out refinance transactions:</p> <ul style="list-style-type: none"> • Borrower is paying off a first and/or second mortgage that is not a Texas Section 50(a)(6) loan AND getting any cash-out from the refinance • Borrower is paying off a first mortgage that is a Texas Section 50(a)(6) loan but is not getting any cash-out AND paying off a second lien that is not a Texas Section 50(a)(6) loan which was not used entirely to purchase the subject property • Paying off a first mortgage that is not a Texas Section 50(a)(6) loan AND is paying off a second lien that is a Texas Section 50(a)(6) loan and: <ul style="list-style-type: none"> ○ The borrower is getting cash back from the refinance transaction, OR ○ The borrower is not getting cash-out but is paying off a Texas Section 50(a)(6) second mortgage that was not used in whole to purchase the subject property
Additional Restrictions	<ul style="list-style-type: none"> • Continuity of Obligation is required • 6 month title seasoning is required for all cash out refinances (measured from previous note date to application date). LTV is based on appraised value unless property is owned free & clear and was purchased within 6-12 months prior to the application date

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Restrictions Cont'd**

- 12 month title seasoning is required if existing loan (1st or 2nd) is a Texas 50(a)(6) loan (measured from "recording date to note date"). Okay to take application prior to 12 month mark
- There can be only one outstanding 50(a)(6) loan at any given time. If the borrower has an existing 50(a)(6) second lien, the existing second lien must be paid off
- The loan cannot close until 12 days after the borrower has received and executed the Notice Concerning Extension of Credit. If a borrower is added, the Notice Concerning Extension of Credit must be disclosed to that borrower, and the 12 day waiting period starts over. In order for the 12-day waiting period to start over, the borrower being added to the loan must execute a warranty deed adding them to title. Once the warranty deed has been executed, they must then be sent a 12-day Notice Disclosure. The waiting period starts over once the added borrower(s) receives and executes the document
- The borrower(s) must be provided a complete and accurate copy of the final HUD-1 or Closing Disclosure and closing cannot occur less than 1 business day thereafter
- All spouses must execute the mortgage however they are not required to be on the Promissory Note. All individuals on title and their spouse must sign all Texas cash-out documents. Only homestead owners can be on title at closing

Date: 12/28/17