

Conforming ARM - LPA

Finance Type	Purchase/Rate Term Refinance					
Property Type	Primary Residence		Second Home		Investment	
LTV/TLTV/ FICO	Max LTV/TLTV	Min FICO	Max LTV/TLTV	Min FICO	Max LTV/TLTV	Min FICO
SFR/PUD/ Condo	95%	620	90%	620	85%	620
2 Units	85%	620	N/A	N/A	75%	620
3-4 Units	80%	620	N/A	N/A	75%	620
Finance Type	Cash Out Refinance					
Property Type	Primary Residence		Second Home		Investment	
LTV/TLTV/ FICO	Max LTV/TLTV	Min FICO	Max LTV/TLTV	Min FICO	Max LTV/TLTV	Min FICO
SFR/PUD/ Condo	80%	620	75%	620	75%	620
2 Units	75%	620	N/A	N/A	70%	620
3-4 Units	75%	620	N/A	N/A	70%	620
Eligible Terms	<ul style="list-style-type: none"> ARM's Only ▪ For Fixed Rate, see the Conforming Fixed Program Matrix The term options are 5/1 ARM, 7/1 ARM, 10/1 ARM LIBOR. Fully-amortized over 30 year term CAPS: 5/1 2/2/5; 7/1 & 10/1 ARM 5/2/5 Margin 2.25 					
Eligible Property Types	<ul style="list-style-type: none"> SFR & PUDs (attached and detached) 2-4 units Condos (Low and High Rise) 					
Ineligible Transaction Types	<ul style="list-style-type: none"> Down payment assistance options Texas 50(a)(6) loans Manufactured Homes Properties on more than 10 acres are typically ineligible but will be considered as exception Hawaiian Home Land Transactions Properties located in Hawaii Lava Zones 1 & 2 					
Interested Party Contribution	<ul style="list-style-type: none"> Principal Residence and Second Homes: LTV/TLTV > 90%: 3%; LTV/TLTV 75.01-90%: 6%; LTV/TLTV ≤ 75%: 9% Investment Properties: 2% 					

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Reserves	<ul style="list-style-type: none"> • Reserves are determined by AUS but the following are generally required: <ul style="list-style-type: none"> ▪ Primary and 2nd Homes – Per LPA ▪ Non-owner Occupied – 6 months PITI ▪ Primary Residence 2-4 Units – 6 months PITI • Additional reserve requirements may apply if the borrower owns multiple properties or is departing primary residence
Qualifying Rate	<ul style="list-style-type: none"> • Higher of note rate + 2% or fully indexed rate for 5/1 ARM's • Higher of note rate or fully indexed rate for 7/1 and 10/1 ARMs
Ratios	<ul style="list-style-type: none"> • Per AUS approval ▪ Loans with Mortgage Insurance may have more restrictive requirements
Rate/Term Refinance	<ul style="list-style-type: none"> • For LPA refinance transactions when the mortgage being refinanced was a purchase money transaction, the mortgage being refinanced must be seasoned for at least 120 days. This is calculated from Note date to Note date
Cash Out Restrictions	<ul style="list-style-type: none"> • If property was purchased in the past 6 months, borrower is ineligible for a cash-out refinance. The time period is measured from recording date of original loan to note date of new loan
Texas Cash Out (Second Home & Investment)	<ul style="list-style-type: none"> • Second homes and investment properties that are NOT Texas Homesteads are eligible based on the above cash out eligibility • Title must not reflect any Homestead exemptions or as a Texas 50(a)(6). This property must not be the only property owned in TX • If subject property previously established as a TX Homestead, borrower must document that the current homestead has been “abandoned” by establishing another TX Homestead. Note: Pursuant to Texas property code section 41.003, “temporary renting of a homestead does not change its homestead character if the homestead claimant has not acquired another homestead” <ul style="list-style-type: none"> ○ Title company must verify the property is not the borrower’s homestead, and ○ A borrower’s affidavit confirming that the borrower has moved with the intention of not returning to the property
Listing History	<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)
Credit	<ul style="list-style-type: none"> • Mortgage lates – 0x60 is past 12 months • Chapter 7 bankruptcy – 48 months since discharge/dismissal • Chapter 13 bankruptcy – 24 months since discharge / 48 months since dismissal • Short sale/deed-in-lieu/pre-foreclosure 48 months since completion is required. LPA may allow for greater flexibilities provided an Accept recommendation is obtained. • Foreclosure 84 months since completion • Borrowers with multiple BK filings – 60 months since most recent discharge/dismissal

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Additional Restrictions	<ul style="list-style-type: none"> Minimum credit score is required regardless of AUS decision Loans must be underwritten through LPA and receive an Accept recommendation. When Broker does not have access to LPA, file can be submitted to LDW for AUS approval 																																										
HPML and HPCT Loans	<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) and must be underwritten as HPML's 5/1 ARM not eligible as HPML or HPCT 																																										
Mortgage Insurance	<ul style="list-style-type: none"> Loans with >80% LTV will require Mortgage Insurance and are subject to MI guidelines Split MI is eligible BPMI (monthly and single premium) and LPMI (single premium) are eligible LPMI (single premium) is eligible based on program LTV eligibility. LMPI is not allowed on 1) Investment Properties when FICO is less than 720 or 2) 5/1 and 10/1 ARMs. Acceptable renewal types are Level/Constant and Non-refundable Approved MI companies are Arch, Genworth, MGIC, NMI, and Radian. Max DTI 45% for FICO < 700 apply and vary by MI Company. Refer to the individual MI company guidelines <table border="1" style="margin-top: 10px; width: 100%; text-align: center;"> <thead> <tr style="background-color: #92d050;"> <th colspan="4">Required MI Coverage</th> </tr> <tr style="background-color: #4a4a8a; color: white;"> <th rowspan="2">Loan Term</th> <th colspan="3">LTV</th> </tr> <tr style="background-color: #d3d3d3;"> <th>80.01-85%</th> <th>85.01-90%</th> <th>90.01-95%</th> </tr> </thead> <tbody> <tr> <td style="background-color: #d3d3d3;">25 & 30 Year</td> <td>12%</td> <td>25%</td> <td>30%</td> </tr> <tr> <td style="background-color: #d3d3d3;">10,15 & 20 Year</td> <td>6%</td> <td>12%</td> <td>25%</td> </tr> </tbody> </table>	Required MI Coverage				Loan Term	LTV			80.01-85%	85.01-90%	90.01-95%	25 & 30 Year	12%	25%	30%	10,15 & 20 Year	6%	12%	25%																							
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ARM	Plan Code	Product	Caps	Index	Margin
	333	5/1	2/2/5	1 Yr.-LIBOR	2.25
	335	7/1	5/2/5	1 Yr.-LIBOR	2.25
	36	7/1-LPMI	5/2/5	1 Yr.-LIBOR	2.25
	337	10/1	5/2/5	1 Yr.-LIBOR	2.25

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