

Home Possible Advantage

Finance Type	Purchase / Rate & Term Refinance		
Property Type	Primary Residence		
LTV /TLTV/FICO	Fixed Rate Only		
	Max LTV	Max TLTV	Min FICO
SFR / PUD / CONDO	97%	97%	620
Eligible Loan Amounts	<ul style="list-style-type: none"> Conforming Loan Limits only 		
Credit Score	<ul style="list-style-type: none"> Minimum FICO 620 or higher as determined by Loan Product Advisor (LPA) 		
Eligible Terms	<ul style="list-style-type: none"> Fixed Rate: 15, 20, or 30 years, fixed fully-amortized 		
Eligible Property Types	<ul style="list-style-type: none"> 1 Unit Owner Occupied Principal Residence <ul style="list-style-type: none"> SFR Condos PUDs Co-ops 		
Borrower Eligibility	<ul style="list-style-type: none"> U.S. Citizens Non-Permanent and Permanent Residents First Time Homebuyers <p>Ineligible</p> <ul style="list-style-type: none"> Foreign National Non-occupant borrower(s) 		
Ineligible Transaction Types	<ul style="list-style-type: none"> Super Conforming mortgages Down payment assistance options Community Seconds Grants/Affordable Seconds Sweat Equity Texas 50(a)(6) loans Manufactured Homes HomeStyle Renovation loans Properties located in Hawaii Lava Zones 1 & 2 		



Home Possible Advantage

<p>Loan Product Advisor (LPA)</p>	<ul style="list-style-type: none"> • LPA Accept/Eligible required (No manual underwrites allowed) • Based on income, LPA will determine the income eligibility for Home Possible Note: LPA feedback certificate will return Home Possible 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 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.” • Eligible in LPA with at least one borrower has traditional credit • LPA Offering Identifier Code 250 • Standard Agency underwriting and property guidelines apply unless specifically referenced within this matrix
<p>Homebuyer Education</p>	<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, the seller or by the originating Lender • Copy of Exhibit 20, Homeownership Education Certification 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 <ul style="list-style-type: none"> ○ 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 (http://www.homeownershipstandards.com/) ○ An alternative to the types listed above, Agency’s free financial literacy curriculum from CreditSmart modules: CreditSmart®- Steps to Homeownership Tutorial 1) Module 1 Your Credit and Why It is Important, 2) Module 2 Managing Your Money, 3) Module 7 Thinking Like a Lender, 4) Module 11 Becoming a Homeowner, and 5) Module 12 Preserving Homeownership: Protecting Your Investment The financial literacy curriculum is not provided by an interested party to the transaction, the seller or by the originating Lender
<p>Assets</p>	<ul style="list-style-type: none"> • No minimum contribution from borrower personal funds is required • 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) ▪ Gifts Agency Guide 5501.3(c)



Home Possible Advantage

	<ul style="list-style-type: none"> ▪ Cash-on-hand permitted as a source of funds for down payment; Refer to Agency Guide and MI company guidelines that would allow cash-on-hand for Home Possible loans
Reserves	<ul style="list-style-type: none"> • No reserve requirements
Borrower Income Eligibility	<ul style="list-style-type: none"> • LPA will determine the income eligibility of the mortgage or can be validated using 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(e) • Borrower(s) qualifying income submitted to LPA cannot exceed 100% of the area median income limits or the higher percentage in designated high-cost areas as indicated in Agency Guide 4501.7 • Income (O.T., bonus, etc.) not used to qualify the borrower is not required to be included in the income limit eligibility • No income limits apply if the subject property is located in an Underserved Area
Qualifying Ratios	<ul style="list-style-type: none"> • As determined by LPA Accept Risk Classification ▪ Loans with Mortgage Insurance may have more restrictive requirements
Income	<ul style="list-style-type: none"> • Follow standard Agency income guideline requirements to verify qualifying income in accordance with Agency Guide Chapters 5302 through 5307 • Any discrepancies, income underreported income, must be corrected before submitting to LPA • Rental income (Boarder) from a 1 unit primary residence that meets the requirements of Agency Guide 5306.1 may be considered as stable monthly income or the following: <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 must provide documentation to evidence residency with the borrower (i.e., 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"> ○ Rental income has been paid to the borrower for the past 12 months on a regular basis ○ Evidence of receipt of regular payments of rental income for the past 12 months via copies of cancelled checks ○ 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
Appraisal Requirements	<ul style="list-style-type: none"> • Must obtain an appraisal with an interior and exterior inspection that meets the requirements of Agency Guide Chapter 5601



Home Possible Advantage

<p>Mortgage Insurance</p>	<ul style="list-style-type: none"> Financed MI is not available. Custom or reduced MI not eligible Standard MI: BPMI (monthly and single premium), LPMI (single premium) is eligible based on program LTV eligibility Loans with >80% LTV will require Mortgage Insurance and are subject to MI guidelines 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" data-bbox="365 478 1377 808"> <thead> <tr> <th colspan="5">Required MI Coverage</th> </tr> <tr> <th rowspan="2">Loan Term</th> <th colspan="4">LTV</th> </tr> <tr> <th>80.01% - 85%</th> <th>85.01% - 90%</th> <th>90.01% - 95%</th> <th>95.01% - 97%</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate ≤ 20 Years</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Fixed / ARMs > 20 Years</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table>	Required MI Coverage					Loan Term	LTV				80.01% - 85%	85.01% - 90%	90.01% - 95%	95.01% - 97%	Fixed Rate ≤ 20 Years	6%	12%	25%	25%	Fixed / ARMs > 20 Years	12%	25%	25%	25%
Required MI Coverage																									
Loan Term	LTV																								
	80.01% - 85%	85.01% - 90%	90.01% - 95%	95.01% - 97%																					
Fixed Rate ≤ 20 Years	6%	12%	25%	25%																					
Fixed / ARMs > 20 Years	12%	25%	25%	25%																					
<p>Subordinate Financing</p>	<ul style="list-style-type: none"> No subordinate financing allowed No Affordable Seconds 																								
<p>Interested Party Contribution</p>	<ul style="list-style-type: none"> LTV/TLTV > 90%: 3% LTV/TLTV 75.01 - 90%: 6% LTV/TLTV ≤ 75%: 9% 																								
<p>First Time Homebuyer</p>	<ul style="list-style-type: none"> No requirement for the borrower(s) to be a First Time Homebuyer 																								
<p>Property Ownership</p>	<ul style="list-style-type: none"> All borrower(s) must occupy the subject property as a primary residence Borrower(s) must not have any individual or joint ownership interest in any other residential properties as of the Note date except as stated below. The borrower may have an ownership interest in a residential property other than the subject property if the borrower does not occupy the other property and documents the following: <ul style="list-style-type: none"> Borrower inherited ownership interest in the other property and shares ownership with another party; ineligible if borrower inherited other property as a sole owner Borrower owns the other property with another party and the debt associated with the property is assigned to the other party by a court order (i.e. divorce decree) Borrower is a cosigner/guarantor on the mortgage debt and someone other than the borrower has made payments for the most recent 12 months to the other property; must document most recent 12 months cancelled checks 																								
<p>Additional Restrictions</p>	<ul style="list-style-type: none"> Minimum credit score is required regardless of LPA Accept/Eligible decision No MCC No Temporary Buydowns 																								



Home Possible Advantage

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). ▪ 5/1 ARM not eligible as HPML or higher-priced covered transactions (HPCT)
----------------------------	---

Additional Underwriting Guidelines	<p>Please access loanDepot Wholesale Underwriting Guidelines for a complete set of guidelines. For ease of access, we have included links to popular topics by category:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d3d3d3;">Assets</th> <th style="background-color: #d3d3d3;">Credit</th> <th style="background-color: #d3d3d3;">Eligibility</th> <th style="background-color: #d3d3d3;">Income</th> <th style="background-color: #d3d3d3;">Property</th> <th style="background-color: #d3d3d3;">Misc. Topics</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Business Assets</td> <td style="text-align: center;">Contingent Liabilities</td> <td style="text-align: center;">Continuity of Obligation</td> <td style="text-align: center;">Employment History</td> <td style="text-align: center;">Accessory Units</td> <td style="text-align: center;">Appraisal Policy</td> </tr> <tr> <td style="text-align: center;">Gift Funds</td> <td style="text-align: center;">Deferred Installment Debt</td> <td style="text-align: center;">Multiple Financed Properties</td> <td style="text-align: center;">Non Borrowing Spouse</td> <td style="text-align: center;">Hobby Farms</td> <td style="text-align: center;">Delayed Financing</td> </tr> <tr> <td style="text-align: center;">Gift of Equity</td> <td style="text-align: center;">Disputed Accounts</td> <td style="text-align: center;">Non Arms Length Transactions</td> <td style="text-align: center;">Retirement Income</td> <td style="text-align: center;">Leasehold</td> <td style="text-align: center;">Departure Primary Residence</td> </tr> <tr> <td style="text-align: center;">Large Deposits</td> <td style="text-align: center;">Payoff and Paydown of Debt</td> <td style="text-align: center;">Non Occupant Co- Borrower</td> <td style="text-align: center;">Temporary Leave</td> <td style="text-align: center;">Non Permitted Additions</td> <td style="text-align: center;">Power of Attorney</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Non U.S Citizens</td> <td style="text-align: center;">Tax Transcripts</td> <td style="text-align: center;">Property Flips</td> <td></td> </tr> </tbody> </table>	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	Delayed Financing	Gift of Equity	Disputed Accounts	Non Arms Length Transactions	Retirement Income	Leasehold	Departure Primary Residence	Large Deposits	Payoff and Paydown of Debt	Non Occupant Co- Borrower	Temporary Leave	Non Permitted Additions	Power of Attorney			Non U.S Citizens	Tax Transcripts	Property Flips	
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	Delayed Financing																																
Gift of Equity	Disputed Accounts	Non Arms Length Transactions	Retirement Income	Leasehold	Departure Primary Residence																																
Large Deposits	Payoff and Paydown of Debt	Non Occupant Co- Borrower	Temporary Leave	Non Permitted Additions	Power of Attorney																																
		Non U.S Citizens	Tax Transcripts	Property Flips																																	

v: 06/15/18

