

Purchase / Limited Cash-Out Refinance						
LTV / CLTV / FICO	Primary Residence		Second Home		Investment	
	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO
SFR / PUD / CONDO	Fixed: 97%* ARM: 95%	620	90%	620	85% - Purch 75% - Refi	620
2 Units	85%		N/A	N/A	N/A	N/A
3-4 Units	75%		N/A	N/A	N/A	N/A
Max LTV > 95% - 97% Requirements*	<ul style="list-style-type: none"> Eligible for Fixed Rate, SFR/PUD/Condo primary residence only <ul style="list-style-type: none"> Purchase transaction – at least one borrower must be a first time homebuyer Limited Cash-Out Refinance – existing loan must be owned or securitized by FNMA Ineligible: ARMs, High Balance Loan Limits, and Non-Occupant Borrower 					
Eligible Loan Amounts	<ul style="list-style-type: none"> Subject to Agency Conforming Loan Limits Subject to Agency High Balance Loan Limits Minimum Loan Amount \$60,000 					
Credit Score	<ul style="list-style-type: none"> Minimum FICO 620 					
Eligible Terms	<ul style="list-style-type: none"> Fixed Rate: 15, 20, 25 or 30 years, fixed fully-amortized ARMs: 5/1 ARM, (LIBOR), Caps 2/2/5. 7/1 ARM & 10/1 ARM, (LIBOR), Caps 5/2/5 <ul style="list-style-type: none"> Fully-amortized over 30 year term 					
Borrower Eligibility	<ul style="list-style-type: none"> U.S. Citizens Non-Permanent and Permanent Residents Foreign National not eligible 					
Eligible Property	<ul style="list-style-type: none"> SFR / PUD Condo 2 – 4 Unit properties 					
Ineligible Properties	<ul style="list-style-type: none"> Agricultural properties On-frame modular construction Co-op Log homes Geodesic dome Berm homes 					



Ineligible Transaction	<ul style="list-style-type: none"> • Down payment assistance options • Community Seconds • Sweat Equity • Texas 50(a)(6) loans • Manufactured Homes • Properties located in Hawaii Lava Zones 1 & 2 																								
Desktop Underwriter (DU)	<ul style="list-style-type: none"> • DU Approve/Eligible required (No manual underwrites allowed) • Standard Agency underwriting and property guidelines apply unless specifically referenced within this matrix 																								
Underwriting	<ul style="list-style-type: none"> • The following DU messages may be disregarded: <ul style="list-style-type: none"> ◦ Appraisal must state 'As Completed' value • FHA Cost Consultant required if improvements/costs exceed \$50,000 – located on FHA Connection • Any structural repairs require an FHA Consultant regardless of total repair cost • Delayed Financing is not allowed 																								
Qualifying Ratios	<ul style="list-style-type: none"> • As determined by DU • Qualifying Rate <ul style="list-style-type: none"> ◦ Note rate for Fixed-rate ◦ Higher of note rate + 2% or fully indexed rate for 5/1 ARMs ◦ Higher of note rate or fully indexed rate for 7/1 & 10/1 ARMs 																								
Interested Party Contribution	<ul style="list-style-type: none"> • Primary Residence / Second Home: <ul style="list-style-type: none"> ◦ LTV/CLTV ≥ 90%: 3% ◦ LTV/CLTV 75.01 - 90%: 6% ◦ LTV/CLTV ≤ 75%: 9% • Investment: All LTV/CLTV: 2% 																								
Mortgage Insurance	<ul style="list-style-type: none"> • Arch, Essent, Genworth, MGIC, National, and Radian are approved MI partners. Refer to the individual MI company guidelines as requirements may be more restrictive • Financed MI is not available • LPMI is not available • Loans with >80% LTV will require Mortgage Insurance and are subject to MI guidelines: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #92d050;"> <th colspan="5">Required MI Coverage</th> </tr> <tr style="background-color: #e0e0e0;"> <th rowspan="2">Loan Term</th> <th colspan="4">LTV</th> </tr> <tr style="background-color: #e0e0e0;"> <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>35%</td> </tr> <tr> <td>Fixed / ARMs > 20 Years</td> <td>12%</td> <td>25%</td> <td>30%</td> <td>35%</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%	35%	Fixed / ARMs > 20 Years	12%	25%	30%	35%
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Subordinate Financing	<ul style="list-style-type: none"> Subordinate financing must comply with B2-1.1-04 Subordinate Financing
Title Update	<ul style="list-style-type: none"> An endorsement to the title policy extending the effective date through the completion of the renovation and assuring LDW first lien position is required to be provided for final disbursement
Appraisal	<ul style="list-style-type: none"> Full interior/exterior appraisal must state "As Completed" value Contractor Bid and Plans/Specs must accompany appraisal order
Renovation Requirements	<ul style="list-style-type: none"> Completion Date – Renovations must be completed within 12 months of closing date The limit on eligible renovation funds must not exceed 75% of the lesser of the purchase price + renovation costs or the "as completed" appraised value for purchase transactions; and 75% of the "as completed" appraised value for refinance transactions Multiple Contractors – Borrower may use more than one contractor, provided that all requirements related apply to each contractor Contingency Reserve – 10% of the hard costs or as determined by the FHA Cost Consultant. Unused contingency reserve will be applied to a principal reduction after the final disbursement is completed Contractors – All contractors must be licensed. LDW may not choose the contractor or refer the borrower to a contractor Plans and Specs – Required and must be prepared by a registered, licensed or certified general contractor, renovation consultant or architect. Plans and Specs must be used by the appraiser in the development of the 'As Completed' value of the property Verification of Completion – Lender must provide Agency with verification of completion of the renovation Modification of Loan Amount – Loan amount cannot be modified to adjust with changes in renovation costs Renovation/repair must be permanently affixed
Draw Process / Contractor Requirements	<ul style="list-style-type: none"> Two draws permitted without an FHA Cost Consultant Five draws permitted with an FHA Cost Consultant Draws will be disbursed upon completion of certain stages of the work and will be done after inspections, title updates and invoices are received and reviewed by the Renovation/Disbursement Department Remaining funds to be disbursed upon completion of all work, and after Final Inspection, final title update and approval from Renovation/Disbursement Department Paid receipts or canceled checks are required to reimburse Draw Request form to be completed with all supporting documentation <ul style="list-style-type: none"> Original signatures from borrower, inspector or consultant (if utilized), the contractor, and underwriter or authorized agent of LDW are required on the Draw Request form. Draw Requests will be reviewed for satisfaction of requirements prior to disbursements A final appraisal inspection will be required regardless of the number of draws Interim inspections are required prior to each draw if draws exceed (2) as directed by the FHA Cost Consultant Projects cannot have more than three (3) specialized contractors without use of a General Contractor to manage the project



HomeStyle Renovation

Additional Restrictions	<ul style="list-style-type: none"> • Minimum credit score is required regardless of DU Approve/Eligible decision • Borrower must not receive any cash back at closing (standard LCO lesser 2% or \$2k is not permitted) • Special Feature Codes: SFC 215 required for HomeStyle Standard Mortgage with recourse 																														
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 LDWholesale 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>Business Assets</td> <td>Contingent Liabilities</td> <td>Continuity of Obligation</td> <td>Employment History</td> <td>Accessory Units</td> <td>Appraisal Policy</td> </tr> <tr> <td>Gift Funds</td> <td>Deferred Installment Debt</td> <td>Multiple Financed Properties</td> <td>Non Borrowing Spouse</td> <td>Hobby Farms</td> <td>Delayed Financing</td> </tr> <tr> <td>Gift of Equity</td> <td>Disputed Accounts</td> <td>Non Arms Length Transactions</td> <td>Retirement Income</td> <td>Leasehold</td> <td>Departure Primary Residence</td> </tr> <tr> <td>Large Deposits</td> <td>Payoff and Paydown of Debt</td> <td>Non Occupant Co-Borrower Non U.S Citizens</td> <td>Temporary Leave</td> <td>Non Permitted Additions Property Flips</td> <td>Power of Attorney</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 Non U.S Citizens	Temporary Leave	Non Permitted Additions Property Flips	Power of Attorney
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Eligible Terms & Plan Numbers										
Conforming						High Balance				
	Plan Code	Description / Term				Plan Code	Description / Term			
Fixed Rate	409	15-Year Fixed				413	15-Year Fixed			
	410	20-Year Fixed				414	20-Year Fixed			
	411	25-Year Fixed				415	25-Year Fixed			
	412	30-Year Fixed				416	30-Year Fixed			
Conforming						High Balance				
	Plan Code	Product	Caps	Index	Margin	Plan Code	Product	Caps	Index	Margin
ARM	425	5/1	2/2/5	1 Yr.-LIBOR	2.25	428	5/1	2/2/5	1 Yr.-LIBOR	2.25
	426	7/1	5/2/5	1 Yr.-LIBOR	2.25	429	7/1	5/2/5	1 Yr.-LIBOR	2.25
	427	10/1	5/2/5	1 Yr.-LIBOR	2.25	430	10/1	5/2/5	1 Yr.-LIBOR	2.25

