

Product Guidelines

CONVENTIONAL CONFORMING FIXED PROGRAM

PROGRAM CODES: C30F, C20F, C15F, C10F

Version 2.2 –01/12/18



INCOME/ASSETS, continued

Gift Equity	A gift or a gift of equity from a related person that does not have to be repaid is an eligible source of borrower funds for a primary residence or second home, but is not eligible source of borrower funds for an investment property. For 2-4 unit primary AND second home transactions, if a gift from a related person is used for a mortgage with a LTV greater than 80%, the gift is permitted source of borrower funds only if the borrower has made a down payment of at least 5% from borrower personal funds.						
Minimum Down Payment	<table border="0"> <tr> <td>Primary <80% LTV= None</td> <td>Second <80% LTV = None</td> </tr> <tr> <td>Primary >80% LTV = None</td> <td>Second >80% LTV = 5%</td> </tr> <tr> <td>Primary 2-4 Unit = 5%</td> <td>Investment = entire down payment</td> </tr> </table>	Primary <80% LTV= None	Second <80% LTV = None	Primary >80% LTV = None	Second >80% LTV = 5%	Primary 2-4 Unit = 5%	Investment = entire down payment
Primary <80% LTV= None	Second <80% LTV = None						
Primary >80% LTV = None	Second >80% LTV = 5%						
Primary 2-4 Unit = 5%	Investment = entire down payment						
Gifts	Follow FNMA Guidance: 1 Unit Primary Residences (including High Balance): no minimum borrower contribution is required, 2-4 Units, 2nd Homes: LTV's >80% require the borrower have a minimum 5% of their own funds in the transaction, Gifts are not permitted on Investment Properties. Gifts are not permitted on Non-Owner Properties. Donor must be immediate family member, fiancé or domestic partner. The donor may not be affiliated with any other interested party to the transaction.						
Verification of Deposits	Not permitted as standalone documentation – must be accompanied by computer printout or other statements directly from the banking institution.						
Large Deposits	Purchase Money Transactions Only: Deposits >50% of the borrower's qualifying monthly income are considered large deposits and must be sourced.						
Business Assets	Business Assets are allowed for down payment; however, the borrower must be the 100% owner of the Business. The effect on borrower's business must be established by the underwriter.						
Custodial Accounts for Minors	These accounts are not an allowable asset for down payment, closing costs or reserves. Accounts that are in a minors name where the borrower is only the custodian of the funds are not eligible to be used for a transaction in closing costs, reserves or down payment.						

GENERAL

Debt Ratios	Per AUS findings, must receive Approve/Eligible.
Mortgage Insurance	<p>Mortgage Insurance from an approved provider is required on all loans over 80.00% loan to value. Regardless of AUS findings standard MI coverage is required.</p> <p>Mortgage insurance premiums may be paid monthly, annually, as a single premium or a combination of these. All premiums, no matter how they are paid, must be refundable.</p> <p>Two FICO scores required per MI provider guidelines. MI provider Credit Score guidelines prevail when MI coverage is required.</p>
Age of Documents	Must be <120 days old at time of closing. Appraisal must be <120 days old.
Loan Terms Available	10, 15, 20, & 30 Year Fixed
Ineligible Borrowers	Loans with title or interest held in various forms/legal entities such as Life Estates, Non-Revocable Trusts, Guardianships, LLC's, Corporations or Partnerships are not eligible.

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GENERAL, continued

Escrows / Escrow Holdbacks	Escrows: Tax and Insurance escrows are required on all loans greater than 80.00% loan to value (subject to state law); escrow waivers are allowed subject to a demonstrated ability by the borrower to manage lump sum tax and insurance payments. Effective on loans closed on or after January 1, 2016 that require flood insurance: the premiums related to the flood insurance must be escrowed - escrows for these premiums may not be waived, regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required.		
Escrow Waiver Eligibility	Property tax and/or insurance escrows may be waived with the following criteria:		
	Primary Residence All states excluding CA and NM: less than or equal to (<=) 80% LTV California: less than or equal to (<=) 90% LTV New Mexico: less than (<) 80% LTV	Second Home All states excluding CA: less than or equal to (<=) 80% LTV California: less than or equal to (<=) 90% LTV	Investment Property All states excluding CA: less than or equal to (<=) 80% LTV California: less than or equal to (<=) 90% LTV
Ineligible Programs	Refi DU, Homestyle / Homepath Renovations, Temp Buydown, Interest Only Loan Programs.		
RUN LPA			
Primary Purchase/Rate & Term Refinance	3 & 4 Units at 80% LTV		
Non-Owner Rate & Term Refinance	1 unit at 85% LTV		
Seller Carry Back Financing	If the seller carry back rate is more than 2% below current standard rates for second mortgages		
Student Loans	Student loans that are deferred or are in forbearance and no monthly payments are verified; use 1% of the outstanding balance as the payment calculation.		