Fannie Mae Fixed Rate

This matrix is intended as an aid to help determine whether a property/loan qualifies for certain Fannie Mae offered programs. It is not intended as a replacement for Fannie Mae guidelines. Users are expected to know and comply with Fannie Mae's requirements.

*NOTE: This matrix includes overlays which may be **more restrictive** than Fannie Mae's requirements. A thorough reading of this matrix is recommended.*

Program Qualifications

- Eligible loans are conforming and high balance loans receiving DU Version 9.0 or later Approve/Eligible findings.

Maximum Loan Amount

Conforming Maximum Loan Amounts		
Units	**Continental US**	**Alaska & Hawaii**
1	$417,000	$625,500
2	$533,850	$800,775
3	$645,300	$967,950
4	$801,950	$1,202,925

High-Cost Area (High Balance) Loan Amounts				
Units	**Continental US**		**Alaska & Hawaii**	
	Minimum Loan Amount	**Permanent High-Cost**	**Minimum Loan Amount**	**Permanent High Cost**
1	$417,001	$625,500	$625,501	$938,250
2	$533,851	$800,775	$800,776	$1,201,150
3	$645,301	$967,950	$967,951	$1,451,925
4	$801,951	$1,202,925	$1,202,926	$1,804,375

Permanent High Cost area the maximum potential loan limits for designated high-cost areas. Actual loan limits are established for each county (or equivalent) and the loan limits for specific high-cost areas may be lower. The original balance of a Mortgage must not exceed the maximum loan limit for the specific areas in which the Mortgage Premises is located. For specific loan limits for each high cost area, as released by the Federal Housing Finance Agency visit http://www.fhfa.gov/Default.aspx?Page=185

Eligibility Matrix Loan Amount & LTV Limitations

- *Any references to LTV ratios include LTV, CLTV, and HCLTV ratios, unless otherwise noted.*
- *The Matrices may not include all eligibility criteria applicable to the subject transaction (e.g., maximum loan term).*
    - *Use Matrix 1 for Standard Eligibility Requirements for Conforming Loan Amounts **Fannie Mae DU Approve Eligible***
    - *Use Matrix 2 for High Balance Loan Amounts **Fannie Mae DU Approve/Eligible***
    - *Use Matrix 3 for Conforming Loan Amounts for **5 – 10 financed properties***
    - *Use Matrix 4 for High Balance Loan Amounts for **5-10 financed properties***
    - *Refer to Fannie Mae Conforming Manufactured Home Fixed Rate matrix for specific program guidelines on Manufactured Homes*

Matrix 1

Standard Eligibility Requirements Conforming Loan Amounts Fannie Mae DU Approve/Eligible Only

Primary Residence, Second Home and Investment

(See Matrix 3 for Conforming 5-10 Financed Properties when subject is 2nd Home or Investment)

Transaction Type [1, 2,3]	Occupancy	Units	Amortization and Property Restrictions	Maximum LTV/CLTV/HCLTV [2,4,8]	Credit Score	Maximum Cash-Back
Purchase & Limited Cash-Out Refinance (LCOR)	Primary Residence	1	Fully amortizing	**97/97/97% only for DU Version 9.0 or prior Approve/Eligible only[8]**	620	Ineligible
		1 [3]	Fully amortizing	95/95/95%	620	Ineligible
		2	Fully amortizing	85/85/85%	620	Ineligible
		3 – 4	Fully amortizing	75/75/75%	620	Ineligible
	Second Home	1 [3]	Fully amortizing	90/90/90%	620	Ineligible
	Investment	1 [3]	Purchase – Fully amortizing	85/85/85%	620	Ineligible
			LCOR – Fully amortizing	75/75/75%	620	Ineligible
		2 – 4	Fully amortizing	75/75/75%	620	Ineligible
Cash-Out	Primary	1 [3,5]	Fully amortizing	85/85/85% [7]	620 [7]	$150,000 [7]

Refinance [5,6]	Residence	2 – 4 [5]	Fully amortizing	75/75/75% [7]	620 [7]	$150,000 [7]
	Second Home	1 [3,5]	Fully amortizing	75/75/75% [7]	620 [7]	$150,000 [7]
	Investment	1 [3,5]	Fully amortizing	75/75/75% [7]	620 [7]	$150,000 [7]
		2 – 4 [5]	Fully amortizing	70/70/70% [7]	620 [7]	$150,000 [7]

Footnotes

1. Borrower with one credit score or borrower without a credit score when borrowing with a scored borrower eligible on primary residence Purchase, Rate & Term 1 unit maximum 95% LTV (97% with DU Version 9.0 or prior) minimum credit score 620. Refer to *Credit* for specifics.
2. Refer to other matrices as follows.
    - If the loan amount is High Balance refer to Matrix 2
    - For Multiple Financed Properties (5-10) refer to Matrix 3 or Matrix 4.
3. Florida condominiums are eligible per FNMA guidelines (see *Property Types*)
4. HCLTV (HELOC CLTV) = first lien balance + total HELOC amount (funded plus unfunded portion) ÷ the lesser of the appraised value or sales price (if applicable).
5. If the property was purchased within the prior six months, the borrower is ineligible for a cash-out refinance transaction unless the loan meets the delayed financing exception. Refer to the *Financing Types - Delayed Financing* for eligibility requirements.
6. If property was listed for sale in the last 6 months the LTV ratios for a cash-out transaction are limited to 70% LTV (or maximum allowed if less than 70% LTV).
7. Cash back greater than $150,000 is eligible and requirements are as follows:
    - Impac's Credit Management review is required
    - Minimum credit score 720 or program minimum, whichever is higher
    - Reduce maximum LTV by 10% or maximum of 70% LTV whichever is less
8. **Loans with LTV > 95% with DU 9.0 approval must be locked on or before June 10, 2014, and funded no later than June 25, 2014.**

Matrix 2

Standard Eligibility Requirements High Balance Fannie Mae DU Approve/Eligible only

Primary Residence, Second Home and Investment Property

(See Matrix 4 for High Balance 5-10 financed properties when subject is 2nd Home or Investment)

Transaction Type	Occupancy	Units	Maximum LTV/CLTV/HCLTV [2]	Minimum Credit Score [3]	Maximum Cash-Back
Purchase	Primary Residence	1 [1]	90/90/90%	620	Ineligible
		2 – 4	75/75/75%	620	Ineligible
Limited Cash-Out Refinance	Primary Residence	1 [1]	90/90/90%	620	Per FNMA
		2 – 4	75/75/75%	620	Per FNMA
Cash-Out Refinance [5]	Primary Residence	1 [4]	60/60/60% [5]	620	$150,000
		2 – 4	Ineligible	Ineligible	Ineligible
Purchase Limited Cash-Out Refinance	Second Home	1 [1]	65/65/65%	620	Per FNMA
	Investment Property	1 – 4 [1]	65/65/65%	620	Per FNMA

Footnotes

1 Florida condominiums are eligible per FNMA guidelines (see *Property Types*)

2 HCLTV (HELOC CLTV) = first lien balance + total HELOC amount (funded plus unfunded portion) ÷ the lesser of the appraised value or sales price (if applicable).

3 Minimum credit score requirements apply to all high-balance mortgage loans. All borrowers must have a credit score, and the representative score for the transaction must be based on the highest of LTV, CLTV, or HCLTV, as applicable.

4 If the property was purchased within the prior six months, the borrower is ineligible for a cash-out refinance transaction unless the loan meets the delayed financing exception. Refer to the *Financing Type – Delayed Financing* for eligibility requirements.

5 Cash back greater than $150,000 is eligible and requirements are as follows.

- Impac's Credit Management review is required
- Minimum credit score 720 or program minimum, whichever is higher
- Reduce maximum LTV by 10% or maximum of 70% LTV whichever is less

Matrix 3
Conforming Loan Amounts
5 to 10 financed properties
Subject is Second Home or Investment Property

Transaction Type [1]	Occupancy	Units [1]	Amortization and Property Restrictions	Maximum LTV/CLTV/HCLTV [2]	Credit Score
Purchase & Limited Cash-Out Refinance (LCOR)	Second Home	1 [1]	Purchase and LCOR Fully Amortizing	75/75/75%	720
	Investment	1 [1]	Purchase and LCOR Fully Amortizing	75/75/75%	720
		2-4 [1]	Purchase and LCOR Fully Amortizing	70/70/70%	720
Cash-Out [3]	Second Home or Investment	1	Cash-Out Fully Amortizing	Not Allowed unless Delayed Financing Exception: 70/70/70% [3]	720
	Investment	2-4		Not Allowed unless Delayed Financing Exception: 65/65/65% [3]	720

Footnotes

1 Florida condominiums are eligible per FNMA guidelines (see *Property Types*)

2 HCLTV (HELOC CLTV) = first lien balance + total HELOC amount (funded plus unfunded portion) ÷ the lesser of the appraised value or sales price (if applicable).

3 Cash-out is eligible using the Delayed Financing Option ONLY, refer to *Financing Type – Delayed Financing Exception* for eligibility requirements

Matrix 4
High Balance Loan Amounts
5 to 10 financed properties
Subject is Second Home or Investment Property

Transaction Type [1]	Occupancy	Units [1]	Amortization and Property Restrictions	Maximum LTV/CLTV/HCLTV [2]	Credit Score
Purchase & Limited Cash-Out Refinance (LCOR)	Second Home	1 [1]	Purchase and LCOR Fully amortizing	65/65/65%	720
	Investment	1-4 [1]	Purchase and LCOR Full amortizing	65/65/65%	720
Cash-Out [3]	Second Home or Investment	1	**Cash-Out – Not Allowed**	Ineligible	Ineligible
	Investment	2-4		Ineligible	Ineligible

Footnotes

1 Florida condominiums are eligible per FNMA guidelines (see *Property Types*)

2 HCLTV (HELOC CLTV) = first lien balance + total HELOC amount (funded plus unfunded portion) ÷ the lesser of the appraised value or sales price (if applicable).

3 Cash-out is not allowed. Delayed Financing Exception is not allowed for High Balance Loans with 5 – 10 financed properties.

Product Description

- Fixed Rate 10, 15, 20 and 30 years – Conforming loan amounts
- Fixed Rate 15 and 30 years – High Balance loan amounts
- Fully Amortizing

Product Codes

Standard Conforming Loan Amounts

Years	Product Code
10 Year	CF10 Conv FRM10
15 Year	CF15 Conv FRM15
20 Year	CF20 Conv FRM20
30 Year	CF30 Conv FRM30

Hi Balance Conforming Loan Amounts

Years	Product Code
15 Year	CF15HB Conv FRM15 HiBal
30 Year	CF30HB Conv FRM30 HiBal

Conforming Loan Amounts with Lender Paid MI

Years	Product Code
10 Year	CF10LM Conv FRM10
15 Year	CF15LM Conv FRM15
20 Year	CF20LM Conv FRM20
30 Year	CF30LM Conv FRM30

High Balance Loan Amounts with Lender Paid MI

Years	Product Code
15 Year	CF15HBLM Conv FRM15 HiBal
30 Year	CF30HBLM Conv FRM30 HiBal

Eligibility Requirements

<table>
<tr><td>Appraisal Requirements</td><td>Standard appraisal requirements apply, except:
• One-Unit Residential Appraisal Field Review Report (Form 2000) also required if: the property value is >= $1million and the LTV/CLTV/HCLTV > 75%
• Form 1007 is required whenever rental income is used to qualify the borrower
• For high balance loans, condominiums require two comparable sales from projects other than the subject loan project, in addition to the standard comparable sale requirements per FNMA guidelines.

The following exterior-only property inspection appraisals and the DU property inspection reports will no longer be offered by DU with DU Version 9.0 or later and are not permitted:
• Exterior-Only Inspection Residential Appraisal Report (Form 2055)
• Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Form 1075)
• Desktop Underwriter Property Inspection Report (Form 2075)
DU Version 9.0 or later will recommend one of the following (based on the type of property):
• Uniform Residential Appraisal Report (Form 1004)
• Individual Condominium Unit Appraisal Report (Form 1073)
• Small Residential Income Property Appraisal Report (Form 1025)
Note: In addition to the above full appraisal options, there will be loan casefiles that receive the property fieldwork waiver option.

Property Inspection Waiver is eligible per DU recommendation and FNMA guidelines.</td></tr>
<tr><td>Assets</td><td>Evaluated per DU and Fannie Mae guidelines with the following restrictions
• Stand-alone VOD (Verification of Deposit) is ineligible. VOD must be accompanied by at least one monthly bank statement.

<u>Depository Accounts</u>
Funds held in a checking, savings, money market, certificate of deposit, or other depository account may be used for the down payment, closing costs, and financial reserves. Any indications of borrowed funds must be investigated. Unverified funds are not acceptable for the down payment, closing costs, or financial reserves.

<u>Business Assets</u>
Business assets may be an acceptable source of funds for the down payment, closing costs, and financial reserves when a borrower is self-employed and the individual federal income tax returns have been evaluated by the lender, including, if applicable, the business federal income tax returns for that particular business (non-Schedule C). The borrower must be listed as an owner of the account and the account must be verified in accordance with FNMA Selling Guide (B3-4.2-01 Verification of Deposits and Assets). The lender must perform a business cash flow analysis to confirm that the withdrawal of funds for this transaction will not have a negative impact on the business. (See B3-3.2 Self-Employment Income for additional information on analysis of a self-employed borrower.)

<u>Bank Statements and Large Deposits (B3-4.2-02)</u>
When bank statements (typically covering the most recent two months) are used, the lender must evaluate large deposits, which are defined as a <u>single deposit that exceeds 50% of the total monthly qualifying income</u> for the loan. Requirements for evaluating large deposits vary based on the transaction type, as shown in the table below.</td></tr>
</table>

Transaction Type	Evaluation Requirements
Refinance transactions	Documentation or explanation for large deposits is **not** required [by FNMA]; however, the lender remains responsible for ensuring that any borrowed funds, including any related liability, are considered.
Purchase transactions	If funds from a large deposit are needed to complete the purchase transaction (that is, are used for the down payment, closing costs, or financial reserves), the lender must document that those funds are from an acceptable source. Occasionally, a borrower may not have all of the documentation required to confirm the source of ta deposit. In those instances, the lender must use reasonable judgment based on the available documentation as well as the borrower's debt-to-income ratio and overall income and credit profile. Examples of acceptable documentation include the borrower's written explanation, proof of ownership of an asset that was sold, or a copy of a wedding invitation to support receipt of gift funds. The lender must place in the loan file written documentation of the rationale for using the funds. Verified funds must be reduced by the amount (or portion) of the undocumented large deposit (as defined above), and the lender must confirm that the remaining funds are sufficient for the down payment, closing costs, and financial reserves. When the lender uses a reduced asset amount, net of the unsourced amount of a large deposit, that reduced amount must be used for underwriting purposes (whether the mortgage loan is underwritten manually or through DU). **Note**: When a deposit has both sourced and unsourced portions, only the unsourced portion must be used to calculate whether or not it must be considered a large deposit.

Note: If the source of a large deposit is readily identifiable on the account statement(s), such as a direct deposit from an employer (payroll), the Social Security Administration, or IRS or state income tax refund, or a transfer of funds between verified accounts, and the source of the deposit is printed on the statement, there is no need to obtain further explanation or documentation. However, if the source of the deposit is printed on the statement, but the underwriter still has questions as to whether the funds may have been borrowed the underwriter reserves the right to obtain additional documentation.

Sales Proceeds Needed for Down Payment and Closing Costs (B3-4.3-10)
If the proceeds from the sale of a currently owned home are needed for the down payment and closing costs on the new house, the lender must verify the source of funds by obtaining a copy of the final HUD-1 Settlement Statement on the existing home before, or simultaneously with, the settlement on the new home, showing sufficient net cash proceeds to consummate the purchase of the new home.

Like-Kind Exchanges
Assets for the down payment from a "like-kind exchange," also known as a 1031 exchange, are eligible if properly documented and in compliance with Internal Revenue Code Section 1031. See B3-4.3-11 *Trade Equity* for additional information)

Cash Value of Life Insurance (B3-4.3-19)
If an insurance company payout is used for the down payment or closing costs, lenders must document the borrower's receipt of the funds from the insurance company by obtaining either a copy of the check from the insurer or a copy of the payout statement issued by the insurer. It the cash-value of the life insurance is being used for reserves, the cash-value must be documented but does not need to be liquidated and received by the borrower.

Borrower Investment

- 80% or less LTV, CLTV, or HCLTV on 1-4 unit principal residence or second home:
  - A minimum borrower contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
- Greater than 80% LTV, CLTV, or HCLTV on 1-unit principal residence (except for high-balance mortgage loans):
  - A minimum borrower contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift**. Be sure to check mortgage insurance guidelines which may include additional requirements such as minimum score and maximum debt-to-income (DTI) ratios.**
- Greater than 80% LTV, CLTV, or HCLTV on 2-4 unit principal residence, second home, and high-balance mortgage loans:
  - The borrower must make a 5% minimum borrower contribution from his or her own funds. (If

	the borrower receives a gift from a relative or domestic partner who has lived with the borrower for the last 12 months, or from a fiancé or fiancée, the gift is considered the borrower's own funds and may be used to satisfy the minimum borrower contribution requirement as long as both individuals will use the home being purchased as their principal residence. **Be sure to check mortgage insurance guidelines.**) After the minimum borrower contribution has been met, gifts can be used to supplement the down payment, closing costs, and reserves
	• Investment property loans require entire down payment from borrower's own funds, gift ineligible.
	
	Seller Contributions: Basis for the limit is LTV/CLTV ratio as follows:
	• Primary Residence and Second Homes (Conforming loan amounts)
	    • 3% for LTV/CLTV > 90%
	    • 6% for LTV/CLTV > 75%<= 90%
	    • 9% for LTV/CLTV = < 75%
	• Primary Residence and Second Homes (High Balance loan amounts)
	    • 3% for all LTV/CLTV's
	• Investment Properties (both Conforming and High Balance loans)
	    • 2% at all LTV/CLTV's
	Gifts
	• Primary Residence and Second Homes
	    • Eligible provided the required Borrower investment is met
	    • Waive Borrower investment when gift funds reduce the LTV/CLTV to 80% or less
	• Investment Properties
	    • Gift ineligible
	
	Reserves
	• Additional reserves may be required by DU based on risk. DU will calculate the reserve requirement for the subject property. When a borrower has multiple financed properties and is financing (or refinancing) a second home or investment property, DU is not able to determine the exact number of financed properties the borrower owns. As a result, the lender must manually apply the applicable additional reserve requirements for the other financed investment property and second home transactions. DU is also not able to determine if the borrower has not sold or has converted his or her principal residence to a second home or investment property. The lender must manually apply the applicable additional reserve requirements for the borrower's current principal residence.
	• Cash-Out Refis – The cash out may not be used to meet the reserve requirement
	
	Primary Residence
	• 1 – 4 units – Per DU (Note: A minimum of six months of reserves will be required for 2-4 unit principal residence transactions. This is a new requirement for DU 9.0 or later and will be reflected in the Total Funds to be Verified section of the DU Underwriting Findings Report.
	Second Homes (all transaction types)
	• Per DU, typically 2 months PITIA
	Investment Properties (all transaction types)
	• Per DU, typically 6 months PITIA
	
	<u>Manual Reserve Calculations for Specific Transactions (required in addition to DU reserves)</u>
	Additional requirements and reserves may apply if borrower is retaining primary residence:
	• The borrower's primary residence is for sale, but will not close before the Note Date of the Mortgage on the new primary residence, OR
	• The borrower is converting their primary residence to a second home or investment property
	    • If the percentage of equity in the current principal residence is 30% or more, then additional reserves are 2 months on subject property and 2 months on current principal residence
	    • If the percentage of equity in the current principal residence is LESS THAN 30%, then additional reserves are 6 months on the subject property and 6 months on current principal residence
	• Additional requirements and reserves may apply for second home and investment transactions for borrowers who will have 1 – 10 financed properties:
	    • If the total number of financed properties is 1 to 4 financed properties, then additional reserves are 2 months for each second home or investment property
	    • If the total number of financed properties is 5 to 10 financed properties, then additional reserves are 6 months for each second home or investment property
	
	See Fannie Mae Selling Guide for additional information (B3-4.1-01 Minimum Reserve Requirements)
	Refer to Section *Limitations on Other Real Estate Owned* for additional reserve requirements.
	Mortgage insurers reserve eligibility requirements may supersede those listed above.

<table>
<tr><td>Assumptions</td><td>Ineligible</td></tr>
<tr><td>Borrower Eligibility</td><td>Eligible
US Citizen
Permanent resident alien
Non-permanent resident alien (maximum 80% LTV/CLTV/HCLTV on 1-unit primary residence only; other restrictions apply)
Inter Vivos Revocable Trust (FNMA B2-2-05)
Note: A Power of Attorney is not allowed on properties held in a trust
Ineligible
Foreign Nationals</td></tr>
<tr><td>Co-borrowers</td><td>DU Approve/Eligible
Ratios determined by DU
Non-occupant co-borrower eligible per DU (See restriction below)
Restriction: Non-occupant co-borrower is not allowed on loans where any borrower has only one score or no score, or on a primary residence refinance loan where the borrower is exercising the delayed financing exception.</td></tr>
<tr><td>Credit</td><td>DU Approve/Eligible findings only
Refer to Loan Amount and LTV Limitations for minimum credit score requirements
Housing (Mortgage/Rental) Payment History (PITIA) is inclusive of all liens regardless of position, as well as all occupancy types.
Mortgage history evaluated by DU
Mortgage/Rental Delinquencies – Loans are ineligible with one or more mortgage/rental delinquencies of 60, 90, 120, 150 days or greater reported within 12 months of the date of the credit report.
<u>Multiple Financed Properties</u>
Borrowers with 5 – 10 financed properties (when Second Home or Investment Property is the Subject)
Bankruptcy or Foreclosure – The borrower cannot have any history of bankruptcy or foreclosure within the past 7years.
Mortgage Delinquencies– The borrower cannot have any delinquencies, 30-day or greater, within the past 12 months on any mortgage loans.
<u>Allowable Age of Credit Documents</u>
Credit documents include credit reports and employment, income, and asset documentation. For all mortgage loans (existing and new construction), the credit documents must be no more than four months old on the date the note is signed. (SEL-2013-04)

<u>Disputed Credit Report Tradelines</u>
When DU identifies a disputed tradeline and that tradeline was not included in the credit risk assessment, the lender must obtain a new credit report with the tradeline no longer reported as disputed and resubmit the loan casefile to DU.
Impac does not manually underwrite conventional loans so there is no “manual underwrite” solution.
If DU does not issue the disputed tradeline message, the lender is only required to ensure the payment for the tradeline, if any, is included in the total expense ratio if the account belongs to the borrower.
<u>Credit Scores</u> – Normally all borrowers must have at least two credit scores

For Primary Residence purchase and rate/term financing flexibilities apply as follows.
One borrower on every loan must have a credit score except for High Balance loans.
On High Balance loans all borrowers on the loan must have at least one credit score.
Loans > 80% LTV with one or no score borrowers are subject to Mortgage Insurers requirements for eligibility.
Borrower with one credit score or borrower without a credit score (see below) eligible on primary residence Purchase, Rate & Term 1 unit maximum 95% LTV (97% LTV with DU Version 9.0 or prior) minimum credit score 620.
Borrower with one credit score is eligible as follows.
DU Approve/Eligible decision required
Credit data is available from one repository and credit score is obtained from that repository
A three in-file merged credit report was ordered</td></tr>
</table>

<table>
<tr><td></td><td>

Borrower without a credit score is eligible if at least one other borrower has one credit score and all conditions are met as follows.

DU Approve/Eligible decision required
Primary residence 1-unit only
Transaction is purchase or limited cash-out refinance
Borrower with traditional credit and a credit score is contributing more than 50% of the qualifying income
Self-employed income is ineligible to be used to qualify on the loan when any borrower on the transaction is without a credit score.

Loan is not a High Balance loan

<u>Waiting Periods after Significant Derogatory Credit Events (</u>SEL-2013-04)
The waiting period commences on the completion, discharge or dismissal date (as applicable) of the derogatory credit event and ends on the <u>credit report date</u> for DU loan casefiles. Impac follows standard FNMA Waiting Period Requirements. Reduced waiting periods due to “Extenuating Circumstances” are allowed on a case by case basis.

DU uses the credit report date to measure whether or not the applicable waiting period has been met after a significant derogatory event. If DU determines that the waiting period has not been met based on the credit report used on the initial submission to DU, the lender may obtain an updated credit report and resubmit the loan casefile to DU after the required time has elapsed.

Ineligible
Manual Underwriting
</td></tr>
<tr><td>Documentation</td><td>
Document as determined by DU Findings, FNMA Selling Guide and Impac guidelines
Impac will accept digitally signed documents per FNMA guidelines.

Power of Attorney is not allowed on any of the following:

Properties held in trust
Cash Out refinance transactions

</td></tr>
<tr><td>Escrow Waivers</td><td>
Property tax and insurance escrows may be waived for LTV ≤ 80%.
Individual state laws may supersede this requirement.

<u>Escrow Accounts Required (FNMA B2-1.2-02 & 2-03):</u>
Escrow accounts are required on all <u>rate/term refinance</u> transactions when real estate taxes are financed into the loan. Escrow accounts are required on all <u>cash out refinance</u> transactions when the new loan amount includes the financing of real estate taxes <u>that are more than 60 days delinquent</u>. The requirement may be superseded by state law to the extent certain states limit escrow requirements.
</td></tr>
<tr><td>Financing Types</td><td>
Purchase Mortgages

Rate and Term Refinance/Limited Cash Out Refinance

HUD-1 settlement statement(s) required from any transaction within past 6 months. If previous transaction was a cash-out or if it combined a first and non-purchase money subordinate into a new first, loan to be coded cash out. If new transaction combines a first and non-purchase money subordinate into a new first loan, it is considered cash out.
Pay off of the existing first mortgage regardless of seasoning
Pay off of existing subordinate liens that were used in whole to acquire the subject property
Closing costs and prepaid items may be financed into loan amount
If the borrower finances the payment of real estate taxes for the subject property into the loan amount, an escrow (impound) account <u>must be established</u> (see Escrow Waivers) or the loan will be ineligible as a rate/term refinance;
The financing of real estate taxes that are more than 60 days delinquent will make the loan ineligible for rate/term refinance. The loan must be processed as cash-out
Cash out limited to the lesser of 2% of the principal amount of the new loan or $2000
Acceptable Continuity of Obligation
Properties listed for sale (B2-1.2-02)

The subject property must not be currently listed for sale. It must be taken off the market on or before the disbursement date of the new mortgage loan, and
The borrowers must confirm their intent to occupy the subject property (for principal residence transactions)
Disbursement Date is the date loan funds are disbursed for the subject mortgage. The disbursement date may occur on or after the note date.

Refinances to Buy Out An Owner’s Interest

</td></tr>
</table>

	• A transaction that requires one owner to buy out the interest of another owner (for example, as a result of a divorce settlement or dissolution of a domestic partnership) is considered a limited cash-out refinance if the secured property was jointly owned for at least 12 months preceding the disbursement date of the new mortgage loan. ▪ All parties must sign a written agreement that states the terms of the property transfer and the proposed disposition of the proceeds from the refinance transaction. Except in cases in recent inheritance, documentation must be provided to indicate joint ownership by all parties for at least 12 months preceding the disbursement date of the new mortgage loan. ▪ Borrowers who acquire sole ownership of the property may not receive any of the proceeds from the refinancing. • Owner occupied properties located in Texas with Texas Section 50 (a)(6) are ineligible. • If the first or second Texas Section 50(a)(6) loan is being paid off, regardless of whether the borrower is getting any cash back, the loan is restricted to the Texas Home Equity Section 50(a)(6) and is ineligible. • If the first mortgage is not a Texas Section 50(a)(6) loan and the second mortgage is a Texas Section 50(a)(6), the second lien may be subordinated and is considered a rate and term refinance. The second lien must be subordinate to the first mortgage and a subordination agreement must be executed. Borrower cannot receive any cash back from first mortgage transaction. • If a Texas Section 50(a)(6) second lien is being paid off, the loan is restricted to the Texas Home Equity Section 50(a)(6) and is ineligible. • The title policy will reference the Texas Section 50(a)(6). Cash-Out Refinance (B2-1.2-03) Cash-Out refinance transactions must meet the following requirements: • The transaction must be used to pay off existing mortgages by obtaining a new first mortgage secured by the same property or be a new mortgage on a property that does not have a mortgage lien against it. • The property must have been purchased (or acquired) by the borrower at least six months prior to the disbursement date of the new mortgage loan except for the following: • There is no waiting period if the lender documents that the borrower acquired the property through an inheritance or was legally awarded the property (divorce, separation, or dissolution of a domestic partnership). • The delayed financing requirements are met. See *Delayed Financing Exception* below. • Continuity of obligation must be demonstrated unless one of the following conditions is met: • The borrower was added to title 24 months or more prior to the disbursement date of the new loan, or • There is no existing mortgage on the subject property as a result of the borrower(s) having purchased the subject property with cash or paid off any prior mortgage for which the borrower was an obligor. • If the new loan amount includes the financing of real estate taxes that are more than 60 days delinquent an escrow (impound) account is required, unless requiring an escrow account is not permitted by applicable law or regulation. For example, if a particular state law does not allow a lender to require an escrow account under certain circumstances, the loan will still be eligible without an escrow account. (See *Escrow Waivers*) • Impac's Credit Management review is required when cash-out is greater than $150,000 and requirements are as follows. • Minimum credit score 720 or program minimum whichever is higher • Reduce maximum LTV by 10% or maximum of 70% LTV whichever is less • Properties listed for sale in the six months preceding the disbursement date of the new mortgage loan are limited to 70% LTV/CLTV/HCLTV ratios (or less if mandated by the specific product, occupancy, or property type – for example, 65% for manufactured homes). • NOTE: Properties that were listed for sale must have been taken off the market on or before the disbursement date of the new mortgage. • Investor and second home borrowers with five to ten financed properties are ineligible for cash-out refinance transactions unless all of the delayed financing exception requirements are met. Additional restrictions apply. Delayed Financing Exception is not allowed for High Balance loans with 5 – 10 financed properties. • Transactions in which a portion of the proceeds of the refinance is used to pay off the outstanding balance on an installment land contract, regardless of the date the installment land contract was executed are ineligible. • If the existing mortgage is a "restructured" mortgage" it is not eligible for cash-out refinance (see B2-1.4-02) • Owner occupied properties located in Texas with Texas Section 50 (a)(6) are ineligible. • If the first or second Texas Section 50(a)(6) loan is being paid off, regardless of whether the borrower is getting any cash back, the loan is restricted to the Texas Home Equity Section 50(a)(6) and is ineligible. • Paying off loans that are not Texas Section 50(a)(6) but are defined as a cash out refinance based

on agency guidelines are eligible. Borrower cannot receive any cash back from the transaction.

Delayed Financing Exception (FNMA B2-1.2-03)
Borrowers who purchased the subject property within the past six months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) are eligible for a cash-out refinance if all of the following requirements are met:

- The original purchase transaction was an arms-length transaction
- For this refinance transaction the borrower(s) must meet Fannie Mae's and Impac's borrower eligibility requirements. The borrower(s) may have initially purchased the property as one of the following:
  - A natural person;
  - An eligible inter vivos revocable trust, when the borrower is both the individual establishing the trust and the beneficiary of the trust;
  - An eligible land trust when the borrower is the beneficiary of the land trust; or
  - An LLC or partnership in which the borrower(s) have an individual or joint ownership of 100%
- The original purchase transaction is documented by a HUD-1 Settlement Statement, which confirms that no mortgage financing was used to obtain the subject property. (A recorded trustee's deed [or similar alternative] confirming the amount paid by the grantee to trustee may be substituted for a HUD-1 if a HUD-1 was not provided to the purchaser at time of sale.)
- The preliminary title search or report must confirm that there are no existing liens on the subject property
- The sources of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property)
- If the source of funds used to acquire the property was an unsecured loan or a loan secured by an asset other than the subject property (such as a HELOC secured by another property), the HUD-1 for the refinance transaction must reflect that all cash-out proceeds be used to pay down, if applicable, the loan (unsecured or secured by an asset other than the subject property) used to purchase the property. Any payments on the balance remaining from the original loan must be included in the debt-to-income ratio calculation for the refinance transaction.
  - Note: Funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan
- The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and points on the new mortgage loan (subject to the maximum LTV/CLTV/HCLTV ratios for the transaction based on the current appraised value)
- All other cash-out refinance eligibility requirements are met and cash-out pricing is applied.
- NOTE: Investor and second home borrowers with five to ten financed properties are ineligible for cash-out refinance transactions unless all of the delayed financing exceptions requirements listed above are met. Additional restrictions apply. (See FNMA B2-2-03)
- Delayed Financing Exception is not allowed for **High Balance loans** where borrower has 5-10 financed properties and the subject is investment or second home
- A transaction that provides cash to borrower in excess of $150,000 requires Impac underwriting manager approval (second signature)

Continuity of Obligation (B2-1.2-04)
Continuity of Obligation occurs on a refinance transaction when at least one of the borrower(s) on the existing mortgage is also a borrower on the new refinance transaction secured by the subject property.

All refinance transactions must

- Comply with the definition above,
- Meet one of the permissible exceptions described below, or
- Comply with the limited eligibility parameters described below.

Note the following:

- Continuity of obligation requirements do not apply when there is no existing mortgage on the subject property as a result of the borrower either having purchased the subject property with cash or when any prior mortgage for which the borrower was an obligor was paid in full.
- All time period references in this section are measured from the date of the event (e.g., transfer of title) and end with the disbursement date of the new refinance transaction.

Permissible Exceptions to Continuity of Obligation
Although the following refinance transactions do not meet the definition of continuity of obligation, the new refinance transaction will be eligible and not bound by the limited eligibility parameters described below if any of the following are applicable:

- The borrower on the new refinance transaction was added to title 24 months or more prior to the disbursement date of the new refinance transaction.
- The lender documents that the borrower acquired the property through an inheritance or was legally awarded the property (e.g., divorce, separation, or dissolution of a domestic partnership). There is no minimum waiting period with regard to when the borrower acquired the property before completing a new

refinance transaction.

- The borrower on the new refinance transaction has been added to title through a transfer from a trust, or a limited liability company (LLC), or partnership. The following requirements apply:
  - The borrower must have been a beneficiary/creator (trust) or a 25% or more owner of the LLC or partnership prior to the transfer, and
  - The transferring entity and/or the borrower has had a consecutive ownership (on title) for at least the most recent 6 months prior to disbursement of the new loan.
    Note: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement.
- The borrower has been on title for at least 12 months but is not obligated on the existing mortgage(s) that is being refinanced and the borrower meets at least one of the following requirements:
  - Has been residing in the property for at least 12 months,
  - Has paid the mortgage for at least 12 months, or
  - Can demonstrate a relationship with the current obligor (e.g., relative or domestic partner).

All Other Refinance Transactions – Limited Eligibility
All other refinance transactions that do not meet either the continuity of obligation requirements or a permissible exception must comply with the following LTV, CLTV, HCLTV ratio restrictions regardless of the occupancy of the property. The LTV, CLTV, HCLTV ratios must be based on the current appraised value.

Months on Title	Eligibility Requirements
< 6 months	Ineligible
≥ 6 months < 24 months	Limited to 50% LTV/CLTV/HCLTV ratios
≥ 24 months	No additional restrictions

Construction-to-Permanent Financing
Impac does not originate, fund, or purchase any form of FNMA “one-time-close” or “single-closing” loans. This includes both loans in the construction phase as well as loans that are closed and modified.

Geographic Locations/Restrictions, as applicable

Eligible states are as follows:

- **Wholesale:** AK, AL, AR, AZ, CA, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, MI, MN, MS, MT, NC, ND, NE, NV, OK, OR, SC, SD, TN, TX, UT, VA, WA, WI, WV

Additional restrictions as follows:
Texas Cash-out 50(a)(6) is ineligible
State specific regulatory requirements supersede all underwriting guidelines set forth by Impac.

High-Cost Mortgage Loans

Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32)

Income

Evaluated per DU and Fannie Mae guidelines with the following restrictions:

- Stand-alone VOE (Verification of Employment) is ineligible. VOE must be accompanied by pay stub or pay stub and W-2
- At minimum a paystub and W-2 is required

Self-Employed History – Borrower must have been self-employed for a minimum of 24 months regardless of documentation requirements

The following employment and income documentation requirements will be issued with DU Version 9.0 or later:

Income Type	DU Documentation
Base Pay (salary or hourly	Paystub + W-2 covering most recent year
Bonus, Overtime, and Commission < 25%	Paystub +W-2s covering most recent two-year period
Commission ≥ 25%	Paystub, W-2s, and personal tax returns covering most recent two-year period
Self-Employment	Personal and business ta returns covering most recent two year period
Second Job, not self-employed	Paystub + W-2s covering most recent two-ye r period
Second Job, self-employed	Personal and business tax returns covering most recent two-year period

Alimony and Child Support Documentation Requirements
A minimum of six months of documented receipt of income will be required for alimony and child support income for all DU Version 9.0 or later loan case files.

With DU Version 9.0 or later the following income types will be added to the DU Online Loan Application. These must be indicated as such in DU so that DU issues the appropriate message(s) specific to how each income type

	will need to be documented, as specified in the FNMA Selling Guide: • Capital Gains • Employment-Related Assets • Foreign Income • Royalty Payment • Seasonal Income • Temporary Leave • Tip Income 4506-T must be executed for all borrowers regardless of income type and is required upfront and at closing. **IRS Form 4506T must be signed and executed (transcripts from IRS) prior to closing for both personal and business returns when borrower has 5-10 financed properties, the subject is second home or investment property, and rental income is used for qualifying.**

Limitations on Other Real Estate Owned	The 10 financed property limit is cumulative for all borrowers. These limitations apply to the total number of properties financed, not to the number of mortgages on the property.
	
	Multiple Loans to the Same Borrower
	• Maximum 20% concentration in any one project or subdivision
	• Impac will provide financing for up to 4 financed properties for one borrower, including the subject property, or a total of $2 million in financing for one borrower, whichever is less.
	Primary Residence
	• Borrower may have an unlimited number of financed properties with multiple different lenders.
	Second Homes & Investment Properties
	• Borrower may own or be obligated on up to 10 financed property, including borrower's primary residence
	• Subject Property – Second Home - Per DU (typically 2 months PITIA) if subject property is a second home
	• Subject Property – Investment - Per DU (typically 6 months PITIA) if subject property is investment property
	• Other Financed Properties
	    • When Borrower has 1-4 financed properties:
	        ▪ 2 months PITIA on each other financed second home or investment property
	    • When Borrower has 5 – 10 financed properties:
	        ▪ 6 months PITIA on each other financed second home or investment property
	New multiple loans must be underwritten simultaneously
	
	NOTE: DU is not able to determine the exact number of financed properties the borrower owns or is obligated on, but does issue a message on second home and investment property transactions when the borrower appears to have other financed properties. The lender must apply the eligibility and underwriting requirements, including reserves, manually to investment property and second home transactions that are underwritten through DU.
	Mortgage insurers reserve eligibility requirements may supersede those listed above.

Loan Amount	Minimum Conforming Loan Amount: $35,000
Mortgage Insurance	**When less than two (2) scores per borrower are used, the MI price may be substantially higher than normal. The pricing is based on the lowest credit score received. Confirm the pricing with an MI representative in the early stage of the loan transaction.** The following supersedes all other guidelines for > 80% LTV with MI availability • All loans must be submitted to DU Approval/Eligible • Reserve requirement by mortgage insurers prevail Impac's approved MI companies and master policy numbers are as follows. • Genworth B222229XWM • MGIC 04-307-6-1822 • National MI 00385-0001 • Radian A2436-000 • United Guaranty (UG) 4-1301-000 Eligible MI certificate are as follows: • Borrower Paid Mortgage Insurance (BPMI) paid monthly and must be ordered as non-refundable, constant renewal, deferred payment (initial premium is paid with the first monthly loan payment) • Lender Paid Single Premium MI • Premiums for all lender-paid MI plans must be shown on the HUD as being paid to the MI company by Lender

	Include calculation and rate factor used to determine MI premium disclosed to the borrower on the initial loan application. Including the MI rate card with the factor identified to ensure the appropriate MI partner is chosen. Ineligible MI • Financed MI • Single Premium paid by borrower or seller of the property • Split Premium – upfront portion paid by borrower or seller of the property • Prepaid Mortgage Insurance • Lender Paid Monthly • Lender Paid Annual • Borrower Paid Annual • Lender paid pool coverage (referred to as GSE pool insurance) • Investor – paid pool coverage • Loans covered by recourse and/or indemnification agreements • Secondary market coverage agreements Coverage requirements for fixed rate > 20 years, all ARMs, and all Manufactured Homes **Coverage** / **LTV** 12% / 80.01% - 85% 25% / 85.01% - 90% 30% / 90.01% - 95% 35% / 95.01% - 97% Coverage requirements for fixed rate ≤ 20 years **Coverage** / **LTV** 6% / 80.01% - 85% 12% / 85.01% - 90% 25% / 90.01% - 95% 35% / 95.01% - 97% Reduced MI coverage amounts provided by agency and AUS decisions are ineligible. NOTE: Certain states have a tax surcharge assessed for Mortgage Insurance. The states requiring the inclusion of a surcharge are as follows. • Florida • Kentucky • West Virginia Ensure the MI premium also includes the additional surcharge. **Some MI companies include the additional charge in the MI premium and others do not. Ensure you have identified which is the premium amount and which is the tax amount and for the MI monthly premium to be escrowed, ensure the total of the two is used for the monthly payment.**

Occupancy	Primary Residence
	• Includes parents wanting to provide housing for their physically handicapped or developmentally disabled adult child
	  ○ If the child is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the parent is considered the owner/occupant.
	• Includes children wanting to provide housing for parents
	  ○ If the parent is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the child is considered the owner/occupant.
	• See *Underwriting* for additional information
	Second Homes
	Investment Properties

Prepayment Penalty	None
Property Types	Eligible property types • 1-4 units • Modular Pre-Cut/Panelized Housing • PUDs • Leasehold Estates (See FNMA B2-3-03) ○ The term of the leasehold estate must run for at least five years beyond the maturity date of the mortgage, unless fee simple title will vest at an earlier date in the borrower or a

homeowners' association.

- Manufactured Homes – See Impac's *Fannie Mae Fixed Rate Manufactured Home* matrix for specifics
- Condominiums acceptable to Fannie Mae under one of the following criteria:
  - The condominium unit is located in a Fannie Mae approved project (1028/PERS Approval) (https://www.efanniemae.com/sf/refmaterials/approvedprojects/index.jsp)
  - The condominium project is warrantable in accordance with the eligibility criteria under one of the following project review processes:
    - Limited Project Review
    - CPM Expedited Review
    - Impac is currently approving Established Projects only on CPM

Note: Florida condominiums are allowed in accordance with FNMA guidelines (See Lender Letter 2010-01 *Special Approval Designation for Established Florida Condominium Projects (01/07/10)* and FNMA Selling Guide B4-2.2-12 *Geographic Specific Condominium Project Considerations (9/24/13)*)

Warrantable Condominium – A warrantable condominium is a condominium that meets standard Fannie Mae guidelines and is therefore eligible for delivery to Fannie Mae. Impac does not offer financing for non-warrantable condominiums.

Established Project – A project that meets all of the following:

- At least 90% of the total units in the project have been conveyed to the unit purchasers;
- The project is 100% complete, including all units and common elements;
- The project is not subject to additional phasing or annexation; and
- Control of the homeowners' association has been turned over to the unit owners.

Limited Review for Attached Units

The Limited Review process is intended to be used on a "spot loan" basis for established projects. Limited Review eligibility criteria for attached units differ depending upon the occupancy type and LTV/CLTV/HCLTV ratios, as follows:

- Principal residence – Maximum LTV/CLTV/HCLTV ≤ 80%
- Second home – Maximum LTV/CLTV/HCLTV ≤ 75%
- Investment property – Not allowed

Limited Review for Detached Units

Limited Review for Detached Units is available when allowed by the AUS for primary, second home, and investment properties for both new and established projects.
See FNMA Selling Guide B4-2.2-03, *Limited Review Process for Detached Condo Units* for requirements

All transactions secured by condominiums require a condominium project review completed by the Impac Condo Review Department. See your Account Executive for details.

Ineligible

- Vacant land or land development properties
- Properties that are not readily accessible by roads that meet local standards
- Properties that are not suitable for year-round occupancy regardless of location
- Agricultural properties, such as farms, ranches or orchards
- On-frame modular construction
- Condo hotels or co-op hotels
- Co-op share loans
- Boarding houses or bed and breakfast properties
- 2-4 unit properties in PUDs
- Properties encumbered with private transfer fee covenants (per Regulation 12 C.F.R. Part 1228)

Qualifying Rate & Ratios

Fixed Rate Qualifying Rate

- Fixed Rate - Qualify at note rate. See *Eligibility Matrix Loan Amount & LTV Limitations* for minimum credit score

Ratios

- DU Approve Eligible loans – Ratios evaluated by DU

Secondary Financing

Secondary financing is eligible and requirements are as follows.

Refi includes 1st lien payoff	Underwrite transaction as	Comments
Payoff of purchase money 2nd no cash out	Limited cash-out refi	N/A

	<table><tr><td>Payoff of non-purchase money 2nd, regardless of cash out being taken</td><td>Cash-out refinance</td><td>N/A.</td></tr><tr><td>Payoff of 1st lien seasoned a minimum of 6 months, with subordinate financing being resubordinated and left in place, regardless if the subordinate financing was used to purchase the property and the cash out does not exceed the limited cash-out refi transaction</td><td>Limited cash-out refinance</td><td>• Subordinate financing must be factored into risk assessment based on CLTV, HCLTV, and DTI ratio. • Subordinate lien must be resubordinated.</td></tr><tr><td>Refinance of a cash-out a transaction within the last 6 months</td><td>Cash-out-transaction</td><td>N/A</td></tr></table> NOTE: Subordinate financing left in place will not affect the type of refinance transaction used. <u>Community Seconds are allowed with Impac approval (subject to additional restrictions)</u> DU will continue to allow CLTV ratios of 105% when the subordinate financing is a Community Seconds mortgage.
Special Feature Codes	Refer to the DU Findings to identify the applicable Special Feature code number.
Temporary Buydown	Ineligible
Underwriting	DU Approve/Eligible • 4506T must be processed prior to closing. • A new 4506-T is required to be signed with closing docs package as well as at application even when the form has been processed. See below for 5-10 financed property 4506T requirement. <u>Verification of Funds for 30-Day Charge Accounts</u> Underwriter must document that the borrower has sufficient funds to cover the unpaid balance of all 30-day charge accounts. *5-10 Properties* with DU Approve/Eligible and the following. <table><tr><th>Type of Property Ownership</th><th>Property Subject to Limitations?</th></tr><tr><td>Joint ownership of residential real estate. (This is considered to be the same as total ownership of an individual property.) **NOTE:** Other properties owned or financed jointly by the borrower and co-borrower are only counted once.</td><td>Yes</td></tr><tr><td>Ownership of commercial real estate</td><td>No</td></tr><tr><td>Ownership of a multifamily property consisting of more than four dwelling units.</td><td>No</td></tr><tr><td>Joint or total ownership of a property that is held in the name of a corporation or S-corporation, even if the borrower is the owner of the corporation and the financing is the in the name of the corporation or S-corporation.</td><td>No</td></tr><tr><td>Joint or total ownership of a property that is held in the name of a corporation or S-corporation, even if the borrower is the owner of the corporation; however, the financing is in the name of the borrower.</td><td>Yes</td></tr><tr><td>Ownership in a timeshare.</td><td>No</td></tr><tr><td>Obligation on a mortgage debt for a residential property (regardless of whether or not the borrower is an owner of the property).</td><td>Yes</td></tr><tr><td>Ownership of a vacant (residential) lot.</td><td>No</td></tr><tr><td>Ownership of a property that is held in the name of a limited liability company (LLC) or partnership where the borrower(s) have an individual or combined ownership in the LLC or partnership of 25% or more, **regardless of the entity (or borrower) that is the obligor on the mortgage.**</td><td>**Yes**</td></tr><tr><td>Ownership of a property that is held in the name of a limited liability company (LLC) or partnership where the borrower(s) have an individual or combined ownership in the LLC or partnership of less than 25% and the financing is in the name of the LLC.</td><td>No</td></tr><tr><td>Ownership of a property that is held in the name of a limited liability company (LLC) or partnership where the borrower(s) have an individual or combined ownership in the LLC or partnership of less than 25% and the financing is in the name</td><td>Yes</td></tr></table>

of the borrower.	
Ownership of a manufactured home and the land on which it is situated that is titled as real property.	Yes
Ownership of a manufactured home on a leasehold estate not titled as real property (chattel lien on the home).	No

IRS Form 4506T must be signed and executed (transcripts from IRS) prior to closing for both personal and business returns when borrower has 5-10 financed properties, the subject is second home or investment property, and rental income is used for qualifying.

Paying Off Revolving Debt to Qualify
If borrower is paying off revolving debt to qualify for the loan (i.e., monthly payment not included in DTI) the revolving account must be paid off and closed.

Property Flipping
When the Seller of the property has been on title less than 90 days extra diligence must be taken with the transaction. Underwriter in its sole discretion reserves the right to condition for additional information and collateral support to include desk review, field review, or additional appraisal in order to support value. There is not a specific FNMA requirement.

NOTE: Loans with LTV > 95% with DU 9.0 approval must be locked on or before June 10, 2014, and funded no later than June 25, 2014.

Adult children purchasing a primary residence for elderly parents

- Elderly parents must be unable to work or not have sufficient income to qualify for a mortgage on their own. The adult child must provide a letter of explanation outlining the intent to purchase a home for elderly parents who are financially limited
- The parent(s) will occupy the subject property as their primary residence
- The adult child may already own his or her own primary residence and there is no distance requirement on where the primary residence is located
- Property must be underwritten and priced as a primary residence (1-unit only)
- The subject property must be submitted to DU as the primary residence and the borrower's current primary residence will be listed as other real estate owned
- The parent(s) and adult child can both apply for the loan, but the child is the primary source of qualification. The parent is not required to be on the loan.
- Title must be in the borrower(s) name, but the elderly parent(s) may also be on the title

Parents purchasing a primary residence for a disabled son or daughter

- Disabled adult child must be unable to work or not have sufficient income to qualify for a mortgage on his or her own. The parent(s) must provide a letter of explanation outlining the intent to purchase a home for their physically handicapped or developmentally disabled adult child who is financially limited
- Disabled adult child will occupy the subject property as his or her primary residence
- Parent(s) may already own their own primary residence and there is no distance requirement on where the primary residence is located
- Property must be underwritten and priced as a primary residence (1-unit only)
- The subject property must be submitted to DU as the primary residence and the borrower's current primary residence will be listed as other real estate owned
- The parent(s) and disabled adult child can both apply for the loan, but the parent(s) are the primary source of qualification. The disabled adult child is not required to be on the loan
- Title must be in the borrower(s) name, but the disabled adult child may also be on the title

Ineligible

- Manual underwriting

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