

Freddie Mac Conforming Fixed and ARMs

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

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

Program Qualifications

- Eligible loans are conforming fixed rate and adjustable rate loans receiving LP Accept 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

Eligibility Matrix Loan Amount & LTV Limitations

- Any references to LTV ratios include LTV, TLTV, and HTLTV ratios, unless otherwise noted.
- References to Rate/Term include Freddie Mac's "no cash-out" refinance program
- The matrix may not include all eligibility criteria applicable to the subject transaction (e.g., maximum loan term).

Matrix 1
Conforming Fixed and Adjustable Rate Mortgage Loans
 Primary Residence, Second Home and Investment
 (see Matrix 2 for Manufactured Homes)

Transaction Type	Occupancy	Units	Max LTV w/o sec.fin.	Max LTV w/sec.fin.	Max TLTV w/sec.fin.	Max HTLTV w/sec.fin.	Credit Score	Maximum Cash-Back
Purchase & Rate/Term Refi	Primary Residence	1	95%	90%	95%	95%	620	Ineligible
		2-4	80%	75%	80%	80%	620	Ineligible
	Second Home	1	85%	80%	85%	85%	620	Ineligible
Purchase	Investment	1	85%	80%	85%	85%	620	Ineligible
		2-4	75%	70%	75%	75%	620	Ineligible
Rate/Term Refi	Investment	1	75%	70%	75%	75%	620	Ineligible
		2-4	75%	70%	75%	75%	620	Ineligible
Cash-Out	Primary Residence	1	80%	75%	80%	80%	620	\$150,000
		2-4	75%	70%	75%	75%	620	\$150,000
	Second Home	1	75%	70%	75%	75%	620	\$150,000
	Investment	1	75%	70%	75%	75%	620	\$150,000
		2-4	70%	65%	70%	70%	620	\$150,000

Footnotes

- Condominiums ineligible.
- HTLTV (HELOC TLTV) = first lien balance + total HELOC amount (funded plus unfunded portion) ÷ the lesser of the appraised value or sales price (if applicable).
- 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 a maximum of 70% LTV whichever is less

Matrix 2
Conforming Fixed Rate Mortgage Loans
 Manufactured Homes - Primary Residence and Second Home

Transaction Type	Occupancy	Units	Max LTV w/o sec.fin.	Max LTV w/sec.fin.	Max TLTV w/sec.fin.	Max HTLTV w/sec.fin.	Credit Score	Maximum Cash-Back
Purchase & Rate/Term Refi	Primary Residence	1	95%	90%	95%	95%	620	Ineligible
	Second Home	1	85%	80%	85%	85%	620	Ineligible
Cash-Out	Primary Residence	1	65% Term ≤20 years	60%	65%	65%	620	\$150,000

Footnotes

Freddie Mac Conforming Fixed and ARMs

- HTLTV (HELOC TLTV) = first lien balance + total HELOC amount (funded plus unfunded portion) ÷ the lesser of the appraised value or sales price (if applicable).
- 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 a maximum of 70% LTV whichever is less
- Cash Out term must be ≤ 20 years

Product Description

- Fixed Rate 10, 15, 20, 25 and 30 years – Conforming loan amounts
- Hybrid ARMs – 5/1, 7/1 and 10/1
- Fully Amortizing

Product Codes

Conforming Fixed Rate

Years	Product Code
10 Year	CF10FH Conv Freddie Mac FRM10
15 Year	CF15FH Conv Freddie Mac FRM15
20 Year	CF20FH Conv Freddie Mac FRM20
25 Year	CF25FH Conv Freddie Mac FRM25
30 Year	CF30FH Conv Freddie Mac FRM30

Conforming Fixed Rate with Lender Paid MI

Years	Product Code
10 Year	CF10FHLM Conv Freddie Mac FRM10
15 Year	CF15FHLM Conv Freddie Mac FRM15
20 Year	CF20FHLM Conv Freddie Mac FRM20
25 Year	CF20FHLM Conv Freddie Mac FRM25
30 Year	CF30FHLM Conv Freddie Mac FRM30

Conforming Hybrid ARMs

Hybrid ARM	Product Code
5/1 ARM	CA51FH Conv Freddie Mac 5/1 ARM
7/1 ARM	CA71FH Conv Freddie Mac 7/1 ARM
10/1 ARM	CA101FH Conv Freddie Mac 10/1 ARM

Conforming Hybrid ARMs with Lender Paid MI

Hybrid ARM	Product Code
5/1 ARM	CA51FHLM Conv Freddie Mac 5/1 ARM
7/1 ARM	CA71FHLM Conv Freddie Mac 7/1 ARM
10/1 ARM	CA101FHLM Conv Freddie Mac 10/1 ARM

Eligibility Requirements

Adjustable Rate Details	
Interest rate adjustment caps	5/1 ARM Initial: 2% up/down; Subsequent: 2% up/down; Lifetime : 5% up 7/1 & 10/1 ARMs Initial: 5% up/down; Subsequent: 2% up/down; Lifetime : 5% up
Margin	2.25%
Index	1-Year LIBOR (London InterBank Offer Rate)
Interest rate Floor	The interest rate Floor is equal to the Margin
Change dates	5/1: The first Change Date is the 60 th payment due date. There is a new Change Date every 12 months thereafter 7/1: The first Change Date is the 84 th payment due date. There is a new Change Date every 12 months thereafter 10/1: The first Change Date is the 120 th payment due date. There is a new Change Date every 12 months thereafter
Conversion Option	None
Assumption	Permitted after the first adjustment. Subject to conditions, fees and rate adjustment

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Appraisal Requirements	<p>The subject property must represent the highest and best use of the property as improved (or as proposed per plans and specifications) and the use must be a legal or legal non-conforming use (commonly referred to as grandfathered use). Any adverse effect of non-conforming use must be reflected in the opinion of value.</p> <p>Appraisal must be obtained in a manner consistent with the requirements of Appraiser Independence Requirements (AIRs).</p> <p>Appraisal must be ordered through Impac approved Appraisal Management Company (AMC).</p> <p>An appraisal, inspection, and PIA (property inspection alternative) are acceptable per LP Feedback Certificate. Each are valid for 120 days to note date. Certain upgrade requirements may apply (Selling Guide 44.9).</p> <p>For purchase money Mortgages originated using the Form 2070 or PIA in lieu of an appraisal the borrower must be provided with Freddie Mac Form 1149, Notice About Appraisal of Your Property, or a substantially similar notice. Borrower must sign the notice and it must be part of the mortgage file.</p> <p>Property Inspection Alternative is allowed per LP Feedback Certificate and Freddie Mac guidelines.</p>				
Assets	<p>Evaluated per LP and Freddie Mac guidelines with the following restrictions</p> <ul style="list-style-type: none"> • Stand-alone VOD (Verification of Deposit) is ineligible. VOD must be accompanied by at least one monthly bank statement. <p>Streamlined Accept Documentation and Standard Documentation are both acceptable per LP Accept Certificate.</p> <p><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.</p> <p><u>Borrower Investment</u></p> <ul style="list-style-type: none"> • Primary residence and second home loans <ul style="list-style-type: none"> • Greater than 80% LTV require a 5% investment from borrower's own funds, excluding gifts. • Investment property loans require entire down payment from borrower's own funds, gift ineligible. <p><u>Seller Contributions: Basis for the limit is LTV/TLTV ratio as follows:</u></p> <ul style="list-style-type: none"> • Primary Residence and Second Homes (Conforming loan amounts) <ul style="list-style-type: none"> • 3% for LTV/TLTV > 90% • 6% for LTV/TLTV > 75% ≤ 90% • 9% for LTV/TLTV ≤ 75% • Investment Properties <ul style="list-style-type: none"> • 2% at all LTV/TLTV's <p><u>Gifts</u></p> <ul style="list-style-type: none"> • Primary Residence and Second Homes <ul style="list-style-type: none"> • Eligible provided the required Borrower investment is met • Waive Borrower investment when gift funds reduce the LTV/TLTV to 80% or less • Investment Properties <ul style="list-style-type: none"> • Gift ineligible <p><u>Reserves (2014-2 & 26.5)</u> Reserves must be based on the full monthly payment amount for the property, not only principal, interest, taxes and insurance (PITI). The monthly payment amount is defined as the sum of the following monthly charges:</p> <ul style="list-style-type: none"> • Principal and interest payments on the mortgage • Property hazard insurance premiums • Real estate taxes • When applicable: <ul style="list-style-type: none"> ○ Mortgage insurance premiums ○ Leasehold payments ○ Homeowners association dues (excluding unit utility charges) ○ Payments on secondary financing <p><u>If reserves are entered into LP, the reserves must be documented</u></p> <p><u>Reserves required for mortgages secured by Primary Residence:</u></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 60%; text-align: left; padding: 2px;">Subject property</th> <th style="width: 40%; text-align: left; padding: 2px;">Required reserves</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"> </td> <td> </td> </tr> </tbody> </table>	Subject property	Required reserves		
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Assumptions	Ineligible (See <i>Adjustable Rate Details</i> for assumptions on ARMs)										
Borrower Eligibility	<p>Eligible</p> <ul style="list-style-type: none"> • US Citizen • Permanent resident alien • Non-permanent resident alien (maximum 80% LTV/TLTV/HTLTV on 1-unit primary residence only; other restrictions apply) • Inter Vivos Revocable Trust (22.10) <ul style="list-style-type: none"> • Note: A Power of Attorney is not allowed on properties held in a trust <p>Ineligible</p> <ul style="list-style-type: none"> • Foreign Nationals 										
Co-borrowers	<p>LP Accept</p> <ul style="list-style-type: none"> • Ratios determined by LP • Non-occupant co-borrower eligible per LP 										

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	<p>If the loan-to-value (LTV) ratio is greater than 80%, the occupant borrower must make the first 5% down payment from the occupant borrower's own funds. Funds that are owned jointly by the occupant borrower and the non-occupying co-borrower are considered the funds of the occupant borrower.</p>
Credit	<p>For Accept Mortgages, Loan Prospector has determined that a borrower's credit reputation is acceptable. Credit scores must be obtained no more than 120 days prior to the Note Date.</p> <p>Generally all borrowers must have usable Credit Score(s). (See Borrowers without usable Credit Scores below)</p> <p><u>Adverse or Derogatory Credit</u> For Accept Mortgages, the significance of the derogatory information has already been considered by Loan Prospector and the Borrower's credit reputation has been deemed acceptable.</p> <p><u>Short Sale</u> Regardless of the Risk Classification received from Loan Prospector, if evidence of a short sale is disclosed on a credit report or contained elsewhere in the Mortgage file, the borrower must wait 48 months from the completion date of the short sale before applying for a new loan. Borrower must provide evidence of reestablished acceptable credit reputation (Selling Guide 37.7). If a short sale has occurred within the last 7 years the only allowable mortgage is:</p> <ul style="list-style-type: none"> • A purchase transaction mortgage secured by a Primary Residence with a maximum LTV/TLTV/HTLTV ratio of the lesser of 90% or the maximum LTV/TLTV/HTLTV for the transaction; or • A "no cash-out" refinance Mortgage. <p>Standard waiting periods for derogatory information apply. Shortened waiting periods for extenuating circumstances are not allowed.</p> <p><u>Verification of Payment History</u> For Accept Mortgages where <u>all Borrowers</u> have a usable Credit Score, direct verification of debts that are not listed on the credit reports (including Mortgage debt and rent) is not required.</p> <p><u>Borrowers without usable Credit Scores – Exception for Primary Residence:</u></p> <ul style="list-style-type: none"> • One borrower on every loan must have a useable credit score as determined by Loan Prospector • The transaction is a purchase or "no cash-out" refinance Mortgage • The Mortgage is secured by a 1-unit property and all Borrowers occupy the property as their Primary Residence • Borrowers with a usable Credit Score contribute more than 50% of the total monthly income • Borrowers without a usable Credit Score are not self-employed • For all Borrowers without usable Credit Scores, any debt that is not reported to the credit repositories must be verified to have a satisfactory payment history and the payment must be included in the monthly debt payment-to-income ratio. • Loans > 80% LTV with one or no score borrowers are subject to Mortgage Insurers requirements for eligibility. <p>Ineligible</p> <ul style="list-style-type: none"> • Manual Underwriting
Documentation	<p>Document as determined by LP Findings with Risk Grade of Accept (streamlined accept and standard documentation), Freddie Mac Selling Guide and Impac guidelines Impac will accept digitally signed documents per Freddie Mac guidelines.</p>
Escrow Waivers	<p>Property tax and insurance escrows may be waived for LTV ≤ 80%. Individual state laws may supersede this requirement.</p>
Financing Types	<p>Purchase Mortgages Refinance Mortgages</p> <p><u>General Requirements for all refinance mortgages</u> (Selling Guide 24.2)</p> <ul style="list-style-type: none"> • At least one borrower on the refinance mortgage was a borrower on the mortgage being refinanced; or • At least one borrower on the refinance mortgage held title to and resided in the mortgaged premises as a primary residence for the most recent 12 month period and the mortgage file contains documentation that the borrower, either: <ul style="list-style-type: none"> • Has been making timely mortgage payments, including the payments for any secondary financing, for the most recent 12-month period; or • Is a related person to a borrower on the mortgage being refinanced; or • At least one borrower on the refinance mortgage inherited or was legally awarded the mortgaged premises by a court in the case of divorce, separation or dissolution of a domestic partnership.

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Requirements for Rate/Term ("no cash-out") refinance mortgages (Selling Guide 24.5)

Proceeds may be used only to:

- Pay off the first mortgage, regardless of its age.
- Pay off any junior liens secured by the mortgaged premises, that were used in their entirety to acquire the subject property
- Pay related closing costs, financing costs and prepaids/escrows and
- Disburse cash out to the borrower (or any other payee) not to exceed 2% of the new refinance mortgage or \$2,000, whichever is less
- Pay off the outstanding balance of a land contract or contract for deed if the contract was executed greater than 12 months prior to refinance application (other requirements apply).
- If there are excess proceeds:
 - The mortgage amount must be reduced: or
 - The excess must be applied as a principal curtailment to the new refinance mortgage at closing and must be clearly reflected on the HUD-1 form.
- **For loans submitted to LP when the previous mortgage was a purchase money transaction**
 - The mortgage being refinanced must be seasoned for at least 120 days
 - The 120 days is measured from previous note date to subject refinance note date.
- 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.
- 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).

Properties listed for sale within the last six months are eligible as follows:

- Property has been taken off the market on or prior to the application date.
- Borrower provides written confirmation of the intent to occupy if a primary residence

Requirements for cash-out refinance mortgages (Selling Guide 24.6)

- A mortgage placed on a property previously owned free and clear by the borrower is always considered a cash-out mortgage.
- At least one borrower must have been on the title to the property for at least six months prior to the Note Date except as specified below.
- If none of the borrowers have been on the title to the subject property for at least six months prior to the Note Date of the cash-out refinance mortgage, the following requirements must be met:
 - The executed HUD-1 Settlement Statement from the purchase transaction must reflect that no financing secured by the subject property was used to purchase the subject property
 - The preliminary title report for the refinance transaction must reflect the borrower as the owner of the subject property and must reflect that there are no liens on the property
 - The source of funds used to purchase the subject property must be fully documented
 - If funds were borrowed to purchase the subject property, those funds must be repaid and reflected on the HUD-1 Settlement Statement for the refinance transaction
 - The amount of the cash-out refinance mortgage must not exceed the sum of the original purchase price and related closing costs, financing costs and prepaids/escrows as documented by the HUD-1 Settlement Statement for the purchase transaction
 - There must have been no affiliation or relationship between the buyer and seller of the purchase transaction
 - The cash-out mortgage must meet all other Freddie Mac requirements.
- 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
- Transactions in which a portion of the cash-out 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 (23.7). Payoff of land contract may only be done as purchase or rate/term transaction.

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	<ul style="list-style-type: none"> • Owner occupied properties located in Texas with Texas Section 50 (a)(6) are ineligible. <ul style="list-style-type: none"> • 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. 																
Geographic Locations/Restrictions, as applicable	<p>Eligible states are as follows:</p> <ul style="list-style-type: none"> • 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 <p>Additional restrictions as follows: Texas Cash-out 50(a)(6) is ineligible State specific regulatory requirements supersede all underwriting guidelines set forth by Impac.</p>																
High-Cost Mortgage Loans	Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32)																
Higher-Priced Mortgage Loans	<p>Higher-Priced Mortgage Loan (HPML) - Definition A first-lien mortgage secured by a Primary Residence that has an annual percentage rate (APR) of 1.5% or more above the average prime offer rate (APOR) for a comparable transaction as of the rate lock date.</p> <p>Adjustable rate mortgages (ARMs) with initial periods less than 7 years that are Higher-Priced Mortgage Loans (HPML) are ineligible for purchase by Freddie Mac. (30.3)</p> <p>Higher-Priced Mortgage Loans eligible for sale to Freddie Mac must be one of the following mortgage products:</p> <ul style="list-style-type: none"> • A fixed rate mortgage • A 7/1 or 10/1 ARM 																
Income	<p>Evaluated per LP and Freddie Mac guidelines with the following restrictions:</p> <ul style="list-style-type: none"> • 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 <p>Self-Employed History – Borrower must have been self-employed for a minimum of 24 months regardless of documentation requirements</p> <p>Both Streamlined Accept and Standard Documentation are allowed per LP Accept Certificate.</p> <p><u>Stable Income (37.13)</u> Both the source and the amount of the income should be stable. In most instances a two year history of receiving income is required in order for the income to be considered stable and used for qualifying.</p> <p><u>Employed Income</u> Income must be stable and likely to continue at the level used to qualify for at least the next three years. A borrower who has had different types of employment in the past may be considered to have stable income if the income amount has remained at a consistent level. When evaluating a Borrower who has changed jobs frequently, the underwriter must evaluate whether the changes have affected the Borrower's ability to pay the Borrower's obligations.</p> <p>Note: The table below contains minimum requirements that are effective regardless of level of documentation required. Additional information for income may be found in Seller Guide Chapter 37.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Income Type</th> <th style="text-align: left;">History / Continuance Requirement</th> </tr> </thead> <tbody> <tr> <td>Bonus</td> <td>2 year consecutive history, likely to continue for the next 3 years</td> </tr> <tr> <td>Commission</td> <td>2 year consecutive history, likely to continue for the next 3 years</td> </tr> <tr> <td>Overtime</td> <td>2 year consecutive history, likely to continue for the next 3 years</td> </tr> <tr> <td>Automobile Allowance</td> <td>2 year consecutive history, likely to continue for the next 3 years</td> </tr> <tr> <td>Tip Income</td> <td>2 year consecutive history. For tip income that fluctuates the income trend must be evaluated and use the amount that is likely to continue for the next 3 years</td> </tr> <tr> <td>Second or Additional Job</td> <td>2 year consecutive history, likely to continue for the next 3 years</td> </tr> <tr> <td>Seasonal Employment and Unemployment Compensation</td> <td>2 year consecutive history of receiving income from seasonal employment, likely to continue for the next 3 years. Unemployment compensation associated with seasonal employment may be considered qualifying income with 2 year consecutive history of receipt, likely to continue for the next 3 years. Income from</td> </tr> </tbody> </table>	Income Type	History / Continuance Requirement	Bonus	2 year consecutive history, likely to continue for the next 3 years	Commission	2 year consecutive history, likely to continue for the next 3 years	Overtime	2 year consecutive history, likely to continue for the next 3 years	Automobile Allowance	2 year consecutive history, likely to continue for the next 3 years	Tip Income	2 year consecutive history. For tip income that fluctuates the income trend must be evaluated and use the amount that is likely to continue for the next 3 years	Second or Additional Job	2 year consecutive history, likely to continue for the next 3 years	Seasonal Employment and Unemployment Compensation	2 year consecutive history of receiving income from seasonal employment, likely to continue for the next 3 years. Unemployment compensation associated with seasonal employment may be considered qualifying income with 2 year consecutive history of receipt, likely to continue for the next 3 years. Income from
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Commission	2 year consecutive history, likely to continue for the next 3 years																
Overtime	2 year consecutive history, likely to continue for the next 3 years																
Automobile Allowance	2 year consecutive history, likely to continue for the next 3 years																
Tip Income	2 year consecutive history. For tip income that fluctuates the income trend must be evaluated and use the amount that is likely to continue for the next 3 years																
Second or Additional Job	2 year consecutive history, likely to continue for the next 3 years																
Seasonal Employment and Unemployment Compensation	2 year consecutive history of receiving income from seasonal employment, likely to continue for the next 3 years. Unemployment compensation associated with seasonal employment may be considered qualifying income with 2 year consecutive history of receipt, likely to continue for the next 3 years. Income from																

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	<p>seasonal employment and unemployment compensation may not be used unless it is reported on borrower's federal tax returns for the past two years.</p> <p>Newly Employed For a borrower with less than a two year employment and income history, the income may be used to qualify if there is documentation to support that the borrower was either attending school or in a training program immediately prior to their current employment</p> <p>Re-entering the Workforce Borrower must be at the current employer for a minimum of 6 months and show evidence of prior work history</p> <p>Self-employed income A borrower who has an ownership interest of 25% or more in a business is considered to be self-employed. A two year history of self-employment is required in most instances to ensure that income is stable.</p>
	<p>4506-T must be executed for all borrowers regardless of income type and is required upfront and at closing.</p>
Internet Links	<p>Loan Prospector Documentation Matrix: http://www.freddiemac.com/learn/pdfs/uw/docmatrix.pdf</p> <p>Freddie Mac Refinance Programs: http://www.freddiemac.com/learn/pdfs/uw/refinance.pdf</p> <p>Freddie Mac Rental Income Matrix: http://www.freddiemac.com/learn/pdfs/uw/rental.pdf</p> <p>Best Practices for Loans Involving Possible Property Flips: http://www.freddiemac.com/learn/pdfs/uw/bp_propflips.pdf</p> <p>Freddie Mac Fraud Prevention Best Practices: http://www.freddiemac.com/singlefamily/pdf/fraudprevention_practices.pdf</p>
Limitations on Other Real Estate Owned	<p><u>Multiple Loans by Impac to the Same Borrower</u></p> <ul style="list-style-type: none"> 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. <p><u>Freddie Mac Financed Property Rules</u></p> <p><u>Primary Residence</u></p> <ul style="list-style-type: none"> Borrower may have an unlimited number of financed properties <p><u>Second Homes & Investment Properties (22.22 and 22.22.1)</u></p> <ul style="list-style-type: none"> Each borrower individually and all borrowers collectively must not own and/or be obligated on more than four 1- to 4-unit financed properties, including the subject property. Ownership of commercial or multifamily (five or more units) real estate is not included in this limitation. <p>New multiple loans must be underwritten simultaneously</p>
Loan Amount	<p>Minimum Conforming Loan Amount: \$35,000</p>
Manufactured Home Property Requirements	<p>Any dwelling unit built on a permanent chassis and attached to a permanent foundation system is a manufactured home for purposes of Fannie Mae's guidelines.</p> <p>See Freddie Mac Selling Guide <i>Chapter H33: Manufactured Homes</i> for additional information</p> <p>The borrower must own the land on which the manufactured home is situated in fee simple. The manufactured home must be a one-unit dwelling unit that is legally classified as real property. Mortgages secured by manufactured homes located on leasehold estates are not eligible. The towing hitch, wheels, and axles must be removed The dwelling must assume the same characteristics of site-built housing The MFH must have sufficient square footage and room dimensions to be acceptable to purchasers in the subject market area The MFH must be at least 12 feet wide and have a minimum of 600 square feet of gross living area. The MFH must have been built in compliance with Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976 as amended and in force at the time the home is manufactured, and additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280 as evidenced by:</p> <ul style="list-style-type: none"> HUD Data Plate/Compliance Certificate – A paper document located on the interior of the subject property that contains, among other things, the manufacturer's name and trade/model number. In addition to the data required by Fannie Mae, the data plate includes pertinent information about the unit including a list of factory-installed equipment; and

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	<ul style="list-style-type: none"> • HUD Certification Label (sometimes referred to as a HUD “seal” or “tag”) – A metal plate located on the exterior of each section of the home <p>The appraisal form 1004C must indicate evidence of both the HUD Data Place/Compliance Certificate and the HUD Certification Label</p> <p>The MFH must be attached to a permanent foundation system in accordance with the manufacturer’s requirements for anchoring, support, stability, and maintenance.</p> <p>The foundation system must be appropriate for the soil conditions for the site and meet local and state codes.</p> <p>The MFH must be permanently connected to a septic tank or sewage system per local and state requirements.</p> <p>The MFH must be permanently connected to all necessary utilities (water, electricity, gas service, etc.)</p> <p>If the property is not situated on a publicly dedicated and maintained street then it must be situated on a street that is community owned and maintained, or privately owned and maintained.</p> <p>There must be adequate vehicular access and there must be an adequate and legally enforceable agreement for vehicular access and maintenance.</p> <p>The MFH must not have been installed or occupied previously at any other location or site.</p> <p>The MFH must not have any additions or structural modifications to the original structure.</p> <p><u>Special Legal/Closing Provisions</u></p> <ul style="list-style-type: none"> • The mortgage loan must be secured by both the manufactured home and the land on which it is situated, and both the manufactured home and the land must be legally classified as real property under applicable state law. • The purchase, conveyance, and financing (or refinancing) of the land and the manufactured home must be evidenced and secured by a single valid and enforceable note and first lien mortgage, deed of trust or security deed that is recorded in the land records, in states where applicable state law clearly provides for such a single lien. • Loans in which there is a chattel lien on the home plus a real property lien on the land are unacceptable. • Evidence of surrender of certificate of title or that no certificate was issued. • Confirm property is legally classified as real property, on a permanent foundation, and owner owns both land and MFH • ALTA Endorsement 7, 7.1, or 7.2 or any other endorsement required for manufacture homes to be treated as real property • Deed of Trust (or other security instrument) must include a comprehensive description of the manufactured home and the land in the property description section or on a separate attached rider. The description must include the serial or VIN number for each unit/section; year, make, model, size, and any other information required by applicable law to definitively identify the manufactured home. • Affidavit of Affixture – Borrower and Lender must sign and notarize an affidavit acknowledging their mutual intent that the manufactured home be a permanent part of the real property securing the mortgage. Affidavit must be recorded simultaneously with security instrument and must be retained in the loan file. • If state law requires a Uniform Commercial Code (UCC) filing in order to perfect a security interest in a manufactured home, the lender must make such filing in any and all appropriate locations. • Limited Power of Attorney pertaining to title issues and any post-closing items must be signed with closing documents • Note: Mortgages secured by manufactured homes in Certificate of Title states may not be registered with MERS (H33.7) • Closing Protection Letter – Except for states where insured closing protection letters are not allowed under state law or regulations, the lender must obtain an insured closing protection letter for each mortgage that is secured by a manufactured home. • For new manufactured home the file must contain the manufacturer’s invoice and MFH purchase agreement. File must contain evidence that MFH was installed in compliance with HUD codes (Selling Guide 46.23) <p><u>Manufactured Housing on this program is subject to the following restrictions:</u></p> <ul style="list-style-type: none"> • Primary and Second home only, no investment property • Multi-width property only – no single wide • No High Balance loans • Fixed Rate only, no ARMs • No Manufactured Homes in Condo Projects • MFH may not have been re-sited • No MFH on leased land • Built after June 15, 1976 as evidenced by HUD labels • Permanently affixed to foundation <p>See <i>Mortgage Insurance</i> for coverage requirements particular to manufactured housing.</p>
<p>Mortgage Insurance</p>	<p>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</p>

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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 LP and receive Accept feedback
- Reserve requirements by mortgage insurers shall 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 and all ARMs (except MFH)

Coverage	LTV
12%	80.01% - 85%
25%	85.01% - 90%
30%	90.01% - 95%

Coverage requirements for fixed rate ≤ 20 years (except MFH)

Coverage	LTV
6%	80.01% - 85%
12%	85.01% - 90%
25%	90.01% - 95%

Reduced MI coverage amounts provided by agency and AUS decisions are ineligible.

A Mortgage secured by a Manufactured Home must have mortgage insurance coverage as follows:

LTV Ratio	≤20-Year Loan Term	>20-Year Loan Term and ≤30-Year Loan Term
Primary Residence		
Greater than 80% up to 85%	12%	17%
Greater than 85% up to 90%	25%	30%
Greater than 90%	30%	35%
Second Home		
Greater than 80% up to 85%	12%	17%

NOTE: Certain states have a tax surcharge assessed for Mortgage Insurance. The states requiring the inclusion of a surcharge are as follows.

- Florida

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	<ul style="list-style-type: none"> Kentucky West Virginia <p>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.</p>															
Occupancy	Primary Residence Second Homes Investment Properties															
Prepayment Penalty	None															
Property Types	Eligible property types <ul style="list-style-type: none"> 1-4 units Modular Pre-Cut/Panelized Housing Manufactured Housing (see separate <i>Manufactured Home Property Requirements</i> section) PUDs Ineligible <ul style="list-style-type: none"> Condominiums Condo Hotels Co-ops Leasehold Estates 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 <ul style="list-style-type: none"> Qualify at note rate ARM Qualifying Rate <ul style="list-style-type: none"> 5/1 qualify at the greater of Note Rate plus 2% or the fully-indexed rate 7/1 and 10/1 Hybrid ARM qualify at note rate <p>HPCT (Higher Priced Covered Transactions) Qualifying Rate requirements for 7/1 and 10/1 ARMs (30.16)</p> <ul style="list-style-type: none"> For all HPCTs that are ARMs with initial periods of 7 or 10 years (i.e., 7/1 or 10/1 ARMs), the borrower must be qualified using the greater of the Note Rate or the fully-indexed rate. HPCTs are defined in Regulation Z, 12 C.F.R. 1026.43(b) Ratios <ul style="list-style-type: none"> LP Accept – Ratios evaluated by LP 															
Secondary Financing	Secondary financing is eligible and requirements are as follows. <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Refi includes 1st lien payoff</th> <th style="text-align: left;">Underwrite transaction as</th> <th style="text-align: left;">Comments</th> </tr> </thead> <tbody> <tr> <td>Payoff of purchase money 2nd no cash out</td> <td>Limited cash-out refi</td> <td>N/A</td> </tr> <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> <ul style="list-style-type: none"> Subordinate financing must be factored into risk assessment based on TLTV, HLTIV, 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> </tbody> </table> <p>NOTE: Subordinate financing left in place will not affect the type of refinance transaction used. Down Payment Assistance Program (DPA) ineligible</p>	Refi includes 1 st lien payoff	Underwrite transaction as	Comments	Payoff of purchase money 2 nd no cash out	Limited cash-out refi	N/A	Payoff of non-purchase money 2 nd , regardless of cash out being taken	Cash-out refinance	N/A.	Payoff of 1 st 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	Limited cash-out refinance	<ul style="list-style-type: none"> Subordinate financing must be factored into risk assessment based on TLTV, HLTIV, and DTI ratio. Subordinate lien must be resubordinated. 	Refinance of a cash-out a transaction within the last 6 months	Cash-out-transaction	N/A
Refi includes 1 st lien payoff	Underwrite transaction as	Comments														
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Refinance of a cash-out a transaction within the last 6 months	Cash-out-transaction	N/A														
Special Feature Codes	Refer to the LP Feedback Certificate to identify the applicable Special Feature code number(s).															

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Temporary Buydown	Ineligible
Underwriting	<p>All loans must be submitted and evaluated by Loan Prospector with a risk class of Accept (with a documentation level of Streamlined Accept or Standard Documentation).</p> <p><u>Verification of Funds for 30-Day Charge Accounts (37.16)</u> Open-end accounts do not have to be included in the monthly debt payment if the borrower has sufficient funds to pay off the outstanding account balance. Underwriter must document that the borrower has sufficient funds to cover the unpaid balance of all 30-day charge accounts over and above funds required for the subject loan, including reserves. Alternatively, in the absence of a stated payment on the credit report or direct verification, 5% of the outstanding balance will be considered to be the required monthly payment.</p> <p><u>Property Flipping</u> 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.</p> <p><u>Rent Loss Insurance (2014-6 & 22.22.1)</u></p> <ul style="list-style-type: none"> • Primary 2-4 unit - The former requirement that the borrower maintain six months' rent loss insurance for a 2- to 4-unit Primary Residence when rental income is used in qualifying has been <u>eliminated</u>. <ul style="list-style-type: none"> ◦ Note: If the subject property is a 2- to 4-unit Primary Residence, then Paragraph D (Rent Loss Coverage) must be deleted from the 1-4 Family Rider, Form 3170. • Investment 1-4 unit – Borrower must have rent loss insurance on an investment property for at least six months of gross monthly rent whenever rental income is used for qualifying. <p><u>Second Home:</u></p> <ul style="list-style-type: none"> • Must be in such a location as to function reasonably as a second home. (i.e., remote in distance from the Borrower's Primary Residence) • Suitable for year-round occupancy • Available for the Borrower's exclusive use and enjoyment • Not subject to time sharing or other shared ownership arrangement • Not subject to rental pools or agreements • Not subject to management company control over occupancy <p><u>Investment Property</u></p> <ul style="list-style-type: none"> • Gift funds or grants may not be used as borrower funds • Freddie Mac Rule: If a borrower will own more than 1 financed investment property at the end of the subject transaction, then the subject mortgage must be either a <u>fixed rate mortgage</u> or a <u>7/1 ARM</u> or a <u>10/1 ARM</u>. <p><u>Landlord Experience Required</u></p> <ul style="list-style-type: none"> • If rental income is used from the subject property (1- to 4-unit investment property), the borrower must demonstrate at least a 2-year history of managing 1- to 4-unit investment properties. Not required if full PITI is used without rent. • This requirement does not apply to 2- to 4-unit primary residence. Rental income may be used on 2- to 4-unit primary residence without documented landlord experience. <p><u>Non-Arm's Length Transaction Prohibition</u></p> <ul style="list-style-type: none"> • For new construction second homes or new construction investment properties the borrower may NOT be affiliated with or related to the builder, developer or property seller. <p>Ineligible</p> <ul style="list-style-type: none"> • Manual underwriting

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