

Jumbo Premier

This matrix is intended as an aid to help determine whether a property/loan qualifies for certain financing.

NOTE: This matrix is specific to Impac's investor requirements. A thorough reading of this matrix is recommended.

Program Qualifications

The Jumbo Premier loan program offers fixed and ARM products on jumbo loan balances. Guidelines apply to both fixed and ARM programs unless specifically indicated.

Eligibility Matrix Loan Amount & LTV Limitations

Primary Residence Purchase and Rate & Term Refinance ^{1, 2, 4}

Units	Credit Score ⁸	LTV	CLTV	Minimum Loan Amount	Maximum Loan Amount
1-unit, PUD (attached and detached), Warrantable Condo	720	80% ³	80% ³	\$417,001 (\$625,501 in Alaska/Hawaii)	\$1,500,000
		75%	75%		\$1,750,000
		70%	70%		\$2,250,000
		65%	65%		\$2,750,000
		60%	60%		\$3,000,000
2-units	720	65%	65%	\$533,851	\$1,000,000
		60%	60%	(\$800,776 in Alaska/Hawaii)	\$1,500,000

Primary Residence Cash-Out Refinance ^{1, 2}

Units	Credit Score ⁸	LTV	CLTV	Minimum Loan Amount	Maximum Loan Amount	Maximum Cash-Out ⁷
1-unit, PUD (attached and detached), Warrantable Condo	720	65%	65%	\$417,001 (\$625,501 in Alaska/Hawaii)	\$1,500,000	\$350,000
		60%	60%		\$1,750,000	\$500,000
		55%	55%		\$2,000,000	\$500,000
		45%	45%		\$2,500,000	\$500,000
		35%	35%		\$3,000,000	\$500,000

Second Home – Purchase and Rate & Term Refinance ^{1, 2}

Units	Credit Score ⁸	LTV	CLTV	Minimum Loan Amount	Maximum Loan Amount
1-unit, PUD (attached and detached), Warrantable Condo	720	80% ¹³	80% ¹³	\$417,001 (\$625,501 in Alaska/Hawaii)	\$1,000,000 ¹³
		75%	75%		\$1,500,000
		70%	70%		\$1,750,000
		65%	65%		\$2,250,000
		50%	50%		\$2,500,000
		40%	40%		\$3,000,000

Footnotes:

- 1 LTV/CLTV is reduced by 5% on properties in declining markets as indicated by appraiser.
- 2 New subordinate financing is not permitted
- 3 **80% LTV/CLTV Maximum** on all ARM products and 15 year fixed
- 4 First Time Home Buyer Maximum Loan Amount \$1,200,000
- 5 Construction loans ineligible.
- 6 Texas refinance 50(a)(6) ineligible.
- 7 Maximum cash out on the loan is \$500,000 to 60% LTV/CLTV and \$350,000 to 65% LTV/CLTV, and includes both cash back to the borrower AND payoff of non-purchase money second liens and non-mortgage debt, if any
- 8 No credit score exception allowed
- 9 Properties owned less than 12 months, use the lesser of the original purchase price or new appraised value for LTV calculation
- 10 Borrowers with multiple financed properties require LTV reduction. See *Limitations on Other Real Estate Owned*.
- 11 The refinancing of non-purchase money closed end and HELOC 2nd liens will be considered a rate/term refinance if they are seasoned ≥ 12 months. There may be up to \$2,000 total draw on HELOC and still be considered rate/term refinance.
- 12 Loan amounts over \$1,000,000 require management review (see *Underwriting*)
- 13 80% LTV/CLTV to \$1,000,000 loan amount on Second Homes is allowed for locks on or after 5/1/14.

Product Description

- Fixed Rate 15, 20, 25 and 30 years
- 5/1, 7/1, and 10/1 LIBOR ARM

Product Codes

Product Code
JF15PR Jumbo Fixed 15 year
JF20PR Jumbo Fixed 20 year
JF25PR Jumbo Fixed 25 year
JF30PR Jumbo Fixed 30 year
JA51PR Jumbo ARM 5/1 LIBOR
JA71PR Jumbo ARM 7/1 LIBOR
JA101PR Jumbo ARM 10/1 LIBOR

Locking

- Forward locks are allowed
- Locking is through the Impac Lock Desk **ONLY**

Eligibility Requirements

<p>Appraisal</p>	<p>IMPORTANT: All appraisals for this Jumbo product must be ordered through the Impac Appraisal Desk</p> <ul style="list-style-type: none"> • (Internal for Appraisal Desk) When ordering two appraisals 2 separate orders are required, however, both may be ordered from the same AMC. <p>The underwriter will send all appraisals to the investor for review and approval. The investor may require additional collateral review and/or may reduce the value allowed for LTV calculations in its sole discretion</p> <table border="1" style="width: 100%; margin: 10px 0;"> <thead> <tr> <th>Loan Amount</th> <th>Appraisal Requirement</th> </tr> </thead> <tbody> <tr> <td>≤ \$1,000,000</td> <td>One Full Appraisal</td> </tr> <tr> <td>> \$1,000,000</td> <td>Two Full Appraisals</td> </tr> <tr> <td>All properties For Sale By Owner (FSBO)</td> <td>Two Full Appraisals</td> </tr> </tbody> </table> <p>Appraisal requirements are as follows.</p> <ul style="list-style-type: none"> • Fannie Mae Form 1004 • All 2-unit properties must be submitted on Fannie Mae Form 1025 • A new appraisal is required for both purchase and refinance transactions • Appraisal Update / Recertification of Value is not permitted • No other limited appraisals are eligible. • Appraiser must address current MLS listing price and history in the report. • <u>Interior photos required</u> and must include the kitchen, bathrooms, bedroom and living room/family room. • If transaction includes seller concessions the appraiser must include comps that had seller concessions. • Appraisal must analyze and report in reasonable detail the sales history for the past 36 months for subject property and the last 12 months for any comparable sales used in the report. • The appraisal must analyze any current purchase agreement, option or listing for the subject property within the last 12 months. • Appraisal should not include a comparable greater than six months old at time of underwriting review by the investor. • Properties with values significantly in excess of the predominant value of the subject’s market area may be ineligible. • Additional requirements when 2 appraisals are required. <ul style="list-style-type: none"> • The loan to value will be determined by the lower of the two appraised values as long as the lower appraisal supports the value conclusion. The final inspection and/or recertification of value must be for the appraisal with the lower value. • Underwriter must review both appraisals and address any inconsistencies between the two appraisals and all discrepancies must be reconciled. <p>Ensure when the appraisal is ordered the requirements detailed above are met and discussed with the AMC.</p> <p>Appraisals identified as being located in a declining market should be given additional scrutiny to ensure value is supported by the most recent sales and market data and that all of the appraiser comments are taken into consideration.</p>	Loan Amount	Appraisal Requirement	≤ \$1,000,000	One Full Appraisal	> \$1,000,000	Two Full Appraisals	All properties For Sale By Owner (FSBO)	Two Full Appraisals
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	<p>A minimum of 3 comparable sales; must be actual closed sales.</p> <p>All new construction (purchase or refinance) loans must have a certificate of occupancy.</p> <p>A PUD project requires at least one comparable sale from outside of the PUD project.</p> <p>Condo projects with less than 10 units must be typical for the area and the appraisal must show similar comparables (i.e., within similar size projects).</p> <p>Appraisals must be dated within 120 days of the Note. After the 120 day period a <u>new appraisal</u> will be required. Re-certification of value is ineligible.</p> <p>Properties owned < 12 months, use the lesser of the original purchase price or new appraised value.</p> <p>Properties listed for sale in the last 6 months prior to application date are ineligible for refinance transactions. Properties must be de-listed for at least 6 months prior to application to be eligible for refinance.</p> <p>Transferred/Assigned appraisals are ineligible.</p>																		
Adjustable Rate Details	<table border="1"> <tr> <td data-bbox="435 730 678 829">Interest Rate Adjustment Caps</td> <td data-bbox="678 730 1490 829">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</td> </tr> <tr> <td data-bbox="435 829 678 856">Margin</td> <td data-bbox="678 829 1490 856">2.25% (subject to change)</td> </tr> <tr> <td data-bbox="435 856 678 884">Index</td> <td data-bbox="678 856 1490 884">1-Year LIBOR (London InterBank Offer Rate)</td> </tr> <tr> <td data-bbox="435 884 678 911">Interest Rate Floor</td> <td data-bbox="678 884 1490 911">The interest rate floor is equal to the Margin</td> </tr> <tr> <td data-bbox="435 911 678 938">Index Establish Date</td> <td data-bbox="678 911 1490 938">45 Days Prior to the Change Date</td> </tr> <tr> <td data-bbox="435 938 678 1157">Change Dates</td> <td data-bbox="678 938 1490 1157"> 5/1 ARM The first change date is the 60th payment due date. There is a new change date every 12 months thereafter. 7/1 ARM The first change date is the 84th payment due date. There is a new change date every 12 months thereafter. 10/1 ARM The first change date is the 120th payment due date. There is a new change date every 12 months thereafter </td> </tr> <tr> <td data-bbox="435 1157 678 1184">Conversion Option</td> <td data-bbox="678 1157 1490 1184">None</td> </tr> <tr> <td data-bbox="435 1184 678 1211">Assumption</td> <td data-bbox="678 1184 1490 1211">ARM products are assumable to a qualified borrower after the fixed term</td> </tr> <tr> <td data-bbox="435 1211 678 1255">Negative Amortization</td> <td data-bbox="678 1211 1490 1255">None</td> </tr> </table>	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% (subject to change)	Index	1-Year LIBOR (London InterBank Offer Rate)	Interest Rate Floor	The interest rate floor is equal to the Margin	Index Establish Date	45 Days Prior to the Change Date	Change Dates	5/1 ARM The first change date is the 60 th payment due date. There is a new change date every 12 months thereafter. 7/1 ARM The first change date is the 84 th payment due date. There is a new change date every 12 months thereafter. 10/1 ARM 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	ARM products are assumable to a qualified borrower after the fixed term	Negative Amortization	None
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Assets	<p>Full Asset Documentation is required for both funds to close and reserves. For most asset types, this would include all pages of the most recent two months consecutive statements or the most recent quarterly statement.</p> <p>Funds must be from borrower's own resources. Business funds are ineligible for reserves, whether in a business account or via transfer to the borrower's personal account. Funds must be available to the borrower prior-to and after closing. Proceeds from the transaction (i.e., refinance proceeds, etc.) or sale of assets may not be used to meet cash reserves requirements. Documentation may not be more than 90 days old at the time of close.</p> <p>The underwriter may consider business accounts for funds to close if the borrower is 100% owner of the business, and a letter from the business accountant is obtained to confirm that the withdrawal will not negatively impact the business.</p> <p>All Earnest Money Deposit funds must be verified. If the EMD reflected on the 1003 is different than the EMD disclosed on the Purchase Agreement, the underwriter will require verification of those funds.</p> <p>In addition to the minimum PITI reserve requirements, <u>borrowers must also disclose and verify all other liquid assets.</u></p> <p>Stocks/Bonds/Mutual Funds – 70% may be used for reserves Vested Retirement Account funds – 60% may be considered for reserves</p> <p>If needed to close, verification that funds have been liquidated (if applicable) is required.</p> <p>Borrower must contribute a minimum of 5% toward the transaction from their own funds for purchase transaction.</p>																		

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	<p>All deposits / gifts must be verified with the borrower(s)</p> <p>Gift Funds</p> <ul style="list-style-type: none"> • Gifts from <u>relatives</u> are allowed (minimum 5% Borrower contribution required) • Gift of equity is not allowed • Donor must be immediate family member or domestic partner (domestic partner must live with borrower). • All large deposits in donor's account within 60 days must be sourced. • Signed gift letter • Transfer of funds or evidence of receipt must be documented prior to closing. • Acceptable after a minimum 5% down payment has been made by the borrower from their own resources. • Gift funds may not be used to meet reserves. <p>Grant Funds are not allowed Pooled funds are not allowed Builder Profits are not allowed No employer assistance assets are allowed</p> <p>Reserves are required as follows.</p> <table border="1" data-bbox="451 787 1458 1075"> <thead> <tr> <th>Occupancy</th> <th>Loan Amount</th> <th>Required Reserves</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Primary Residence</td> <td>Up to \$1,000,000</td> <td>12 months verified PITI (18 months for FTHB)</td> </tr> <tr> <td>\$1,000,001 - \$1,500,000</td> <td>18 months verified PITI (24 months for FTHB)</td> </tr> <tr> <td>\$1,500,001 - \$2,000,000</td> <td>24 months verified PITI</td> </tr> <tr> <td>\$2,000,001 - \$2,500,000</td> <td>36 months verified PITI</td> </tr> <tr> <td>\$2,500,001 - \$3,000,000</td> <td>48 months verified PITI</td> </tr> <tr> <td rowspan="5">Second Home</td> <td>Up to \$1,000,000</td> <td>24 months verified PITI</td> </tr> <tr> <td>\$1,000,001 - \$1,500,000</td> <td>36 months verified PITI</td> </tr> <tr> <td>\$1,500,001 - \$2,000,000</td> <td>48 months verified PITI</td> </tr> <tr> <td>\$2,000,001 - \$2,500,000</td> <td>60 months verified PITI</td> </tr> <tr> <td>\$2,500,001 - \$3,000,000</td> <td>72 months verified PITI</td> </tr> <tr> <td>Borrower with > 2 financed properties</td> <td>All loan amounts</td> <td>24 months verified PITI, unless higher reserve level required per above</td> </tr> </tbody> </table> <p>(FTHB = First Time Home Buyer)</p> <p>In addition the following may apply and are required.</p> <ul style="list-style-type: none"> • In addition to the minimum PITI reserve requirements, borrowers must also disclose and verify all other liquid property. <p>Interested Party Contributions</p> <ul style="list-style-type: none"> • Contributions may be made by property seller, builder, real estate agent/broker, mortgage lender or their affiliates, or any other party with an interest in the transaction. Funds may only be used for closing costs and prepaid expenses, and may never be applied to any portion of the down payment. <table border="1" data-bbox="522 1344 974 1423"> <thead> <tr> <th>CLTV</th> <th>IPC Allowance</th> </tr> </thead> <tbody> <tr> <td>75.01% - 80%</td> <td>3%</td> </tr> <tr> <td><= 75%</td> <td>6%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Amounts in excess of the limits above or additional cash back to the borrower for any contributions that exceed the actual amount of closing costs are considered to be sales concessions and must be treated accordingly (deducted from sales price when calculating LTV) • All seller concessions must be addressed in the sales contract documents, loan application, appraisal report, and the HUD-1. If a seller concession is present, both the appraised value and sales price must be reduced by the concession amount for purposes of calculating the LTV/CLTV. • In cases where the appraisal does not clearly and adequately reflect the presence and effect of any financing and/or sales concessions, the underwriter must make a downward adjustment to the appraised value of the subject property to reflect the cost of the contribution. The revised LTV is based on the lesser of the appraised value or reduced sales price. 	Occupancy	Loan Amount	Required Reserves	Primary Residence	Up to \$1,000,000	12 months verified PITI (18 months for FTHB)	\$1,000,001 - \$1,500,000	18 months verified PITI (24 months for FTHB)	\$1,500,001 - \$2,000,000	24 months verified PITI	\$2,000,001 - \$2,500,000	36 months verified PITI	\$2,500,001 - \$3,000,000	48 months verified PITI	Second Home	Up to \$1,000,000	24 months verified PITI	\$1,000,001 - \$1,500,000	36 months verified PITI	\$1,500,001 - \$2,000,000	48 months verified PITI	\$2,000,001 - \$2,500,000	60 months verified PITI	\$2,500,001 - \$3,000,000	72 months verified PITI	Borrower with > 2 financed properties	All loan amounts	24 months verified PITI, unless higher reserve level required per above	CLTV	IPC Allowance	75.01% - 80%	3%	<= 75%	6%
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Borrower Eligibility	Eligible <ul style="list-style-type: none"> • U.S. Citizens • Permanent Resident Aliens; provide evidence of lawful residency and must meet all the same credit standards as U.S. citizens. <ul style="list-style-type: none"> ▪ A copy of the borrower's identification is required to verify review of the 																																		

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	<p>acceptable documentation that evidences borrower is eligible to lawfully reside in the U.S.</p> <ul style="list-style-type: none"> ▪ Valid Green card, evident of continuous for at least 12 months, ▪ Borrower must be employed in U.S. for the last 12 months ▪ Income must be likely to continue for a minimum of 3 years. <ul style="list-style-type: none"> • First Time Home Buyer <ul style="list-style-type: none"> ○ A First Time Home Buyer is an individual that has not had a mortgage or owned a home in the past 3 years. ○ First Time Home Buyer is limited to maximum loan amount of \$1,200,000 • Non-Permanent Resident Aliens (on a <u>pre-approved</u> basis) • Inter-Vivos Revocable Trust <p>Non-Permanent Resident Aliens must meet the following requirements:</p> <ul style="list-style-type: none"> • Must have an unexpired passport from their country of citizenship containing INS form I-94 which must be stamped Employment Authorized • An Employment Authorization Card along with a copy of the Petition for Non-Immigrant Worker (form I-140) in file • The borrower(s) must have a minimum of 5 years residency, with the likelihood of employment continuance for at least 3 years • Owner Occupied only, Single Family and Condo • Only H1B and H2B Visas are accepted • Visa must have a minimum remaining duration of 3 years • Borrowers with diplomatic immunity or A1, A2, A3 Visas are ineligible • 70% LTV/CLTV Maximum <p>Ineligible Borrowers included, but are not limited to:</p> <ul style="list-style-type: none"> • Foreign Nationals • Irrevocable or Blind Trusts • Limited partnerships, general partnerships or corporations <p>Note: Borrower may not “deed-out” of these ownerships in order to procure a loan. Property must be removed from business ownership, in personal name, for a period of one year prior to application to be eligible for this program.</p> <ul style="list-style-type: none"> • Non-Occupant Co-Borrowers • Title may not be held in a business name • Non-arms-length transactions are ineligible and defined as follows when there is a relationship or business affiliation between the buyer, seller, loan agent or originator and include, but not limited to: <ul style="list-style-type: none"> ○ Applicants related by blood or marriage to the seller ○ Builder/developers ○ Owners, employees or family members of originating broker/lender <ul style="list-style-type: none"> ▪ Exception: The borrower is the employee of the origination lender and the lender has an established employee loan program (locks after 5/1/14) ○ Renters buying from landlord ○ Trading properties with seller
<p>Calculating LTV/CLTV/HLTV</p>	<p>Purchase: Lesser of the current appraised value or acquisition cost</p> <p>Refinance:</p> <ul style="list-style-type: none"> • If borrower has less than 12 months ownership in the property, the LTV/CLTV is calculated from the lesser of the purchase price or appraised value. • If the borrower has owned the property for more than 12 months the LTV/CLTV is based on the appraised value. <p>Construction to Perm (Refinance of a construction loan with a new Jumbo Premier loan is allowed)</p> <ul style="list-style-type: none"> • Borrower must hold title to the lot • Construction must be complete and liens (mortgages, mechanics' liens, material-men's liens, etc.) must be satisfied. • Transaction representing a single disbursement to a builder/contractor must be treated as a purchase and do not fall under these guidelines. • If cash-out in excess of rate and term guidelines is received, the loan must be underwritten as a cash-out refinance with the loan to value being determined based upon when the lot was acquired.
<p>Co-borrowers</p>	<p>Non-occupant co-borrowers are ineligible</p>
<p>Credit</p>	<p>Credit score:</p> <ul style="list-style-type: none"> • Use the lower of 2 or middle of 3 to determine each borrower's representative score. • The representative score for the loan is that of the borrower with the lowest representative score <p>Credit Standards – All trade lines must have activity within this time frame:</p>

Trade lines	<p>Minimum 3 open trade lines that have a 24 month history. Two (2) of these trade lines must have had activity within the last 6 months.</p> <p>If a borrower cannot meet the minimum of 3 trade lines but has a minimum of 1 open trade line with 12 months or more reporting, it could be considered without exception if the borrower meets the following criteria:</p> <ul style="list-style-type: none"> 8 or more trade lines reported with a least one being a mortgage trade line and having a minimum of 7 years of established credit history. (A borrower not using income to qualify and showing \$0 earned or is not employed does not need to meet the minimum trade line requirements listed above.) <p>OR</p> <ul style="list-style-type: none"> *Effective with locks on or after 3/1/14 – *6 months additional reserves and meets one of the following loan parameters: DTI < 35%, LTV < 65%, or FICO > 740
Authorized User Accounts	Not allowed and ineligible as an acceptable form of credit No authorized user accounts may be used to satisfy minimum trade line or FICO requirements
Mortgage/Rent	All mortgages and owned properties, and Rental History, 0x30 in past 24 months, no exceptions Rental History must be evidenced by Institutional VOR or 24 months proof of payment (e.g. cancelled checks)
Installment Debt	At least one installment trade line is required within the past 36 months. A closed end mortgage is considered an acceptable installment trade line. A HELOC (home equity line of credit) is not considered an installment trade line.
Revolving Debt	See below for specifics
Bankruptcy	Ineligible
Foreclosure	Ineligible

Credit requirements are as follows.

- Fully signed Social Security Number Verification form with results obtained, prior to close. Underwriter to obtain results.
- Credit report must be a 3-file merged credit report. Every submitted credit bureau report must include the full name, address and social security number of each borrower. If any of this information is inconsistent with that on any document in the file, a new report and/or explanation will be required.
- Credit reports may not be more than 90 days old at time of close.
- The underwriter must verify that each account the credit report with a balance has been checked within 90 days of the date of the credit report.
- Current mortgage payment history within 30 days will be required if not reflected on the credit report.
- Underwriter will require borrower to provide a written explanation for any credit inquiries in the last 90 days.

Credit history:

- Acceptable trade line is one from a traditional credit source. Alternative credit trades or such items as collections, charge-offs, "authorized user" accounts, deferred loans with no payment history, or transferred accounts are all considered ineligible trade lines.
- Any revolving trade line without a minimum payment amount listed on the credit report will use \$10 or 5% of the outstanding balance, whichever is greater. All deferred student loans must be considered in the DTI ratio using the future payment information from the creditor or, if not available, 2% of the outstanding balance of the loan per month.
 - If the borrower's ratios are at the maximum permitted the underwriter should obtain actual minimum payments from the borrower's account statements to qualify.

Credit guidelines listed below are required, in addition to the minimum credit score on all loans.

- A written explanation for all inquiries within 90 days is required
 - All past due accounts must be brought current prior to closing
 - Mortgage late payment within the past 24 months are not allowed
 - All judgments and tax liens and any other lien affecting title must be paid prior to closing
- These may not be paid from proceeds of cash out refinancing.

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	<ul style="list-style-type: none"> • Non-title collections or charge-offs exceeding \$1,000 (individually or in aggregate), must be paid. • Borrowers with a history of collection accounts are required to pay off derogatory accounts • Written explanation is required from the borrower on late payment and derogatory credit. • Borrowers may not pay off revolving debt within 90 days of the credit report in order to qualify for the loan • All deposits / gifts must be verified with the borrower(s) • Payment Shock may not exceed 250% • Borrowers with a foreclosure, deed-in-lieu, or short sale in their credit history are ineligible. • Borrowers with a bankruptcy (any type) in their credit history are ineligible. • Borrowers who have had a loan modification are ineligible <ul style="list-style-type: none"> ○ Exception: Loan modifications that are lender initiated and documented proof that it was not a distressed situation is provided • NOTE: Derogatory events listed above (e.g., foreclosure, deed-in-lieu, short sale, loan modification) will cause a borrower to be ineligible even if borrower is "title only" and not on the respective mortgage. • Cash out may not be used to pay down debt to qualify for the loan
<p>Documentation</p>	<p>Standard Fannie Mae <u>full income and asset documentation</u> is required</p> <ul style="list-style-type: none"> • Assets, employment and income are stated and verified (2 years W2's and current paystub, etc.) • Paystub must be computer generated. Handwritten paystubs require a borrower to provide tax returns and all schedules. • 4506-T is required for all loans. The 4506-T must be signed prior to closing and acceptable results must be returned from the IRS prior to receiving a clear to close. <ul style="list-style-type: none"> • When taxes have been filed and the tax transcripts are not available from the IRS, the IRS response to the request must reflect "No Record Found". In this instance, an additional prior year's tax transcript should be obtained. Large increases in income that cannot be validated through the tax transcript may only be considered for qualifying on a case-by-case basis. • When taxes for the prior year have not been filed (between 1/1 and 4/15) the following are required. <ul style="list-style-type: none"> • IRS form 1099 and W-2 forms from the previous year • Loans closing in January prior to receipt of W-2's may use the prior year year-end paystub. For borrowers using 1099's, evidence of receipt of 1099 income must be provided. • Between the tax filing date and the extension expiration date, typically 10/15, the following are required as applicable. <ul style="list-style-type: none"> • Copy of the filed extension • W-2 forms for corporations • Form 1099 for commission income • Current year profit & loss (signed by the borrower) • Balance sheet for prior calendar year if business is a sole proprietorship • After the extension expiration date, loan is ineligible without prior year tax returns. <p>Verbal VOE to be performed by the underwriter prior to closing using investor's VVOE form or if self-employed, an independent written confirmation of self-employment is required (i.e., copy of business license reflecting ownership of company, corporate minutes, etc.)</p> <p>Self-employed, commissioned, or borrowers using overtime or bonus income must have a 2 year history. VVOE must be completed within 10 business day of closing.</p> <ul style="list-style-type: none"> • All loans must include VVOE when requesting funding • Foreign income may be used only if its stability and continuance can be verified, paid in U.S. dollars, and is supported by U.S. Federal tax returns. • Trailing co-borrower income is ineligible. • Rental income may be used to qualify, provided it is listed on Schedule E of tax returns. <p>Survey requirements</p> <ul style="list-style-type: none"> • If title work/purchase agreement requires a survey, a copy must be provided. • Survey exceptions on title render a loan ineligible. Any encroachment or restriction violations mentioned in the title policy must have insuring language. • If any survey includes an exception or encroachment the final title policy must include an ALTA 9 endorsement. <p>Lender/Seller credits</p> <ul style="list-style-type: none"> • Restitution is ineligible • Lender/seller credits must be itemized when requesting funds

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	A spouse may be added as "title only" without being on the note.
Employment	<p>Employment gaps greater than 60 days during the past 2 years require a satisfactory letter of explanation and the borrower must be employed with their current employer for a minimum of 6 months prior to application date.</p> <p>Asset depletion is not allowed as a source of income. Imputed or hypothetical investment returns for asset balances may not be used as "income". <u>Exception:</u> Borrower may use documented regular (monthly) payments from IRA or other similar <u>retirement account</u> where there is a two year history of receipt and a three year continuance so long as it is <u>less than</u> 50% of qualifying income.</p> <p>Borrowers employed by a family member are considered to be self-employed, regardless of the percentage of ownership by the borrower, and self-employed documentation is required. The underwriter must clarify potential ownership by the borrower. A borrower may be an officer of a family operated business but not an owner. Written verification of the borrower's status should be obtained by written confirmation from an accountant or legal counsel. Borrower must provide the preceding 2 years signed dated individual and business (if applicable) tax returns with all support schedules.</p> <p><u>Self-Employed Borrowers</u></p> <ul style="list-style-type: none"> • 2 years personal and business tax returns with all schedules including K-1s • All returns must be verified with IRS 4506T transcripts. If most recent year is not filed or cannot be verified, an AUDITED P&L plus additional tax return may be provided, no exceptions • Partial year <u>audited</u> P&L's are required when more than 3 months have elapsed from most recent tax filing year. (e.g., loan in April 2013 will require audited P&L for first quarter 2013.)
Escrow Holdbacks	Ineligible
Escrow Waivers	Property tax and insurance escrows may be waived for LTV ≤ 80%. Individual state laws may supersede this requirement.
Financing Types	<p>Purchase Transactions</p> <ul style="list-style-type: none"> • Value based on the lesser of current appraised value or acquisition cost <p>Refinance Transactions</p> <ul style="list-style-type: none"> • Properties listed for sale within the past 6 months of loan application are ineligible. • If borrower has less than 12 months ownership in the subject property the LTV/CLTV is calculated on the lower of the purchase price or appraised value. • If borrower has owned the property more than 12 months, LTV/CLTV is based on the appraised value. • A Net Tangible Benefit Worksheet must be completed and is required to be signed by the borrower and in the file at time of submission to investor for approval. Supporting documentation is required to be in the loan file to verify the information entered on the NTBW. Verification documents from the existing lien may include: <ul style="list-style-type: none"> • Copy of note(s) from existing lien(s) • Final TIL • Payment coupon • Payoff statement • Continuity of Obligation is required <p><u>Rate/Term Transactions</u></p> <ul style="list-style-type: none"> • The new loan amount is limited to the payoff of the present first lien, and • Closing costs and prepaids, and • Cash to borrower is limited to the lesser of 1% of the principal amount of the new mortgage or \$10,000, and • Payoff of a subordinate lien that was used in its <u>entirety</u> for purchase money (FNMA rule) • The refinancing of non-purchase money closed end and HELOC 2nd liens will be considered a rate/term refinance if they are seasoned ≥ 12 months and there are <u>no draws</u> on the HELOC within the last 12 months. <p><u>Cash Out transactions</u></p> <ul style="list-style-type: none"> • Maximum cash out permitted is \$500,000 to 60% LTV/CLTV and \$350,000 to 65% LTV/CLTV which includes cash back to borrower and pay off of unseasoned second liens, non-purchase money liens, and non-mortgage debt, if any. • To be eligible for a cash out refinance transaction, the loan being paid off must be seasoned for at least six months (includes both 1st and 2nd liens) • Judgments and tax liens and any other lien affecting title must be paid PRIOR to closing. These may not be paid with proceeds of cash out refinancing.

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	<p>Inherited Properties Borrower must be on title for 12 months prior to application date.</p> <p>Construction loans are ineligible Conversion loans (construction loan modifications) are ineligible</p>
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	Higher-priced mortgage loans (12 CFR 1026.35) are prohibited on this program.
Income	<p>Full Income Documentation is required. For most income types, this would include:</p> <p>Employed Borrowers: Most recent paystub including year-to-date earnings (covering minimum of 30 days) and two years W2's; or Traditional Written Verification of Employment and income covering at least 2 years are required for employed borrowers.</p> <p>All borrowers must be qualified using current verifiable income, not projected income.</p> <p>Self-Employed borrowers: Two years personal returns (along with all schedules) and business tax returns (for businesses where borrower has 25% or more ownership interest and the income from the businesses is being used for qualification)</p> <p>In addition, Verbal Verification of Employment required for all borrowers and must be completed:</p> <ul style="list-style-type: none"> Within 10 calendar days prior to the closing date for employment income Within 30 calendar days prior to the closing date for self-employment income. (VVOE for Self Employed income should include verification of a phone listing and address for the borrower's business AND verification through a third party such as a CPA, regulatory agency or applicable licensing bureau. If contact is made verbally, the loan file must be documented to identify both the source of the information obtained and the name and title of the person who obtained the information. <p>Asset depletion is not allowed as a source of income. Imputed or hypothetical investment returns for asset balances may not be used as "income". <u>Exception:</u> Borrower may use documented regular (monthly) payments from IRA or other retirement account where there is a two year history of receipt and a three year continuance so long as it is <u>less than</u> 50% of qualifying income.</p> <p>IRS Form 4506T is required to be signed and executed during the origination process, and transcript documentation for the most recent two years must be provided in the closed loan file. For self-employed borrowers, this applies to both personal returns and business returns for businesses where borrower has 25% or more ownership and the income from the businesses is being used for qualification).</p> <p>Form 4506T must also be signed at closing.</p>
Lender/Seller Credits	Lender/seller credit must be itemized when requesting funds.
Limitations on Other Real Estate Owned	<p>*Changes below are effective with locks on or after 5/1/14</p> <p>Number of properties owned: The maximum is four five* financed properties per borrower (note: additional reserve restrictions apply for > two financed properties)</p> <ul style="list-style-type: none"> Investor will not purchase more than four (4) five* (5) loans from one borrower Borrowers will be required to hold the greater of 18 months reserves or otherwise stated for the subject property and 6 months for each additional financed property See Assets for additional reserve requirements A property where borrower is on title but is not obligated on the note is not counted as a "financed Property" for this four five financed property limitation.
Mortgage Insurance	Not required
Occupancy	Eligible:

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	<p>Primary Residence – 1-unit and 2-unit only Second Homes – 1 unit only</p> <p><u>Ineligible:</u> Investment or Non Owner Occupied</p> <p><u>Primary Residence:</u> A primary residence is a property that the borrower(s) intend to immediately occupy as his or her principal residence. Characteristics that may indicate that a property is used as a client's primary residence include:</p> <ul style="list-style-type: none"> • It is occupied by the client for the major portion of the year. • It is in a location relatively convenient to the client's principal place of employment. • It is the address of record for such activities as federal income tax reporting, voter registration, occupational licensing, and similar functions. <p><u>Second Homes:</u> A property is considered a second home when it meets all of the following requirements:</p> <ul style="list-style-type: none"> • Must be located a reasonable distance away from the borrower(s) principal residence. • Must be occupied by the borrower(s) for some portion of the year. • Is restricted to a one-unit dwelling. • Must be suitable for year-round occupancy. • The borrower(s) must have exclusive control over the property.
<p>Prepayment Penalty</p>	<p>None</p>
<p>Property Types</p>	<p>Eligible</p> <ul style="list-style-type: none"> • 1-unit single family residences (attached and detached) and PUDs (attached and detached) • Condominium – <u>FNMA warrantable</u> with CPM (Condo Project Manager) approval. Limited Review is not acceptable. Documentation must be in file. <p>Note: Condo projects with less than 10 units must be typical for the area and the appraisal must show similar comparables.</p> <ul style="list-style-type: none"> • 2-unit Properties (within matrix parameters) • Acreage > 10 and ≤ 20 acres must be typical for the area, maximum 35% land to value, and no income producing attributes. • Hobby Farms must meet the following criteria: <ul style="list-style-type: none"> • Appraisal photos must not show any indication of agricultural use on the subject property • Appraiser does not indicate any previous agricultural use on the subject property • Subject property's site is common for the area • Schedule E of tax returns shows no income from the subject property • Borrower's profession is not agriculturally related <p>Ineligible</p> <ul style="list-style-type: none"> • Multi-unit properties (3-4 unit primary residences) • Acreage > 20 acres • Agricultural zoned property • Condo hotel • Co-ops • Income producing properties with acreage • Leaseholds • Log Homes • Manufactured housing • Mixed use properties • Modular homes • Properties subject to oil and/or gas leases • Title may not be held in a business name • Unique properties • Working farms, ranches or orchards
<p>Qualifying Rate and Ratios</p>	<p><u>Qualifying Rate</u></p> <ul style="list-style-type: none"> • Fixed, 7/1, 10/1 - Qualify at note rate (based on a fully amortizing principal and interest payment) • 5/1 ARM – Qualify at the greater of the <u>fully-indexed rate</u> or <u>Note rate plus 2%</u>

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	<ul style="list-style-type: none"> ARM qualifying ratios are based on a fully amortizing principal and interest payment. <p><u>DTI Ratio</u></p> <ul style="list-style-type: none"> 43% Maximum
Secondary Financing	<p>Existing subordinate financing is eligible. New secondary/subordinate financing is not allowed.</p> <p>The loan file must disclose subordinate financing repayment terms to the underwriter and appraiser.</p> <ul style="list-style-type: none"> Refinance transactions a copy of the current note and mortgage/deed of trust must be provided. A recorded subordination agreement is required for all loans closing with subordinate financing. <p>A modification of existing subordinate financing at the time of the new loan is allowed in order to comply with CLTV limits.</p>
Survey/Title	<p>If title work/purchase agreement requires a survey, a copy must be in the loan file.</p> <p>Survey exceptions on title render a loan ineligible for purchase.</p> <p>Any encroachment or restriction violations mentioned in the title policy must have insuring language.</p> <p>If any survey includes an exception or encroachment the final title policy must include an ALTA 9 endorsement.</p>
Temporary Buydown	Not allowed
Underwriting	<p>Impac Underwriting Manager review and signature is required for loan amounts > \$1,000,000 and ≤ \$2,500,000.</p> <p>Impac Senior Credit Committee member must review and sign for loan amounts > \$2,500,000.</p> <p>Loans must be manually underwritten. Defer to FNMA Selling Guide for underwriting issues not addressed in this matrix.</p> <p>File must include title commitment with 24 months title history.</p> <p><u>Loan/Property restrictions per borrower are as follows:</u></p> <ul style="list-style-type: none"> Borrowers are limited to 2 Jumbo loans per borrower at any time Borrower may not have more than 4 residential properties financed. Joint ownership in residential real estate is considered the same as total ownership and is subject to the same restriction. <p><u>Self-Employed Borrowers</u></p> <ul style="list-style-type: none"> 2 years personal and business tax returns with all schedules including K-1s All returns must be verified with IRS 4506T transcripts. If most recent year is not filed or cannot be verified, an AUDITED P&L plus additional tax return may be provided, no exceptions Partial year <u>audited</u> P&L's are required when more than 3 months have elapsed from most recent tax filing year. (e.g., loan in April 2013 will require audited P&L for first quarter 2013.) <p><u>Business Use of Home is ineligible</u></p> <p>If borrowers are showing ANY business use of home on a Schedule C or showing rental income on the Schedule E for any part of the home (e.g., office being rented to the business) then the loan is ineligible. This includes outbuildings on the property as well. Simply using the home address as the address for the business, when there is no indication of business use of home on the tax returns, is acceptable.</p> <p><u>Retained Residence</u></p> <p>When borrower is purchasing a new primary residence and retaining the existing primary residence the following requirements apply:</p> <ul style="list-style-type: none"> Equity in the existing residence must be at least 30%, using AVM (or appraisal); and LOE (letter of explanation) declaring that borrower will occupy new residence as Primary; and Lease for existing residence or LOE describing prior landlord experience; and May NOT use rental income, if any, from the retained residence, either as qualifying income or as an offset to existing PITIA expenses. Borrower must qualify with both payments. NOTE: The 30% equity in retained residence is <u>required</u> to obtain a Jumbo loan on the new property. <p><u>All loans must include at submission the following:</u></p> <ul style="list-style-type: none"> Completed 1003 Complete income documentation Complete asset documentation Title work (commitment may not be more than 90 days old at time of close) All applicable initial disclosures, fully executed within appropriate timeframes Purchase agreement/sales contact, as applicable.

	<p><u>Property ownership history</u></p> <ul style="list-style-type: none"> • The Underwriter is to take into consideration the number of properties owned and the length of time the property has been owned. • Investors who demonstrate a rapid acquisition (acquired within the most recent 24-month period) of investment properties will be reviewed cautiously. Underwriting reserves the right to request documentation to evidence the borrower had the funds required to purchase any property acquired within the last 24 months and/or sufficient verified asset to provide adequate reserves for the investment portfolio. • Borrower may not own more than 4 financed properties. • Departing (retained) residence, regardless if converted to investment, 2nd home or listed for sale requires a minimum of 30% equity. (2055 Drive By Appraisal or higher is required) <p><u>Other Underwriting Information:</u> Schedule F pertaining to subject property is ineligible Payment Shock may not exceed 250% for FTHB & Borrowers with less than 5 years job history and consistent earned income. Borrowers who sold their home within the last 180 days use the prior mortgage payment for purposes of payment shock calculation. If the home is owned free and clear, use the prior mortgage payment. A copy of the HUD1 for the sold home or proof of payoff is required. Refinance transactions are excluded.</p> <p><u>Underwriting Verifications Required in Loan File</u> The following items should be in every loan file to evidence compliance with CFPB and Dodd-Frank rules:</p> <ol style="list-style-type: none"> 1) <u>QM Checklist</u> – That lender has examined and determined the loan is a Qualified Mortgage 2) <u>ATR Checklist</u> – That lender has considered the eight items required by Ability-To-Repay rules 3) <u>Points and Fees printout</u> – Document all points and fees and provide calculations to confirm compliance. This may include compliance software printout or other calculation worksheets. 4) <u>Evidence of Undisclosed Debt Monitoring</u> – UDM monitors the quiet period between original credit pull and the closing of the loan. File should contain evidence of this credit monitoring. <p>Note: There is not a required form or format for the above items.</p>
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