



AGENCY JUMBO

Full Doc

15 & 30 yr Fixed, 5/1 LIBOR ARM

Interest Only Available on 30 yr Only

PROGRAM TO ADOPT THE TEMPORARY CONFORMING-JUMBO LOAN LIMITS THAT APPLY ONLY TO CERTAIN HIGH-COST AREAS. THE NEW LOAN LIMITS ALLOW LOAN AMOUNTS AS HIGH AS \$729,750. PLEASE SEE EXHIBIT AT THE END OF THE MATRIX FOR ELIGIBLE STATES, COUNTIES & MAXIMUM LOAN LIMITS

PURCHASE & RATE/TERM REFINANCE

OCCUPANCY	UNITS	LOAN AMT	LTV	CLTV	FICO
Owner Occupied	1 unit	SEE TABLE	90%	90%	700
			75%	90%	660
2 nd Home	1 unit	SEE TABLE	60%	60%	660
Investment	1 unit	SEE TABLE	60%	60%	660

- 1 unit SFR, PUD, FNMA warrantable condo only
- Interest only not permitted for investment properties
- Maximum DTI 45%
- **MI restrictions apply: Loans with > 80% LTV limited to 650K loan amount**

CASH OUT REFINANCE

OCCUPANCY	UNITS	LOAN AMT	LTV	CLTV	FICO
Owner Occupied	1 unit	SEE TABLE	75%	75%	720

- Maximum Cash Out \$100,000 (Proceeds to borrower or any other payee)
- 1 unit SFR, PUD, FNMA warrantable condo only
- Maximum DTI 45%



Product Information

ELIGIBLE TERMS

30 year fixed

15 year fixed

5/1 Libor ARM – 5/2/5 caps; see rate sheet for margin

Interest Only – 10 year interest only period available on 30 yr fixed

Note: Interest only loans will be processed through LP in addition to complying with the outlined credit requirements in this guide.

PRODUCT CODES

AJ130FD – 30 YR FIXED

AJ130FDI – 30 YR FIXED WITH 10 YR INTEREST ONLY PERIOD

AJ115FD – 15 YR FIXED

AJ105FD – 5/1 LIBOR ARM

MINIMUM LOAN AMOUNT

\$417,001

QUALIFYING INFORMATION

Qualifying Payment

Fixed rate: Qualify at the note rate, fully amortizing payment. Includes interest only.

Adjustable rate: Qualify at the note rate + 2%

Ratios

Maximum 45% DTI.

Loan is manually underwritten however may use LP for guidance.

Maximum DTI is regardless of LP findings.

TEMPORARY BUYDOWN

Not permitted

SUBORDINATE FINANCING

- See Matrices for max CLTV allowable.

Subordinate financing parameters must comply with Fannie Mae guidelines.

Subordinate financing must provide for the following:



- Regular payments of principal and interest or regular payments of interest only so that negative amortization does not occur.
- Interest rate at market rate as defined by Fannie Mae.
- Must fully amortize under a level monthly payment plan and may not have a maturity or balloon payment date of less than five years.
- Must permit prepayment at any time without penalty.
- May not include wraparound terms that combine the indebtedness of the first mortgage with the subordinate mortgage.

In some cases, the seller of the property may elect to provide secondary financing to the applicants. The sellers may be motivated to provide secondary financing when applicants do not qualify for maximum financing and the seller wants to sell the subject property more quickly, or it may be indicative that the property is difficult to market. Seller carry-backs must meet all requirements outlined in the Subordinate Financing section above.

Seller carry-backs are permitted on primary residences and second homes provided the combined LTV does not exceed the maximum for the product, program and documentation process selected. Typically, the Purchase & Sale Agreement will state that the present owner is willing to provide secondary financing.

- All payments related to secondary financing must be included in the debt ratio.
- The lien must be recorded and clearly subordinated.
- A copy of the note must be obtained to verify the amount secured against the property.
- Regular payments must cover at least the principal and the interest at the market rate.
- The subordinate loan cannot have a call option of less than five years.
- The subordinate loan must permit pre-payment at any time without a penalty.

MORTGAGE INSURANCE COVERAGE REQUIREMENTS

Coverage Requirements for LTV > 80%:

LTV	30, 35 & 40 YR FIXED	15 YR FIXED
80.01-85%	12%	6%
85.01-90%	25%	12%

**MI coverage may not be available in declining markets - see declining markets policy.
LPMI IS NOT AVAILABLE**

IMPOUND/ESCROW ACCOUNTS

Escrow/Impound accounts are required for all over 80% LTV, except where mandatory escrow/impounds prohibited by state law.

California properties: impounds required for 90% LTV

Fee will apply for impound waiver (see rate sheet) regardless of LTV/state.



PREPAYMENT PENALTY

None

SECTION 32/HIGH COST LOANS

Not allowed

NON ARMS LENGTH TRANSACTIONS / GIFT OF EQUITY

Not allowed

Borrower Eligibility

RESIDENCY / IMMIGRATION STATUS

- All loan programs are based on the assumption that the borrower is a US Citizen defined as a native or naturalized person.
- Permanent resident aliens (defined as non-US citizens who hold evidence of permanent residency) are granted same loan terms as US citizens. Permanent residents must provide one of the following:
 - Alien Registration Card (green card) with a 10 yr expiration date on the front, but no expiration date on the back.
 - Alien Registration Receipt Card (I-551) with an expiration date and must be accompanied by a copy of an unexpired form I-751
 - Unexpired foreign passport that contains an unexpired stamp reading "Processed for I-551. Temporary evidence of Lawful Admission for Permanent Residence. Valid until XX. Employment Authorized"
 - Other evidence of permanent residency issued by US government.
 - Borrowers with diplomatic immunity are not eligible.
- Non-Permanent Resident Aliens not permitted.
- Foreign National not permitted

NON-OCCUPANT CO-BORROWERS

Max 90% LTV/CLTV

Full Doc primary residence only

Max DTI 43% for occupying borrower

5% of down payment must come from borrowers' own funds.

FIRST TIME HOMEBUYERS

Must meet all standard FNMA/FHLMC underwriting guidelines, no specific restrictions.



MULTIPLE PROPERTIES

Maximum 4 total financed properties including borrower's principal residence regardless of subject property occupancy.

Credit Requirements

CREDIT HISTORY

All borrowers must meet minimum FICO score requirements, no exceptions.

Pricing/qualifying is based on the lowest middle FICO for multiple borrowers.

0x30 mortgage/rental lates in the lesser of the past 12 months or the life of the loan.

Non-traditional credit not permitted

Payment history required for each mortgage or rental history, including accounts that do not appear on the credit report.

Standard FHLMC credit guidelines apply (3 traditional tradelines, 24 months history)

7 years since BK/Foreclosure, with reestablished credit (4 trades/3 active in last 24 mos)

Income Requirements

DOCUMENTATION TYPE

Full Doc only

LP may be utilized by underwriting (required for interest only), however all transactions are manually underwritten against the parameters of this guideline.

Wage earner income/employment:

- Most recent 30 days paystubs with YTD earnings, 2 years W2s & 1040s required.
- 2 months bank statements for assets (3 mos for investment properties)
- Verbal VOE
- IRS 4506T/8821 not required
- Wage earner income includes commission income totaling 25% or less of annual income
- All sources of income including non employment income (retirement, interest, dividends etc) may be used to qualify, will require verification (1099, award letter, etc) 4506T is required for verification of non employment income.
- Employment gaps exceeding 30 days require written explanation
- Foreign income is not permitted

Self employed income/employment:

- Most recent 2 years signed tax returns (personal & business) with all schedules
- Profit/loss YTD required



- 2 months bank statements for assets (3 mos for investment properties)
- Verification of business for last 2 years
- 4506T/8821 must be signed at closing by all borrowers covering the past year
- Documentation that the business is open and operating within 30 days of loan closing
- Self employed income includes commission greater than 25% of annual income
- Verification should include documents required to confirm receipt of income for the past 12 months and that the income is expected to continue for the next 3 years

Asset Requirements

DOWN PAYMENT REQUIREMENTS

Source of funds for down payment and reserves must be verified.

2 most recent consecutive months' bank statements must be provided (3 months for investment properties)

Note: Large deposits inconsistent with other deposits and/or gross qualifying income require explanation and acceptable verification.

GIFT FUNDS

Gift funds are permitted and must be fully documented following standard FNMA guidelines.

Seller funded gift programs are not acceptable.

Borrowers must contribute at least 5% of their own funds regardless of LTV.

Gift funds are not permitted on investment properties.

Gift funds may not be used to meet reserve requirements.

RESERVE REQUIREMENTS:

Primary residence/owner occupied: 2 months PITI required

2nd home & investment property: 6 months PITI required for each property owned

If the sale of the borrower's current home does not close prior to the subject property, the housing payment does not need to be included in the qualifying ratios provided the borrower:

- **Provides a copy of the fully executed sales contract and, the sale of the current home closes simultaneous with the subject transaction; or**
- **If not closing simultaneously, provides a copy of the fully executed sales contract, lender's commitment letter to the buyer of the current home, and verification of post-close reserves sufficient to cover six months of PITI; or**
- **If the borrower provides a signed lease agreement for the rental of their current residence, the full PITI payment does not need to be included in the qualifying ratios. However, any**



applicable negative rental income must be included as a liability in the qualifying ratios. In addition, the borrower must have post-close reserves sufficient to cover six months of PITI.

INTERESTED PARTY CONTRIBUTIONS

Interested party funds include funds contributed by property seller, builder, real estate agent/broker, mortgage lender, or any party with an interest in the real estate transaction. Interested party contributions may be used exclusively to cover closing costs & prepaid expenses.

- 3% maximum contribution for owner occupied & 2nd home, regardless of LTV/CLTV
- 2% maximum contribution for investment properties, regardless of LTV/CLTV

Transaction Type

PURCHASE

- Financing of the purchase of the property both land and improvements
- Payoff of an outstanding balance on an installment land contract including any costs incurred for renovation, rehabilitation or improvements not to exceed the existing liens
- Convert an interim construction loan or term-note into permanent financing, as long as the borrower receives no cash from settlement.
- Convert a lease option to permanent financing
- In these cases, the LTV is based on the lesser of current appraised value or document acquisition cost/purchase price.
- The acquisition cost must be verified by a valid contract to build and/or accumulated paid receipts and/or cancelled checks and lien waivers.
- If the land was purchased separately, a copy of the closing statement or contract for deed (land contract) is required to document the acquisition of the land.

RATE AND TERM REFINANCE

- **Loan being refinanced must be seasoned at least 6 months (ie 6 payments made) from the date of the most recent refinance or date of purchase.**
- Borrower is currently on title to the land
- Payoff the outstanding unpaid principal balance of the existing first mortgage, regardless of the loan origination date; and
- Financing of related closing costs and prepaid items; and
- Funds Disbursed to the borrower may not exceed 1% of the principal amount of the new mortgage.
- Payoff of a subordinate loan that meets the following requirements; and:



- The subordinate lien was made more than 12 months ago and is a closed-end second, or, Subordinate lien is a home equity line of credit, the total amount of draws against the line during the past 12 months does not exceed \$2,000, (as documented by copies of home equity line statements); or
- The subordinate lien was made within the last 12 months, is a closed-end second, and all of the proceeds were used to acquire the property (as documented by a copy of the HUD-1 settlement statement), or
- The subordinate lien was made within the last 12 months, but all of the proceeds were used to improve the property, and all of the following criteria are met:
 - The subject property is a 1-unit primary residence or second home; and
 - Dollar-for-dollar adjustments for the improvements were not made on the appraisal; and
 - Borrower provides copies of home improvement contracts and canceled checks or paid receipts as documentation of the costs of the improvements; and
 - Documentation is provided to evidence borrower received no cash at closing; and
 - If the subordinate lien is a home equity line of credit, the total amount of additional draws within the past 12 months does not exceed \$2,000 (as documented by copies of home equity line statements);

CASH OUT

Loan being refinanced must be seasoned at least 6 months (ie 6 payments made) from the date of the most recent refinance or date of purchase.

Any funds borrowed that exceed the above requirements for a rate & term refinance are considered cash out refinance.

A cash-out refinance transaction enables a borrower to pay off his or her existing mortgage by obtaining a new first mortgage that is secured by the same property, or enables the property owner to obtain a mortgage on a property that does not already have a mortgage lien against it. A transaction that does not meet all of the criteria listed for a Rate/Term Refinance must be treated as a cash-out refinance and must meet all the LTV/loan amount restrictions. This includes payoff of any second mortgage that is not permitted as outlined in the Rate/Term Refinance section above.

Property Eligibility

PROPERTY VALUATION

- AVM will be obtained by UW to support value. Field review required for LTV/CLTV > = 75% and value > = \$1M



- For construction to permanent transactions secured by 1 unit owner occupied or 2nd home where the borrower has owned the land/lot for less than 12 months may use the current appraised value of the property to determine LTV.
- ALL investment properties if owned less than 12 months: Value for all refinance transactions will be the acquisition cost plus documented improvements or the current appraised value, whichever is less.

APPRAISAL REQUIREMENTS

- Age of appraisal maximum 120 days, at which time a recertification of value may be acceptable, however if u/w determines that the age of the comps on the appraisal is not acceptable, a new full appraisal may be required.
- All appraisals are subject to appraisal review
- Marketing time by the appraiser is 3–6 months
- Comps cannot be in excess of 1 mile from subject property.
- Emergency release lever is required on bars on windows
- Fixer–uppers are not allowed
- Property has to be in average condition
- **Property cannot have been listed on MLS in the last 3 months for cash out refinance. For rate/term refinance, property may have been listed within the last 3 months however must not currently be listed. Verification of removal from MLS is required.**
- Full interior and exterior appraisal required, and must be qualified appraiser without oversight or supervision by a “supervisory” or “review” appraiser.
- **Field review and cost of appraisals are according to market rates at the time of the order. We do not add additional fees to the appraisal review fee and the amount of the review will be quoted on the approval condition and required by check prior to the order of the review.**
- **Note – properties in declining markets may subject to LTV/CLTV reduction or MI limitations – see declining markets policy.**
- **Properties in declining markets: comparable sales should be dated within the prior 3–6 months.**

ACCEPTABLE PROPERTIES

- Single family residence
- PUD (detached, semi-detached, attached)
- Condo one to four stories – FNMA/FHLMC warrantable only

UNACCEPTABLE PROPERTIES

- 2–4 units
- Non-warrantable condos



- Manufactured Homes
- Condo-tels
- Co-ops
- Properties listed on MLS within the last 3 mos are not permitted

LEASEHOLD PROPERTIES

Leaseholds must outlive the loan term by a minimum of 5 years
SFR only (no condos or units)

GEOGRAPHIC RESTRICTIONS

The program is limited to the following counties, loan limits are listed by county/MSA:

STATE	MSA NAME	COUNTY	MAXIMUM LOAN AMOUNT
AZ	Flagstaff, AZ MSA	Coconino	\$450,000
CA	Bishop, CA	Inyo	\$437,500
	Los Angeles-Long Beach-Glendale	Los Angeles	\$729,750
	Madera, CA MSA	Madera	\$425,000
	Merced, CA MSA	Merced	\$472,500
	Modesto, CA MSA	Stanislaus	\$423,750
	Napa, CA MSA	Napa	\$729,750
	Alpine	Alpine	\$547,500
	Amador	Amador	\$443,750
	Calaveras, Mono	Calaveras, Mono	\$462,500
	Oakland-Fremont-Hayward	Alameda, Contra Costa	\$729,750
	Oxnard-Thousand Oaks-Ventura	Ventura	\$729,750
	Phoenix Lake-Cedar Ridge	Tuolumne	\$437,500
	Redding, CA MSA	Shasta	\$423,750
	Riverside-San Bernardino-Ontario	Riverside, San Bernardino	\$500,000
	Sacramento-Arden Arcade-Roseville	El Dorado, Placer, Sacramento, Yolo	\$580,000
	Salinas, CA MSA	Monterey	\$729,750
	San Diego-Carlsbad-San	San Diego	\$697,500



	Marcos		
	San Francisco–San Mateo–Redwood City	Marin, San Francisco, San Mateo	\$729,500
	San Jose–Sunnyvale–Santa Clara	San Benito, Santa Clara	\$729,500
	San Luis Obispo–Paso Robles	San Luis Obispo	\$687,500
	Santa Ana–Anaheim–Irvine	Orange	\$729,750
	Santa Barbara–Santa Maria	Santa Barbara	\$729,750
	Santa Cruz–Watsonville	Santa Cruz	\$729,750
	Santa Rosa–Petaluma	Sonoma	\$662,500
	Stockton, CA	San Joaquin	\$488,750
	Truckee–Grass Valley	Nevada	\$562,500
	Ukiah, CA	Mendocino	\$512,500
	Vallejo–Fairfield	Solano	\$557,500
	Yuba City, CA	Sutter, Yuba	\$425,000
NV	Gardnerville Ranchos	Douglas	\$468,750
OR	Bend, OR	Deschutes	\$447,500
	Medford, OR	Jackson	\$422,500
	Portland–Vancouver–Beaverton OR/WA	Clackamas, Columbia, Multnomah, Washington, Yamhill	\$418,750