

**Correspondent Lending
FHA
Fixed Rate Product Profile**

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ELIGIBILITY MATRIX & SUMMARY GUIDELINES

10, 15, 20, 25 & 30 YR Fixed Rates
High Balance 15 & 30 YR Fixed Rates

Government						
Occupancy						
Primary Residence						
Purchase						
Property Type (5)	Maximum LTV	CLTV/HLTV	Maximum Loan Amount (1)	Minimum Credit Score	AUS Response	
1 Unit, PUD & Condo	96.50%	100% (9)	Varies by County	<u>620</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	
2 Units (2)	96.50%	100% (9)	Varies by County	<u>620</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	
3 to 4 Unit (2)	96.50%	100% (9)	Varies by County (3)	<u>620</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	
Occupancy						
Primary Residence						
Rate/Term Refinance						
Property Type (5)	Maximum LTV	CLTV/HLTV	Maximum Loan Amount (4)	Minimum Credit Score	AUS Response	
1 Unit, PUD & Condo	97.75%	97.75%	Varies by County	<u>620</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	
2 Units	97.75%	97.75%	Varies by County	<u>620</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	
3 to 4 Unit	97.75%	97.75%	Varies by County (3)	<u>640</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	
Occupancy						
Primary Residence						
Cash Out Refinance						
Property Type (5)	Maximum LTV	CLTV/HLTV	Maximum Loan Amount (6)	Minimum Credit Score	AUS Response	
1 Unit, PUD & Condo	85% (7)	85% (7)	Varies by County	<u>640</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	
2 Units	85% (7)	85% (7)	Varies by County	<u>680</u>	FHA TOTAL Scorecard Accept , DU Approve or LP Accept required ; Refer responses not allowed	

1. Refer to FHA Purchase Maximum Mortgage Worksheet, Doc. [LLNFHA-#3328](#) for calculation of maximum purchase loan amount
2. Purchase transactions with a Non-Occupant Co-Borrower secured by 2 to 4 unit properties are limited to a maximum 75% LTV
3. LenderLive will not lend more than \$650,000 on 3 to 4 units, regardless of the applicable FHA county loan limit
4. Refer to FHA Rate/Term Refinance Maximum Mortgage Worksheet, Doc. [LLNFHA-#3342](#) for calculation of maximum Rate/Term Refinance loan amount
5. Manufactured, Mobile are not allowed; see Property: Ineligible Types section for additional ineligible property types
6. Refer to FHA Cash Out Refinance Maximum Mortgage Worksheet, Doc. [LLNFHA-#3345](#) for calculation of maximum Cash Out Refinance loan amount
7. Maximum Cash Out limited to \$200,000
8. 3 to 4 unit properties - Cash Out Refinance are not allowed
9. Refer to Source of Funds section for additional requirements

Eligibility

Age of Documents	<ul style="list-style-type: none"> Credit documents must be no more than 120 days old (180 days for New Construction) on the date the Note is signed, including credit reports and employment, income and asset documents Preliminary Title Policies must be no more than 180 days old on the date the Note is signed Flood Hazard Determination Certification must be no more than 180 days old on the date the note is signed
Appraisals	<ul style="list-style-type: none"> Refer to FHA Underwriting Guidelines LenderLive will purchase loans secured by properties with "unpermitted" structural additions under the following conditions: <ul style="list-style-type: none"> The subject addition complies with all investor guidelines The quality of the work is described in the appraisal and deemed acceptable ("workmanlike quality") by the appraiser The addition does not result in a change in the number of units comprising the subject property (e.g. a 1 unit converted into a 2 unit) If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance by the use of comparable sales with similar additions and state the following in the appraisal: <ul style="list-style-type: none"> Non-Permitted additions are typical for the market area and a typical buyer would consider the "unpermitted" additional square footage to be part of the overall square footage of the property The appraiser has no reason to believe the addition would not pass inspection for a permit

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Assignment of Mortgages	<ul style="list-style-type: none"> All loans must be registered with MERS at time of delivery to LenderLive and a MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller, to LenderLive (MERS ORG ID # 1010320), within 24 hours of purchase
AUS / Underwriting Method	<ul style="list-style-type: none"> FHA TOTAL Scorecard Accept, DU Approve or LP Accept required See AUS Response section of Eligibility Matrix Manual underwriting is not permitted
CAIVRS	<ul style="list-style-type: none"> All borrowers must be screened using the Credit Alert Interactive Voice Response System (CAIVRS) FHA will not insure a loan if the borrower is currently delinquent on any unpaid federal debt, or has had a claim paid within the previous 3 years
Condominiums	<ul style="list-style-type: none"> Condominium 234(C) loans require prior approval by FHA Field Office and LenderLive
Contributions	<ul style="list-style-type: none"> Maximum 6% seller contributions
Credit	<ul style="list-style-type: none"> Each borrower must have at least one credit score to be eligible; BORROWERS WITHOUT CREDIT SCORES - not allowed A Gap Credit Report (re-pulled credit report) is required within 10 days of note date <ul style="list-style-type: none"> New debts, liabilities, inquiries and/or public records must be addressed according to FHA guideline requirements Correspondents are responsible for determining that all debts incurred or closed by the borrower, up to and concurrent with settlement on the subject mortgage loan, are disclosed on the final loan application that is signed by the borrower at closing. These debts must be evaluated and included in the qualification for the subject mortgage loan LenderLive requires a minimum of 3 credit references per credit-qualifying loan, regardless of TOTAL Scorecard response <ul style="list-style-type: none"> Each credit reference must have at least a 12 month history 3 tradelines may be a combination of traditional references and acceptable non-traditional references, however there is no rental history requirement as described in the following section for borrowers without credit scores <ul style="list-style-type: none"> For joint loans, the borrower's and co-borrower's combined tradelines must yield a total of 3 traditional and/or non-traditional tradelines Borrowers on joint loans are not required to have 3 tradelines per borrower. Rather, the 3 tradeline requirement is applied to the loan and not each individual borrower A joint trade line reported on each borrower's individual credit report is one trade line and may not be counted as 2 separate trade lines Tradelines on which the borrower is an authorized user may not be counted as a traditional or non-traditional trade line Non-traditional credit may not be used to offset a borrower's poor credit, regardless of whether or not a credit score exists Borrowers with fewer than 3 traditional tradelines are ineligible for 3 to 4-unit Purchase or Rate and Term Refinance transactions Maximum ratios for borrowers with fewer than 3 traditional tradelines on the credit report (regardless of AUS response): <ul style="list-style-type: none"> Maximum housing ratio - 31% Maximum total debt ratio - 43%
Derogatory Credit	<p>Bankruptcy</p> <ul style="list-style-type: none"> Borrowers with a bankruptcy discharged within the past two years will not be approved without an Approve or Accept response from TOTAL Scorecard Borrowers with a previous Chapter 7 bankruptcy will not be eligible for FHA financing if the bankruptcy was discharged within the past 2 years, unless an Accept or Approve response is received from TOTAL Scorecard <p>Foreclosure</p> <ul style="list-style-type: none"> Borrowers with a previous foreclosure will not be eligible for FHA financing if the foreclosure occurred within the past three years, unless an Accept or Approve response is received from the TOTAL Scorecard <p>Judgments</p> <ul style="list-style-type: none"> For Cash Out Refinances, proceeds may not be used to pay off outstanding judgments at closing

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<p>Disaster Policy</p>	<ul style="list-style-type: none"> • <u>LenderLive may require a post-disaster inspection when the appraisal occurred before the incident end date of the disaster</u> • <u>See LenderLive Disaster Policy in Seller Guide for details</u>
<p>Down Payment Assistance</p>	<ul style="list-style-type: none"> • <u>Down Payment Assistance programs are permitted in accordance with Agency Guidelines. The source of the Down Payment Assistance must be a Government Entity. (i.e., Non Profits and Trade Unions are not permitted)</u> • Seller funded down payment assistance programs are ineligible
<p>Eligible Borrowers</p>	<ul style="list-style-type: none"> • U.S. Citizens with valid Social Security Number • Permanent Resident Aliens with valid Social Security Number • Non-Permanent Resident Aliens may qualify (refer to Handbook 4155.1 REV-5) with valid Social Security Number • For Non-Occupant Co-Borrowers with valid Social Security Number <ul style="list-style-type: none"> ▪ Purchase transactions are limited to 75% LTV when secured by 2 to 4 unit properties ▪ Not eligible for Cash Out refinance transactions <p><u>LenderLive does not accept borrowers that receive Government/Public Assistance Income (commonly known as Section 8)</u></p>
<p>Ineligible Borrowers</p>	<ul style="list-style-type: none"> • <u>Any individual without a valid U.S. Social Security Number</u> • <u>Individuals with a U.S. Individual Taxpayer Identification Number (ITIN) only</u> • <u>Investors</u> • <u>Foreign nationals and borrowers with diplomatic immunity</u> • <u>Illegal aliens</u> • <u>Inter Vivos or "Living" Revocable Trusts</u>
<p>Eligible Mortgage Products</p>	<ul style="list-style-type: none"> • Fixed Rate: 10, 15, 20, 25 & 30 yr terms (FHA High Balance is only permitted for 15 & 30 yr terms) • Section 234(C) Condominiums
<p>Ineligible Mortgage Products and Special Features</p>	<ul style="list-style-type: none"> • <u>Any FHA programs/mortgage types identified in the FHA Handbook that are not specifically allowed in the Eligible Mortgage Types above, including but not limited to the following:</u> <ul style="list-style-type: none"> ▪ <u>203(K) Rehab</u> ▪ <u>Streamline K Rehab</u> ▪ <u>Title I Loans</u> ▪ <u>Home Equity Conversion Mortgages (Reverse Mortgages)</u> ▪ <u>Section 247 – Hawaiian Homelands</u> ▪ <u>Section 248 – Indian Reservations</u> ▪ <u>Section 223(e) – Declining Neighborhoods</u> ▪ <u>FHA Negative Equity Refinance (ADP Codes 821, 822, 831, 832)</u> ▪ <u>Disaster Victims Mortgage</u> ▪ <u>Energy Efficient Mortgage</u> ▪ <u>\$100 HUD REO</u>

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Documentation Type	<ul style="list-style-type: none"> • <u>Tax transcripts are required for each borrower whose income is utilized as a source of repayment. Transcripts must be provided for the number of years of income used to qualify the borrower. Tax transcripts are required to support the income used to qualify the borrower. If only W2 income is used to qualify, the lender may obtain W2 transcripts as long as tax returns are not included in the loan file. Generally, when the documentation used to verify income is from the same calendar period as the tax transcript, the information must match exactly. However, if the income documentation is from the current calendar year and the transcript is from a prior year, there can be acceptable variances. If this variance exceeds 20%, document the rationale for using current income. If tax transcripts are not available (due to a recent filing) a copy of the IRS notice showing "No record of return filed" is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received) from the IRS and the previous 2 years tax transcripts</u> • A 4506-T, signed at application and closing, is required for all transactions • TOTAL AUS "Accept" Self Employed Borrowers (ML 2012-03): P&L and Balance Sheet required if more than a calendar quarter has elapsed since date of most recent calendar or fiscal-year end tax return was filed by the borrower – with no exceptions • Additionally, if income used to qualify the borrower exceeds the 2 year average of tax returns, an audited P&L or signed quarterly tax returns obtained from IRS are required
Employment / Income	<ul style="list-style-type: none"> • 2 years Employment and Income required regardless of TOTAL Scorecard response (Income requirement is 2 years W-2's for each borrower and 2 years Tax returns) • Mortgage Credit Certificates (MCCs) permitted <ul style="list-style-type: none"> ▪ <u>Due to system constraints, MCC credits may not be used to offset the proposed mortgage payment</u> • <u>In addition to the underwriting-performed VOE, a verbal VOE is required, as follows:</u> <ul style="list-style-type: none"> ▪ <u>Verbal VOEs for hourly, salaried, or commission income borrowers must be completed within 10 business days of the note and must confirm the borrower is currently employed and must address the probability of continued employment</u> <ul style="list-style-type: none"> - <u>If the company representative states they do not perform verbal verifications, confirm borrower is still employed via a receptionist, phone extension directory and/or active voice mail box</u> - <u>If the company representative indicates they do not comment on probability of continued employment, document response on Verbal Verification of Employment</u> ▪ <u>Verifications for active-duty military borrowers may be in the form of a military Leave and Earnings Statement (LES) dated within 30 days of closing</u> ▪ <u>Verifications for self-employed borrowers must be within the most recent 30 days and must be obtained from a third party such as a CPA, regulatory agency or the applicable licensing bureau and verification of the business' phone listing and address via phone book, the internet or directory assistance is also required</u> ▪ <u>Verification of employment/certification of non-employment income is required for all loans prior-to-funding and must be completed on Verbal Verification of Employment form</u>
Escrows	<ul style="list-style-type: none"> • Escrow Waivers not allowed • Escrow Impounds Accounts must be established for taxes and insurance premiums in accordance with FHA guidelines • With the exception of new construction, property tax escrows are calculated using the taxes stated on the title commitment, regardless of the rate used to calculate the borrower's DTI • For new construction, to calculate taxes for qualifying and escrows, use 1.5% of the appraised value or, if available, the Mill Tax method

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Escrow Holdbacks (Postponed Repairs / Improvements)	<ul style="list-style-type: none"> • Escrow holdbacks are allowed in accordance with FHA guidelines, including but not limited to the following requirements/restrictions: <ul style="list-style-type: none"> ▪ Holdbacks permitted for inclement weather related reasons only ▪ Holdbacks permitted for external repairs/improvements only ▪ <u>Must hold back 150% of cost of repairs/improvements</u> ▪ <u>Cost of repairs may not exceed 10% of 'as completed' appraised value</u> ▪ <u>Repairs must be completed within 180 days of note date</u> ▪ Repairs/improvements may not affect safety, soundness, habitability and structural integrity of subject property. Unacceptable repairs/improvements include but are not limited to the following: <ul style="list-style-type: none"> – Plumbing, electrical, septic, or HVAC systems not fully functional – Kitchen not fully functional – Partially completed addition or renovation – Roofing issues, including coupling /curling shingles and leaks, past or present ,unless certified as having been repaired – Foundation cracks or settling including leaks past or present unless certified as having been repaired – Water seepage, including water in basement – Siding or fascia along eaves that is missing or has significant damage – Mold of any significance • A post funding stipulation for a copy of a 1004D confirming completion will be placed on loans where the appraisal is "subject to" improvements • A post funding stipulation for a final title policy endorsement that ensures the priority of the first lien will be required on any loan where the appraisal is "subject to" improvements. Holdbacks may not adversely affect title. Clear title required • A copy of the escrow agreement (HUD 92300 on FHA loans) will be required that states how the escrow account will be managed and how the funds will be disbursed
Funds & Reserves	<ul style="list-style-type: none"> • All funds used for closing and reserves must be verified and documented
High Cost / High Priced Loans	<ul style="list-style-type: none"> • LenderLive will not purchase High Cost Loans • Higher Priced Mortgage Loans (HPML) transactions are eligible for purchase. HPML guidelines require: <ul style="list-style-type: none"> ▪ Establishment of an escrow account for taxes and insurance premiums on any transaction secured by a principal residence ▪ Must meet all applicable state and/or federal compliance requirements
Identity of Interest Transaction	<p>(ML 2012-03) For the purpose of Identity of Interest transactions, the definition of family member includes: child, parent, or grandparent, spouse legally adopted son or daughter, including a child who is placed with the borrower by an authorized agency for legal adoption foster child, brother, stepbrother, sister, stepsister uncle, and aunt.</p> <p>Note: A child is defined as a son, stepson, daughter, or stepdaughter. A parent or grandparent includes a step-parent/grandparent or foster parent/grandparent. As stated in handbook HUD 4155.1 2.B.2.b, identity-of-interest transactions may result in a reduced maximum loan-to-value.</p>
Length of Ownership	<p>Cash Out Refinance:</p> <ul style="list-style-type: none"> • The subject property must have been owned by the borrower as his or her Primary Residence for at least 12 months preceding the date of the loan application in order to obtain the maximum of 85% of the appraiser's estimate of value in the new mortgage. This applies whether or not there was a mortgage, and thus, mortgage payments, on the property, i.e., ownership of at least 12 months regardless of the number of mortgage payments, if any, that may have come due • If the subject property has been owned less than 12 months preceding the date of the loan application as the borrower's Primary Residence, the mortgage amount is limited to the lesser of either 85% of the appraiser's estimate of value or 85% of the sales price of the property when acquired. However, a sales price need not be considered if the property was acquired as the result of inheritance and is or will become the heir's Primary Residence

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Loan Purpose	<p>Purchase Transactions are permitted</p> <p>Rate/Term Refinance</p> <ul style="list-style-type: none"> • Proceeds can be used to Pay off a first mortgage regardless of age • Proceeds can be used to pay off any junior liens related to the purchase of the subject property, or that are seasoned at least 12 months • Loan must be current • New loan may include any accrued late charges/escrow shortages • Any cash back to borrower at closing may not exceed \$500 • Prepaid expenses may include per diem interest to end of month on new loan, hazard insurance premium deposits, monthly MIP premium deposits and any real estate tax deposits needed for new escrow account, regardless whether for that mortgage • mortgagee refinancing the existing loan is also the servicing lender • All subordinate financing, whether new or existing being re-subordinated, is subject to a CLTV limit of 97.75% (the FHA-insured first mortgage and any junior liens when added together) <p>Cash Out Refinance</p> <ul style="list-style-type: none"> • Cash-in-hand is limited to no more than \$200,000 • Any co-borrower/co-signer added must occupy property; non-occupant co-borrowers are not allowed • Borrower(s) must be 0x30x12 on the subject mortgage history; Borrowers who are delinquent or in arrears on their mortgage are not eligible for a cash out refinance • Loans with less than 6 months seasoning are ineligible due to manual downgrade to TOTAL decision per TOTAL Scorecard User guide 2.4.2 • Borrower must be 0x30x12 on the subject mortgage history • LTV is based on Purchase Price if property owned less than 12 months • Proceeds may not be used to pay off outstanding judgments at closing
Maximum Loan Amount	<p>Maximum loan amount varies by county. Refer to the FHA Connection Website to determine the geographic mortgage limits. <u>However, in no case will LenderLive Network lend more than \$650,000 on a 3 or 4-unit property, regardless of the applicable FHA county loan limit.</u></p> <p>When calculating the individual maximum loan amount, refer to the following worksheets posted on LenderLive Correspondent Lending website:</p> <ul style="list-style-type: none"> • <i>Purchase</i> - FHA Purchase Maximum Mortgage Worksheet, Doc. LLNFHA-#3328 • <i>Rate/Term Refinance</i> - Rate/Term Refinance Maximum Mortgage Worksheet, Doc. LLNFHA-#3342 • <i>Cash Out Refinance</i> - Cash Out Refinance Maximum Mortgage Worksheet, Doc. LLNFHA-#3345
Maximum Number of FHA Insured Properties	<ul style="list-style-type: none"> • Only 1 FHA insured allowed unless FHA exceptions are met • Maximum of 4 properties serviced by LenderLive • LenderLive reserves the right to limit the number and/or aggregate dollar amount of \$1,500,000 • While rent information may not be required by LP when the borrower qualifies with out any rental income from the property, the monthly rent information is required.
Minimum Loan Amount	<ul style="list-style-type: none"> • <u>\$50,000</u>
Modular Home Definition	<p>The property must meet all the of the following criteria to be a modular home:</p> <ul style="list-style-type: none"> • Modular homes are built in sections at a factory • Modular homes are built to conform to all state, local or regional building codes at their destinations • Sections are transported to the building site on truck beds, then joined together by local contractors • Local building inspectors check to make sure a modular home's structure meets requirements and that all finish work is done properly • These structures are not titled until installed onsite and become part of the real property • Taxed as real estate (not taxed as personal property) • Assembled on a permanent foundation
Mortgage Insurance	<ul style="list-style-type: none"> • Upfront and monthly mortgage insurance premiums will be calculated according to the policy outlined in Mortgagee Letter 2013-04

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<p>Occupancy</p>	<ul style="list-style-type: none"> Primary Residence only
<p>Property: Eligible Types</p>	<p>203(B) Loans</p> <ul style="list-style-type: none"> 1 to 4-unit property Modular Homes (see definition in this document) PUD <p>234(C) Loans</p> <ul style="list-style-type: none"> Condominium (prior approval by FHA Field Office and LenderLive is required)
<p>Property: Eligible Title to Property & Estate Type</p>	<ul style="list-style-type: none"> <u>Title to property must be held in Fee Simple only</u> <u>Other forms of property ownership, including but not limited to Life Estates, Leasehold Estates, Fee Tail Estates, Cooperatives, etc. are not eligible for sale to LenderLive</u>
<p>Property: Ineligible Types</p>	<p>In addition to ineligible property types identified in FHA Handbook, the following property types are ineligible:</p> <ul style="list-style-type: none"> <u>Condominium Conversions that were converted within the last three years</u> Condotels <u>Cooperatives</u> Geodesic Domes <u>Hawaii properties in lava zones 1 and 2</u> Hotel Condominiums <u>Land Trusts, including Illinois Land Trusts</u> <u>Leaseholds</u> <u>Manufactured Homes</u> Mobile Homes (also referred to as single wide or double wide homes) Property currently in litigation (See LenderLive Seller Guide for additional information regarding Condos in litigation) <u>Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same</u> Timeshares Unimproved Land Working Farms and Ranches/Orchards
<p>Property Flipping Policy</p>	<ul style="list-style-type: none"> Properties resold 90 days or fewer following the date of acquisition by the seller are not eligible for FHA financing unless the loan meets the exceptions set forth in 4155.2 4.7.H. The date of acquisition is defined as date of settlement on the seller's purchase of the property. The resale date is defined as the date of execution of the sales contract by a buyer intending to finance the property with an FHA-insured loan Properties resold between 91 and 180 days after acquisition require a second appraisal by a different appraiser if the resale price is 100% or more over the price paid by the seller when the property was acquired <ul style="list-style-type: none"> If the value indicated on the second appraisal is more than 5% lower than the value indicated on the original appraisal, the lower value of the second appraisal must be used to calculate the maximum mortgage amounts and LTV/CLTV If the value indicated on the second appraisal is no more than 5% less than the value indicated on the original appraisal or the value indicated on the second appraisal exceeds the value on the original appraisal, the value of the original appraisal is used to calculate maximum loan amounts and LTV/CLTV Borrowers are not permitted to pay for the second appraisal
<p>Pre Payment Penalty</p>	<ul style="list-style-type: none"> Not permitted

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Qualifying Rate	<ul style="list-style-type: none"> Note rate
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Qualifying Ratios / DTI Restrictions	<ul style="list-style-type: none"> DTI ratios are determined by AUS <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="5" style="background-color: #008080; color: white; text-align: center;">Ratio Requirements</th> </tr> <tr> <th colspan="5" style="background-color: #008080; color: white; text-align: center;">Purchase, Rate/Term Refinance & Cash Out Refinance</th> </tr> <tr> <th colspan="5" style="background-color: #cccccc; text-align: center;">Source of Down Payment, Payoff of Debt, Closing Costs and/or Pre-paid Expenses</th> </tr> <tr> <th rowspan="2" style="background-color: #cccccc;">Credit Scores</th> <th colspan="2" style="background-color: #cccccc;">Borrower's Own Funds</th> <th colspan="2" style="background-color: #cccccc;">Gift, Grant & Eligible DPA</th> </tr> <tr> <th style="background-color: #cccccc;">Total</th> <th style="background-color: #cccccc;">Total</th> <th style="background-color: #cccccc;">Total</th> <th style="background-color: #cccccc;">Total</th> </tr> <tr> <th style="background-color: #cccccc;"></th> <th style="background-color: #cccccc;">Approve/Accept</th> <th style="background-color: #cccccc;">Refer</th> <th style="background-color: #cccccc;">Approve/Accept</th> <th style="background-color: #cccccc;">Refer</th> </tr> </thead> <tbody> <tr> <td style="background-color: #cccccc;">620-639</td> <td style="text-align: center;"><u>31/43</u></td> <td style="text-align: center;">Not Eligible</td> <td style="text-align: center;">Not Eligible</td> <td style="text-align: center;">Not Eligible</td> </tr> <tr> <td style="background-color: #cccccc;">640-679</td> <td style="text-align: center;"><i>Refer to Findings</i></td> <td style="text-align: center;">Not Eligible</td> <td style="text-align: center;"><u>40/55</u></td> <td style="text-align: center;">Not Eligible</td> </tr> <tr> <td style="background-color: #cccccc;">≥/ = 680</td> <td style="text-align: center;"><i>Refer to Findings</i></td> <td style="text-align: center;">Not Eligible</td> <td style="text-align: center;"><i>Refer to Finding</i></td> <td style="text-align: center;">Not Eligible</td> </tr> <tr> <td style="background-color: #cccccc;">No Scores</td> <td style="text-align: center;">Not Eligible</td> <td style="text-align: center;">Not Eligible</td> <td style="text-align: center;">Not Eligible</td> <td style="text-align: center;">Not Eligible</td> </tr> </tbody> </table>	Ratio Requirements					Purchase, Rate/Term Refinance & Cash Out Refinance					Source of Down Payment, Payoff of Debt, Closing Costs and/or Pre-paid Expenses					Credit Scores	Borrower's Own Funds		Gift, Grant & Eligible DPA		Total	Total	Total	Total		Approve/Accept	Refer	Approve/Accept	Refer	620-639	<u>31/43</u>	Not Eligible	Not Eligible	Not Eligible	640-679	<i>Refer to Findings</i>	Not Eligible	<u>40/55</u>	Not Eligible	≥/ = 680	<i>Refer to Findings</i>	Not Eligible	<i>Refer to Finding</i>	Not Eligible	No Scores	Not Eligible	Not Eligible	Not Eligible	Not Eligible
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	Total	Total	Total	Total																																														
	Approve/Accept	Refer	Approve/Accept	Refer																																														
620-639	<u>31/43</u>	Not Eligible	Not Eligible	Not Eligible																																														
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≥/ = 680	<i>Refer to Findings</i>	Not Eligible	<i>Refer to Finding</i>	Not Eligible																																														
No Scores	Not Eligible	Not Eligible	Not Eligible	Not Eligible																																														

Recently Listed Properties	<ul style="list-style-type: none"> Purchases - See Property Flipping Cash Out Refinances <ul style="list-style-type: none"> Property must be off the market at least 6 months prior to application Rate/Term Refinances <ul style="list-style-type: none"> LTV < 70% - Property must be off the market at least one day prior to application - Evaluated on a case-by-case basis LTV ≥/ > 70% - Property must be off the market at least 3 months prior to application
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Rental Income	<p>Purchase of 2-4 Unit Properties</p> <ul style="list-style-type: none"> Rental income from the non-owner occupied units may be used, provided all of the following documentation is provided: <ul style="list-style-type: none"> Fully executed lease agreement – Borrower may provide a copy of the seller's fully executed existing lease agreement or a fully executed new lease agreement. If neither an existing or new lease agreement exists, rental income is not permitted The monthly rent is calculated by subtracting the vacancy factor. <u>The vacancy factor is 25%, unless the lender submits documentation from a reliable third party (i.e. Appraiser) supporting the use of a lower vacancy factor. However, the vacancy factor will never be lower than that prescribed by the governing HOC office</u> Income must be used as income and cannot be used as an offset to the mortgage payment 3 to 4-Unit properties must meet the following additional requirements: <ul style="list-style-type: none"> The property must be self-sufficient. A property is self-sufficient if the monthly mortgage payment (PITI and HOA dues) divided by the monthly net rental income after applying the vacancy factor does not exceed 100% Three months reserves required <p>Refinances of 2-4 Unit Properties and/or Rental Income from Other Investment Properties</p> <ul style="list-style-type: none"> Rental income from the borrower's investment properties or the subject property's non-owner occupied units may be used, provided all of the following documentation is provided: <ul style="list-style-type: none"> Schedule E of IRS form 1040. Rental history must be free from unexplained gaps greater than three months. Gaps may be explained by student, seasonal or military renters or property rehab <ul style="list-style-type: none"> Income is calculated by adding back depreciation to the net income or net loss Income must be used as income Losses must be used as liabilities For properties acquired since the most recent tax returns were filed, provide a current lease agreement or agreement to lease. The monthly rent is calculated by subtracting the vacancy. <u>The vacancy factor is 25%, unless the lender submits documentation from a reliable third party (i.e. Appraiser) supporting the use of a lower vacancy factor. However, the vacancy factor will never be lower than that prescribed by the governing HOC office</u> Income must be used as income and cannot be used as an offset to the mortgage payment 3 to 4-Unit properties must meet the following additional requirements: <ul style="list-style-type: none"> The property must be self-sufficient. A property is self-sufficient if the monthly mortgage payment (PITI and HOA dues) divided by the monthly net rental income after applying the vacancy factor does not exceed 100% 3 months reserves required
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**Correspondent Lending
FHA
Fixed Rate Product Profile**

Most recent updates in **red font**

Source of Funds	<p>Refer to FHA Underwriting Guidelines</p> <p>Purchase Transactions —</p> <ul style="list-style-type: none"> • Borrowers must contribute a 3.5% investment towards the transaction from their own funds or from sources listed below <p>Loans with Gifts, Grants, Community Seconds and Loans from Family Members —</p> <ul style="list-style-type: none"> • If any portion of a borrower's funds to close is derived from a gift, grant, community second program, other eligible down payment assistance program or a loan from a family member for Purchase or Refinance transactions in which, for qualification purposes, the borrower receives a gift to pay down or payoff installment debt, the loan must meet all of the criteria listed below. These guidelines apply to all gifts, regardless of the source. Seller-funded down payment assistance programs remain ineligible — • CREDIT SCORE: 640 – 679 <ul style="list-style-type: none"> • Purchase transactions only • Loan must receive a Total Scorecard Approve or Accept response • <u>Maximum ratios are 40% / 55%; compensating factors may not be used to justify exceeding the ratio overlay</u> • Loans that receive a Total Scorecard Refer response – Not Allowed • CREDIT SCORE: > 680 <ul style="list-style-type: none"> • Purchase transactions only • <u>Loans that receive a Total Scorecard Approve or Accept response, maximum ratios are 50%</u> 		
State Restrictions	<ul style="list-style-type: none"> • Illinois Land Trust vestings - not eligible • <u>New York Consolidation Extension Mortgage Agreements (CEMAs) - not eligible</u> • Texas 50(a)(6) refinances - not eligible • <u>U.S. Territories and Possessions , including but not limited to American Samoa, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands - not eligible</u> 		
Subordinate Financing	<ul style="list-style-type: none"> • Refer to FHA Underwriting Guidelines 		
Temporary Buydown	<ul style="list-style-type: none"> • Not eligible 		
UFMIP	<ul style="list-style-type: none"> • A copy of the FHA Connection Case Query evidencing receipt of the Up Front Mortgage Insurance Premium (UFMIP) must be included in the loan file at the time of delivery 		
<p>*Seller shall deliver loans originated in accordance with the Federal Housing Administration Handbook, unless otherwise noted in the LenderLive Product Profile or Seller Guide. Product Profile is as an aid to help determine whether a property/loan qualifies for certain financing. It is not intended as a replacement for FHA guidelines.</p> <p><u>Overlays to FHA guidelines are underlined</u></p>			
Resources	HUD.GOV - FHA Mortgage Limits	<i>Link to website</i>	https://entp.hud.gov/idapp/html/hicostlook.cfm
	HUD.GOV - FHA Lenders	<i>Link to website</i>	http://portal.hud.gov/hudportal/HUD?src=/groups/lenders
	HUD Handbook 4155.1, 3.A-C - Mortgage Credit Analysis for Insurance	<i>Link to PDF</i>	http://portal.hud.gov/hudportal/documents/huddoc?id=4155-1_combined_toc.pdf