



Correspondent Lending
 Fannie Mae

Standard Fixed Rate and ARM Product Profile

Excludes: DU Refi Plus, High-Balance, HomeStyle Renovation and MyCommunity Mortgage

Most recent updates in red font

Agency															ELIGIBILITY MATRIX & SUMMARY GUIDELINES														
Products															PURCHASE														
10, 15, 20, 25 & 30 YR Fixed Rates 5/1, 7/1 & 10/1 ARMs DU Approve/Eligible Version 9.2					10, 15, 20, 25 & 30 YR Fixed Rates 5/1, 7/1 & 10/1 ARMs DU Approve/Eligible Version 9.2					10, 15, 20, 25 & 30 YR Fixed Rates 5/1, 7/1 & 10/1 ARMs DU Approve/Eligible Version 9.2																			
Purpose															PURCHASE														
Primary Residence					Second Home					Investment Property																			
Property Type	Fixed Rate		ARM		Property Type	Fixed Rate		ARM		Property Type	Fixed Rate		ARM																
	Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score		Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score		Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score															
1 Unit	97%	620	90%	620	1 Unit	90%	620	80%	620	1 Unit	85%	620	75%	620															
2 Unit	85%	620	75%	620	2 Unit	N/A	N/A	N/A	N/A	2 Unit	75%	620	65%	620															
3-4 Units	75%	620	65%	620	3-4 Units	N/A	N/A	N/A	N/A	3-4 Units	75%	620	65%	620															
Purpose															RATE & TERM / LIMITED CASH OUT														
Primary Residence					Second Home					Investment Property																			
Property Type	Fixed Rate		ARM		Property Type	Fixed Rate		ARM		Property Type	Fixed Rate		ARM																
	Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score		Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score		Max LTV / CLTV / HCLTV	Min Credit Score	Max LTV / CLTV / HCLTV	Min Credit Score															
1 Unit	97%	620	90%	620	1 Unit	90%	620	80%	620	1 Unit	75%	620	65%	620															
2 Unit	85%	620	75%	620	2 Unit	N/A	N/A	N/A	N/A	2 Unit	75%	620	65%	620															
3-4 Units	75%	620	65%	620	3-4 Units	N/A	N/A	N/A	N/A	3-4 Units	75%	620	65%	620															
Purpose															CASH OUT REFINANCE														
Primary Residence					Second Home					Investment Property																			
Property Type	Fixed Rate		ARM		Property Type	Fixed Rate		ARM		Property Type	Fixed Rate		ARM																
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1 Unit	80%	620	75%	620	1 Unit	75%	620	65%	620	1 Unit	75%	620	65%	620															
2 Unit	75%	620	65%	620	2 Unit	N/A	N/A	N/A	N/A	2 Unit	70%	620	60%	620															
3-4 Units	75%	620	65%	620	3-4 Units	N/A	N/A	N/A	N/A	3-4 Units	70%	620	60%	620															

Eligibility Requirements*

- Determined by DU
 - Property Inspection Waivers, through DU, are acceptable with a **\$75.00** delivery fee
- LenderLive will purchase loans secured by properties with "unpermitted" structural additions under the following conditions:
- 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:
 - 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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<p align="center">Age of Documents</p>	<ul style="list-style-type: none"> • Credit documents must be no more than four months old on the date the note is signed for all mortgage loans (existing and new construction) • Preliminary Title Policies must be no more than 180 days old on the date the note is signed • Appraisal must be dated within 120 days of note date • Flood Hazard Determination Certification must be no more than 180 days old on the date the note is signed
<p align="center">Assignment of Mortgages</p>	<ul style="list-style-type: none"> • <u>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</u>
<p align="center">AUS & Underwriting Method</p>	<ul style="list-style-type: none"> • <u>Desktop Underwriter (DU) with "Approve/Eligible" findings is required</u> • <u>Manual underwriting is not permitted</u>
<p align="center">Borrowers: Eligible</p>	<ul style="list-style-type: none"> • U.S. Citizens • Permanent resident aliens, with proof of lawful residence • Nonpermanent resident alien immigrants, with proof of lawful nonpermanent residence • <u>Inter Vivos Revocable Trust and Power of Attorney: Refer to Seller Guide for eligibility requirements</u>
<p align="center">Condominiums / PUDS</p>	<ul style="list-style-type: none"> • Must follow Fannie Mae published Condominium Eligibility Guidelines - See Resources below for a link to the guidelines • <u>LenderLive only accepts projects approved via Limited Reviews; in accordance with Fannie Mae guidelines</u> • <u>Lender Full Review and other types of reviews are not allowed unless Correspondent is granted specific approval from LenderLive</u> • Limited Review for attached Condominium Units in Established Condominium Projects not located in Florida: <ul style="list-style-type: none"> ▪ Primary Residence up to 90% 80% LTV/CLTV/HCLTV ▪ Second Homes up to 75% LTV/CLTV/HCLTV ▪ Investment Property not eligible • LenderLive will not allow any project (condo, or PUD) for which the homeowners' association is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project. Refer to Condominium Litigation section of LenderLive Seller Guide for allowances and restrictions. <p>Note: Projects for which the lender determines that pending litigation involves minor matters are not considered ineligible projects, provided the lender concludes that the pending litigation has no impact on the safety, structural soundness, habitability, or functional use of the project. The following are defined to be minor matters:</p> <ul style="list-style-type: none"> ▪ Non-monetary litigation involving neighbor disputes or rights of quiet enjoyment; ▪ Litigation for which the claimed amount is known, the insurance carrier has agreed to provide the defense, and the amount is covered by association's insurance; or ▪ The homeowners' association is named as the plaintiff in a foreclosure action, or as a plaintiff in an action for past due homeowners' association dues <ul style="list-style-type: none"> • Florida Condos are allowed in accordance with Fannie Mae requirements with the exception of newly converted condo projects (see ineligible section): <ul style="list-style-type: none"> ▪ <u>LenderLive only allows projects approved via Limited Reviews; in accordance with Fannie Mae guidelines</u> <ul style="list-style-type: none"> - Primary Residence up to 75/90/90% LTV/CLTV/HCLTV - Second Homes up to 70/75/75% LTV/CLTV/HCLTV - Investment Property not eligible ▪ <u>Lender Full Review and other types of reviews are not allowed unless Correspondent is granted specific approval from LenderLive</u>

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<p>Continuity of Obligation</p>	<p>All refinance transactions must meet one of the following continuity of obligation requirements if there is currently an outstanding lien that will be satisfied through the refinance transaction:</p> <ul style="list-style-type: none"> • At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced • The borrower has been on title and residing in the property for at least 12 months and has either paid all mortgages on the subject property timely for the last 12 months or can demonstrate a relationship (e.g. relative, domestic partner) with the current obligor • The loan being refinanced and the title to the property are in the name of a natural person or a LLC where the borrower is a member of the LLC prior to transfer. Transfer of ownership from a corporation to an individual does not meet these requirements • Borrower has recently inherited or was legally awarded the property through a court supervised transfer process <p>If the borrower is currently on title but is unable to demonstrate an acceptable continuity of obligation, or if there is no outstanding lien against the property, the loan is still eligible for delivery but with the additional restrictions described in the following table. The loans must be underwritten, priced, and delivered as a cash-out refinance transaction:</p> <ul style="list-style-type: none"> • Borrowers that have been on title for less than 12 months but more than 6 months and do not have an existing lien on the property are eligible but the LTV/CLTV/HCLTV ratio must be based on the lesser of the original sales price/acquisition cost (documented by the HUD-1) or the current appraised value. • Borrowers that have been on title for more than 12 months and do not have an existing lien on the property, the LTV/CLTV/HCLTV ratio must be based on the current appraised value. • Borrowers on title at least 6 months with an existing lien on the property are limited to 50% maximum LTV based on the current appraised value
<p>Credit</p>	<ul style="list-style-type: none"> • At least one borrower must have a minimum of one credit score to be eligible • <u>Borrower letter of explanation is required for recent credit report inquiries made within in the previous 90 days</u> • 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; pursuant to Fannie Mae requirements • Gap Report is highly recommended within 10 days of mortgage Note date; prior to closing/funding of the transaction <ul style="list-style-type: none"> ▪ New debts, liabilities, inquiries and/or public records must be addressed pursuant to Fannie Mae requirements ▪ Material discrepancies from the prior credit report must be addressed pursuant to Fannie Mae requirements ▪ Note: A Gap Report is also known as a LQI Report, Undisclosed Debt Monitoring Report or Credit Refresh Report). It is intended to identify any changes in a borrower's credit report (excluding credit scores) between original credit report pull date and pre-funding. It is not intended to pull new credit scores
<p>Derogatory Credit</p>	<ul style="list-style-type: none"> • <u>All transactions require a DU Approve/Eligible decision regardless of which timeframe for derogatory credit is met; standard or extenuating circumstances. Refer to Fannie Mae Selling Guide for additional requirements</u>

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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>Documentation Type</p>	<ul style="list-style-type: none"> • Determined by DU • <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.</u> 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 • A 4506-T, signed at application and closing, is required for all transactions
<p>Down Payment Assistance</p>	<ul style="list-style-type: none"> • <u>Down Payment Assistance is allowed as long as the assistance is provided by a government entity. Evidence of the terms and provider must be included in the loan file and must meet Fannie Mae requirements</u> • Employer assistance is acceptable in accordance with Fannie Mae guidelines
<p>Eligible Mortgage Products</p>	<p>LenderLive will purchase the following products*:</p> <ul style="list-style-type: none"> • Agency Fixed Rate 10, 15, 20, 25 and 30 yr • Agency LIBOR ARM: <ul style="list-style-type: none"> ▪ 5/1 (2/2/5 caps; 2725 ARM plan; 3528 note; and 3187 rider) ▪ 7/1 (5/2/5 caps; 2727 ARM plan; 3528 note; and 3187 rider) ▪ 10/1 (5/2/5 caps; 2729 ARM plan; 3528 note; and 3187 rider) <p>*Subject to availability of pricing the day the loan is locked with LenderLive</p>

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Employment / Income Documentation

- For salaried employees the verbal verification of employment must be completed within 10 business days prior to the note date
- For self-employed borrowers the verbal verification of employment must be completed within 30 days prior to the note date
- For borrowers in the military, a military Leave and Earnings Statement dated within 30 days prior to the note date is acceptable in lieu of a verbal verification of employment.
- Borrowers with employment contracts: borrowers must begin employment before the lender delivers the loan to LenderLive. The lender must obtain a paystub from the borrower that includes sufficient information to support the income used to qualify the borrower prior to delivering the loan to LenderLive

Mortgage Credit Certificates (MCCs) enable an eligible first-time home buyer to obtain a mortgage secured by his or her principal residence and to claim a federal tax credit for a specified percentage (usually 20% to 25%) of the mortgage interest payments.

When calculating the borrower's debt-to-income ratio, treat the maximum possible MCC income as an addition to the borrower's income, rather than as a reduction to the amount of the borrower's mortgage payment. Use the following calculation when determining the available income:

$$[(\text{Mortgage Amount}) \times (\text{Note Rate}) \times (\text{MCC \%})] \div 12 = \text{Amount added to borrower's monthly income}$$

For example, if a borrower obtains a \$100,000 mortgage that has a note rate of 7.5% and he or she is eligible for a 20% credit under the MCC program, the amount that should be added to his or her monthly income would be \$125 (\$100,000 x 7.5% x 20% = \$1500 ÷ 12 = \$125).

The lender must obtain a copy of the MCC and the lender's documented calculation of the adjustment to the borrower's income and include them in the mortgage loan file.

For refinance transactions, the lender may allow the MCC to remain in place as long as it obtains confirmation prior to loan closing from the MCC provider that the MCC remains in effect for the new mortgage loan. Copies of the MCC documents, including the reissue certification, must be maintained in the new mortgage loan file.

Note: Because the MCC is transaction specific, it does not have to comply with the Allowable Age of Credit Documents policy (See *Fannie Mae Selling Guide B1-1-03, Allowable Age of*

Escrow Holdbacks (Postponed Repairs / Improvements)

- Escrow holdbacks are allowed according to Fannie Mae guidelines; including , but not limited to the following requirements/restrictions:
 - Holdbacks permitted for inclement weather related reasons only
 - Holdbacks permitted for external repairs/improvements only
 - Must hold back 150% of cost of repairs/improvements
 - Cost of repairs may not exceed 10% of 'as completed' appraised value
 - Repairs must be completed within 180 days of note date
 - 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:
 - 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
- Post funding stipulation for 1004D confirming completion will be placed on loans where appraisal is "subject to" completion of improvements
- Post funding stipulation for a final title policy endorsement that ensures the priority of the first lien will be placed on loans where the appraisal is "subject to" completion of improvements. Holdbacks may not adversely affect title. Clear title required
- A copy of the escrow agreement will be required to show how the escrow account will be managed and how funds will be disbursed

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<p>Financing Concessions</p>	<ul style="list-style-type: none"> Financing concessions for primary residences and second homes must be within the following allowable percentages: <ul style="list-style-type: none"> 9% of value with LTV/CLTV/HCLTV ratios less than or equal to 75% 6% of value with LTV/CLTV/HCLTV ratios greater than 75% up to and including 90% 3% of value with LTV/CLTV/HCLTV ratios greater than 90% The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio Value is the lesser of the sales price or appraised value
<p>Gift Funds</p>	<ul style="list-style-type: none"> Follow Fannie Mae's guidelines for gift funds. See B3-4.3-04 for additional details Generally, the borrower is not required to provide a 5% contribution on a 1 unit, owner occupied, standard balance purchase
<p>High Cost / Higher Priced Mortgage Loans</p>	<ul style="list-style-type: none"> <u>LenderLive will not purchase High Cost Loans</u> LenderLive will purchase Higher Priced Mortgage Loans (HPML) that comply with all state and federal laws, including Regulation Z and Home Mortgage Disclosure Act (HMDA) amendments, as well as underwriting and consumer protection requirements. Additional requirements are as follows: <ul style="list-style-type: none"> Submission of the rate spread (difference) as required by Regulation Z, HMDA, and any other local or state statutes. This may be evidenced by a providing a screenshot of the results from the Federal Financial Institutions Examination Council's FFIEC Rate Spread Calculator or results from Mavent, ComplianceEase or similar compliance testing software for the rate spread, The loan must be a Qualified Mortgage An escrow account must be established for taxes and insurance premiums (including flood insurance) on any transaction secured by a principal residence <ul style="list-style-type: none"> Escrow account must be established for a minimum of 60 months Note: For condominium loans, if the Homeowners' Association (HOA) maintains a master policy insuring the unit (meeting LenderLive Credit Policy requirements), only the tax portion is required to be escrowed A full internal/external appraisal is required A second appraisal is required if the property was: <ul style="list-style-type: none"> Acquired by the seller 90 or fewer days prior to the consumer's agreement to purchase the property and price has increased by more than 10% . See Property Flipping Policy section of this document for additional information Acquired by the seller between 91 and 180 prior to the consumer's agreement to purchase the property, and price has increased by more than 20% No waiver of appraisal waiting periods prior to closing is permitted Prepayment Penalty is not permitted (Note that LenderLive does not purchase loans with Prepayment Penalties regardless of HPML status) <u>Loan must receive DU Approve/Eligible</u> Borrower must meet minimum Residual Income requirements that mirror VA requirements PITI reserves as required by product guideline and/or AUS findings Follow Agency requirements for qualification of ARMs

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<p>Loan Purpose</p>	<ul style="list-style-type: none"> • Purchase • Limited Cash Out Refinance <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 ▪ Pay related Closing Costs and Prepaid items ▪ Disburse cash out to the Borrower in an amount not to exceed 2% of the new Mortgage or \$2,000, whichever is less • Cash Out <ul style="list-style-type: none"> ▪ 1003 must clearly document purpose of Cash Out (i.e., home improvement, debt consolidation, etc.) under "Purpose of Refinance" section. Otherwise, a Cash Out Purpose Letter, from borrower, is required to explain how the funds will be used. Information is required for HMDA reporting purposes ▪ 6 months seasoning required; measured from settlement date to the disbursement date of the new loan, unless delayed financing is met. ▪ Fannie Mae's delayed financing provision is acceptable if all of the following requirements are met: <ul style="list-style-type: none"> – The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and points (subject to the maximum LTV/CLTV/HCLTV ratios for the transaction) – The original purchase transaction was an arms-length transaction – The original purchase transaction is documented by the HUD-1, which confirms that no mortgage financing was used to obtain the subject property. A recorded trustee's deed (or similar alternative) confirming the amount paid by the grantee to trustee may be substituted for a HUD-1 if a HUD-1 was not provided to the purchaser at time of sale – The sources of funds for the purchase transaction are documented (such as, bank statements, personal loan documents, HELOC on another property) – All other cash out refinance eligibility requirements are met and cash out pricing is applied <p>Note: The preliminary title search or report must not reflect any existing liens on the subject property. If the source of funds to acquire the property was an unsecured loan or HELOC (secured by another property), the new HUD-1 must reflect that all cash out proceeds be used to pay down, if applicable, the loan (unsecured or secured by an asset other than the subject property) used to purchase the new property. Any payments on the balance remaining from the original loan must be included in the debt-to-income ratio calculation for the refinance transaction. Funds received as gifts and used to purchase the property any not be reimbursed with proceeds of the new mortgage loan.</p> • All refinance transactions must meet Continuity of Obligation requirements
<p>Minimum Loan Amount</p>	<ul style="list-style-type: none"> • <u>\$50,000</u>
<p>Modular Home Definition</p>	<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
<p>Mortgage Insurance</p>	<ul style="list-style-type: none"> • Standard Coverage required • Lender paid single premium and borrower paid single premium MI is acceptable • The gross LTV cannot exceed LenderLive's program maximum • <u>Split Premium MI is ineligible</u> • <u>Financed MI is ineligible</u> • <u>Reduced MI is ineligible</u>

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<p align="center">Occupancy</p>	<ul style="list-style-type: none"> • Primary Residence; 1-4 units • Second Home; 1 unit only • Investment Property; 1-4 units
<p align="center">Points and Fees</p>	<ul style="list-style-type: none"> • Lenders may not charge borrowers points and fees (whether or not financed) in an amount that exceeds the greater of (i) 5 percent of the principal amount of the mortgage loan, or (ii) \$1,000. Points and fees must be adequately disclosed in accordance with applicable law and regulation
<p align="center">Principal Reductions (Curtailments)</p>	<ul style="list-style-type: none"> • Principal reductions permitted in accordance with applicable Agency guidelines
<p align="center">Property: Eligible Title to Property and Estate Type & Resale Deed Restrictions</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> • Resale Deed Restrictions: <ul style="list-style-type: none"> ▪ <u>LenderLive does not purchase Mortgage Loans subject to resale deed restrictions, other than an acceptable Age Deed Restriction on a one-unit property for Borrower's principal residence that meets Fannie Mae guidelines. Refer to Seller Guide for additional information regarding Resale Deed Restrictions</u>
<p align="center">Property: Eligible Property Types</p>	<ul style="list-style-type: none"> • Single Family Detached Single Unit • Single Family Attached Single Unit • 2-4 Unit Attached/Detached • PUDs • Low-rise and High-rise Condominiums (must be Fannie Mae eligible) • Rural Properties (in accordance with agency guidelines, loans must be residential in nature) • Modular homes (see definition in this document) • Manufactured Homes (except in condominium projects) - See Fannie Mae guidelines for more details : https://www.fanniemae.com/content/eligibility_information/manufactured-housing-guidelines.pdf

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<p>Property: Ineligible Property Types</p>	<ul style="list-style-type: none"> • <u>Condition Rating of C5/C6 or a Quality Rating of Q6</u> • <u>Condominium Conversions that were converted within the last three years</u> • <u>Condotel</u>s • <u>Cooperatives</u> • <u>Geodesic Domes</u> • <u>Homes being purchased using HomeStyle Financing</u> • <u>Hawaii properties in lava zones 1 and 2</u> • <u>Hotel Condominiums</u> • <u>Land Trusts, including Illinois Land Trusts</u> • <u>Leaseholds</u> • <u>Property currently in litigation (for condominiums, refer to Condominium Litigation section of LenderLive Seller Guide for allowances and restrictions)</u> • <u>Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same</u> • <u>Timeshares</u> • <u>Unimproved Land</u> • <u>Working Farms and Ranches</u> • <u>Refer to LenderLive Seller Guide for complete list of ineligible property types</u>
<p>Property: Maximum Number of Financed Properties</p>	<ul style="list-style-type: none"> • The loan must comply with Fannie Mae's limitations on the maximum number of financed properties, including ownership interest in financed properties. <ul style="list-style-type: none"> ▪ Fannie Mae has imposed LTV/CLTV/HCLTV, minimum credit score, transaction type, reserves and other miscellaneous requirements that may not be assessed by DU. Refer to the Fannie Mae Seller Guide, section B2-2-03 for details • <u>Borrowers can have up to four LenderLive serviced properties (including the subject transaction), regardless of occupancy. LenderLive reserves the right to limit the number and/or aggregate dollar amount of serviced transactions to \$1,500,000</u>
<p>Property Flipping Policy</p>	<ul style="list-style-type: none"> • <u>Flip or Rapid Resale of Property within 90 days after Prior Sale Date</u> <ul style="list-style-type: none"> ▪ <u>If subject property had a prior sale within 90 days previous to the purchase contract date of the subject transaction, then the Mortgage Loan is not eligible for sale to LenderLive unless:</u> <ul style="list-style-type: none"> ○ <u>Property was acquired by a relocation agency in connection with the relocation of an employee, and then resold to someone who is not an employee or affiliate of the original employee's company, or</u> ○ <u>Resale by a lender when property is obtained through foreclosure or deed in lieu of foreclosure, or</u> ○ <u>Resale of a property obtained through an inheritance or as part of the property settlement in a divorce agreement, or</u> ○ <u>Any increase in value is substantiated/supported by bona fide and verified improvements since the property was acquired by the property seller in which any increase in sales price over the seller's acquisition costs is representative of the market given the improvements to the home, or</u> ○ <u>Sale of property that the property seller acquired at below market value after purchasing as a result of a distress sale (i.e. REO sale, short sale, tax lien sale, bankruptcy trustee's sale, etc.), where any increase in the sales price over the property seller's acquisition cost can be clearly shown to be a result of the difference (if any) in the market's reaction to distress sales and typical arms-length market sales</u> • <u>Properties that involve a re-sale occurring within the last 180 days and have a non-arms length relationship between the buyer and seller are prohibited.</u> The time frame is established by seller's date of acquisition as the date of settlement on the seller's purchase of that property and the execution of a sales contract to another party • <u>Lenders must pay particular attention and institute extra due diligence for those loans in which the appraised value is believed to be excessive or where the value of the property has experienced significant appreciation in a short time period since the prior sale. LenderLive believes that one of the best ways lenders can reduce the risk associated with excessive values and/or rapid appreciation is by receiving accurate appraisals from knowledgeable, experienced appraisers</u> • <u>LenderLive recommends an additional value product to support the subject appraised value in instances of greater than 20% appreciation</u> • <u>Refer to Flip or Rapid Resale of Property Less than 180 Days after Prior Sale Date section of LenderLive Seller Guide for additional requirements/restrictions</u>

Correspondent Lending
Fannie Mae

Standard Fixed Rate and ARM Product Profile

Excludes: DU Refi Plus, High-Balance, HomeStyle Renovation and MyCommunity Mortgage

Most recent updates in red font

<p>Qualifying Rates</p>	<ul style="list-style-type: none"> • 5/1 ARMs are qualified at the greater of the Note rate plus 2% or the fully indexed rate • 7/1 & 10/1 ARMs are qualified at the greater of the note rate or fully indexed rate
<p>Ratios / DTI</p>	<ul style="list-style-type: none"> • Determined by DU
<p>Recently Listed Properties</p>	<ul style="list-style-type: none"> • For a Limited Cash Out Refinance: <ul style="list-style-type: none"> ▪ The subject property must not be currently listed for sale. It must be taken off the market on or before the disbursement date of the new mortgage loan. Borrowers must confirm their intent to occupy the subject property (for principal residence transactions) • For a Cash Out Refinance: <ul style="list-style-type: none"> ▪ Properties listed for sale in the six months preceding the disbursement date of the new mortgage loan are limited to 70% LTV/CLTV/HCLTV. Properties that were listed for sale must be taken off the market on or before the disbursement date of the new mortgage loan
<p>Rental Income</p>	<ul style="list-style-type: none"> • When the borrower has a history of owning rental property, net rental income or loss is calculated by: <ul style="list-style-type: none"> ▪ The lesser of the gross rent (minus a 25% expense factor) or the market rent established by the appraiser for properties not reflected on the borrower's tax returns ▪ When the property is reflected on the borrower's tax returns, analyze the borrower's cash flow and calculate the net rental income (or loss), making sure that depreciation or any interest, taxes, or insurance expenses were added back in the borrower's cash flow analysis ▪ The full PITI for the rental property must be factored into the amount of the net rental income or loss • <u>If rental income is being used to qualify and the borrower has acquired more than one investment property in the last 12 months:</u> <ul style="list-style-type: none"> ▪ <u>A minimum of one-year prior landlord experience is required OR</u> ▪ <u>2-months reserves in addition to the minimum FNMA reserve requirements (for each property) can be used to offset the lack of landlord experience</u>
<p>Reserves</p>	<ul style="list-style-type: none"> • Primary Residence - Follow DU findings. However, follow Fannie Mae requirements when the borrower's current principal residence is pending sale or converting to a Second Home or Investment Property: <ul style="list-style-type: none"> ▪ If the equity on the current residence is 30% or more, 2 months on the subject and 2 months on current principal residence ▪ If the equity on the current residence is less than 30%, 6 months on the subject and 6 months on current principal residence • Second Home - Follow DU findings. However, if the borrower owns additional financed Second Homes or Investment Properties, then 2 months PITI required, regardless of the DU decision, on each financed Second Home or Investment Property • Investment Property - Follow DU findings. However, if the borrower owns additional financed Second Homes or Investment Properties, then 2 months PITI required, regardless of the DU decision, on each financed Second Home or Investment Property
<p>Seasoning</p>	<ul style="list-style-type: none"> • <u>Limited Cash Out Refinance</u> <ul style="list-style-type: none"> ▪ <u>When the mortgage being refinanced was a purchase transaction it must be seasoned at least 120 days from the note date of the current loan to the Note date of the new loan</u> • Cash Out Refinance <ul style="list-style-type: none"> ▪ The borrower must have owned the property at least 6 months to be eligible for a Cash Out Refinance

Correspondent Lending
Fannie Mae
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Most recent updates in red font

<p>State Restrictions</p>	<ul style="list-style-type: none"> • <u>Illinois Land Trust vestings - not eligible</u> • <u>US Territories and Possessions , including but not limited to American Samoa, Guam, Northern Mariana Islands , Puerto Rico and U.S. Virgin Islands - not eligible</u>
<p>Temporary Buydowns</p>	<ul style="list-style-type: none"> • <u>Not permitted</u>
<p>97% Requirements</p>	<ul style="list-style-type: none"> • Available to Standard Fixed Rate products only • LTV: 95.01 - 97% • CLTV: 95.01 - 97% • HCLTV: 95.01 - 97% • Eligible property types: Single Family, PUD, Condo (Manufactured Homes are not permitted) • Purchase <ul style="list-style-type: none"> ▪ At least one borrower must be a first time homebuyer as indicated on the 1003 in Section VIII. Borrowers may not have had any ownership interest in a property in the last 3 years • Limited Cash Out Refinance <ul style="list-style-type: none"> ▪ The existing loan being refinanced must be owned by Fannie Mae. Link to Fannie Mae Loan Look up is provided in Resources section below
<p>New York CEMA</p>	<ul style="list-style-type: none"> • LenderLive permits Refinance and Purchase Consolidation and Extension Modification Agreement (CEMA) loans • Refer to LenderLive Correspondent Seller Guide for requirements and applicable fees
<p>Texas 50(a)(6)</p>	<ul style="list-style-type: none"> • Correspondents must obtain specific Seller approval from LenderLive to deliver Texas 50(a)(6) transactions • Refer to Texas Section 50(a)(6) Refinance Eligibility Matrix and Summary Guidelines for loan eligibility requirements • LTV/CLTV/HCLTV must not exceed 80% • Eligible Products <ul style="list-style-type: none"> ▪ Fixed Rate <ul style="list-style-type: none"> ○ 10 Yr FNMA TXHE50a6 ○ 15 Yr FNMA TXHE50a6 ○ 20 Yr FNMA TXHE50a6 ○ 25 Yr FNMA TXHE50a6 ○ 30 Yr FNMA TXHE50a6 ▪ ARMs <ul style="list-style-type: none"> ○ 5/1 ARM FNMA TXHE50a6 (ARM plan 2725) ○ 7/1 ARM FNMA TXHE50a6 (ARM plan 2727) ○ 10/1 ARM FNMA TXHE50a6 (ARM plan 2729)



Correspondent Lending Fannie Mae

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***Seller shall deliver loans originated in accordance with Fannie Mae Single Seller Guidelines unless otherwise noted in the LenderLive Product Profile or Seller Guide. Product Profile is as an aid to help determine whether a Mortgage Loan qualifies for certain financing. It is not intended as a replacement for Fannie Mae guidelines.**

Overlays to Fannie Mae guidelines are underlined

Resources

Fannie Mae Originating and Underwriting	<i>Link to website</i>	https://www.fanniemae.com/singlefamily/originating-underwriting
Fannie Mae Loan Lookup	<i>Link to website</i>	https://knowyouroptions.com/loanlookup
Fannie Mae Single Family Selling Guide	<i>Link to website</i>	https://www.fanniemae.com/content/guide/selling/index.html?cmpid=sg_home0414
Fannie Mae Condominium Eligibility Guidelines	<i>Link to website</i>	https://www.fanniemae.com/singlefamily/project-eligibility