## Eligibility Matrix & Summary Guidelines

<table>
<thead>
<tr>
<th>Occupancy</th>
<th>Primary Residence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>Property Type</td>
<td>Maximum LTV/CLTV/HCLTV (2/3)</td>
</tr>
<tr>
<td>1-Unit, PUD &amp; Condo</td>
<td>110%/No Limit</td>
</tr>
<tr>
<td>2-Units</td>
<td>110%/No Limit</td>
</tr>
<tr>
<td>3 to 4-Units</td>
<td>110%/No Limit</td>
</tr>
</tbody>
</table>

### Notes to Matrix

1. LTV may be lower than the Maximum LTV at certain loan amounts
2. LTV/CLTV/HCLTV are Exclusive of Financed VA Guaranty Funding Fees. LTV/CLTV/HCLTV are based upon Base Loan Amount (loan amount prior to financed funding fee)
3. Refer to LTV/CLTV/HCLTV and Subordinate/Secondary Financing section of Summary Guidelines below for additional information

### Eligibility*

- 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
- Appraisals & Property
  - Appraisal not required
  - The property must meet VA’s minimum property requirements. Repairs that affect the health and safety of the occupants must be completed prior to closing
- Assignment of Mortgages
  - 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
- Borrowers: Eligible
  - Refer to VA guidelines for full borrower eligibility requirements
  - Eligibility:
    - An eligible veteran is a person who served on active duty in the Army, Navy, Air Force, Marines, or Coast Guard, and who, (except for a service member on active duty) was discharged or released from active duty under conditions other than dishonorable; or
    - Members of the Reserves or National Guard are eligible upon completion of 6 years of service; or
    - Unmarried surviving spouses of veterans who died as a result of service or service related causes
  - Refer to ‘Borrower Eligibility’ and ‘Citizenship, Residency and Immigration Status’ sections of the Seller Guide regarding requirements for each Borrower’s citizenship, residency and immigration status; including documentation necessary for lawful proof of residency
  - Resident Alien permitted as long as primary borrower is a veteran
  - LenderLive will not permit a different veteran who is substituting entitlement for the veteran on the loan being refinanced
  - Living Vivos Revocable Trust and Power of Attorney: Refer to Seller Guide for eligibility requirements
- CAIVERS
  - All borrowers must be screened using HUD’s CAIVERS to determine there have been no late payments on Federal debt obligations
  - Generally, any lien must be paid-off or existing delinquent account brought current. Refer to VA guidelines for requirements

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### Condominiums
- Condominium approval not required

### Credit
- All borrowers must return at least one credit score via Residential Credit Mortgage Report or Tri-Merge Credit Report
- Non-traditional credit is not allowed
- If the mortgage history is not included on the credit report, any of the following alternative documentation is acceptable: supplemental credit report for the mortgage history, VOM, or cancelled checks
- 0x30 for existing mortgage in the last 6 months (prior to initial application date)
- Borrowers with more than two 30-day or one 60-day late mortgage payment(s) in the most recent 12 months are ineligible
- Mortgage late payments within the last 12 months require written explanation and evidence of extenuating circumstances
- Borrower letter of explanation is required for recent credit report inquiries made within the previous 90 days
- For credit qualifying transactions:
  - 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 VA requirements
  - Gap Report is highly recommended within 10 days of mortgage Note date; prior to closing/funding of the transaction
    - New debts, liabilities, inquiries and/or public records must be addressed pursuant to VA requirements
    - Material discrepancies from the prior credit report must be addressed pursuant to VA 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

### Disaster Policy
- LenderLive may require a post-disaster inspection when the appraisal occurred before the incident end date of the disaster
- See LenderLive Disaster Policy in Seller Guide for details

### Employment / Income Verification
- Full income documentation required when the new PITI payment will increase by 20% or more or the loan does not meet VA’s Qualified Mortgage requirements. Loan is considered Credit Qualifying
- LenderLive does not approve IRRRLs if none of the borrowers have income.
- The 1003 must include the current employer’s name, address, phone number, borrower’s job title and length of time on job. The following Income and Employment documentation are required at a minimum:
  - Salaried borrowers require a Verbal VOE
  - Self employed borrowers require verification of the business through a 3rd party source
  - Retirement and/or social security income requires most recent bank statement or award letter
  - Rental income as the borrower’s only source of income – Current lease agreement
  - Child support or alimony income – Divorce decree or support order and the most recent 3 months’ bank statements showing consistent deposits in the amount of the support or alimony
- 4506-T and Tax Transcript requirements:
  - Tax Transcripts and the 4506-T are not required for non-credit qualifying IRRRL transactions
  - For credit qualifying IRRRL transactions: A 4506-T, signed at application and closing, is required for all transactions
  - For credit qualifying IRRRL transactions: 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. 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
### Correspondent Lending

**VA Interest Rate Reduction Loan (IRRRL)**

**Fixed Rate Product Profile**

<table>
<thead>
<tr>
<th>Escrow Holdbacks (Postponed Repairs / Improvements)</th>
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<tbody>
<tr>
<td>• Not permitted</td>
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<table>
<thead>
<tr>
<th>Escrow / Impounds</th>
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<tr>
<td>• An impound account for collection of taxes and insurance (or additional escrow items) is required</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Funding Fee</th>
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<tbody>
<tr>
<td>• The Funding Fee may be financed in the loan. Maximum LTV based on Base Loan Amount (loan amount prior to financed funding fee)</td>
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<tr>
<td>• Refer to VA guidelines for exemptions</td>
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<table>
<thead>
<tr>
<th>High Cost / Higher Priced Mortgage Loans</th>
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<tbody>
<tr>
<td>• LenderLive will not purchase High Cost Loans</td>
</tr>
<tr>
<td>• Higher Priced Mortgage Loans (HPMLs) are not permitted</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Interest Rate and Payment Requirements</th>
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<tbody>
<tr>
<td>• The new interest rate must be lower than the old interest rate</td>
</tr>
<tr>
<td>• The principal and interest payment on the IRRRL MUST be less than the loan being refinanced unless one of the following exceptions applies:</td>
</tr>
<tr>
<td>▪ The term of the IRRRL is shorter than the term of the loan being refinanced</td>
</tr>
<tr>
<td>▪ If the payment (PITI) increases by 20% or more, the lender must:</td>
</tr>
<tr>
<td>o Determine that the veteran qualifies for the new payment from an underwriting standpoint; such as determine whether the borrower can support the proposed shelter expense and other recurring monthly obligations in light of income established as stable and reliable,</td>
</tr>
<tr>
<td>o Include a certification that the veteran qualifies for the new monthly payment which exceeds the previous payment by 20% or more, and</td>
</tr>
<tr>
<td>o Limit the DTI to 50% or less</td>
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<table>
<thead>
<tr>
<th>Loan Amounts</th>
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</thead>
<tbody>
<tr>
<td>• Refer to Eligibility Matrix above</td>
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<tr>
<td>• Minimum loan amount is $50,000</td>
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<table>
<thead>
<tr>
<th>LTV/CLTV/HCLTV and Subordinate / Secondary Financing</th>
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<tbody>
<tr>
<td>• LTV – IRRRL transaction pays off a VA loan: Base LTV may not exceed the lesser of 110% of the appraised value</td>
</tr>
<tr>
<td>• CLTV/HCLTV</td>
</tr>
<tr>
<td>▪ Existing subordinate financing may be re-subordinated – Unlimited CLTV/HCLTV</td>
</tr>
<tr>
<td>▪ Copies of the fully-executed subordinate note and mortgage are required</td>
</tr>
<tr>
<td>• New subordinate financing is not permitted</td>
</tr>
</tbody>
</table>

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## Correspondent Lending
### VA Interest Rate Reduction Loan (IRRRL)
#### Fixed Rate Product Profile

**Loan Purpose**

- **Eligible**
  - Borrower should receive no cash back at closing; however; cash back to the Borrower can never exceed $500
    - *Exception: In Texas - Borrower(s) may not receive any cash back*

- **Ineligible**
  - Construction Loans used to finance the construction of the subject
  - Energy Efficient Mortgages
  - Graduated Payment Mortgages
  - Growing Equity Mortgages

**Maximum Number of Financed Properties**

- 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

**Occupancy**

- Primary Residences only
- Second Homes **not** permitted
- Investment Properties **not** permitted

**Principal Reductions (Curtailments)**

- Principal reductions permitted in accordance with applicable Agency guidelines

**Property: Eligible Title to Property and Estate Type & Resale Deed Restrictions**

- Title to property must be held in Fee Simple only
- 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
- Resale Deed Restrictions:
  - 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 VA guidelines
    - Resale deed restrictions for VA loans require prior approval by VA, or the Correspondent must document that the restriction falls within the exceptions provided by applicable VA regulations (26-7, Chapter 9, Title Limitations)
    - Refer to Seller Guide for additional information regarding Resale Deed Restrictions

**Property: Eligible Types**

- Single Family (1-Unit) Attached/Detached
- 2 to 4-Units
- Condominiums approved by VA (refer to Condominiums section of VA Underwriting Guidelines for eligibility information)
- PUDs
- Modular homes

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### Correspondent Lending
### VA Interest Rate Reduction Loan (IRRRL)
### Fixed Rate Product Profile

- **Property: Ineligible Types**
  - Commercial enterprises, including Bed and breakfast, boarding homes, group homes, etc.
  - Condominiums not listed on the VA approved list
  - Condominiums without HOAs
  - Condotels
  - Cooperatives
  - Geodesic Domes
  - Hawaii properties in lava zones 1 and 2
  - Hotel Condominiums
  - Land Trusts, including Illinois Land Trusts
  - Leaseholds
  - Manufactured Homes
  - Mixed use properties
  - Mobile Homes (also referred to as single wide or double wide homes)
  - Property currently in litigation (for condominiums, refer to Condominium Litigation section of this Guide for allowances and restrictions)
  - Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same
  - Properties with Chinese drywall or previously with Chinese drywall
  - Timeshares
  - Unimproved Land
  - Working Farms and Ranches/Orchards
  - Refer to LenderLive Correspondent Seller Guide for complete list of ineligible property types

- **Qualifying Rate**
  - For credit qualifying transactions: Note rate

- **Qualifying Ratios / DTI**
  - DTI ratios are not calculated unless the transaction is credit qualified

- **Recently Listed Properties**
  - The listing must have been expired or been withdrawn on or before the application date

- **Reserves / Funds to Close**
  - Reserves are not required. Source of funds to close are not required on an IRRRL

- **State Restrictions**
  - Texas 50(a)(6) refinances - not eligible
  - Texas - Borrower(s) may not receive any cash back
  - Illinois Land Trust vestings - not eligible
  - 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
### Correspondent Lending

**VA Interest Rate Reduction Loan (IRRRL) Fixed Rate Product Profile**

*Overlays to VA guidelines are underlined*

**New York CEMA**
- LenderLive permits Refinance and Purchase Consolidation and Extension Modification Agreement (CEMA) loans
- Refer to LenderLive Correspondent Seller Guide for requirements and applicable fees

**Title Insurance**
- Title Insurance is required. See LenderLive Correspondent Seller Guide for requirements

**Temporary Buydowns**
- Not eligible

**Underwriting Method**
- Manual underwriting only
  - If an IRRRL is submitted to Loan Prospector or Desktop Underwriter, documentation supporting the values that were entered (income, assets, etc.) must be provided
  - Case number must indicate that the loan is an IRRRL transaction

*Seller shall deliver loans originated in accordance with the VA Selling Guide 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 VA guidelines.

Overlays to VA guidelines are underlined

<table>
<thead>
<tr>
<th>Resources</th>
<th>VA Lenders Handbook - VA Pamphlet 26-7</th>
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<tbody>
<tr>
<td></td>
<td><a href="http://www.benefits.va.gov/warms/pam26_7.asp">Link to website</a></td>
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