REMN WHOLESALE

HomePath Program

Conforming & High Balance

Fixed Rate

Conforming Loan Amounts

Owner-Occupied Primary Residence					
Transaction Type	***Units***	***LTV***	***CLTV***	***Loan Amount*** [1]	***Credit Score***
Purchase	1	95%	95% [2]	Refer to Loan Limits Below	660 [3,4]
	2	85%	85% [2]	Refer to Loan Limits Below	660 [3,4]
	3-4	75%	75% [2]	Refer to Loan Limits Below	Per DU
Second Home					
Transaction Type	***Units***	***LTV***	***CLTV***	***Loan Amount*** [1]	***Credit Score***
Purchase	1	90%	90%	Refer to Loan Limits Below	660 [3,4]
Investment (Non-Owner Occupied)					
Transaction Type	***Units***	***LTV***	***CLTV***	***Loan Amount*** [1]	***Credit Score***
Purchase	1	90%	90%	Refer to Loan Limits Below	660 [3,4]
	2	80%	80%	Refer to Loan Limits Below	Per DU
	3-4	75%	75%	Refer to Loan Limits Below	Per DU

Footnotes:

1. Minimum loan amount $40,000.
2. Up to 105% CLTV allowed when using a Community Second. Program must be approved by REMN Wholesale.
3. LTV > 80% minimum credit score 660
4. LTV ≤ 80% credit score per DU

Maximum Conforming Loan Limits for 2014		
Units	***Contiguous States, District of Columbia***	***Alaska, Hawaii***
1	$417,000	$625,500
2	$533,850	$800,775
3	$645,300	$967,950
4	$801,950	$1,202,925

High Balance Loan Amounts

Owner-Occupied Primary Residence					
Transaction Type	***Units***	***LTV***	***CLTV***	***Loan Amount*** [1]	***Credit Score***
Purchase	1	90%	90% [2]	Refer to Loan Limits Below	660 [3,4]
	2-4	75%	75% [2]	Refer to Loan Limits Below	Per DU
Second Home					
Transaction Type	***Units***	***LTV*** [1]	***CLTV***	***Loan Amount*** [1]	***Credit Score***
Purchase	1	65	65%	Refer to Loan Limits Below	Per DU
Investment (Non-Owner Occupied)					
Transaction Type	***Units***	***LTV***	***CLTV***	***Loan Amount*** [1]	***Credit Score***
Purchase	1 - 4	65%	65%	Refer to Loan Limits Below	Per DU

Footnotes:

1. Minimum loan amount $417,001. Maximum loan amount is determined by county. Refer to FHFA Limits for loan amounts that may be lower than the maximum stated above.
2. Up to 105% CLTV allowed when using a Community Second.
3. LTV > 80%, minimum credit score of 660 required
4. LTV ≤ 80%, credit score per DU

Maximum Loan Limits for High Cost Areas for 2014		
Units	***Contiguous States, District of Columbia***	***Alaska, Hawaii***
1	$625,500	$938,250
2	$800,775	$1,201,150
3	$967,950	$1,451,925
4	$1,202,925	$1,804,375

Topic	Guideline
4506-T	• Signed 4506-T required prior to loan closing for both personal and business tax returns (if applicable) • Tax transcripts for personal tax returns are processed per DU • 4506-T results must be validated against the income documentation • Broker provided processed 4506-T results are **not** eligible.
Age of Documents	• All credit, income and asset documentation must be the lesser of the expiration date noted on DU or ≤ 4 months from the Note date. • Appraisal documents must be ≤ 4 months from the Note date
Appraisals	• No appraisal required with the exception of West Virginia. Properties in West Virginia, require, at minimum a 2055 unless DU requires a full appraisal. • The final sales price is used for underwriting. NOTE: Borrowers may request an appraisal at their own cost outside of the transaction however **it cannot be submitted to REMN Wholesale or the loan is ineligible for HomePath.**
Assets	Asset documentation per DU • All funds used to close the transaction must be disclosed on the 1003 and input into DU. • The borrower must provide evidence that the earnest money deposit came from an acceptable source and that they have sufficient assets to cover the down payment, closing costs, prepaids and reserve requirements. Evidence required: - Two months most recent bank or financial statements, all pages. NOTE: If a copy of the canceled deposit check is used to document the source of funds, the bank statements must cover the period up and including the date the earnest money check cleared the bank. • Cash on hand and unsecured borrowed funds are ineligible sources for assets. • Large deposits are considered to be a single deposit that exceeds 25% of the combined gross monthly income of the borrower(s). The source of large deposits must be explained and verified. REMN will also assess all non-payroll deposits and, at underwriter discretion, sourcing/documentation may also be required. Example: 1. Borrower gross monthly qualifying income is $10,000. A single deposit of $3,000 would require sourcing/documentation since $3,000 exceeds $2500 (25% of $10,000) 2. Borrower gross monthly qualifying income is $10,000. Three separate non-payroll deposits of $1,000 are made within 30 day period. While technically not > 25% of gross monthly income, at underwriter discretion sourcing/documentation may still be required. • Verification of assets from foreign sources: - Funds that a borrower (either a U.S. or non-U.S. citizen) has deposited into a U.S. depository institution are acceptable provided all of the following requirements are met: - Documentation of the transfer of funds from the borrower's country of origin is provided, and - It can be established that the funds belonged to the borrower before the date of transfer, and - The source of all funds used for closing can be verified following the same requirements for U.S. citizens.
Assumptions	Not allowed
AUS	DU "Approve/Eligible" Finding required. Manual underwriting is ineligible.
Available Markets	• All 50 states with the exception of Massachusetts and Nevada. • Guam, Puerto Rico and the Virgin Islands are ineligible.

Borrowers - Eligible	• A natural person, • U.S. citizens • Permanent resident aliens: - Permanent resident alien borrowers must hold an unexpired "Green Card" issued by the U.S. Citizenship and Immigration Services (USCIS). A copy of both the front and back of the card is required. • Revocable inter vivos trust that meets FNMA guidelines • Non-permanent resident aliens: - Non-permanent resident aliens are temporary residents who are eligible to live/work in the United States for a specific period of time. Acceptable documentation of their work authorization is: - An unexpired Employment Authorization Document (EAD) by the USCIS, or - An unexpired visa. Eligible types are E-1, G series, H series, L-1A and L-1B, or TN. If the authorization for temporary residency will expire within one year of closing and a prior history of residency status renewals exists, continuation may be assumed. If there are no prior renewals, the likelihood the authorization will be renewed must be determined based on information received from the USCIS. • All borrowers are required to have a social security number.
Borrowers – Ineligible	• Foreign Nationals • Borrowers with diplomatic immunity • Borrowers without a social security number or a number that cannot be validated with the SSA • Borrowers with non-traditional credit
Borrower Types	• **Co-Borrower:** An individual, who applies jointly with the applicant, takes title to the property and is liable for the debt. The co-borrower signs all documents. Co-borrower's income, assets and debt used for loan qualification. • **Non-Occupant Co-Borrower**: An individual, who applies with the applicant, takes title to the property and is liable for the debt but does not live in the property. DU determines the risk factor without the non-occupant co-borrower's income • **Co-Signer:** An individual who has no ownership interest in the property, but is liable for the debt. Assets are always used for qualification. Income and debt are only considered when the co-signer occupies the subject property. • **Non-Borrowing/Non Purchasing Spouse** - Generally have no ownership interest in the property and are not liable for the debt. In community property/marital rights states the non-borrowing spouse does have an interest in the property and is required to execute the security instrument and all applicable documents as determined by state law. **Down Payment and Qualifying Ratio Requirements** • When a non-occupant co-borrower or co-signer is on the loan, the occupying borrower must make a minimum 5% of the down payment from their own funds unless: - The LTV/CLTV ratio is ≤ 80% and - The occupying borrower is purchasing a 1-unit principal residence and meets the requirements of gifts to pay for some or all of the borrower's minimum contribution.
Community Second	Community seconds meeting Fannie Mae requirements are eligible on fixed rate purchase or rate/term 1-4 unit owner-occupied property. REMN Wholesale must approve the community second program.

Conversion of Principal Residence or Pending Sale	• **Pending Sale**:
	- If the borrower is purchasing a new primary residence, and the current primary residence is pending sale and the transaction will not close prior to the new transaction, the following is required:
	  - The borrower is qualified using their current PITIA and the proposed PITIA (principal, interest, taxes, insurance, and other assessments).
	  - The borrower must have 6 months PITIA in reserves for both properties.
	  - Two months reserves for each property will be allowed if 30% equity can be documented by an appraisal.
	• **Conversion to Second Home**:
	- The borrower is qualified using the PITIA payments for both properties
	- Six months PITIA reserves is required for both properties
	- Two months PITIA reserves for each property will be allowed if 30% equity can be documented by a full appraisal or 2055/1075 (exterior-only) appraisal.
	• **Conversion to Investment Property:**
	- 75% of the gross rental income may be used as income if the equity in the current principal residence is ≥ 30%, documented by a full appraisal or 2055/1075 (exterior-only) appraisal. The borrower must provide:
	  - A fully executed lease agreement,
	  - Security deposit from the tenant, and
	  - A copy of the bank statement showing the deposited security funds
	  - Two months reserves will be required on both properties.
	- If the equity is < 30%, rental income cannot be used to qualify the borrower and 6 months PITIA reserves will be required on both properties.
	- When a current 2-4 unit primary residence property is being converted to an investment property, the net rental income for the units not previously occupied by the borrower may be calculated using the borrower's most recent year of signed federal income tax returns and Schedule E.

Credit History	• Trade line requirements per DU Findings. • Authorized user trade lines require underwriter review to ensure the trade lines are an accurate reflection of the borrower's credit history.

Credit - Installment/Revolving Accounts	All debts will be run through DU to ensure accurate DU Findings. • **Installment Debt** - Installment debt is considered as a recurring monthly debt obligation and included in the borrower's long-term debt when there are more than 10 months payments remaining. - Installment debt with ≤ 10 months remaining will be considered as a recurring monthly debt obligation if it significantly affects the borrower's ability to meet their credit obligations. • **Revolving Debt** - Revolving debt is considered part of the borrower's recurring monthly debt. Revolving debt includes credit cards and personal lines of credit (equity lines, secured by real estate, are included in the housing expense). Revolving debt is subject to the following: - If the monthly payment is not included on the credit report, the underwriter will use the greater of $10 or 5% of the outstanding balance to determine the monthly payment - Payoff or pay down of debt solely to qualify the borrower is carefully evaluated and will be considered in the overall loan analysis by the underwriter. Generally the following applies: - Revolving accounts that will be paid off and closed, a monthly payment is not required to be included in the debt ratio. Documentation that the account was closed must be provided and verified prior to loan disbursement. The payoff must be shown on the HUD-1. - Revolving debt that will be paid off but not closed will require the current monthly payment, based on the current outstanding balance, will be included in the long-term debt. • Open 30-day charge accounts require sufficient assets to pay off the debt in order to be excluded from the debt ratio. **Deferred Student Loans** • Deferred student loans are included in the borrower's recurring monthly debt. If the credit report does not indicate the monthly payment due at the end of the deferred period, copies of the borrower's payment letters or forbearance agreements must be provided to determine the monthly payment. In lieu of the payment letters/forbearance agreement, the minimum monthly payment can also be calculated using, at minimum, 2% if the outstanding loan balance.

Credit Report/Scores	• Credit score is per DU Findings • All borrowers are required to have a credit score and must meet the minimum credit score requirement provided by DU (unless the requirements under Credit Score Exception topic are met) • REMN will accept a credit report, in the broker's name, from any FNMA acceptable credit vendor. • A tri-merged credit report is required for all borrowers. • The representative credit score is determined as follows: - If there are three (3) valid scores, the middle score is used. If two of the three scores are a duplicate, the duplicate score is used. - If there are two (2) valid scores, the lower of the two is used - If there is one (1) valid score, that score is used The representative score for the loan is the lowest representative score for all borrowers. • The borrower(s) must address **all** credit inquiries indicated on the credit report within the previous 120 days and indicate the reason for and result of the inquiry (i.e. was new credit obtained or not). • The credit report cannot be older than 4 months at time of funding or the expiration date received from DU, whichever is less. • Business debt that appears on a self-employed borrower's personal credit report requires documentation that the debt is paid from company funds and considered in the cash flow analysis for the borrower's business. - Business debt does **not** need considered as part of the borrower's individual recurring monthly debt when: - The account does not have a history of delinquency, **and** - Documentation is provided that the debt was paid from the borrower's business funds (e.g. 12 months cancelled business checks), **and** - The debt is considered in the cash-flow analysis completed by the underwriter. If documentation of payment from the business funds cannot be provided, or there is history of delinquency on the account the debt must be considered as part of the borrower's individual recurring debt obligation. **Credit Score Exception** REMN will not require all borrowers on the loan to have a credit score subject to all of the following requirements: • The loan receives a DU "Approve/Eligible" Finding • At minimum, one borrower on the loan has traditional credit and one or more credit scores. The borrower with the credit score(s) must be the primary borrower (i.e. the borrower that contributes more than 50% of the qualifying income), • Conforming loan amount only; no High Balance, • Purchase and rate/term transactions only, • The property securing the loan is a 1-unit, primary residence and all borrowers will occupy the property, and • The income used to qualify the borrowers cannot be from self-employment.

Derogatory Credit

Bankruptcy

Derogatory Event	Waiting Period	Extenuating Circumstances
Chapter 7 or 11 BK	• 4 years from discharge to credit report date	• 2 years from discharge date The maximum LTV is the lesser of 90% LTV or the maximum LTV allowed for the program
Chapter 13 BK	• 2 years from discharge date to credit report date • 4 years from dismissal date to credit report date	• 2 years from dismissal The maximum LTV is the lesser of 90% LTV or the maximum LTV allowed for the program
Multiple BK Filings*	• 5 years if more than one filing in the previous 7 years	• 3 years from discharge/dismissal

* NOTE: Two or more borrowers with individual bankruptcies are not cumulative and are not considered multiple bankruptcies (e.g. the borrower has a bankruptcy and the co-borrower has a bankruptcy, FNMA does not consider this multiple BKs)

- Extenuating circumstances are considered isolated events that are beyond the borrower's control that result in a sudden, significant and prolonged reduction in income or a large increase in the borrower's financial obligations (e.g. death of a borrower, layoff, serious illness, divorce, etc.)
  - Acceptable documentation to support extenuating circumstances and that illustrate factors that contributed to the borrower's inability to resolve the problem is required (e.g. copy of divorce decree, layoff notice, death certificate, medical bills, tax returns, property listing agreements, etc.).
  - Additionally a letter of explanation from the borrower explaining the relevance of the documentation is required.

NOTE: An "Approve/Eligible" Finding is still required even when considering extenuating circumstances; manual underwriting is not allowed on Agency loans.

Collections/Charge-offs/Judgments

- Past-due accounts (that have not gone to collection) must be brought current.
- Collection and charge-off accounts are not required to be paid off if the balance of an individual account is < $250 or the total balance of all accounts is $1,000. However, at underwriter discretion payoff may be required regardless of the account balance.
- Accounts greater than the above limits may not have to be paid off provided documentation that the borrower has a strong credit profile, significant reserves, evidence that the accounts will not affect REMN's first mortgage lien, and evidence that the outstanding accounts are not likely to affect the borrower's equity position, subject to underwriter discretion and/or DU Findings.
- Open judgments, garnishments and all outstanding liens must be paid off prior to or at closing and documentation of sufficient funds to satisfy these obligations must be obtained.

Consumer Credit Counseling: Follow DU Findings

Foreclosure

A previous foreclosure is subject to the following:

- A 7 year waiting period from completion date to credit report date is required
- A 3 year waiting period with documented circumstances. The following also applies:
  - Maximum LTV/CLTV is the lesser of 90% or the program maximum
  - Borrower must be purchasing a primary residence, or
  - A limited cash-out refinance is permitted on all property types subject to eligibility requirements.

If the foreclosure is included in a Chapter 7 BK, the foreclosure deed date is used for determining the foreclosure date.

Derogatory Credit (cont.)	**Deed-in-Lieu/Pre-Foreclosure (Short Sale/Short Pay-off)** **Waiting Period and Requirements** 2 years - Maximum 80% LTV or program limit, whichever is less 4 years – Maximum 90% LTV or program limit, whichever is less 7 years – Maximum LTV per program guidelines **Extenuating Circumstances** 2 years – Maximum 90% LTV or program limit, whichever is less **Disputed Accounts** Disputed accounts are subject to DU Findings. • If DU Findings do not indicate any action required none is required. • If DU requires action on a disputed account the loan cannot close until the dispute has been resolved and an updated credit report, without the disputed account, is submitted to DU. NOTE: An "Approve/Eligible" Finding must be received from DU after the updated credit report has been submitted. **Re-Established Credit Requirements:** After a foreclosure, bankruptcy, deed-in-lieu, or pre-foreclosure borrowers are required to have re-established good traditional credit. Re-established credit is met if **all** of the following are met: - The above detailed waiting periods and related additional requirements are met - The loan receives an "Approve/Eligible" Finding from DU - The borrower has established new traditional credit (non-traditional credit or "thin files" are **not** acceptable) **Delinquent Child Support:** Delinquent child support must be paid current or in a payment plan. On a case-by-case basis this requirement may be waived subject to underwriter review. **Restructured/Modified Loans** • **Refinance Transactions**: The subsequent refinance of a restructured/modified loan is eligible subject to the following: - The borrower(s) have made a minimum of 24 consecutive months of on-time payments on the restructured/modified loan prior to the closing of the refinance transaction (i.e. 24 consecutive months of on-time payments **after** the loan was restructured/modified). **Purchase Transactions:** Borrowers with a previously restructured/modified loan are eligible for a purchase transaction as long as it can be documented that the borrower has a satisfactory payment history on the modified/restructured loan with no delinquencies. There is no seasoning requirement on the modified/restructured loan
DTI	• Per DU • Business debt may only be excluded from the DTI calculation if satisfactory documentation of the following is provided: - The account in question does not have a history of delinquency. - The debt(s) are paid through the business verified with 12 months cancelled business account checks. - A cash-flow analysis of the business took the payment obligation into consideration.
Employment	• A two year employment history is required for both wage earner and self-employed borrowers. • A verbal verification of employment (VVOE) is required within10 calendar days of the Note date for salaried borrowers and within 30 calendar days for self-employed borrowers. • A current paystub with YTD income and most recent W-2s are required for wage earners. • Self-employed borrowers require verification of the business by a third party source (e.g. CPA, Federal Tax ID Certificate, Business License). Self- employed borrowers are individuals who have 25% or greater ownership interest in a business.
Escrow/Impound Account	• >80% LTV required unless prohibited by state law • < 80% LTV not required; refer to rate sheet for pricing adjustment

Financed Properties

REMN Wholesale overlay:

REMN Wholesale Overlays:

- Borrowers who own more than four (4) properties (including the subject property) are not eligible for financing with REMN Wholesale. Exceptions may be granted on a case-by-case basis with REMN Wholesale management approval. A price adjustment may apply.
- No multiple simultaneous loan submissions allowed if contingent to qualify
- REMN limits its exposure to a maximum of 4 loans per borrower.

Gift Funds

- Gift funds, from an acceptable donor, may be used for all or part of the down payment, closing costs, or reserve requirements as long as the borrower meets the minimum contribution requirements detailed below.

LTV/CLTV	Property Type	Minimum Contribution from Borrower Own Funds
≥ 80.01% MI company guidelines apply	1-unit primary residence	A minimum contribution from borrower's own funds not required. All funds may be a gift.
	2-4 units, second home	5% borrower contribution required. Gifts may be used after the borrower own funds contribution is met.
≤ 80%	1-4 unit primary, second home	Not required. All funds may come from a gift.

- Gift funds are not allowed on investment transactions.
- Gift funds may be provided by any of the following:
  - A relative, defined as the borrower's spouse, child, or other dependent, or by another individual who is related to the borrower by blood marriage, adoption or legal guardianship, or
  - A fiancé or fiancée, or domestic partner.
- The gift fund donor cannot be affiliated with the builder, developer, real estate agent, broker, or any other interested party to the transaction.
- The gift must be evidenced by a gift letter, signed by the donor and it must:
  - Specify the dollar amount,
  - Be signed by the donor and the borrower,
  - Specify the date the funds were transferred,
  - Indicate the donor(s) name, address, phone number, and relationship to the borrower, and
  - Include a statement by the donor that no repayment of the gift funds is expected.
- The transfer of the gift funds must be documented. Acceptable documentation includes:
  - Copy of the donor's cancelled check and the borrower's deposit slip
  - Copy of the donor's withdrawal slip and the borrower's deposit slip
  - Copy of the donor's check to the closing agent, or
  - The settlement statement showing receipt of the donor's check.

  If funds not transferred prior to settlement, documentation the donor gave the closing agent the gift funds in the form of a certified/cashier's check or other official check.

Income

- Income documentation is determined by DU however, at underwriter discretion, additional documentation may be required.
- Wage earner borrowers:
  - At minimum, a current paystub with YTD earnings and the most recent W-2 is required
- Self-employed borrowers:
  - Copy of the most recent 2-years signed federal individual and business tax returns with all schedules. If DU requires business returns business tax transcripts will be required.
    - The requirement for business tax returns may be waived if:
      - The borrower is using personal funds for down payment and closing costs
      - The borrower has self-employed in the same business for a minimum of 5 years
      - The borrower's individual tax returns show an increase in self-employment income over the past 2-years.
- Other sources of income:
  - Other sources of income are eligible for qualifying the borrower. DU determines the documentation, verification and continuation requirements for other sources of income.
- Projected income from a new job that the borrower is scheduled to start is eligible subject to REMN management approval and the following:
  - The borrower's previous employment and income history must be documented
  - The borrower must be scheduled to begin employment within 30 days from loan closing
  - A copy of the offer or contract for employment is required and the documentation must include salary information
  - Borrower must have sufficient other income or cash reserves to pay the mortgage and all other obligations from loan closing to the start of the new job
  - A letter, signed by the borrower(s) is required, certifying that a paystub or other acceptable documentation to validate the borrower has started employment, will be provided as soon as received by the borrower
- Social security income (retirement, disability supplemental security income) is an eligible source of income subject to the following:
  - Documentation requirements are determined on the type of benefit and whether the benefits received are from the borrower's own account or from another person's account (e.g. borrower eligible for benefits from a spouse, ex-spouse, dependent parents, etc.)

<table>
<tr><th>Type of Benefit</th><th>Benefit from Borrower's Own Account</th><th>Benefit from Another Person's Account</th></tr>
<tr><td>Retirement</td><td rowspan="2">• SSA Award Letter, OR
• Proof of current receipt
No continuance documentation required</td><td rowspan="3">• SSA Award Letter, and
• Proof of current receipt, and
• Minimum 3 year continuance required</td></tr>
<tr><td>Disability</td></tr>
<tr><td>Survivor</td><td>N/A</td></tr>
<tr><td>Supplemental Security Income (SSI)</td><td>• SSA Award Letter, and
• Proof of current receipt</td><td>N/A</td></tr>
</table>

Inspections

- Septic inspections are only required when the appraiser indicates there is evidence the septic system be failing.
- Termite inspections are only required when the purchase contract requires one, or the appraiser indicates there is evidence of active infestation.
- Well inspections are only required when state or local regulations require, or if there is indication the well may be contaminated.

Investment Property Requirements	The following guidance applies to 1-4 unit investment properties or 2-4 unit primary residence properties. • Rental income may be used to qualify the borrower. Based on the information provided, the underwriter will determine the rental income that will be used to qualify the borrower. • Rental income generated from the **subject** property requires the appraiser to provide: - Single-Family Comparable Rent Schedule (FNMA Form 1007, **or** - Small Residential Income Property Appraisal Report (FNMA Form 1025) for 2-4 unit properties. - The borrower must provide the most recent year personal tax returns and all related schedules. • Rental income generated from **other** investment property currently owned by the borrower (e.g. SFR, units or commercial property) the borrower must provide personal tax returns and all related schedules. • If the borrower acquired the property subsequent to filing a tax return a copy of the signed, lease agreement and a copy of the receipt and deposit of the security deposit from the tenant into the borrower' s bank account is required. NOTE: If using a lease agreement, only 75% of the gross rents, minus the verified PITIA, may be used for rental income. • Investment property files, regardless of whether or not income is used to qualify, must contain **one** of the following documents at closing: - If the property is vacant, verification from the appraiser that all units are currently vacant (can be noted on the appraisal report), **or** - If the property has any tenants, verification from the title company that they will not have a "Tenants in Possession" exception in the title policy. Specific verification from the title company is required; the title company must provide in writing documentation that they will not have a "tenants in possession" exception, **or** - A copy of the lease documentation that specifically indicates one of the following: - The lease is subordinate to any mortgage, or - Any tenant's right to purchase the property or any rights that could affect REMN's interest have been formally waived by all tenants of the property.
LDP/GSA	**LDP / GSA** **LDP** / **GSA** All of the following parties to the transaction, as applicable, must be checked against HUD's Limited Denial of Participation list and the General Service Administration's Excluded Parties List System. - Borrower(s), - Loan Agent,
Mortgage Insurance	Not required. A price adjustment will apply if the LTV is > 80%.
Mortgage/Rental History	• Per DU Findings however the mortgage /rental rating cannot have any ≥ 60 day lates in the previous 12 months. NOTE: If DU allows any delinquencies a satisfactory explanation of the delinquency is required and is subject to underwriter review and acceptance. • The credit report must reflect the most recent 12 months activity. • Mortgage must be current for the month closing. • Copies of rent checks are required to document rental payment history subject to DU Findings. In lieu of rent checks, at the underwriter's discretion the following may be acceptable: - A direct verification of rent (VOR) provided by a professional management company, or - Copies of money orders

Non-Arm's Length or Identity of Interest Transactions	• A non-arm's length transaction is a purchase transaction where the is a relationship or business affiliation between the buyer and seller of the property • Non-arm's length transactions are eligible for re-sale properties on all occupancy types. • When a non-arm's length transaction occurs on a property that is new construction, the property must be a primary residence only. Non-arm's length transactions on new construction properties are ineligible if the property is a second home or investment. • An identity of interest transaction involves parties who are not related and do not have close personal ties, however they have a strong interest in the transaction. Identity of interest transactions are eligible on owner-occupied transactions, however additional review will be required to ensure validity of the transaction, value, etc. Additional documentation and/or a desk review or second appraisal may be required at underwriter discretion.
Occupancy	• 1-4 unit owner-occupied primary residence • 1- unit second home • 1-4 unit Investment (non-owner occupied)
Power of Attorney	A Power of Attorney (POA) is allowed on a case-by-case basis subject to: • Must be specific to the transaction • Must include the borrower name, property address and loan amount • The POA must be fully executed and notarized • The borrower must sign the application and disclosures • REMN to review and approve prior to loan closing • The POA must be recorded along with the mortgage.
Prepayment Penalty	Not permitted
Products	Fixed rate only. 15, 20, 25 and 30 year terms.
Project Review - Condos	A condo project review is not required on HomePath loans however documentation must be provided that property, liability and fidelity insurance meet Fannie Mae guidelines
Properties – Eligible	• SFR (attached/detached) • PUDs (attached/detached) • Condos (Refer to Project Review – Condos topic above for condo information)

<table>
<tr><td>Properties - Ineligible</td><td>

Non-warrantable condominiums
New or newly converted condominium projects without a PERS approval
Condominiums < 450 square feet
Cooperative projects
Manufactured/mobile homes. Manufactured housing is defined as any dwelling built on a permanent chassis. Manufactured homes are ineligible even if the towing hitch, wheels and axles have been removed.
Condo Hotels (projects managed or operated as hotel/motel, hotel/motel conversions)
Unique properties
Agricultural-type properties, farms, orchards, ranches
Rural property > 10 acres
Commercial property

</td></tr>
<tr><td>Reserves</td><td>

Generally, per DU Findings.
Borrowers purchasing a second home or investment and own 1-4 other financed properties, 2 months reserves for each additional property owned.
Refer to Conversion of Principal Residence topic for reserve requirements when converting a principal residence.

</td></tr>
<tr><td>Seller Contributions</td><td>
Seller contributions (aka interested party contributions) are limited as follows:
<table>
<tr><th>Occupancy Type</th><th>LTV/CLTV</th><th>Maximum Allowable Contribution</th></tr>
<tr><td rowspan="3">Primary Residence
or
Second Home</td><td>> 90%</td><td>3%</td></tr>
<tr><td>75.01% - 90%</td><td>6%</td></tr>
<tr><td>75% or less</td><td>9%</td></tr>
<tr><td>Investment Property</td><td>All</td><td>2%</td></tr>
</table>

Seller contributions cannot be used to make the borrower’s down payment, reserve requirements or to meet the minimum borrower contribution requirement.
Sales concessions items such as furniture, automobiles, decorator allowances, cash, etc. and financing concessions that exceed the limits above. The value of any sales concessions must be deducted from the sales price when calculating the LTV/CLTV ratios.

</td></tr>
<tr><td>Subordinate Financing</td><td>

Eligible subject to the CLTV limits on the matrix located on page. Max CLTV is 105% for a fixed rate 1-4 unit owner-occupied property with a Community Second.
If existing subordinate financing is a HELOC, the full amount of the available credit must be used to determine the CLTV.
Unacceptable subordinate financing terms include:

Mortgages with negative amortization (with the exception of employer subordinate financing that has deferred payments)
Subordinate financing that does not fully amortize under a level monthly payment plan where the maturity or balloon payment date is less than 5 years after the Note date of the new fist mortgage
Subordinate financing that has a prepayment penalty.

Community Second programs must be approved by REMN Wholesale. All Fannie Mae Community Seconds requirements must be met.

</td></tr>
<tr><td>Temporary Buydowns</td><td>Not available</td></tr>
</table>

Transactions – Eligible	Purchase transactions. Property must be Fannie Mae owned HomePath property. Eligible properties are listed on the Fannie Mae website at www.HomePath.com. NOTE: A copy of the Listing Details page from the HomePath website is required to document property eligibility for HomePath.
Transactions – Ineligible	• Any property not located on the Fannie Mae HomePath website. • Any transaction without a DU "Approve/Eligible" finding (unless the "Approve/Ineligible" finding is one of the exceptions listed in the AUS topic). • Manual underwrites • Interest-only • Fannie Mae HomeStyle • Fannie Mae My Community, Community Solutions and Community Home Choice • Non-traditional credit (see Credit Report/Score topic the topic for exception) • Restructured mortgages that do not meet Fannie Mae guidelines • Transactions where the property securing the loan is subject to a private transfer fee covenant created on or after February 8, 2011 and the fee collected does not directly benefit the property.