

<b>Documentation Standards</b>	All loans must meet standard loan documentation and qualification requirements		
<b>Exceptions</b>	Exceptions to guideline requirements will be made on a case by case basis		
<b>Minimum Loan Amount</b>	For loans under \$50,000, please contact your AE.		
<b>Products and terms</b>	<ul style="list-style-type: none"> <li>• 30, 25, 20, 15, and 10 Year terms under standard conforming product</li> <li>• Custom amortizations available under Retained product only</li> <li>• FNMA HomeReady / HomeStyle / RefiNow 30 yr. Term (retained product)</li> <li>• Freddie Mac HomePossible 30 yr. Term (retained product)</li> </ul>		
<b>Transaction Type</b>		<b>Purchase/Rate Term Refinance</b>	<b>Cash Out Refinance</b>
<b>Maximum LTV/CLTV</b>	<b>Property Type</b>	Up to loan limit	Up to loan limit
<b>Owner Occupied</b>	<b>1 Unit/Condo/PUD</b>	FRM 97%	FRM 80%
	<b>2 Unit</b>	85%	75%
	<b>3-4 Unit</b>	75%	75%
<b>Second Home</b>	<b>1 Unit/Condo/PUD</b>	90%	75%
	<b>2 Unit</b>	N/A	N/A
	<b>3-4 Unit</b>	N/A	N/A
<b>Investment Property</b>	<b>1 Unit/Condo/PUD</b>	85%	75%
	<b>2 Unit</b>	75%	70%
	<b>3-4 Unit</b>	75%	70%
<b>DU/LP Eligibility</b>	<ul style="list-style-type: none"> <li>• DU Approve or LP approval – AUS approval required</li> <li>• No Manual Underwrites</li> </ul>		
<b>Qualifying Ratios</b>	<ul style="list-style-type: none"> <li>• Per DU/LP</li> </ul>		
<b>97 LTV Conforming</b>	<ul style="list-style-type: none"> <li>• The 97% LTV purchase requires at least one borrower to be a first-time homebuyer unless using the Home Ready program</li> <li>• 97% Rate/Term refinance - FNMA must be the owner of the existing mortgage</li> </ul>		
<b>HomeReady, HomeStyle, &amp; RefiNow Matrix</b>	<ul style="list-style-type: none"> <li>• <a href="#">HomeReady</a> / <a href="#">HomeStyle</a> / <a href="#">RefiNow</a></li> </ul>		
<b>Fannie Mae Originating and Underwriting link</b>	<ul style="list-style-type: none"> <li>• <a href="https://www.fanniemae.com/singlefamily/originating-underwriting">https://www.fanniemae.com/singlefamily/originating-underwriting</a></li> </ul>		
<b>Fannie Mae Eligibility Matrix</b>	<ul style="list-style-type: none"> <li>• <a href="https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf">https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf</a></li> </ul>		
<b>Fannie Mae Day 1 Certainty Link Validation Services</b>	<ul style="list-style-type: none"> <li>• <a href="https://www.fanniemae.com/singlefamily/day-1-certainty">https://www.fanniemae.com/singlefamily/day-1-certainty</a></li> </ul>		
<b>Freddie Mac Eligibility Matrix</b>	<ul style="list-style-type: none"> <li>• <a href="http://www.freddiemac.com/singlefamily/factsheets/sell/ltv_tltv.htm">http://www.freddiemac.com/singlefamily/factsheets/sell/ltv_tltv.htm</a></li> </ul>		
<b>HomePossible Fact Sheet</b>	<ul style="list-style-type: none"> <li>• <a href="#">HomePossible</a></li> </ul>		
<b>Credit Scores</b>	<ul style="list-style-type: none"> <li>• Minimum Credit Score 620</li> <li>• Full Tri Merged Credit Report (minimum 2 scores)</li> <li>• All borrowers must have open active trade lines</li> <li>• No non-traditional credit</li> </ul>		
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Alien</li> <li>• All borrowers must have valid S/S#</li> </ul>		

<b>3rd Party Processing Services</b>	<ul style="list-style-type: none"> <li>• If utilizing a 3rd party for processing services- The loan must be locked and submitted under the Retained Product</li> </ul>
<b>Down Payment</b>	<ul style="list-style-type: none"> <li>• 1-unit properties do not require 5% down payment from borrower. All funds can come from acceptable gift sources.</li> <li>• 2-4 unit properties require a minimum 5% from borrower's own funds. Gift funds permitted after 5% down payment has been met.</li> <li>• Investment Property – requires borrowers own funds for down payment.</li> <li>• Gift funds not permitted on Investment Property purchase treated like an inducement and deducted dollar for dollar from the sales price for purposes of calculating LTV</li> <li>• Second homes require minimum of 5% borrower's own funds</li> </ul>
<b>Seller Assist/ICP</b>	<ul style="list-style-type: none"> <li>• Standard FNMA guidelines apply.</li> <li>• Seller side disbursements are examined closely. All real estate commissions and non-lien related expenses (marketing expense, finder's fee, referral fees, and consultant fees) must not exceed 8% of the sales price.</li> <li>• Any combination of these disbursements exceeding 8% will be treated like an inducement and deducted dollar for dollar from the sales price for purposes of calculating LTV</li> </ul>
<b>Non Occupant Co-borrower</b>	<ul style="list-style-type: none"> <li>• LP or DU allowed. Preferred AUS DU</li> </ul>
<b>Bankruptcy and/or Foreclosure</b>	<ul style="list-style-type: none"> <li>• BK Discharge must be seasoned 4 years</li> <li>• Foreclosure must be seasoned 7 years</li> <li>• Short sale charge off must be seasoned 4 years</li> </ul>
<b>Property Type</b>	<p>The following property/occupancy types are permitted</p> <ul style="list-style-type: none"> <li>• 1-4 unit residences (manufactured housing now eligible – please refer to back of guide) -Manufactured homes follow FNMA requirements: *Manufactured homes require a 650 fico unless it is Home Possible.</li> <li>• Condominiums</li> <li>• Freddie Mac does not allow limited review in Florida</li> <li>• Townhouse</li> <li>• PUD</li> <li>• Subject property over 20 acres must be submitted on Retained Product</li> </ul>
<b>Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>• 5-10 Financed Properties Permitted (Retained product only)</li> <li>• Click n' Close, Inc. will not extend more than 4 loans to any one individual</li> </ul>
<b>Closing in a Trust</b>	<ul style="list-style-type: none"> <li>• Revocable Trusts only – see your Account Executive regarding specific documents to collect of file submission</li> </ul>
<b>4506C</b>	<ul style="list-style-type: none"> <li>• Required on all files. Please review IRS transcript policy on page 2 of this document</li> </ul>
<b>Cash Out</b>	<ul style="list-style-type: none"> <li>• A loan is defined as cash out if the amount exceeds \$2000 or 2% of the loan amount. Non purchase money seconds are considered cash out. - First mortgage being paid off through the transaction be at least 12 months old as measured from the note date of the existing loan to the note date of the new loan</li> <li>• Texas Cash out. Please indicate A06 product in pricing engine for appropriate product delivery</li> </ul>
<b>Properties Flipping</b>	<ul style="list-style-type: none"> <li>• Follow FNMA Guidelines</li> </ul>
<b>Temporary Buy downs</b>	<ul style="list-style-type: none"> <li>• Permitted (2/1 and 1/0)</li> </ul>



<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Mortgage insurance is required on all loans over 80% LTV</li> <li>• Do allow financed Single Premium mortgage insurance</li> <li>• LPMI is available</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Must meet AUS</li> <li>• Please verify requirements that are determined by # of financed properties owned in you AUS findings.</li> </ul>
<b>DP Assistance</b>	<ul style="list-style-type: none"> <li>• Down payment programs are not permitted.</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• Appraisals must be ordered via an approved Click n' Close, Inc. (AMC)</li> <li>• If Correspondent- Correspondent must order through the AIR compliant AMC and the appraisal must be in the correspondent's name</li> </ul>
<b>Desk Reviews</b>	<ul style="list-style-type: none"> <li>• If DU collateral Underwriter comes back with a score of 3.8 and higher – this will trigger a desk review requirement.</li> </ul>
<b>Properties Listed For Sale</b>	<ul style="list-style-type: none"> <li>• On any refinance transaction, property may not be listed for sale at time of application. For cash out transactions, if listed for sale within the last 6 months, the property must be taken off the market prior to application date and the max LTV/CLTV is 70%</li> </ul>
<b>Non Arm's Length Transactions</b>	<ul style="list-style-type: none"> <li>• Flip transactions are not permitted. Family transfers/Title changes examined closely.</li> </ul>
<b>Eligible States</b>	<ul style="list-style-type: none"> <li>• Eligible in all Click n' Close, Inc. licensed states</li> </ul>
<b>IRS Tax Transcripts and W2 Transcript policy</b>	<ul style="list-style-type: none"> <li>• No Transcripts are required when all income information used to decision a loan is made exclusively of wage earner income reported on a W-2 and /or fixed income reported on a 1099 (Ex. Social Security or VA benefits), unless required by AUS.</li> <li>• Self-employed, commissioned and rental income will require tax transcripts</li> <li>• Instances where Tax Transcripts would be required regardless of income and employment sources. <ul style="list-style-type: none"> <li>▪ Handwritten paystubs are used as verification of income</li> <li>▪ Borrower(s) is employed by a family member</li> <li>▪ Relationship between the parties</li> <li>▪ Borrower and Seller are related</li> <li>▪ Borrower is employed by the Third Party Originator Company</li> <li>▪ the underwriter's or QC discretion, if needed to verify income calculations or to address red flags</li> <li>▪ If Tax returns are delivered with the file at time of application</li> <li>▪ Use of Dividends, Interest income, and Capital Gains income, will require full tax Transcripts</li> </ul> </li> </ul>