



## Conforming High Balance Loan Matrix

<b>Documentation Standards</b>	All loans must meet standard loan documentation and qualification requirements			
<b>Exceptions</b>	Exceptions are not allowed on HB products- must have AUS approval			
<b>Minimum Loan Amount</b>	\$806,500			
<b>Products and terms</b>	<ul style="list-style-type: none"> <li>• 30- and 15-Year terms under Conforming High Balance product</li> <li>• Custom amortizations available</li> <li>• Fannie Mae Homestyle 30-year Term</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>	95%		Up to \$806,500 FRM
<b>Owner Occupied</b>	<b>1 Unit/Condo/PUD</b>	95%		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%		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>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>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>			



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<b>Down Payment</b>	<ul style="list-style-type: none"> <li>• 1-unit properties do not require 5% down payment from the 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 purchases. They are treated as an inducement and deducted from the sales price for purposes of calculating LTV</li> <li>• Second homes require a minimum of 5% borrowers own funds</li> </ul>
<b>Seller Assistance</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 expenses, 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 by dollar from the sales price for purposes of calculating LTV</li> </ul>
<b>3<sup>rd</sup> Party Processing Services</b>	<ul style="list-style-type: none"> <li>• If utilizing a 3<sup>rd</sup> party for processing services- The loan must be locked and submitted under the Retained Product</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 for 4 years</li> <li>• Foreclosure must be seasoned for 7 years</li> <li>• Short sale charge off must be seasoned for 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 (no manufactured housing)</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>4506C</b>	<ul style="list-style-type: none"> <li>• Required on all files. Please review IRS transcript policy on page 3 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. Previous note date must be greater than 6 months from application date</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>• Not Permitted</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>



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<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 your 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>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>