

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

3rd Party Processing	<ul style="list-style-type: none"> • If utilizing a 3rd party for processing services- Will need 3rd party invoice
Down Payment	<ul style="list-style-type: none"> • 1-unit properties do not require 5% down payment from the borrower. All funds can come from acceptable gift sources. • 2–4-unit properties require a minimum 5% from borrower’s own funds. Gift funds permitted after 5% down payment has been met. • Investment Property – requires borrowers own funds for down payment. • 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 • Second homes require a minimum of 5% borrower’s own funds
Seller Assist/ICP	<ul style="list-style-type: none"> • Standard FNMA guidelines apply. • 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. • 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
Non-Occupant Co-borrower	<ul style="list-style-type: none"> • LP or DU allowed. Preferred AUS DU
Bankruptcy and/or Foreclosure	<ul style="list-style-type: none"> • BK Discharge must be seasoned for 4 years • Foreclosure must be seasoned for 7 years • Short sale charge off must be seasoned for 4 years
Property Type	<p>The following property/occupancy types are permitted</p> <ul style="list-style-type: none"> • 1–4-unit residences (manufactured housing now eligible – please refer to back of guide) -Manufactured homes follow FNMA requirements: • Manufactured homes (doublewide only) follow standard credit score requirements (maximum 10 acres) • Condominiums • Freddie Mac does not allow limited review in Florida • Townhouse • PUD • Subject property over 20 acres must be submitted on Retained Product
Number of Financed Properties	<ul style="list-style-type: none"> • 5-10 Financed Properties Permitted • Click n’ Close, Inc. will not extend more than 4 loans to any one individual
Closing in a Trust	<ul style="list-style-type: none"> • Revocable Trusts only – see your Account Executive regarding specific documents to collect of file submission
4506C	<ul style="list-style-type: none"> • Required on all files. Please review IRS transcript policy on page 2 of this document
Cash Out	<ul style="list-style-type: none"> • 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 • Texas Cash out. Please indicate A06 product in pricing engine for appropriate product delivery
Properties Flipping	<ul style="list-style-type: none"> • Follow FNMA Guidelines
Temporary Buy downs	<ul style="list-style-type: none"> • Permitted (2/1 and 1/0)



Mortgage Insurance	<ul style="list-style-type: none"> • Mortgage insurance is required on all loans over 80% LTV • Do allow financed Single Premium mortgage insurance • LPMI is available
Reserves	<ul style="list-style-type: none"> • Must meet AUS • Please verify requirements that are determined by # of financed properties owned in your AUS findings.
DP Assistance	<ul style="list-style-type: none"> • Down payment programs are not permitted.
Appraisals	<ul style="list-style-type: none"> • Appraisals must be ordered through Mortgage Machine or an approved AMC. • If Correspondent- Correspondent must order through the AIR compliant AMC and the appraisal must be in the correspondent's name
Desk Reviews	<ul style="list-style-type: none"> • If DU collateral Underwriter comes back with a score of 3.8 and higher – this will trigger a desk review requirement.
Properties Listed for Sale	<ul style="list-style-type: none"> • 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%
Non-Arm's Length Transactions	<ul style="list-style-type: none"> • Flip transactions are not permitted. Family transfers/Title changes examined closely.
Eligible States	<ul style="list-style-type: none"> • Eligible in all Click n' Close, Inc. licensed states
IRS Tax Transcripts and W2 Transcript policy	<ul style="list-style-type: none"> • 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. • Self-employed, commissioned and rental income will require tax transcripts • Instances where Tax Transcripts would be required regardless of income and employment sources. <ul style="list-style-type: none"> ▪ Handwritten paystubs are used as verification of income ▪ Borrower(s) is employed by a family member ▪ Relationship between the parties ▪ Borrower and Seller are related ▪ Borrower is employed by the Third-Party Originator Company ▪ the underwriter's or QC discretion, if needed to verify income calculations or to address red flags ▪ If Tax returns are delivered with the file at time of application ▪ Use of Dividends, Interest income, and Capital Gains income, will require full tax Transcripts