

## Home Possible® Product Profile: Correspondent and Wholesale

### Matrices

FICO/LTV Grid					
Home Possible® Fixed Rate Purchase/LCOR					
Occupancy	Min FICO <sup>1,4</sup>	Property Type <sup>1</sup>	Max LTV	Max CLTV	Max DTI
Primary Residence	620	1 Unit	97% <sup>3</sup>	105% <sup>2,3</sup>	Per LPA
		2-4 Units <sup>4</sup>	95%	95%	

  

Home Possible® Adjustable Rate Mortgage Purchase/LCOR					
Occupancy	Min FICO <sup>1</sup>	Property Type <sup>1</sup>	Max LTV	Max CLTV	Max DTI
Primary Residence	620	1-2 Units	95% <sup>3</sup>	95%	Per LPA
		3-4 Units	75%	75%	

  

<sup>1</sup> Manufactured Homes: maximum 95% LTV/CLTV and 660 minimum FICO; not permitted with

<sup>2</sup> Secondary Financing must be an Affordable Second for CLTV > 97%

<sup>3</sup> Non-Occupant Co-Borrower permitted on 1-unit properties up to 95% LTV. 105% CLTV permitted with Affordable Second

<sup>4</sup> 3-4 units with FICO < 700 are eligible for LPMI only

  

Home Possible® Very Low Income Program (VLIP) - Wholesale only <sup>5</sup>					
30-Year Fixed Rate Purchase					
Occupancy	Min FICO <sup>1</sup>	Property Type <sup>1</sup>	Max LTV <sup>3</sup>	Max CLTV	Max DTI
Primary Residence	620	1 Unit	97% <sup>4</sup>	105% <sup>2,4</sup>	Per LPA
		2-4 Units	95%	95%	

  

<sup>1</sup> Manufactured Homes: maximum 95% LTV/CLTV and 660 minimum FICO

<sup>2</sup> Secondary Financing must be an Affordable Second for CLTV > 97%

<sup>3</sup> 80.01 minimum LTV for VLIP

<sup>4</sup> Non-Occupant Co-Borrower permitted on 1-unit properties up to 95% LTV. 105% CLTV permitted with Affordable Second

<sup>5</sup> VLIP not eligible for Correspondent originations

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Section 1: Program Summary																																							
1.1 Program Summary																																							
Program Summary	Home Possible® is a conventional community lending product offering expanded eligibility and underwriting flexibilities targeted to low-to-moderate income borrowers in designated low income, minority and disaster impacted communities.  Loan Product Advisor Offering Identifier Code "241" for Home Possible® Mortgages.																																						
1.2 Underwriting																																							
Underwriting	Loans must be underwritten through Loan Product Advisor (LPA) and receive a risk class of ACCEPT.  In instances where LPA issues a warning for excessive LPA runs, a written explanation must be provided by the originator.																																						
Section 2: Transaction Details																																							
2.1 Loan Limits																																							
Loan Limits	<a href="#">Freddie Mac Single family loan limits</a>																																						
2.2 Eligible Terms and Programs																																							
Eligible Terms & Programs	<b>Home Possible® Loan Programs</b>																																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Term</th> <th>Product Name</th> </tr> </thead> <tbody> <tr><td>10 Year Fixed</td><td>FHLMC Home Possible Conforming Fixed 10 Yr</td></tr> <tr><td>15 Year Fixed</td><td>FHLMC Home Possible Conforming Fixed 15 Yr</td></tr> <tr><td>20 Year Fixed</td><td>FHLMC Home Possible Conforming Fixed 20 Yr</td></tr> <tr><td>25 Year Fixed</td><td>FHLMC Home Possible Conforming Fixed 25 Yr</td></tr> <tr><td>30 Year Fixed</td><td>FHLMC Home Possible Conforming Fixed 30 Yr</td></tr> <tr><td>5/1 ARM</td><td>FHLMC Home Possible Conforming 5/1 Libor ARM 2-2-5</td></tr> <tr><td>7/1 ARM</td><td>FHLMC Home Possible Conforming 7/1 ARM Libor 5-2-5</td></tr> <tr><td>10/1 ARM</td><td>FHLMC Home Possible Conforming 10/1 ARM Libor 5-2-5</td></tr> <tr><td>10/1 ARM</td><td>FHLMC Home Possible Conforming 10/1 ARM Libor 5-2-5</td></tr> <tr><td>10 Year Fixed LPMI</td><td>FHLMC Home Possible Conforming Fixed 10 Yr (LPMI)</td></tr> <tr><td>15 Year Fixed LPMI</td><td>FHLMC Home Possible Conforming Fixed 15 Yr (LPMI)</td></tr> <tr><td>20 Year Fixed LPMI</td><td>FHLMC Home Possible Conforming Fixed 20 Yr (LPMI)</td></tr> <tr><td>25 Year Fixed LPMI</td><td>FHLMC Home Possible Conforming Fixed 25 Yr (LPMI)</td></tr> <tr><td>30 Year Fixed LPMI</td><td>FHLMC Home Possible Conforming Fixed 30 Yr (LPMI)</td></tr> <tr><td>30 Year Fixed LPMI</td><td>FHLMC Home Possible Conforming Fixed 30 Yr (LPMI) - VLIP</td></tr> <tr><td>5/1 ARM LPMI</td><td>FHLMC Home Possible Conforming 5/1 Libor ARM 2-2-5 (LPMI)</td></tr> <tr><td>7/1 ARM LPMI</td><td>FHLMC Home Possible Conforming 7/1 ARM Libor 5-2-5 (LPMI)</td></tr> <tr><td>10/1 ARM LPMI</td><td>FHLMC Home Possible Conforming 10/1 ARM Libor 5-2-5 (LPMI)</td></tr> </tbody> </table>	Term	Product Name	10 Year Fixed	FHLMC Home Possible Conforming Fixed 10 Yr	15 Year Fixed	FHLMC Home Possible Conforming Fixed 15 Yr	20 Year Fixed	FHLMC Home Possible Conforming Fixed 20 Yr	25 Year Fixed	FHLMC Home Possible Conforming Fixed 25 Yr	30 Year Fixed	FHLMC Home Possible Conforming Fixed 30 Yr	5/1 ARM	FHLMC Home Possible Conforming 5/1 Libor ARM 2-2-5	7/1 ARM	FHLMC Home Possible Conforming 7/1 ARM Libor 5-2-5	10/1 ARM	FHLMC Home Possible Conforming 10/1 ARM Libor 5-2-5	10/1 ARM	FHLMC Home Possible Conforming 10/1 ARM Libor 5-2-5	10 Year Fixed LPMI	FHLMC Home Possible Conforming Fixed 10 Yr (LPMI)	15 Year Fixed LPMI	FHLMC Home Possible Conforming Fixed 15 Yr (LPMI)	20 Year Fixed LPMI	FHLMC Home Possible Conforming Fixed 20 Yr (LPMI)	25 Year Fixed LPMI	FHLMC Home Possible Conforming Fixed 25 Yr (LPMI)	30 Year Fixed LPMI	FHLMC Home Possible Conforming Fixed 30 Yr (LPMI)	30 Year Fixed LPMI	FHLMC Home Possible Conforming Fixed 30 Yr (LPMI) - VLIP	5/1 ARM LPMI	FHLMC Home Possible Conforming 5/1 Libor ARM 2-2-5 (LPMI)	7/1 ARM LPMI	FHLMC Home Possible Conforming 7/1 ARM Libor 5-2-5 (LPMI)	10/1 ARM LPMI	FHLMC Home Possible Conforming 10/1 ARM Libor 5-2-5 (LPMI)
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<ul style="list-style-type: none"> <li>Manufactured Housing is permitted for 15, 20 and 30 Year Fixed term loans and 7/1 and 10/1 ARM terms.</li> </ul>																																							
2.3 Eligible Transactions																																							
Eligible Transactions	<ul style="list-style-type: none"> <li>Purchase</li> <li>No cash out Refinance</li> </ul>																																						
2.4 Cash-out																																							
Cash-out	Cash-out is not permitted																																						

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2.5 Texas 50(a)(6) Loans																												
Texas 50(a)(6) Loans	Texas 50(a) (6) refinances are ineligible under this product type.																											
2.6 Texas 50(f)(2) Loans																												
Texas 50(f)(2) Loans	<p>Texas 50(f)(2) loans allow the refinance of a home equity loan into a non-home equity loan per the Texas Constitution. These loans are limited to an 80% LTV/CLTV and no additional funds may be rolled into the loan (except closing costs and pre-pays).</p> <p><b>(f)(2) Determination:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #92d050;"> <th style="text-align: left;">New Loan Amount pays off existing lien and....</th> <th style="text-align: left;">If existing lien is a non-50(a)(6); then the new lien is....</th> <th style="text-align: left;">If existing lien is a 50(a)(6); then the new lien is....</th> </tr> </thead> <tbody> <tr> <td>Provides even \$1 cash to the borrower</td> <td>Texas (a)(6)</td> <td>Texas (a)(6)</td> </tr> <tr> <td>Pays off/down an existing TX (a)(6) lien with no cash to borrower</td> <td>Texas (a)(6)</td> <td>Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td>Pays off/down an existing TX (a)(6) lien with cash to borrower</td> <td>Texas (a)(6)</td> <td>Texas (a)(6)</td> </tr> <tr> <td>The new lien is &lt; existing UPB (no new funds)</td> <td>Non-Texas (a)(6)</td> <td>Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td>Funds, prepaids and/or closing costs</td> <td>Non-Texas (a)(6)</td> <td>Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td>Pays off/down a purchase money 2nd</td> <td>Non-Texas (a)(6)</td> <td>Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td>Pays off/down an existing Secured Home Improvement Loan (mechanic’s lien)</td> <td>Non-Texas (a)(6)</td> <td>Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td>Provides funds to satisfy a court ordered Divorce Equity Buyout</td> <td>Non-Texas (a)(6)</td> <td>Texas (a)(6)</td> </tr> </tbody> </table> <p style="font-size: small;">*Borrower may elect to have loan remain a Texas (a)(6). Refer to Texas A6 profile.</p> <p><b>Special Considerations:</b>                      Loan may not close until:                     <ul style="list-style-type: none"> <li>Twelve days after the borrower submits the loan application or all borrowers sign the 12-day notice, whichever is later.</li> <li>One day after the borrowers receive a copy of the Settlement Statement and Closing Disclosure. After the one-year anniversary of the closing of an existing Texas (a)(6) loan.</li> </ul>                     New subordinate financing is not permitted on a first lien Texas 50(f)(2).</p> <p><b>Attorney Review:</b>                      All Texas 50 (f)(2) loans must be reviewed and certified by an NewRez approved TX Attorney prior to loan closing. NewRez’s approved firms include:                     <ul style="list-style-type: none"> <li>Black, Mann and Graham</li> <li>Peirson Patterson</li> </ul> </p>	New Loan Amount pays off existing lien and....	If existing lien is a non-50(a)(6); then the new lien is....	If existing lien is a 50(a)(6); then the new lien is....	Provides even \$1 cash to the borrower	Texas (a)(6)	Texas (a)(6)	Pays off/down an existing TX (a)(6) lien with no cash to borrower	Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Pays off/down an existing TX (a)(6) lien with cash to borrower	Texas (a)(6)	Texas (a)(6)	The new lien is < existing UPB (no new funds)	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Funds, prepaids and/or closing costs	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Pays off/down a purchase money 2nd	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Pays off/down an existing Secured Home Improvement Loan (mechanic’s lien)	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Provides funds to satisfy a court ordered Divorce Equity Buyout	Non-Texas (a)(6)	Texas (a)(6)
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2.7 Subordinate Financing																												
Subordinate Financing	<ul style="list-style-type: none"> <li>Permitted within the LTV/CLTV requirements shown in eligibility matrix</li> <li>Approved Affordable Seconds eligible up to maximum CLTV of 105%                             <ul style="list-style-type: none"> <li>An Affordable Second that does not require a monthly payment before the Due Date of the 61st payment under the Home Possible® Mortgage may be entered in the “Total Gift Fund” in Loan Product Advisor.</li> <li>Refer to Guide Section 4204 for specific details</li> <li><a href="#">Affordable Seconds Checklist</a></li> </ul> </li> <li>Seller held seconds not eligible</li> <li>Secondary Financing must have a Fixed Interest Rate</li> </ul>																											
2.8 Temporary Subsidy Buydown Plans																												
Temporary Subsidy Buydown Plans	Not Eligible																											

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**2.9 Manufactured Homes**

Manufactured Homes

A Manufactured Home is a dwelling unit built on a permanent chassis and attached to a permanent foundation system. Refer to applicable agency’s Selling Guide (FNMA or FHLMC) for any information not specified in this Product Profile.

The manufactured home must be built in compliance with:

- The Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976, as amended and in force at the time the home is manufactured; and
- Additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280.

Compliance with these standards will be evidenced by the presence of both a HUD Data Plate and the HUD Certification Label. If the original or alternative documentation cannot be obtained for both the Data Plate/Compliance Certificate and the HUD Certification Label, the loan is not eligible for delivery to Fannie Mae.

The HUD Data Plate/Compliance Certificate is a paper document located on the interior of the subject property that contains, among other things, the manufacturer’s name and trade/model number. In addition to the data required by Fannie Mae, the Data Plate includes pertinent information about the unit, including a list of factory-installed equipment. The HUD Certification Label, sometimes referred to as a HUD “seal” or “tag,” is a metal plate located on the exterior of each section of the home. The Manufactured Home Appraisal Report (Form 1004C) must show evidence of both the HUD Data Plate/Compliance Certificate and the HUD Certification Label.

As an alternative to the original HUD Certification Label, the lender may be able to obtain a verification letter with the same information contained on the HUD Certification Label from the Institute for Building Technology and Safety (IBTS). A duplicate HUD Data Plate/Compliance Certificate may be available from IBTS or by contacting the In-Plant Primary Inspection Agency (IPIA) or the manufacturer. (A list of IPIA offices is posted on HUD’s website.)

- The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer’s lot as a new unit.
- The manufactured home must be a one-unit dwelling unit that is legally classified as real property and taxed and titled as such. New construction and any homes that have not yet been taxed and titled as real property are not permitted.
- The towing hitch, wheels, and axles must be removed. The dwelling must assume the characteristics of site-built housing.
- The borrower must own the land on which the manufactured home is situated in fee simple
- Unit must be double wide, at least 12 feet wide and have a minimum of 600 square feet of gross living area.
- The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer’s requirements for anchoring, support, stability, and maintenance.
- The foundation system must be appropriate for the soil conditions for the site and meet local and state codes
- The manufactured home must be permanently connected to a septic tank or sewage system, and to other utilities in accordance with local and state requirements
- If the property is not situated on a publicly dedicated and maintained street, then it must be situated on a street that is community owned and maintained, or privately owned and maintained.
- There must be adequate vehicular access and there must be an adequate and legally enforceable agreement for vehicular access and maintenance.
- Manufactured homes that have been structural modified or have an addition are ineligible

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Section3: Borrower Eligibility	
3.1 Borrower Eligibility	
Borrower Eligibility	<p>There can be no more than 4 borrowers per loan.</p> <p><b>Eligible Borrowers:</b></p> <ul style="list-style-type: none"> <li>All borrowers must have valid and verifiable Social Security Numbers, as well as a valid driver’s license, state-issued ID or passport. Other forms of taxpayer identification are not allowed.</li> <li>Borrowers must meet applicable income limits - <a href="#">Income &amp; Property Eligibility</a></li> </ul> <p><b>Ineligible Borrowers:</b></p> <ul style="list-style-type: none"> <li>Borrowers with Deferred Action for Childhood (DACA) approval (EAD Category C33)</li> <li>Borrowers without a valid SSN (ITINs are not accepted)</li> <li>Limited Partnerships, Corporations and LLCs</li> <li>Non-Revocable Trusts or Guardianships</li> <li>Foreign Nationals</li> <li>Borrowers with Diplomatic Immunity</li> <li>Individuals Employed by NewRez Third Party Originators</li> <li>Individuals on the LPD/GSA exclusionary lists</li> </ul>
3.2 Occupancy	
Occupancy	<ul style="list-style-type: none"> <li>Owner Occupied (Primary residences)</li> </ul>
3.3 Homebuyer Education	
Homebuyer and Landlord Education	<p><u>Homeownership Education</u></p> <p>In instances where all the occupying borrowers are First-Time Homebuyers at least one (1) occupying borrower is required to complete Homebuyer Education program prior to final underwriting approval</p> <p>The following Homeownership education programs are acceptable:</p> <ul style="list-style-type: none"> <li>Homeownership education programs that have been developed by mortgage insurance companies</li> <li>Homeownership education programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (<a href="http://www.homeownershipstandards.com">www.homeownershipstandards.com</a>)</li> <li>Freddie Mac’s free financial literacy curriculum, CreditSmart® <a href="#">Homeownership Education</a> <ul style="list-style-type: none"> <li>Module 1 (Your Credit and Why it is Important)</li> <li>Module 2 (Managing Your Money)</li> <li>Module 7 (Thinking Like a Lender)</li> <li>Module 11 (Becoming a Homeowner)</li> <li>Module 12 (Preserving Homeownership: Protecting Your Investment)</li> </ul> </li> <li>Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs)</li> </ul> <p><b>Homeownership education must not be provided by an interested party to the transaction, the originating lender or by the Seller.</b></p> <p><u>Landlord Education (2-4-unit Primary Residences)</u></p> <ul style="list-style-type: none"> <li>Purchase Transactions — At least one qualifying Borrower must participate in a landlord education program before the final underwriting approval</li> <li>Refinance Transactions — Landlord education is not required but is recommended for Borrowers who have not previously attended a program.</li> </ul> <p><b>A copy of Homeownership Education Certification, or another document containing comparable information must be retained in the Mortgage file.</b></p>
3.4 Non-Occupant Co-Borrowers	
Non-Occupant Co-Borrowers	<ul style="list-style-type: none"> <li>Permitted on Mortgages secured by 1-unit properties</li> <li>NewRez applies the following overlays to Non-Occupant Co-Borrower loans:</li> </ul>

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	<ul style="list-style-type: none"> <li>○ The non-occupant co-borrower may not be an interested party to the sales transaction, such as the property seller, builder, or real estate broker.</li> <li>● Non-occupant co-borrowers are not required to be on title.</li> </ul>
<b>3.5 Power of Attorney</b>	
Power of Attorney	<p>The use of a Power of Attorney must be approved by NewRez’s Underwriting and Legal teams. Generally, a Power of Attorney may be used for closing in the following scenarios:</p> <p><b>Incapacitated Borrower</b> - the borrower is incapacitated and therefore unable to sign documents due to disability, legal incapability, or he/she lacks the physical ability;            Incapacitated borrowers must occupy the property as their primary residence; the underwriter must validate occupancy and review for red flags within the loan file;            Example: verify the signer of the POA is not acting as a straw buyer or purchasing an investment property utilizing the incapacitated borrower’s credit.</p> <p><b>Military Personnel</b> - the borrower is currently deployed or stationed overseas and is unable to sign documents or attend closing;</p> <p><b>Hardship Circumstance</b> - the borrower is unable to attend closing because he/she is out of the state or country for an extended period of time, bedridden, in the hospital with a serious illness, or the borrower is incarcerated.            POA will not be permitted for borrowers that are on vacation</p> <p><b>Government Contractor</b> – the borrower is employed by the government and currently working overseas            A letter from the borrower’s employer is required to verify overseas travel</p> <p><b>Business Travel</b> – permitted on Purchase and Rate/Term Refinance transactions when the spouse has Power of Attorney for the traveling borrower.            There are 2 acceptable types of power of attorney.</p> <ul style="list-style-type: none"> <li>● <b>Specific</b> - this type of POA is specific to the mortgage transaction; therefore, the POA must specify the legal description, subject property address, and transaction type within the body of the document. It must be recorded at closing;</li> <li>● <b>General Military</b> - this type of POA is generally used in situations where a borrower or his/her spouse may be deployed or is on active duty.</li> </ul> <p>All loan files wishing to utilize a power of attorney require the following:            A Letter of Explanation from the borrower advising why the loan is closing with a POA            Completed and Signed POA Form</p>
<b>3.6 Living Trust (Inter VIVOS Revocable Trust)</b>	
Living Trust (Inter VIVOS Revocable Trust)	<p>A living trust is an eligible mortgage borrower if it meets the following requirements as well as State requirements. All trusts must be approved by NewRez legal prior to Loan Approval.</p> <p>To determine whether or not the Trust meets all the criteria required by State and investor standards, one of the following will be required:</p> <ul style="list-style-type: none"> <li>● A copy of the trust document must be included in the file</li> <li>● Exception: California, where a current (less than 1 year old) trust certification completed by the borrower may be provided in lieu of the full trust document. If this certification is incomplete or contrary to title results, the full trust documentation may still be required</li> </ul>
<b>3.7 Non-Arm’s Length Transactions</b>	
Non-Arm’s Length Transactions	<p>Follow agency guidelines with the following exceptions:</p> <ul style="list-style-type: none"> <li>● Regardless of loan program, short sale transactions and flips are not permitted</li> <li>● Transactions where the loan originator is acting in another real-estate related role are prohibited.</li> </ul>
<b>3.8 At-Interest Transactions</b>	
At-Interest Transactions	<p>Transactions where:</p> <ul style="list-style-type: none"> <li>● Builder is acting as Realtor/Broker – permitted on primary residence only</li> <li>● Realtor/Broker is selling their own property – permitted on primary residence only</li> </ul>

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	<ul style="list-style-type: none"> <li>NewRez originator is acting in another real-estate related role (NewRez Originator cannot have another real estate related position on any loan, regardless of the loan program)</li> </ul>
<b>3.9 Maximum # of Financed Properties</b>	
Maximum # of Financed	<ul style="list-style-type: none"> <li>Borrowers may have ownership interest in other residential properties at the time of close provided the borrower does not occupy the property owned.</li> <li>There are no limitations on the number of properties that the borrower can currently be financing</li> </ul>
<b>Section 4: Collateral</b>	
<b>4.1 Eligible Properties</b>	
Eligible Properties	<ul style="list-style-type: none"> <li>Attached/Detached SFRs</li> <li>Attached/Detached PUDs</li> <li>Low/Mid/High-Rise Condos and site Condos</li> <li>2-4 Unit SFRs</li> <li>Manufactured Homes, additional details below</li> </ul> <p><b>Deed Restricted Properties:</b> All deed restricted properties must be reviewed and approved prior to loan approval and must adhere to FHLMC requirement per section 4201.17</p> <p><b>Manufactured Homes: (Refer to Section 2.9 for additional requirements)</b></p> <ul style="list-style-type: none"> <li>1-unit single family detached, or PUD detached</li> <li>Doublewide only</li> <li>Minimum 600 square feet of living space</li> <li>Manufactured after June 15, 1976</li> <li>The following manufactured home types are not permitted             <ul style="list-style-type: none"> <li>Condo</li> <li>Mixed used</li> <li>Leasehold of any kind</li> <li>Deed restricted</li> <li>Properties not taxed and titled as real property</li> <li>Properties not permanently affixed to the foundation or have the towing hitch, wheels and axles</li> <li>Properties less than 12 feet wide</li> <li>Properties without HUD Data Please or HUD Certification label</li> <li>Newly constructed manufactured homes not yet attached to the land, not yet constructed or not yet titled and taxed as real property</li> <li>Hobby farms</li> <li>Manufactured homes located in a mobile home park</li> </ul> </li> </ul>
<b>4.2 Ineligible Properties</b>	
Ineligible Properties	<ul style="list-style-type: none"> <li>Condotels</li> <li>Manufactured Homes that are condo, leasehold or coop</li> <li>Geodesic Domes, Berms, Earth homes</li> <li>Hobby Farms</li> <li>Mixed use properties</li> <li>Properties / land held in a life estate</li> <li>Properties encumbered with private transfer fee covenants (title, sales contract or final CD should be evaluated to confirm)</li> <li>Properties which are subject to a right of redemption</li> <li>Properties appraised with a property condition of C5 or worse</li> </ul>

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4.3 Properties Previously Listed for Sale	
Properties Previously Listed for Sale	<p>Listing must have been cancelled or expired prior to the application date, and the borrower must confirm their intent to occupy the subject for Owner Occupied.</p> <p>In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported.</p>
4.4 Appraisals	
Appraisals	<p>All appraisals must be ordered and processed in compliance with Appraiser Independence Requirements (AIR).</p> <ul style="list-style-type: none"> <li>• The use of an exterior only appraisal is not allowed</li> <li>• Appraisal must be completed by a Certified appraiser from an NewRez approved AMC</li> <li>• Copy of the appraiser’s licensee must be included in all funded loan files</li> <li>• The re-use of an appraisal is permitted with the following requirements               <ul style="list-style-type: none"> <li>○ Eligible for Rate &amp; Term refinances only                   <ul style="list-style-type: none"> <li>▪ May not payoff secondary financing</li> </ul> </li> <li>○ NewRez must ensure the property has not undergone any significant remodeling, renovation or deterioration to the extent that the improvement or deterioration of the property would materially affect the market value of the subject property</li> <li>○ NFP must have been the original lender on the appraisal report and loan being refinanced</li> <li>○ The effective date of the appraisal report cannot be more than 12 months prior to the note date of the current transaction</li> <li>○ If the effective date of the appraisal report is greater than 4 months from the note date of the current transaction an appraisal update is required                   <ul style="list-style-type: none"> <li>▪ The same appraiser who completed the original report must inspect the exterior of the property and review current market data to determine whether the property has declined in value since the date of the original appraisal and be reported on Form 1004D</li> <li>▪ If the appraiser indicates the value has declined then a new full, interior/exterior appraisal report</li> <li>▪ If the appraiser indicates that the property value has not declined no further action is required</li> <li>▪ The appraisal update form must be within 4 months of the current transaction note date</li> </ul> </li> </ul> </li> </ul> <p><b>Automated Collateral Evaluation Waivers (ACE):</b>  <b>Purchase and refinance loans receiving Accept with ACE Waiver</b></p> <ul style="list-style-type: none"> <li>○ One-unit properties, including condominiums</li> <li>○ Primary residence or second home maximum</li> <li>○ Maximum 80% LTV/CLTV</li> <li>○ Purchase and limited cash out refinance only</li> <li>○ The following are <b>ineligible</b>:           <ul style="list-style-type: none"> <li>▪ Loan Product Advisor Caution risk class</li> <li>▪ Cash-out Refinances</li> <li>▪ Investment properties</li> <li>▪ Mortgages secured by manufactured home, leasehold estate or Coops</li> <li>▪ 2-4-unit properties</li> <li>▪ Mortgages secured by properties with re-sale restrictions</li> <li>▪ Construction conversion mortgages</li> <li>▪ Texas 50(a)(6) loans</li> <li>▪ Non-arm’s length transactions</li> <li>▪ Purchases of REO properties</li> <li>▪ Mortgages with an estimated value or purchase price &gt; \$1,000,000</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>○ If the ACE is offered an appraisal should not be ordered unless there is reason to believe the property’s current market value should be confirmed. For example, a property located in an area impacted by a recent disaster.</li> <li>○ The age of the appraisal waiver is good for 120 days. If the offer is more than 120 days old as of the note date, a resubmission to LPA is required to determine the ongoing appraisal waiver eligibility</li> <li>○ If an appraisal is obtained the appraised value must be used regardless of receiving an ACE eligible message.</li> </ul> <p><b>Manufactured Homes</b></p> <ul style="list-style-type: none"> <li>● All loan files require a full appraisal on form 1004C and include:             <ul style="list-style-type: none"> <li>○ manufacturer's name,</li> <li>○ trade or model number,</li> <li>○ year of manufacture,</li> <li>○ serial number,</li> <li>○ Certification Label number(s) from either the HUD Data Plate or Certification Label(s),</li> <li>○ type of foundation and utility connections,</li> <li>○ detailed and supported cost approach,</li> <li>○ Opinion of the market value of the site, and property's conformity to the neighborhood.</li> </ul> </li> <li>● Appraisal must be completed by a Certified appraiser from an NewRez approved AMC</li> <li>● Transferred appraisals are not permitted</li> <li>● Copy of the appraiser’s licensee must be included in all funded loan files</li> <li>● Appraisal must contain a detailed and supported cost approach</li> <li>● The appraiser must indicate a value conclusion based solely on the real property as completed consisting of the             <ul style="list-style-type: none"> <li>○ manufactured home,</li> <li>○ site improvements, and</li> <li>○ Land on which the home is situated.</li> </ul> </li> <li>● The appraisal report must indicate whether or not the site is compatible with the neighborhood and must comment on the conformity of the manufactured home to other manufactured homes in the neighborhood.</li> <li>● The value conclusion cannot include any non-realty items including, but not limited to, insurance, warranties, and furniture.</li> </ul>
<b>4.5 Disaster Areas</b>	
<p>Disaster Areas</p>	<p>Refer to the list of affected counties published by FEMA at the following link:  <a href="https://www.fema.gov/disasters">https://www.fema.gov/disasters</a></p> <p>NewRez will require recertification from the appraiser on all loans located in the affected Counties prior to closing. If the county is indicated as being in a declared disaster area, the policy must be adhered to</p> <ul style="list-style-type: none"> <li>● The Disasters are referenced with both an incident start date and an incident ending date. The property is considered potentially impacted for 120 days from the incident END date;</li> <li>● If a full appraisal was obtained on the property prior to the declared disaster, the inspection must verify the property is sound and habitable and in the same condition as when it was appraised. Any of the following options are acceptable to satisfy this requirement:             <ul style="list-style-type: none"> <li>○ A 1004D Final Inspection or Appraisal Update signed by the original appraiser</li> <li>○ FNMA 2075 – Desktop Underwriter Property Inspection Report</li> <li>○ DAIR – Disaster Area Inspection Report</li> </ul> </li> <li>● Full appraisals obtained after the declaration need to indicate the property has not been impacted by the disaster;</li> </ul>

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	<ul style="list-style-type: none"> <li>If the loan qualified for a non-standard appraisal (Property Valuation Update, Appraisal Waiver, 1075, 2055, 2075, 2095) and a Disaster has been declared prior to funding or purchase, a full appraisal with interior and exterior inspection dated after the incident period end date is required. The non-standard appraisal product is not permitted for 120 days after the disaster incident period end date;</li> <li>The NewRez branches will request the appropriate appraisal or inspection through the normal channels;</li> </ul>
<p><b>4.6 Geographic Restrictions</b></p>	
<p>Geographic Restrictions</p>	<p>The following restrictions apply to transactions secured by properties in Alaska and Hawaii</p> <ul style="list-style-type: none"> <li>Brokered transactions not permitted in Alaska or Hawaii</li> <li>Correspondent transactions permitted in Alaska only (Hawaii not permitted)</li> </ul>
<p><b>Section 5: Income</b></p>	
<p><b>5.1 Income</b></p>	
<p>Income</p>	<p><b>Borrower Income Limits:</b></p> <p>Lender must attempt to verify all income reported on the Uniform Residential Loan Application. All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower and submitted to Loan Product Advisor.</p> <p>Loan Product Advisor will indicate income eligibility of the Mortgage*.</p> <ul style="list-style-type: none"> <li>The qualifying income must meet one of the following: <ul style="list-style-type: none"> <li>The borrowers' annual income cannot exceed 100% of the area median income limits.</li> <li>No income limits apply if the Mortgaged Premises is in a low-income census tract, which is a census tract where the median tract income is at or below 80% of the AMI.</li> <li>For VLIP products, the borrowers' qualifying income cannot exceed 50% of the area median income limits. Refer to <a href="#">9.1 Very Low-Income Program</a> for additional details.</li> </ul> </li> </ul> <p>*LPA will not identify income as being less than or equal to 50% of AMI</p> <p>Freddie Macs Home Possible® Income and Property Eligibility tool can be used to determine property eligibility and income limits.</p> <p><a href="#">Income &amp; Property Eligibility</a></p> <p>Program Specific Income Documentation</p> <p><u>Rental income:</u></p> <ul style="list-style-type: none"> <li>Rental income from a 1-unit Primary Residence may be considered as stable monthly income and eligible for use in qualifying provided it meets the following: <ul style="list-style-type: none"> <li>Rate/Term Refinance Only</li> <li>The person providing the rental income and the Borrower: <ul style="list-style-type: none"> <li>Have resided together for at least one year</li> <li>Will continue residing together in the new residence, and</li> <li>The person providing the rental income provides appropriate documentation to evidence residency with the Borrower (i.e., copy of a driver's license, bill, bank statement, etc., that shows the address of that person to be the same as the Borrower's address)</li> </ul> </li> <li>Rental income from the person residing in the Mortgaged Premises Must: <ul style="list-style-type: none"> <li>Have been paid to the Borrower for the past 12 months on a regular basis</li> <li>Can be verified by the Borrower with evidence showing receipt of regular payments of rental income to the Borrower for at least 9 of the past 12 months (i.e., copies of cancelled checks)</li> </ul> </li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>▪ Must be averaged over 12 months for qualifying purposes when fewer than 12 months of payments are documented</li> <li>▪ Does not exceed 30% of total income used to qualify for the Mortgage</li> <li>○ The Mortgage file must contain a written statement from the Borrower affirming:             <ul style="list-style-type: none"> <li>▪ The source of the rental income</li> <li>▪ The fact that the person providing the rental income has resided with the Borrower for the past year and intends to continue residing with the Borrower in subject property</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>• Rental income from a 2- to 4-unit Primary Residence that meets the requirements of Section 5306.1 of the selling guide may be considered as stable monthly income</li> </ul> <p><b>Income Documentation: Income documentation requirements are outlined below. Refer to Freddie Mac Selling Guides for any areas not addressed.</b></p> <p><b>Wage Earner:</b></p> <ul style="list-style-type: none"> <li>• Most recent paystub including all year-to-date earnings dated no earlier than 30 days prior to the initial loan application date and most recent one or two years' W-2 as required by DU/LPA (W-2 transcripts are permissible in lieu of W-2s); or             <ul style="list-style-type: none"> <li>○ Income validation obtained through DU Validation Service; or</li> <li>○ Written Verification of Employment obtained through a 3<sup>rd</sup> party vendor such as, but not limited to TALX (The Work Number) except when:                 <ul style="list-style-type: none"> <li>▪ The borrower works for an interested party to the transaction (Paystub and W-2s required)</li> </ul> </li> <li>○ Note: Information as of the date of the 3rd party verification the income must be current as of 35 days from the date of the verification</li> </ul> </li> </ul> <p><b>Self-Employed:</b></p> <ul style="list-style-type: none"> <li>• Follow AUS tax return requirements.             <ul style="list-style-type: none"> <li>○ In instances where DU/LPA allows for only 1-year tax returns on a self-employed borrower(s), the tax returns must be for the most recent tax year. A current year extension and the previous year's tax returns will not be accepted.</li> <li>○ Documentation or evaluation is not required when a borrower or co-borrower is qualified using only income that is <b>not</b> derived from self-employment and self-employment is a secondary and separate source of income (or loss).</li> </ul> </li> </ul> <p><b>Amended Tax Returns-</b> When tax returns are utilized for documenting income: (All Employment/Income Types):</p> <ul style="list-style-type: none"> <li>• Tax returns amended within 90 days prior to the application date or at any time during the loan process with NewRez are not permitted.</li> <li>• Tax returns amended greater than 90 days prior to the application date are permitted however, both the original and amended return must be examined for consistency with the previous filings to determine whether the use of the amended return is warranted. The following documentation will be required:             <ul style="list-style-type: none"> <li>○ A letter of explanation from the borrower detailing the reason for re-filing;</li> <li>○ Evidence of re-filing via tax transcript of amended return;</li> <li>○ Payment of and evidence of the ability to pay any applicable tax</li> </ul> </li> </ul> <p><b>Borrowers starting New Employment After Note Date:</b> Borrowers who are changing or starting new jobs are permitted to close prior to the start of employment according to Agency requirements.</p> <p>Refer to Income commencing after the Note Date, Option 1 and Option 2, with the following requirement:</p>
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	<ul style="list-style-type: none"> <li>• For Option 2, start date of the new employment or future salary increase must be no later than 90 days after the Note date.</li> <li>• Corporate Relocation— <u>See section 9.1</u> for additional documentation allowances or requirements</li> </ul> <p><b>4506T &amp; Tax Transcript Requirements</b></p> <ul style="list-style-type: none"> <li>• A fully complete 4506T form must be <b>signed and dated</b> by each borrower for all loans and must include the number of years of income required</li> <li>• The 4506T form must be <b>processed</b> and transcripts obtained in the following circumstances.</li> <li>• <b>Wage Earners:</b> <ul style="list-style-type: none"> <li>○ Handwritten paystubs are used as verification of income (W-2 transcripts acceptable unless other sources of income utilized)</li> <li>○ There is a relationship between the parties (W-2 transcripts acceptable unless other sources of income utilized):           <ul style="list-style-type: none"> <li>▪ Borrower and Seller are related</li> <li>▪ Borrower/Seller/Loan Originator are related</li> <li>▪ Borrower is employed by the Third-Party Originator Company</li> </ul> </li> <li>○ Any of the following are present (1040 transcripts required):           <ul style="list-style-type: none"> <li>▪ Additional income for qualifying is derived from sources such as rental properties, dividend/interest or other income where tax returns is required; or</li> <li>▪ Tax returns are used to document income; or</li> <li>▪ At the underwriter’s discretion</li> </ul> </li> </ul> </li> <li>• <b>Self-Employed:</b> <ul style="list-style-type: none"> <li>○ For self-employed borrowers personal tax transcripts are required. Business tax transcripts must be obtained if income from the business does not flow through to the borrower’s personal tax returns or business income appearing on personal transcripts is not consistent with the income on the business tax returns</li> </ul> </li> </ul> <p><b>Borrower Provided Transcripts</b>            In certain cases, such as identification theft, transcripts will not be available directly from the IRS, and the borrower will need to obtain. Additional documentation will be required along with the transcripts:</p> <ul style="list-style-type: none"> <li>• Follow the guidelines below when the IRS rejects an IRS Form 4506-T request as unable to process:           <ul style="list-style-type: none"> <li>○ Evidence the IRS rejected the IRS Form 4506-T request,</li> <li>○ A borrower-obtained Record of Account Transcript, in pdf format, for all applicable years missing from the www.irs.gov website, and</li> <li>○ A signed IRS Form 4506-T for the year(s) impacted by the IRS rejection.</li> </ul> </li> <li>• Follow the guidelines below when the IRS rejects an IRS Form 4506-T request for identity theft:           <ul style="list-style-type: none"> <li>○ Proof identification theft was reported to and received by the IRS (IRS Form 14039) or</li> <li>○ A copy of the notification from the IRS alerting the taxpayer to possible identification theft, and</li> <li>○ Borrower obtained transcript, in pdf format, for all applicable years missing</li> </ul> </li> <li>• In addition to the above, borrower provided transcripts may also be permitted with approval from an underwriting team lead or higher. Comments must be noted in Destiny for the reason borrower provided transcripts required.</li> </ul>
<p><b>5.2 Verification of Employment</b></p>	
<p>Verification of Employment</p>	<p><b>Wage Earner:</b>            A verbal verification of employment dated within 10 business days of the note date is required for all non-self-employed borrowers. The verification of employment must include the phone number contacted to complete the verbal, which must be documented as associated with the business. In</p>

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	<p>addition, the verification should be completed through the Human Resource Department of the employer, the owner of the company or direct supervisor for small businesses.</p> <p><b>Self-Employed Borrower:</b> For Self Employed borrowers, the existence of the borrower’s business must be validated no more than 120 calendar days prior to the note. This can be accomplished through a third party, such as a CPA, regulatory agency, or the applicable licensing bureau, AND by verifying a phone listing and address for the borrower’s business using a telephone book, the internet, or directory assistance.</p>								
<p><b>5.3 Ineligible Income Sources</b></p>									
<p>Ineligible Income Sources</p>	<ul style="list-style-type: none"> <li>• Sweat equity</li> <li>• Boarder income on purchase transactions</li> </ul>								
<p><b>Section 6: Credit</b></p>									
<p><b>6.1 Credit</b></p>									
<p>Credit</p>	<ul style="list-style-type: none"> <li>• A tri-merge credit report is required. Each Borrower must have a valid and usable score from at least two of the following three agencies: Experian (FICO), Trans Union (Empirica), and Equifax (Beacon). Only scores from these three agencies are acceptable.</li> <li>• Non-Traditional/Alt Credit is not permitted.</li> <li>• Manual underwriting is not permitted.</li> <li>• All credit inquiries within 90 days of the credit report are required to be addressed by the customer – see Credit Attestation Policy</li> <li>• Follow LPA findings as to any debt that should be paid</li> </ul>								
<p><b>6.2 Qualifying Ratios</b></p>									
<p>Qualifying Ratios</p>	<table border="1" data-bbox="386 1031 1308 1157"> <thead> <tr> <th>Mortgage Type</th> <th>Qualifying Interest Rate</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate Mortgage</td> <td>Note Rate</td> </tr> <tr> <td>5/1 ARMs</td> <td>Greater of the Fully Indexed Rate or the Note Rate + 2%</td> </tr> <tr> <td>7/1 &amp; 10/1 ARMs</td> <td>Greater of the Fully Indexed Rate or the Note Rate</td> </tr> </tbody> </table> <p><b>Max DTI:</b> Follow LPA findings.</p> <p>If monthly payments on the Affordable Second begin on or after the 61st monthly payment under the first lien mortgage or if repayment of the entire Affordable Second amount is due only upon sale or default, the amount of the Affordable Second monthly payment may be excluded from both ratios.</p> <p>Transactions resulting in significant payment shock should always be considered by the underwriter. The borrower’s income must clearly support the borrower’s ability to make the higher monthly payment. It is always at the underwriter’s discretion to require additional verification of assets or a larger down payment as a compensating factor for a loan with high payment shock.</p>	Mortgage Type	Qualifying Interest Rate	Fixed Rate Mortgage	Note Rate	5/1 ARMs	Greater of the Fully Indexed Rate or the Note Rate + 2%	7/1 & 10/1 ARMs	Greater of the Fully Indexed Rate or the Note Rate
Mortgage Type	Qualifying Interest Rate								
Fixed Rate Mortgage	Note Rate								
5/1 ARMs	Greater of the Fully Indexed Rate or the Note Rate + 2%								
7/1 & 10/1 ARMs	Greater of the Fully Indexed Rate or the Note Rate								
<p><b>6.3 Student Loans</b></p>									
<p>Student Loans</p>	<p>Follow agency guidelines, except for the noted exception for Medical Doctors and Dentists.</p> <p>Medical Doctors and Dentists: Student loan payments that are in a period of deferment or forbearance may be excluded from the DTI for a borrower in, or who has recently completed, a medical residency program and/or a medical clinical fellowship program, provided the following requirements are met:</p> <ul style="list-style-type: none"> <li>• One-unit purchase or rate &amp; term refinance (not a manufactured home)</li> <li>• LPA scored with a Risk Classification of Accept</li> <li>• Minimum 720 FICO</li> <li>• Evidence the loan is in deferment or forbearance and will remain in that status for a minimum of 12 months from the Note Date</li> <li>• Investor Feature Identifier of H18 is required</li> </ul>								

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## Section 7: Assets

### 7.1 Assets

Assets	<p>Assets must be verified as required by LPA. Written Verifications of Deposit (VOD) are not acceptable. Only system generated Verifications of Deposit from the financial institution are acceptable. Business Assets are allowed for down payment; however, the borrower must be the majority owner of the business. Business assets may not be used for reserves.</p> <p>Cash-on-hand is not an acceptable source of assets.</p>
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### 7.2 Minimum Borrower Contribution

Minimum Borrower Contribution	<b>Minimum Borrower Contribution</b>			
	<b>Property Type</b>	<b>HomePossible Mortgages LTV/HTLV/TLTV ≤ 80%</b>	<b>HomePossible Mortgages LTV/HTLV/TLTV &gt; 80% ≤ 95%</b>	<b>HomePossible Advantage Mortgages</b>
	1 Unit	None	None	None
	2-4 Unit	None	3%	N/A

### 7.3 Cash Reserves

Cash Reserves	<ul style="list-style-type: none"> <li>Follow LPA findings</li> <li>2-4 Unit requires 2 months in reserves unless additional required by LPA</li> </ul>
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### 7.4 Gifts

Gifts	<p>Follow FHLMC Guidance Section 5501; minimum borrower contribution must be met before other acceptable sources of funds are permitted</p> <ul style="list-style-type: none"> <li>An Affordable Second that does not require a monthly payment before the Due Date of the 61st payment under the Home Possible® Mortgage may be entered in the "Total Gift Fund" field of Loan Product Advisor. Refer to FHLMC Guide Section 4204.2</li> <li>Noted exception: borrowers must contribute a minimum of 5% of their own funds when the loan is secured by a manufactured home</li> </ul>
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### 7.5 Seller/Interest Party Contributions

Seller/Interested Party Contributions	<b>Third Party Contribution</b>		
	<b>Occupancy</b>	<b>LTV/CLTV</b>	<b>Maximum Contribution</b>
	Primary	> 90%	3%
	Primary	75% - 90%	6%
	Primary	< 75%	9%

### 7.6 Community Seconds

Community Seconds	Community Seconds must meet FHLMC requirements as defined in Section 4204.2 of the FHLMC Seller's Guide and be approved by NewRez prior to close; maximum LTV and other requirements shown above
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### 7.7 Ineligible Assets

Ineligible Assets	<ul style="list-style-type: none"> <li>Cash on hand</li> <li>Cryptocurrency, i.e. Bitcoin, cannot be used for down payment, closing costs or reserves</li> <li>Sweat Equity</li> <li>UTMA/Custodial Accounts for minors (cannot be used by account custodian)</li> <li>Unsecured loans</li> </ul>
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## Section 8: Procedures

### 8.1 Age of Documentation

Age of Documentation	Follow Freddie Mac selling guide
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8.2 Electronic Signatures									
Electronic Signatures	<p>NewRez will accept electronic signatures on third party documents in accordance with Electronic Signatures in Global and National Commerce Act (ESIGN) and the Uniform Electronic Transactions Act (UETA), as applicable.</p> <p>The electronic signature and date must be clearly visible when viewed electronically and in a paper copy of the electronically signed document.</p> <p>Electronic signatures are not permitted for any final documents including but not limited to the note, mortgage, final 1003, etc.</p>								
8.3 Escrows									
Escrows	<p>Escrows may be waived when the borrower’s LTV is less than 80% and</p> <ul style="list-style-type: none"> <li>the borrower is not a first-time homebuyer</li> <li>the borrower does not exhibit recent signs of delinquency</li> </ul> <p>For Rate &amp; Term Refinance Transactions the following restrictions also apply:</p> <ul style="list-style-type: none"> <li>the borrower may not finance the payment of real estate taxes for the subject property in the loan amount and waive escrows</li> <li>the borrower may not finance the payment of real estate taxes that are more than 60 days delinquent for the subject property in the loan amount, regardless of whether or not they waive escrows</li> </ul> <p>In all states, except CA, no exceptions are permitted if the LTV is &gt; 80% (see waiver eligibility grid below).</p> <p>If flood insurance is required based on the properties flood zone, escrows for flood insurance are required and cannot be waived.</p>								
8.4 Escrow Waiver Grid									
Escrow Waiver Grid	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr style="background-color: #76b82a; color: white;"> <th colspan="2">Eligibility</th> </tr> </thead> <tbody> <tr> <td>All States Except CA and NM</td> <td>≤ 80% or Less</td> </tr> <tr> <td>California</td> <td>&lt; 90%</td> </tr> <tr> <td>New Mexico</td> <td>≤ 80% or less</td> </tr> </tbody> </table>	Eligibility		All States Except CA and NM	≤ 80% or Less	California	< 90%	New Mexico	≤ 80% or less
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8.5 Excluded Parties- LDP/GSA Searches									
Excluded Parties- LDP/GSA Searches	<p>Agency, FHA and VA loans require confirmation that companies or individuals involved in the origination or underwriting of a mortgage transaction are not on the Freddie Mac Exclusionary List, General Services Administration (GSA) excluded party list or the HUD Limited Denial Participation (LDP). Regardless of the reason for the party being excluded, any party to the transaction included on either list will result in the loan being ineligible for delivery.</p> <p>All name variations found throughout the loan file must be run when performing the searches. The search must be run on the following parties in the transaction:</p> <ul style="list-style-type: none"> <li>Borrowers</li> <li>Seller</li> <li>Builder</li> <li>Listing Agent &amp; Listing Company</li> <li>Selling Agent &amp; Selling Company</li> <li>Title Agent</li> <li>Title Company</li> <li>Closing Attorney</li> <li>Appraiser and Appraisal Company</li> </ul>								

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8.6 Interest Credit Hardships																					
Interest Credit Hardships	Community Seconds must meet FHLMC requirements as defined in Section 4204.2 of the FHLMC Seller's Guide and be approved by NewRez prior to close; maximum LTV and other requirements shown above																				
8.7 Mortgage Insurance																					
Mortgage Insurance	Approved MI Companies: Essent, Genworth, MGIC, Radian, Arch and United Guaranty																				
	<table border="1"> <thead> <tr> <th colspan="5">Mortgage Insurance Coverage</th> </tr> <tr> <th>Transaction Type/Term</th> <th>80.01 - 85.00%</th> <th>85.01 - 90.00%</th> <th>90.01 - 95.00%</th> <th>95.01 -97.00%</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate, ≤ 20 years</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Fixed Rate &amp; ARMs, &gt; 20 years</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table>	Mortgage Insurance Coverage					Transaction Type/Term	80.01 - 85.00%	85.01 - 90.00%	90.01 - 95.00%	95.01 -97.00%	Fixed Rate, ≤ 20 years	6%	12%	25%	25%	Fixed Rate & ARMs, > 20 years	12%	25%	25%	25%
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<ul style="list-style-type: none"> <li>Borrower paid MI may be financed up to the maximum LTV for the transaction.</li> <li>Lender paid MI permitted.</li> </ul>																					
8.8 Title Insurance																					
Title Insurance	The title policy must be in the lender's name and/or its assigns. Title must be vested in the borrower's name, in the name of an eligible inter vivos trust (if permitted per program guides), or, in the case of a purchase, be currently vested in the seller's name with a requirement for a deed to be recorded transferring title to our borrower's name at closing.																				
	The insured amount of the policy must be at least for the gross loan amount and the policy must be dated within 45 days of closing. A minimum of a twelve-month title chain must be provided on each policy. The chain of title will be reviewed for flips, unacceptable exceptions to clear title, unacceptable private transfer fees or any other adverse title impediment as part of the underwriting process.																				
	<p>Manufactured Housing: ALTA Endorsement 7, 7.1, or 7.2 or any other endorsement required in the applicable jurisdiction for manufactured homes to be treated as real property must be included in the file.</p> <p>A summary reference to existing state conversion can be located in the <a href="#">NewRez MH State Conversion Statutes Reference Document</a>.</p>																				
Section 9: Very Low-Income Program																					
9.1 Very Low-Income Program (VLIP)																					
Very Low-Income Program (VLIP)	The Very Low-Income Program (VLIP) is designed to assist borrowers with lower down payments that require private mortgage insurance (PMI).																				
	<p>In addition to meeting the standard requirements of Home Possible® outlined within this profile, the following eligibility requirements must be met:</p> <ul style="list-style-type: none"> <li>Qualifying income is less than or equal to 50% of area median income for very low-income borrowers</li> <li>Purchase, owner-occupied residence only</li> <li>Minimum 80.01% LTV</li> <li>LPMI required</li> </ul> <p>Reference <a href="#">2.2 Eligible Terms and Programs</a> for product ID</p>																				
Section 10: References																					
10.1 References																					
References	<ul style="list-style-type: none"> <li><a href="#">FHLMC Guidelines (PDF Version)</a></li> <li><a href="#">FHLMC Possible Mortgages Overview</a></li> <li><a href="#">Home Possible® at a Glance</a></li> <li><a href="#">FHLMC Affordable Seconds</a></li> </ul>																				

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	<ul style="list-style-type: none"> <li>• <a href="#">Limited Denial of Participation (LDP) List</a></li> <li>• <a href="#">General Services Administration (GSA) Exclusionary List</a></li> </ul>
Section 11: Version Control	
Eligibility Matrices	<div style="display: flex; justify-content: space-between;"> <span style="color: red;">Clarified that 3-4 units with FICO &lt;700 are eligible with LPMI only</span> <span style="color: red;">March 8, 2019</span> </div>

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