



## Conforming Product Profile: Wholesale

NewRez overlays are identified with yellow highlighting

FANNIE MAE (DU) STANDARD and HIGH-BALANCE ELIGIBILITY MATRIX						
Excludes Manufactured Housing						
Units	Transaction Type	Occupancy	Credit Score	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Purchase and Rate & Term Refi	Primary Residence	640	97% <sup>1</sup>	95%	Follow DU <sup>2</sup>
1				95%		
2				85%		
3-4				75%		
1	Cash-out Refi		660	80%	80%	
2-4				75%	75%	
1	Purchase and Rate & Term Refi	Second Home	640	90%	90%	
1	Cash-out Refi		660	75%	75%	
1	Purchase	Investment Property	660	85%	85%	
2-4				75%	75%	
1-4				Rate & Term Refi	75%	

**<sup>1</sup>95.01%-97% LTV/CLTV**

- Fannie Mae Conforming Fixed Rate
- Maximum 105% CLTV with Community Second
- Purchase
  - At least one borrower must be a first-time homebuyer
- Rate & Term Refinance
  - Current mortgage being refinanced must be owned by Fannie Mae
  - [Fannie Mae Loan Lookup](#) tool
- High-Balance not permitted

<sup>2</sup>West Virginia: Max 50% DTI

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FREDDIE MAC (LPA) STANDARD and SUPER CONFORMING ELIGIBILITY MATRIX						
Excludes Manufactured Housing						
Units	Transaction Type	Occupancy	Credit Score	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Purchase and Rate & Term Refi	Primary Residence	640	97% <sup>1</sup>	95%	Follow LPA <sup>2</sup>
1				95%		
2				85%		
3-4				80%		
1	Cash-out Refi		660	80%	80%	
2-4				75%	75%	
1	Purchase and Rate & Term Refi	Second Home	640	90%	90%	
1	Cash-out Refi		660	75%	75%	
1	Purchase and Rate & Term Refi	Investment Property	660	85%	85%	
2-4				75%	75%	

**<sup>1</sup>95.01%-97% LTV/CLTV**

- HomeOne mortgage
- Freddie Mac Conforming Fixed Rate; Super Conforming not permitted
- Purchase
  - At least one borrower must be a first-time homebuyer
- Refinance
  - Current mortgage being refinanced must be owned by Freddie Mac
  - [Freddie Mac Loan Lookup tool](#)

<sup>2</sup>West Virginia: Max 50% DTI

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MANUFACTURED HOUSING ELIGIBILITY MATRIX						
Units	Transaction Type	Occupancy	Credit Score	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
<b>FANNIE MAE DU</b>						
1	Purchase and Rate & Term Refi	Primary Residence	660	95%	90%	Follow DU <sup>2</sup>
	Cash-out Refi <sup>1</sup>			65%	NA	
	Purchase and Rate & Term Refi	Second Home		90%	80%	
<b>FREDDIE MAC LPA</b>						
1	Purchase and Rate & Term Refi	Primary Residence	660	95%	95%	Follow LPA <sup>2</sup>
	Cash-out Refi <sup>1</sup>			65%	NA	
	Purchase and Rate & Term Refi	Second Home		85%	85%	
<sup>1</sup> Cash-out-Refi <ul style="list-style-type: none"> <li>○ Max Fixed Rate term is 20-years</li> <li>● Not permitted               <ul style="list-style-type: none"> <li>○ 5/6 ARM</li> <li>○ Super Conforming</li> </ul> </li> </ul> <sup>2</sup> West Virginia: Maximum DTI 50%						

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CO-OP ELIGIBILITY MATRIX						
Units	Transaction Type	Occupancy	Credit Score	Fixed Rate	ARM	DTI
				LTV	LTV	
FANNIE MAE DU						
1	Purchase and Rate & Term Refi	Primary Residence	640	95%	90%	Follow DU <sup>1</sup>
	Cash-out Refi <sup>1</sup>		660	80%	75%	
	Purchase and Rate & Term Refi	Second Home	660	90%	80%	
FREDDIE MAC LPA						
1	Purchase and Rate & Term Refi	Primary Residence	640	95%	90%	Follow LPA <sup>1</sup>
	Cash-out Refi <sup>1</sup>		660	80%	75%	
	Purchase and Rate & Term Refi	Second Home	660	85%	80%	
<sup>1</sup> West Virginia: Maximum DTI 50% Subordinate financing not permitted						

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1. Loan Terms
2. Loan Products
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36. Principal Curtailment
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38. MI Eligible Providers
39. MI Eligible Programs
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41. MI Coverage
42. Ineligible Programs
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<b>1. Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed Rate: 10- to 30-year terms in annual increments</li> <li>Manufactured Housing: maximum 20-year term for cash-out refi</li> </ul>				
<b>2. Loan Products</b>	<b>Product</b>	<b>Product Description</b>	<b>Product</b>	<b>Product Description</b>	
	2000FNMA10FRM	2000 FNMA 10 Yr Fixed	3000FHLMC10FRM	3000 FHLMC 10 Yr Fixed	
	2000FNMA15FRM	2000 FNMA 15 Yr Fixed	3000FHLMC15FRM	3000 FHLMC 15 Yr Fixed	
	2000FNMA20FRM	2000 FNMA 20 Yr Fixed	3000FHLMC20FRM	3000 FHLMC 20 Yr Fixed	
	2000FNMA25FRM	2000 FNMA 25 Yr Fixed	3000FHLMC25FRM	3000 FHLMC 25 Yr Fixed	
	2000FNMA30FRM	2000 FNMA 30 Yr Fixed	3000FHLMC30FRM	3000 FHLMC 30 Yr Fixed	
	2000FNMA10FRMHB	2000 FNMA 10 Yr Fixed High Balance	3000FHLMC10FRMSC	3000 FHLMC 10 Yr Fixed Super Conforming	
	2000FNMA15FRMHB	2000 FNMA 15 Yr Fixed High Balance	3000FHLMC15FRMSC	3000 FHLMC 15 Yr Fixed Super Conforming	
	2000FNMA20FRMHB	2000 FNMA 20 Yr Fixed High Balance	3000FHLMC20FRMSC	3000 FHLMC 20 Yr Fixed Super Conforming	
	2000FNMA25FRMHB	2000 FNMA 25 Yr Fixed High Balance	3000FHLMC25FRMSC	3000 FHLMC 25 Yr Fixed Super Conforming	
	2000FNMA30FRMHB	2000 FNMA 30 Yr Fixed High Balance	3000FHLMC30FRMSC	3000 FHLMC 30 Yr Fixed Super Conforming	
	2000FNMA10/6SOFARM	2000 FNMA 10/6 SOFR ARM 5-1-5	3000FHLMC10/6SOFARM	3000 FHLMC 10/6 SOFR ARM 5-1-5	
	2000FNMA7/6SOFARM	2000 FNMA 7/6 SOFR ARM 5-1-5	3000FHLMC7/6SOFARM	3000 FHLMC 7/6 SOFR ARM 5-1-5	
	2000FNMA5/6SOFARM	2000 FNMA 5/6 SOFR ARM 2-1-5	3000FHLMC5/6SOFARM	3000 FHLMC 5/6 SOFR ARM 2-1-5	
	2000FNMA10/6SOFARMHB	2000 FNMA 10/6 SOFR ARM 5-1-5 High Balance	3000FHLMC10/6ARMSOFRSC	3000 FHLMC 10/6 SOFR ARM 5-1-5 Super Conforming	
	2000FNMA7/6SOFARMHB	2000 FNMA 7/6 SOFR ARM 5-1-5 High Balance	3000FHLMC7/6SOFARMSC	3000 FHLMC 7/6 SOFR ARM 5-1-5 Super Conforming	
	2000FNMA5/6SOFARMHB	2000 FNMA 5/6 SOFR ARM 2-1-5 High Balance	3000FHLMC5/6SOFARMSC	3000 FHLMC 5/6 SOFR ARM 2-1-5 Super Conforming	
<b>3. Special Feature Codes (SFC)/ Investor Feature Identifier (IFI)</b>	The following SFC are required:		The following IFI is required:		
	<ul style="list-style-type: none"> <li>Student Loan Cash-out Refi 003/841</li> <li>Condos Approved as Fannie Mae: 588</li> <li>Future Income Option Two: 707</li> <li>Assets Used for Qualifying Income: 579</li> <li>Corporate Relocation Income/Guaranteed Sale Departing Residence: 576</li> </ul>		<ul style="list-style-type: none"> <li>Asset Depletion: H31</li> </ul>		
<b>4. ARM Information</b>	Index	The 30-day average of the overnight Secured Overnight Financing Rate (SOFR) as published by the Federal Reserve Bank of New York			
	Margin	3.00%			
	Life Floor	The floor is the margin			
	Interest Rate Caps and Adjustments	<b>Product</b>	<b>First</b>	<b>Subsequent</b>	<b>Lifetime</b>
		5/6	2%	1%	5%
		7/6	5%	1%	5%
Change Date	5/6	The first Change Date is the 61 <sup>st</sup> payment due date. Subsequent Change Dates are every six months thereafter.			

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	7/6	The first Change Date is the 85 <sup>th</sup> payment due date. Subsequent Change Dates are every six months thereafter.
	10/6	The first Change Date is the 121 <sup>st</sup> payment due date. Subsequent Change Dates are every six months thereafter.
	Conversion Option	Not available
<b>5. Temporary Buydown</b>	Not permitted	
<b>6. QM Rebuttable Presumption/ HPML</b>	<ul style="list-style-type: none"> <li>Refer to <u>QM, Non-QM and Ability to Repay Policy &amp; Procedure</u></li> <li>HPML: Primary residence transactions must maintain an escrow account for a minimum of five years</li> <li>Primary residence HPML refinances in CT with loan amounts &lt;= \$417,000               <ul style="list-style-type: none"> <li>If the loan being refinanced is an FHA, VA, USDA loan (Special Mortgage), or a bond loan provided by a Housing Finance Agency, homeownership counseling is required</li> </ul> </li> </ul>	
<b>7. Net Tangible Benefit (NTB)</b>	<ul style="list-style-type: none"> <li>A NewRez NTB Worksheet must be completed for all refinance transactions in the following states:               <ul style="list-style-type: none"> <li>AR, CT, IL MN, NC, NM, OH, and WA</li> </ul> </li> <li>A state specific NTB Test must be completed on refinance transactions in the following states:               <ul style="list-style-type: none"> <li>CO*, MA, MD, ME, RI, SC, VA, and WV (*CO requires NTB state specific forms to be completed for purchase and refinance transactions)</li> <li>For all other states, no NTB test is required</li> </ul> </li> <li>Refer to <u>Refinances: Net Tangible Benefit (NTB) Policy &amp; Procedure</u></li> </ul>	
<b>8. Loan Limits</b>	<a href="https://www.fanniemae.com/singlefamily/loan-limits">https://www.fanniemae.com/singlefamily/loan-limits</a> <a href="https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx</a>	
<b>9. Eligible AUS Decision</b>	DU Approve/Eligible per Fannie Mae guidelines	LPA Accept per Freddie Mac guidelines
<b>10. Ineligible AUS Decisions</b>	<ul style="list-style-type: none"> <li>DU Approve/Ineligible</li> <li>Refer with Caution</li> </ul>	LPA Caution
<b>11. Manual Underwrite</b>	Not permitted	
<b>12. Qualifying Rate</b>	<ul style="list-style-type: none"> <li>Fixed Rate with or without a temporary buydown: Note rate</li> <li>ARM: 5/6 ARM: Greater of the Fully Indexed Rate or the Note Rate + 2%</li> <li>7/6 and 10/6 ARM: Greater of the Fully Indexed Rate or the Note Rate</li> </ul>	
<b>13. Types of Financing</b>	<ul style="list-style-type: none"> <li>Purchase Mortgage</li> <li>Rate &amp; Term Refinance (Limited Cash-out Refi)</li> <li>Cash-out Refi</li> <li>Single Close Modification of the Note               <ul style="list-style-type: none"> <li>Conforming and High-Balance Fixed Rate permitted</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Purchase Mortgage</li> <li>Rate &amp; Term Refinance (Limited Cash-out Refi)</li> <li>Cash-out Refi</li> </ul>
<b>14. Incidental Cash Back</b>	Cash out amount not to exceed \$2,000 or 2% of the loan amount	Cash out amount not to exceed \$2,000 or 2% of the loan amount

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<b>15. Texas Owner-Occupied Properties</b>	<ul style="list-style-type: none"> <li>Owner occupied properties with a first mortgage or second lien subject to Texas Section 50(a)(6) not permitted in this product. Refer to the Texas 50(a)(6) Product Profile.</li> <li>A copy of the current mortgage or note is required to determine if the terms are subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust)</li> <li>An existing Texas Section 50(a)(6) loan (either first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(f)(2) loan secured by a lien against the homestead subject to the following:               <ul style="list-style-type: none"> <li>Max 80% LTV/CLTV</li> <li>12-month seasoning for any Texas Section 50(a)(6) loan (first or second)</li> <li>Cash back not permitted</li> <li>No additional funds may be included in the loan amount (except closing costs and prepaids)</li> <li>No new subordinate financing</li> <li>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: <u>Exception Notice—Important Notice Concerning Refinancing a Home Equity Loan</u></li> <li>One day after the borrowers receive a copy of the Closing Disclosure</li> </ul> </li> </ul> </li> <li>All Texas 50(f)(2) transactions must be reviewed and approved by one of the following NewRez Texas attorney prior to closing:               <ul style="list-style-type: none"> <li>Black, Mann, and Graham</li> <li>Peirson Patterson</li> </ul> </li> </ul>		
	<b>Texas 50 (f)(2) Determination</b>		
	<b>New loan amount pays off existing lien and...</b>	<b>Existing lien is non-50(a)(6), the new lien is...</b>	<b>Existing lien is 50(a)(6), the new lien is...</b>
	Provides even \$1 cash to borrower	Texas 50 (a)(6)	Texas 50 (a)(6)
	Pays off/down existing 50(a)(6) lien with no cash to borrower	Texas 50 (a)(6)	Texas 50(f)(2)
	Pays off/down existing 50(a)(6) lien with cash to borrower	Texas 50 (a)(6)	Texas 50 (a)(6)
	New lien is < existing UPB (no new funds)	Non-Texas 50 (a)(6)	Texas 50(f)(2)
	Funds, prepaids and/or closing costs	Non-Texas 50 (a)(6)	Texas 50(f)(2)
	Pays off/down purchase money second	Non-Texas 50 (a)(6)	Texas 50(f)(2)
	Pays off/down existing Secured Home Improvement loan (mechanic's lien)	Non-Texas 50 (a)(6)	Texas 50(f)(2)
Provides funds to satisfy a court-ordered divorce equity buyout (owelty lien)	Non-Texas 50 (a)(6)	Texas 50 (a)(6)	
Borrower may elect to have loan remain a Texas 50(a)(6). Refer to Texas 50(a)(6) product profile			
<b>16. Properties Listed for Sale</b>	<ul style="list-style-type: none"> <li>Property must be taken off the market before the Note date</li> <li>Borrower provides written confirmation of intent to occupy if primary residence</li> </ul>	<ul style="list-style-type: none"> <li>Property must be taken off the market before the Note date</li> </ul>	

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		<ul style="list-style-type: none"> <li>Borrower provides written confirmation of intent to occupy if primary residence</li> </ul>
<b>17. Eligible Subordinate Financing</b>	<ul style="list-style-type: none"> <li>New subordinate financing</li> <li>Existing subordinate financing</li> <li>Community Second               <ul style="list-style-type: none"> <li>Must be approved by NewRez prior to application</li> <li>Primary residence</li> <li>Purchase and Rate &amp; Term Refinance</li> <li>Maximum 105% CLTV</li> <li>Apply the more restrictive down payment requirement between the product and second mortgage</li> <li>Income limits imposed by the Community Seconds provider apply</li> <li>Manufactured homes not permitted</li> <li>No reporting requirements permitted</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>New subordinate financing</li> <li>Existing subordinate financing</li> <li>Affordable Second               <ul style="list-style-type: none"> <li>Must be approved by NewRez prior to application</li> <li>Primary residence</li> <li>Purchase and Rate &amp; Term Refinance</li> <li>Maximum 105% CLTV</li> <li>Apply the more restrictive down payment requirement between the product and second mortgage</li> <li>Income limits imposed by the Affordable Seconds provider apply</li> <li>Manufactured homes not permitted</li> <li>No reporting requirements permitted</li> </ul> </li> </ul>
<b>18. Occupancy</b>	<ul style="list-style-type: none"> <li>Primary residence</li> <li>Second home</li> <li>Investment properties</li> </ul>	
<b>19. Eligible Property Types</b>	<ul style="list-style-type: none"> <li>1-4 units</li> <li>Condos               <ul style="list-style-type: none"> <li>Must be reviewed by PRD</li> </ul> </li> <li>Co-ops               <ul style="list-style-type: none"> <li>NYC: 5 Boroughs (Bronx, Brooklyn, Manhattan, Queens, and Staten Island) and Nassau, Rockland, Suffolk, and West Chester counties</li> <li>NJ: Bergen, Essex, and Hudson counties</li> </ul> </li> <li>Leasehold estates</li> <li>Manufactured housing</li> <li>Modular homes</li> <li>PUDs</li> </ul>	
<b>20. Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>Condo hotels</li> <li>Hobby farm</li> <li>Leasehold estate condo projects</li> <li>Properties with a C5 condition rating</li> <li>The following manufactured housing               <ul style="list-style-type: none"> <li>Leasehold estate</li> <li>Newly constructed units</li> <li>Singlewide Units</li> <li>Units in a mobile home park</li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>○ Units located in Hawaii</li> <li>○ Units in condo projects</li> <li>○ Units with a hobby farm</li> <li>○ Units with a mixed-use</li> <li>○ Units with an ADU</li> <li>• Unique properties (e.g., log homes, geodesic domes, berms, earth homes, barndominiums, shouses)</li> </ul>					
<b>21. Ineligible States</b>	Alaska					
<b>22. Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• U.S. citizens</li> <li>• Permanent resident alien</li> <li>• Non-permanent resident alien</li> <li>• Inter vivos revocable trust: Trust must be approved by NewRez legal prior to loan approval</li> </ul> <p>NewRez will not purchase loans from Principal/Owners of NewRez Third Party Originators</p>					
<b>23. Non-Occupant Co-Borrower</b>	When non-occupant co-borrower, co-signer, or guarantor income will be used to qualify:		When non-occupant co-borrower, co-signer, or guarantor income will be used to qualify:			
	<ul style="list-style-type: none"> <li>• DU Approve/Eligible: LTV/CLTV/HCLTV ≤95%</li> </ul>		<ul style="list-style-type: none"> <li>• LPA Accept: LTV/CLTV/HCLTV ≤95%</li> </ul>			
<b>24. Housing Payment History</b>	<ul style="list-style-type: none"> <li>• Inclusive of all liens regardless of position</li> <li>• Applies to all mortgages on all financed properties</li> <li>• Follow DU Approve/Eligible</li> </ul>		<ul style="list-style-type: none"> <li>• Inclusive of all liens regardless of position</li> <li>• Applies to all mortgages on all financed properties</li> <li>• Follow LPA Accept               <ul style="list-style-type: none"> <li>○ If there are mortgage late payments not on the credit report, the loan must be resubmitted to LPA to recognize the late payment or the loan is not eligible</li> </ul> </li> </ul>			
<b>25. Borrower Contribution</b>		<b>Primary Residence</b>		<b>Second Home</b>		<b>Investment Property</b>
		≤ 80% LTV	>80% LTV	≤ 80% LTV	>80% LTV	All LTVs
	Borrower Investment	None	DU 1-unit: None DU 2-4 unit: 5% LPA none	None	5%	Full down payment
	Gifts	Yes	Yes	Yes	Yes	No
	LTV includes LTV/CLTV/HCLTV					
	Manufactured Housing: Borrower must contribute 5% of own funds					
<b>26. Down Payment Assistance</b>	<ul style="list-style-type: none"> <li>• Permitted</li> <li>• NewRez must approve the DPA</li> <li>• NewRez <a href="#">Down Payment Assistance Program</a> approved list</li> </ul>					
<b>27. Seller Contributions</b>	<ul style="list-style-type: none"> <li>• Primary Residence and Second Homes               <ul style="list-style-type: none"> <li>○ 3% for LTV/CLTV &gt; 90%</li> <li>○ 6% for LTV/CLTV &gt; 75% &amp; ≤ 90%</li> <li>○ 9% for LTV/CLTV ≤75%</li> </ul> </li> <li>• Investment Properties</li> </ul>					

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	<ul style="list-style-type: none"> <li>o 2%</li> </ul>	
<b>28. Reserves</b>	<ul style="list-style-type: none"> <li>• Follow DU reserve requirements, including borrowers with multiple financed properties. See Rental Income for additional reserve requirements</li> <li>• Reserves for loans with a temporary buydown must be calculated using the Note rate</li> <li>• Cash out from Cash-out Refinance may not be used to meet the reserve requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Follow LPA reserve requirements, including borrowers with multiple financed properties. See Rental Income for additional reserve requirements</li> <li>• Reserves for loans with a temporary buydown must be calculated using the Note rate</li> <li>• Cash out from Rate &amp; Term Refinance and Cash-out Refinance may not be used to meet the reserve requirements</li> </ul>
<b>29. Rental Income</b>	<ul style="list-style-type: none"> <li>• Investment Property Transaction               <ul style="list-style-type: none"> <li>o For purchase transactions, when rental income from the subject investment property is used to qualify, a 50% vacancy factor must be used</li> <li>o Refinance transactions require evidence of the most recent 2 months of receipt of rental income</li> <li>o Three months reserves are required in addition to standard reserve requirements</li> </ul> </li> <li>• Rental Income from Other Real Estate Owned (REO)               <ul style="list-style-type: none"> <li>o If rental income is used to qualify:                   <ul style="list-style-type: none"> <li>▪ The most recent two months receipt of rental income for each rental property owned</li> <li>▪ Three months reserves required for each rental property owned in addition to standard reserve requirements</li> </ul> </li> </ul> </li> <li>• Conversion of a Primary Residence to an Investment Property               <ul style="list-style-type: none"> <li>o If rental income is used to qualify:                   <ul style="list-style-type: none"> <li>▪ Additional three months reserves (PITIA of the property being converted to a rental property)</li> <li>▪ Proof of receipt of security deposit and</li> <li>▪ Proof of receipt of first month's rent if required by lease</li> </ul> </li> </ul> </li> </ul>	
<b>30. IRS Form 4506-C</b>	<ul style="list-style-type: none"> <li>• Prior to Underwriting               <ul style="list-style-type: none"> <li>o Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.)</li> </ul> </li> <li>• Prior to Closing               <ul style="list-style-type: none"> <li>o 4506-C for the business tax return transcript(s) must be signed prior to closing when the business returns are used for qualification.</li> </ul> </li> <li>• At Closing               <ul style="list-style-type: none"> <li>o 4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing even if DU Validation Service or LPA AIM waives the requirement</li> </ul> </li> </ul>	
<b>31. Tax Transcripts</b>	<p>Tax return or W-2 transcripts, as applicable, must be obtained when:</p> <ul style="list-style-type: none"> <li>• Handwritten paystubs are used as verification of income</li> <li>• There is a non-arm's length transaction</li> <li>• Income is documented with tax returns (self-employment, rental income, dividend/interest, etc.)</li> <li>• At the underwriter's discretion</li> </ul>	

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<b>32. Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>Primary Residence: No limitation</li> <li>Second Home &amp; Investment Properties               <ul style="list-style-type: none"> <li>Ten financed properties</li> <li>Min 720 credit score if borrower owns 7-10 financed properties</li> <li>See Reserves section for additional reserve requirements</li> </ul> </li> <li>New multiple loans must be underwritten simultaneously</li> </ul>	<ul style="list-style-type: none"> <li>Primary Residence: No limitation</li> <li>Second Home &amp; Investment Properties               <ul style="list-style-type: none"> <li>Ten financed properties</li> <li>Min 720 credit score if borrower owns 7-10 financed properties</li> <li>See Reserves section for additional reserve requirements</li> </ul> </li> <li>New multiple loans must be underwritten simultaneously</li> </ul>	
<b>33. Appraisals</b>	<ul style="list-style-type: none"> <li>Follow DU Approve/Eligible</li> <li>Appraisal Waiver               <ul style="list-style-type: none"> <li>Must be dated within four months from the DU offer date to the note date</li> <li>Not permitted if appraisal has already been obtained</li> <li>Not permitted for deed restricted properties including age restrictions (55+)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Follow LPA Accept</li> <li>Automated Collateral Evaluation (ACE)               <ul style="list-style-type: none"> <li>Must be dated within 120 days from the LPA offer date to the note date</li> <li>Not permitted if an appraisal has already been obtained</li> <li>Not permitted for deed restricted properties including age restrictions (55+)</li> </ul> </li> </ul>	
<b>34. Escrow Waivers</b>	<b>Escrow Waiver Eligibility</b>		
	<b>Primary Residence</b>	<b>Second Home</b>	<b>Investment Property</b>
	Max LTV ≤ 80% <ul style="list-style-type: none"> <li>CA: LTV &lt; 90%</li> <li>NM: \LTV &lt; 80%</li> </ul>	Max LTV ≤ 80% <ul style="list-style-type: none"> <li>CA: LTV &lt; 90%</li> </ul>	All states LTV ≤ 80%
	<ul style="list-style-type: none"> <li>Escrows may not be waived for first-time homebuyer (FTHB) or borrowers who exhibit recent delinquencies</li> <li>FTHBs may be considered on a case-by-case basis with a demonstrated ability to save (reserves) and strong residual income</li> </ul>		
<b>35. Power of Attorney</b>	Not permitted on cash-out refi unless required by state law	Not permitted on cash-out refi unless required by state law	
<b>36. Principal Curtailment</b>	A principal curtailment is permitted up to the lesser of 2% of the loan amount of \$2,500		
<b>37. Home Ownership Education</b>	<b>&gt;95% LTV/CLTV/HCLTV</b> <ul style="list-style-type: none"> <li>Purchase only</li> <li>Must be completed prior to the Note date</li> <li>At least one borrower must complete homebuyer education when all borrowers are first time homebuyers</li> <li>Counseling provided by Mortgage Insurance company is <b>not</b> permitted</li> </ul>	<b>&gt;95% LTV/CLTV/HCLTV</b> <ul style="list-style-type: none"> <li>Purchase only</li> <li>Must be completed prior to the Note date</li> <li>Must not be provided by an interested party to the transaction, the Client or NewRez</li> <li>Document certificate of course completion</li> <li>The following types of homeownership education are acceptable:</li> </ul>	

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	<ul style="list-style-type: none"> <li>Document certificate of course completion</li> <li>The following types of homeownership education are acceptable:               <ul style="list-style-type: none"> <li>Framework Homeownership, LLC (Framework ®) online education program, or</li> <li>Direct borrowers to Framework’s toll-free customer service line, where they can be directed to a <a href="#">HUD-approved counseling agency</a></li> <li>Community Seconds program or other down payment assistance (DPA) requirement for completion of homeownership education or counseling provided by a <a href="#">HUD-approved counseling agency</a>. Housing counseling must have been completed prior to execution of the sales contract</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Freddie Mac’s free financial literacy curriculum, CreditSmart Homebuyer U-with Certificate, provided:               <ul style="list-style-type: none"> <li>Borrower completes on-line <a href="#">Credit Smart Homebuyer U- With Certificate</a> that includes modules 1 through 6</li> <li>CreditSmart is not provided by an interested party to the transaction, the Client or NewRez</li> <li>Programs provided by HUD approved counseling agencies, Housing Finance Agencies or Community Development Financial Institutions</li> </ul> </li> <li>Programs provided by mortgage insurance companies or other providers programs that meet the standards of the <a href="#">National Industry Standards for Homeownership Education and Counseling</a></li> </ul>
<b>38. MI Eligible Providers</b>	MI company must be acceptable to Fannie Mae and Freddie Mac	
<b>39. MI Eligible Programs</b>	Borrower Paid Mortgage Insurance <ul style="list-style-type: none"> <li>Monthly plans</li> <li>Single-premium plan</li> <li>Financed MI               <ul style="list-style-type: none"> <li>1-unit                   <ul style="list-style-type: none"> <li>Primary residence and second homes</li> <li>Purchase and Rate &amp; Term Refinance</li> <li>MI coverage is based on LTV excluding financed premium</li> <li>LTV including financed premium may not exceed LTV limitations for product</li> </ul> </li> </ul> </li> </ul>	
<b>40. MI Ineligible Programs</b>	<ul style="list-style-type: none"> <li>Annual plans</li> <li>Lender-paid monthly plans</li> <li>Reduced or custom mortgage insurance</li> <li>Split-premium plans</li> </ul>	
<b>41. MI Coverage</b>	<ul style="list-style-type: none"> <li>Private Mortgage Insurance is required for all loans &gt;80% LTV</li> <li>Consult individual MI company guidelines</li> <li>NY State: Use the appraised value to determine if mortgage insurance is required. If Mortgage Insurance is required, use the lesser of the sales price or appraised value to determine the appropriate coverage</li> </ul>	

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	LTV	Standard Coverage
	Fixed Rate >20 Year Term, ARMs, and All Manufactured Housing	
	95.01% to 97%	35%
	90.01% to 95%	30%
	85.01% to 90%	25%
	80.01% to 85%	12%
	Fixed Rate ≤ 20 Year Term	
	95.01% to 97%	35%
	90.01% to 95%	25%
	85.01% to 90%	12%
	80.01% to 85%	6%
<b>42. Ineligible Programs</b>	<ul style="list-style-type: none"> <li>Fannie Mae HFA Preferred program</li> <li>Fannie Mae Homestyle</li> <li>Fannie Mae MH Advantage</li> <li>Fannie Mae Rural High-Needs Appraisal Waiver (appraisal waiver with home inspection)</li> <li>Freddie Mac CHOICEHome</li> <li>Freddie Mac GreenCHOICE</li> </ul>	

43. Version History		
Section	Update	Date
Ineligible States	Permit HI Manufactured housing not eligible in HI	February 1, 2021
Eligible Property Types	Added Eligible Co-op Counties	February 1, 2021
Investor Feature Identifier (IFI)	Added Asset Depletion H31 to Freddie Mac	February 1, 2021
Texas Owner Occupied Properties	Added Texas 50(f)(2) determination grid	April 15, 2021
Loan Terms	<ul style="list-style-type: none"> <li>Fixed Rate: 10- to 30-year terms in annual increments</li> <li>Removed Custom Loan Term information</li> </ul>	April 15, 2021

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