



## Conforming Texas 50(a)(6) Product Profile: Wholesale

NewRez overlays are identified with yellow highlighting

FANNIE MAE DU AND FREDDIE MAC LPA TEXAS 50(A)(6) ELIGIBILITY MATRIX						
Excludes Manufactured Housing						
Units	Transaction Type	Occupancy	Credit Score	LTV	CLTV	DTI
1	Cash-out Refi	Primary residence	660	80%	80%	50%
	Rate and Term Refi		640			

FANNIE MAE DU AND FREDDIE MAC LPA TEXAS 50(A)(6)						
MANUFACTURED HOUSING ELIGIBILITY MATRIX						
Units	Transaction Type	Occupancy	Credit Score	LTV	CLTV	DTI
1	Cash-out Refi	Primary residence	660	65%	65%	50%
	Rate and Term Refi					
Not permitted on leasehold properties						

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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
<b>3. Temporary Buydown</b>	Not permitted			
<b>4. QM Rebuttable Presumption/ HPML</b>	<ul style="list-style-type: none"> <li>Refer to <a href="#">QM, Non-QM and Ability to Repay Policy &amp; Procedure</a></li> <li>HPML loans not permitted</li> </ul>			
<b>5. Net Tangible Benefit (NTB)</b>	Not required			
<b>6. 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>7. Eligible AUS Decisions</b>	DU Approve/Eligible per Fannie Mae guidelines	LPA Accept per Freddie Mac guidelines		
<b>8. Ineligible AUS Decisions</b>	<ul style="list-style-type: none"> <li>DU Approve/Ineligible</li> <li>DU Refer with Caution</li> <li>LPA Caution</li> </ul>			
<b>9. Manual Underwrite</b>	Not permitted			
<b>10. Qualifying Rate</b>	Note Rate			
<b>11. Ratios</b>	Follow DU Approve/Eligible	Follow LPA Accept		
<b>12. Types of Financing</b>	<ul style="list-style-type: none"> <li>Rate &amp; Term Refinance (Limited Cash-out Refinance)</li> <li>Cash-out Refinance</li> </ul>	<ul style="list-style-type: none"> <li>Rate &amp; Term Refinance (No Cash-out Refinance)</li> <li>Cash-out Refinance</li> </ul>		
<b>13. Texas Home Equity Restrictions</b>	<ul style="list-style-type: none"> <li>A copy of the current mortgage or note is required to determine whether the terms are subject to Texas Section 50(a)(6) (aka Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust)</li> <li>Payoff of an existing Texas Section 50(a)(6) loan (first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(a)(4) loan if there is no cash out from the first mortgage transaction and the LTV/CLTV does not exceed 80%.</li> <li>Refer to the <a href="#">Texas Home Equity Refinance Eligibility Matrix</a> to determine product eligibility</li> <li>There can only be one outstanding Texas Section 50(a)(6) loan on a property at any given time</li> </ul>			

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	<ul style="list-style-type: none"> <li>o If the borrower has an existing Texas Section 50(a)(6) second lien and is getting cash out from the first mortgage, that lien must be paid off</li> <li>• 12-month seasoning for any Texas Section 50(a)(6) loan (first or second mortgage)</li> <li>• Premium pricing is permitted if disclosed to the borrower at time of initial application</li> </ul>	
<b>14. Fee Caps</b>	<ul style="list-style-type: none"> <li>• Total fees paid by the borrower (excluding prepaids) cannot exceed 2% of the loan amount.</li> <li>• The 2% cap includes fees paid to the lender, broker or any third party, excluding appraisal, property survey, title insurance premiums, and title examination.</li> <li>• If closing costs are greater than 2%, reduce fees prior to closing. Refunds to the borrower are permitted</li> </ul>	
	Subject to the 2% Cap	Not subject to the 2% Cap
	<ul style="list-style-type: none"> <li>• Administrative Fees</li> <li>• Appraisal – portion of appraisal fee paid to affiliate</li> <li>• Assignment Fees</li> <li>• Attorney File Review Fees</li> <li>• Broker Fees</li> <li>• Closing Fees</li> <li>• Commitment Fees</li> <li>• Courier Fee/Express Mail Fees</li> <li>• Credit Life Insurance required by the Lender</li> <li>• Valid discount points used to buy down the interest rate, (suggest written buy down request from the borrower)</li> <li>• Doc Prep Fees (may be changed only by a Texas licensed attorney)</li> <li>• Title Company Escrow Fees</li> <li>• Escrow Waiver Fees</li> <li>• Flood Certification</li> <li>• Mortgage Insurance</li> <li>• Origination Fees</li> <li>• Pest Inspection Fees</li> <li>• Processing Fees</li> <li>• Property Tax Certification Fees</li> <li>• Property Tax Service Fees</li> <li>• Recording Fees</li> <li>• Title Examination or Search</li> <li>• Underwriting Fees</li> <li>• Warehouse Fees</li> </ul>	<ul style="list-style-type: none"> <li>• Appraisal – portion of appraisal fee paid to non-affiliate</li> <li>• Title Endorsements</li> <li>• Discount points (if legitimate and bona fide)</li> <li>• Flood Insurance</li> <li>• Hazard Insurance</li> <li>• HOA maintenance fees</li> <li>• Interest</li> <li>• Property taxes</li> <li>• Survey performed by state licensed or registered surveyor</li> <li>• Fees based on the failure of the borrower to live up to contractual obligations (for example, force-placed insurance, returned check charges, debt collection costs, late fees, foreclosure costs)</li> <li>• Optional charges paid by the owner of the property (or his/her spouse) at his/her sole discretion that are not required by the lender. (Lenders should exercise caution when relying on this exception.)</li> </ul>
<b>15. Attorney Review</b>	<p>All Texas 50(a)(6) loans must be reviewed and certified by one of the following NewRez approved Texas attorneys prior to closing:</p> <ul style="list-style-type: none"> <li>• Black, Mann and Graham</li> <li>• PeirsonPatterson</li> </ul>	
<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> </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>	<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>Existing subordinate liens not paid off with the new Texas 50(a)(6) loan are permitted provided that:               <ul style="list-style-type: none"> <li>the subordinated second mortgage is not subject to Texas 50(a)(6) loan (verification is required-the title company must obtain a copy of the security instrument)</li> </ul> </li> </ul>	
<b>18. Ineligible Subordinate Financing</b>	<ul style="list-style-type: none"> <li>New subordinate financing</li> <li>HELOC</li> <li>Third liens</li> </ul>	
<b>19. Occupancy</b>	Primary residence (borrower's Homestead property)	
<b>20. Eligible Property Types</b>	<ul style="list-style-type: none"> <li>1-unit</li> <li>Condos</li> <li>Leasehold estates</li> <li>Manufactured housing</li> <li>Modular homes</li> <li>PUDs</li> </ul>	
<b>21. Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>2-4 units</li> <li>Agricultural zoning</li> <li>Condo hotels</li> <li>Co-ops</li> <li>Hobby farms</li> <li>Leasehold estate condo projects</li> <li>Mixed-use</li> <li>Properties with a C5 condition rating</li> <li>The following manufactured homes               <ul style="list-style-type: none"> <li>condo projects</li> <li>in a mobile home park</li> <li>new construction</li> </ul> </li> </ul>	
<b>22. Acreage Requirements</b>	<ul style="list-style-type: none"> <li>Acreage requirements               <ul style="list-style-type: none"> <li>If adjacent property is owned, the file must show that the subject property is a separate parcel and does not include the additional lot</li> <li><u>Urban Property</u> <ul style="list-style-type: none"> <li>Maximum 10 acres, and</li> <li>The municipality provides police and fire protection (paid or volunteer) and 3 of the following services                   <ul style="list-style-type: none"> <li>Electric</li> <li>Natural gas</li> <li>Sewer</li> </ul> </li> </ul> </li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>○ Storm sewer</li> <li>○ Water</li> <li>○ <u>Rural Property</u> <ul style="list-style-type: none"> <li>▪ Property is considered rural if the municipality does not provide police and fire protection or any of the above services</li> <li>▪ <b>Maximum 25 acres</b></li> <li>▪ If the definition of a rural property cannot be met and there is an excess of 10 acres, all acreage exceeding 10 acres must be subdivided or the loan is ineligible</li> </ul> </li> </ul>	
<b>23. Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• US 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>24. Non-Occupant Co-Borrower</b>	Not permitted; all borrowers must occupy subject property	
<b>25. 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</li> </ul>
<b>26. Reserves</b>	<ul style="list-style-type: none"> <li>• Follow DU Approve/Eligible</li> <li>• Cash-out Refinance: Cash out may not be used to meet the reserve requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Follow LPA Accept</li> <li>• Rate &amp; Term and Cash-out Refinance: Cash out may not be used to meet the reserve requirements</li> </ul>
<b>27. Rental Income</b>	<ul style="list-style-type: none"> <li>• <b>Rental Income from Other Real Estate Owned (REO)</b> <ul style="list-style-type: none"> <li>○ The use of rental income from other REO requires evidence of the most recent 2 months receipt of rental income for each rental property owned</li> <li>○ If rental income is used to qualify, three months reserves required for each rental property owned in addition to standard reserve requirements</li> </ul> </li> <li>• <b>Conversion of a Primary Residence to an Investment Property</b> <ul style="list-style-type: none"> <li>○ Additional 3 months reserves (PITIA of the property being converted to a rental property)</li> <li>○ Proof of receipt of security deposit and</li> <li>○ <b>Proof of receipt of first month's rent if required by lease</b></li> </ul> </li> </ul>	
<b>28. IRS Form 4506-T</b>	<ul style="list-style-type: none"> <li>• Prior to Underwriting <ul style="list-style-type: none"> <li>○ 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>○ 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> </ul>	

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	<ul style="list-style-type: none"> <li>At Closing               <ul style="list-style-type: none"> <li>4506-C for each borrower whose income is used to qualify (regardless of income type) signed at closing even if DU Validation Service or LPA AIM waives the requirement</li> </ul> </li> </ul>	
<b>29. Tax Transcripts</b>	Tax return or W-2 transcripts, as applicable, must be obtained when: <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>	
<b>30. Maximum Financed Properties</b>	<ul style="list-style-type: none"> <li>Primary Residence: No limitation</li> <li>New multiple loans must be underwritten simultaneously</li> </ul>	
<b>31. Appraisal</b>	<ul style="list-style-type: none"> <li>Interior and Exterior Appraisal Report required</li> <li>Re-use of an appraisal report not permitted</li> </ul>	
<b>32. Escrow Waivers</b>	Permitted	
<b>33. Principal Curtailment</b>	A principal curtailment is permitted up to the lesser of 2% of the loan amount of \$2,500	
<b>34. Power of Attorney</b>	Not permitted	
<b>35. Ineligible Products</b>	<ul style="list-style-type: none"> <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>	

36. Version		
Section	Update	Date
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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