

<b>SECTION 1:</b>	<b>CODING</b>																															
<b>PROGRAM CODES</b>	<b>PROGRAM CODES:</b> 5/1 ARM DU Refi Plus – 1740-03 7/1 ARM DU Refi Plus – 1840-03																															
<b>SECTION 2:</b>	<b>LTV/CLTV/HCLTV LOAN AMOUNTS</b>																															
<b>LTV/CLTV/HCLTV LIMITS BY PROGRAM TYPE</b>	<table border="1"> <thead> <tr> <th></th> <th>Minimum Credit Score</th> <th>Max LTV</th> <th>Max CLTV</th> </tr> </thead> <tbody> <tr> <td>Owner Occupied</td> <td>660</td> <td>105%</td> <td>105%</td> </tr> <tr> <td>Second Home</td> <td>680</td> <td>105%</td> <td>105%</td> </tr> <tr> <td>Investment Property</td> <td>680</td> <td>105%</td> <td>105%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Owner Occupied, Second homes and Investment properties are allowed.</li> <li>The new refinance transaction is not required to represent the same occupancy as the existing loan.</li> </ul> <p><b>Florida Condominiums are not restricted for this program.</b></p> <ul style="list-style-type: none"> <li> <table border="1"> <thead> <tr> <th># of Units</th> <th>Continental US</th> <th>Hawaii</th> </tr> </thead> <tbody> <tr> <td>1 Unit</td> <td>\$417,000</td> <td>\$625,500</td> </tr> <tr> <td>2 Units</td> <td>\$533,850</td> <td>\$800,775</td> </tr> <tr> <td>3 Units</td> <td>\$645,300</td> <td>\$967,950</td> </tr> <tr> <td>4 Units</td> <td>\$801,950</td> <td>\$1,202,925</td> </tr> </tbody> </table> </li> </ul>		Minimum Credit Score	Max LTV	Max CLTV	Owner Occupied	660	105%	105%	Second Home	680	105%	105%	Investment Property	680	105%	105%	# of Units	Continental US	Hawaii	1 Unit	\$417,000	\$625,500	2 Units	\$533,850	\$800,775	3 Units	\$645,300	\$967,950	4 Units	\$801,950	\$1,202,925
	Minimum Credit Score	Max LTV	Max CLTV																													
Owner Occupied	660	105%	105%																													
Second Home	680	105%	105%																													
Investment Property	680	105%	105%																													
# of Units	Continental US	Hawaii																														
1 Unit	\$417,000	\$625,500																														
2 Units	\$533,850	\$800,775																														
3 Units	\$645,300	\$967,950																														
4 Units	\$801,950	\$1,202,925																														
<b>CONFORMING LOAN LIMITS</b>																																
<b>SECTION 3:</b>	<b>PROGRAM PARAMETERS</b>																															
<b>MINIMUM LOAN AMT</b>	\$60,000																															
<b>CASH PROCEEDS</b>	Maximum cash out = \$250.00. This is a rate and term refinance program.																															
<b>SPECIAL PROGRAM REQUIREMENTS</b>	Loan must receive the following message from DU/DO: <i><b>This loan casefile was underwritten according to the DU Refi Plus expanded eligibility guidelines offered on certain limited cash-out refinance loan casefiles where the borrower's existing loan is identified by DU as a Fannie Mae loan. This loan casefile must be delivered with Special Feature Code 147.</b></i>																															
<b>INTEREST ONLY OPTION</b>	Not allowed																															
<b>ELIGIBLE LOAN TYPES</b>	This program provides an initial fixed-period term of 5 or 7 years. At the end of the fixed period, the loan is fully amortized over the remaining term as an adjustable-rate mortgage.																															
<b>MARGIN</b>	2.25%																															
<b>NOTE RATE LIMITATIONS</b>	5/1 ARM – Note rates may not be lower than 2% below the fully indexed rate. 7/1 ARM – Note rates may not be lower than 3% below the fully indexed rate.																															
<b>LIFE CAPS</b>	Life floor: The life floor will never be lower than the margin  Life cap: 5% over the Note Rate																															

<b>RATE ADJUSTMENT CAP AND DATE</b>	Term	Index	Interest Rate Adjustment Cap and Date
	5/1	LIBOR only	The interest rate is fixed for the first 60 months. The maximum interest-rate adjustment at the first adjustment date is 5%. Thereafter the interest rate adjusts annually with a maximum interest-rate change of 2%, which will not cause deferred interest, and a life cap of 5%.
	7/1	LIBOR only	The interest rate is fixed for the first 84 months. The maximum interest-rate adjustment at the first adjustment date is 5%. Thereafter, the interest rate adjusts annually with a maximum interest-rate change at any one- adjustment date of 2%, which will not cause deferred interest.
	The first payment change date will be the first of the month following the interest-rate adjustment, and every 12 months thereafter.		
<b>TEMPORARY BUYDOWNS</b>	Not Allowed.		
<b>ASSUMABILITY</b>	Assumable any time after the initial fixed interest rate period		
<b>PREPAYMENT PENALTY</b>	Not permitted		
<b>SECTION 4:</b>	<b>BORROWER ELIGIBILITY</b>		
<b>ELIGIBLE BORROWERS</b>	U.S. Citizens Permanent resident aliens Non-permanent resident aliens Inter vivos revocable trusts Non-occupant Co-borrowers		
<b>MAXIMUM NUMBER OF BORROWERS:</b>	Loan transactions with more than four (4) applicants/borrowers are not eligible.		
<b>BORROWER ELIGIBILITY</b>	DU Refi Plus transactions must provide a benefit to the borrower in the form of either: <ul style="list-style-type: none"> <li>o A reduced monthly mortgage principal and interest payment,</li> <li>o A more stable loan product,</li> <li>o A reduction in interest rate, or</li> <li>o A reduction in loan amortization term.</li> </ul> <p>If the Borrower Benefit results in a P &amp; I payment increase, the increase may not exceed 20%. Exceptions are not permitted.</p> <p>Additional borrowers may be added to the DU Refi Plus as long as the original borrowers on the loan being refinanced are retained.</p> <ul style="list-style-type: none"> <li>• A borrower who is on the original loan being refinanced may be excluded from the DU Refi Plus only when the following requirements are met:             <ol style="list-style-type: none"> <li>1. The remaining borrower must provide evidence that he or she has been making the payments on the existing mortgage from his or her own funds for the most recent 12 months prior to the origination of the new mortgage (the 12-month payment history must be on the existing mortgage), and</li> <li>2. The excluded borrower must be removed from the deed. If a borrower is excluded due to death, the 12-month payment history and removal of the borrower from the deed is not required. Evidence of death is required.</li> </ol> </li> </ul>		
<b>FIRST TIME HOMEBUYER</b>	N/A. This is only a refinance program.		
<b>NON-OCCUPANT CO-BORROWER</b>	Non-occupant co-borrowers are permitted on 1-2 unit properties. Ratios are per DU/DO findings.		
<b>PERMANENT RESIDENT ALIEN</b>	A copy of the Green Card is required for all permanent resident aliens whose income and/or assets are being used to qualify for a loan. A copy of the front and back of the card is required and must be included in the loan file.		

**PERMANENT RESIDENT ALIEN (cont'd):**

While the Green Card itself states "Do Not Duplicate" for the purpose of replacing the original card, U.S. Citizenship and Immigration Services (USCIS) allows photocopying of the Green Card. Making an enlarged copy or copying on colored paper may alleviate any concerns the borrower may have with photocopying.

**NON-PERMANENT RESIDENT ALIEN**

**Required Visas**

All non-permanent resident aliens must provide evidence of a valid, acceptable visa. A copy of the unexpired visa must be included in the loan file evidencing one of the following visa classes:

- A Series (A-1, A-2, A-3): these visas are given to officials of foreign governments, immediate family members and support staff. Only those without diplomatic immunity, as verified on the visa, are allowed.
- E-1, Treaty Trader: this visa is essentially the same as an H-1 or L-1; the title refers to the foreign country's status with the United States.
- G series (G-1, G-2, G-3, G-4, G-5): these visas are given to employees of international organizations that are located in the United States. Some examples include the United Nations, Red Cross, World Bank, UNICEF and the International Monetary Fund. Verification that the applicant does not have diplomatic immunity must be obtained from the applicant's employer and/or by the viewing the applicant's passport.
- H-1, Temporary Worker: this is the most common visa given to foreign citizens who are temporarily working in the United States.
- L-1, Intra-Company Transferee: an L-1 visa is given to professional employees whose company's main office is in a foreign country.
- TN, NAFTA visa: used by Canadian or Mexican citizens for professional or business purposes.
- TC, NAFTA visa: used by Canadian citizens for professional or business purposes.

All standards for determining stable monthly income, adequate credit history and sufficient liquid assets must be applied in the same manner to each borrower including borrowers who are non-permanent resident aliens.

**FOREIGN NATIONAL**

Foreign nationals who have no lawful residency status in the U.S. are not considered to be non-permanent resident aliens and are not eligible for financing.

**NON-ARMS LENGTH TRANSACTIONS**

A non-arm's length transaction is one where the parties to the transaction are related such as family members, employer/employee, or principal/agent. This relationship may influence the transaction. Common types of non-arm's length transactions include:

- Family sales
- Property in an estate
- Employer/employee sales
- Flip transactions

**NUMBER OF OTHER PROPERTIES**

**Number of financed properties permitted:**

If the subject property is owner occupied, there are no restrictions on the number of financed properties that a borrower can own. If the subject property is a second home or NOO, the borrower may own up to 4 financed properties. Properties the borrower owns free and clear are not included. When the borrower owns >4 properties, documentation must be provided to show the excess properties are owned free and clear.

**Number of properties WesLend will finance:**

WesLend will finance up to 4 multiple properties for one borrower.  
Maximum 4 multiple loans to one borrower with the same investor

**SECTION 5:**

**CREDIT CRITERIA**

**UNDERWRITING**

This program requires DU Findings with an Approve/Eligible recommendation

Loan must receive the following message from DU/DO:

***This loan casefile was underwritten according to the DU Refi Plus expanded eligibility guidelines offered on certain limited cash-out refinance loan casefiles where the borrower's existing loan is identified by DU as a Fannie Mae loan. This loan casefile must be delivered with Special Feature Code 147.***

**CREDIT SCORES**

**Minimum credit score of:**

- 660 for primary residence
- 680 for second home and investment property

**Credit Score Selection**

The following criteria may be used to determine each individual borrower's Credit Score using the "middle/lower" method:

- If there are three valid credit scores for a borrower, the middle score (numerical middle of the three scores) is used.
- If there are three valid scores for a borrower but two of the scores are the same, the duplicate score is used.
- If there are two valid scores for a borrower, the lower of the two scores is used.
- If there is one valid score for a borrower, that score is used.

**Loan Score Selection**

After selecting the appropriate Credit Score for each borrower, the Loan Score must be determined:

- If there is more than one borrower, the lowest selected Credit Score among all borrowers is the Loan Score.
- When there is only one borrower, the selected Credit Score for that borrower is also the Loan Score.

**CREDIT DOCUMENTS**

The maximum age of credit document is 90 days for existing construction – 120 days for new construction. Credit documents include credit reports, employment income and asset documents. The age of the document is measured from the date of the document to the date the note is signed.

A new merged credit report with the borrower(s) representative credit score is required.

**RATIOS**

Qualifying ratios are determined by the DU/DO findings.

For ARM loans qualified using the fully-indexed rate, the ARM index must be dated within 30 days of the Note date. If the updated index is higher than the index used to approve the loan, the loan should be updated and resubmitted to AUS.

Product	Qualifying Rate
5/1 LIBOR	Greater of Fully Indexed Rate or Note Rate + 2%
7/1 LIBOR	Note Rate

**SEASONING**

There is no minimum seasoning requirement for the existing mortgage.

**MORTGAGE PAYMENT HISTORY**

Minimum 12 month mortgage payment history is required reflecting 0 x 30 for the past 12 months.

**BANKRUPTCY FORECLOSURE**

**Bankruptcy & Foreclosures:** 48 months must have elapsed from the date of bankruptcy was discharged or dismissed (84 months for a foreclosure) or per DU output whichever is more

	restrictive.
<b>DEED-IN-LIEU</b>	Per DU/DO findings
<b>PURCHASE</b>	Not allowed. This is a refinance program only.
<b>REFINANCE</b>	<p>Transactions meeting the following criteria are considered to be Rate/Term (i.e., No Cash-out) refinances:</p> <ul style="list-style-type: none"> <li>To be eligible for a rate-term refinance and the last transaction on the property was a cash-out refinance within the last six months; the new mortgage must be treated as a cash-out refinance. Note date to note date is what is used to calculate the six months.</li> <li>Pay off of the current mortgage (principal balance plus accrued interest, and any required prepayment penalty, only; other costs such as late fees and past-due amounts may not be paid with the new loan)</li> <li>If the first mortgage is a Home Equity Line of Credit (HELOC) a copy of the HUD-1 Settlement Statement from the borrower's purchase of the subject property must be provided evidencing the proceeds were used in their entirety to acquire the subject property</li> <li>Pay off (as defined above) of any subordinate mortgage lien that was used in its entirety to acquire the subject property - regardless of seasoning</li> <li>A copy of the HUD-1 Settlement Statement from the borrower's purchase of the subject property must be provided evidencing that any subordinate financing was used in its entirety to acquire the subject property</li> <li>Standard loan fees (e.g., closing costs on the new mortgage; prepaids, such as interest, taxes, insurance, etc; and points)</li> <li>Incidental cash to the borrower not to exceed the lesser of \$2000 or 2% of the principal balance of the new loan amount (does not apply to owner occupied refinances of property located in Texas)</li> </ul> <p><b>Continuity of Obligation</b></p> <ul style="list-style-type: none"> <li>Continuity of Obligation is met when any one of the following exist: <ul style="list-style-type: none"> <li>At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced.</li> <li>The borrower has been on title, and residing in the property, for at least 12 months and has either paid the mortgage for the last 12 months or can demonstrate a relationship (relative, domestic partner, etc...) with the current obligor.</li> <li>The loan being refinanced and the title to the property are in the name of a natural person or a limited liability company (LLC) as long as the borrower was a member of the LLC prior to transfer. Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement.</li> <li>The borrower has recently inherited, or was legally awarded, the property (divorce, separation, or dissolution of a domestic partnership).</li> </ul> </li> </ul>
<b>CASH OUT REFINANCES</b>	Not allowed. No cash out refinance program only.
<b>SUBORDINATE FINANCING</b>	<ul style="list-style-type: none"> <li>All existing subordinate financing must be re-subordinated. Subordinate liens may not be paid off, or paid down, with the proceeds of the new mortgage.</li> <li>No new subordinate financing is permitted.</li> </ul>
<b>EMPLOYMENT/INCOME</b>	<p>The borrower's employment and income for the most recent two years must be verified unless DU/DO decision specifies otherwise. If there are multiple borrowers, only the employment and income used for qualification must be verified. A completed and signed IRS Form 4506-T is required for all borrowers at application and closing and must be included in the loan file delivered for purchase.</p> <p><b>Rental income from property other than subject property:</b></p> <ol style="list-style-type: none"> <li>When the property has been owned less than 12 months and is not reflected on the Borrower's most recent filed Federal Individual Tax Return:</li> </ol>

**EMPLOYMENT BY RELATIVES OR TRANSACTION PARTICIPANTS**

- Copies of the present signed lease(s) may be used only if the borrower has a two-year history of property management experience as evidenced by the most current two years filed and signed Federal IRS 1040 tax returns. Documentation is not required if rental income is not used to qualify.
- b. When the property other than the subject property is owned more than 12 months:
  - The Borrower's prior year completed and filed Federal Individual Income Tax Return including Schedule E.
    - Aggregate net rental income may be counted as stable monthly income, provided the reliability of receipt is clearly supported by the documentation in the file.
    - Aggregate net rental loss from investment properties and 2-4 unit primary residences must be considered a liability for qualification purposes.

If the borrower is employed by a relative, a closely held family business, the property seller, real estate agent, or any party to the real estate transaction, the following documentation must be obtained:

- Borrower's signed and completed federal income tax returns for most recent 2 years, and Verification of Employment form (VOE), and W-2's for the most recent 2 years.

**SALARIED AND HOURLY WAGES**

Current income reported on the VOE or pay stub may be used if it is consistent with W-2 earnings reported on the tax returns. If the tax returns do not include W-2 earnings or income is substantially lower than the current VOE or pay stub, further investigation is needed to determine whether income is stable.

W-2(s) for previous year for each salaried borrower is required.

Current income reported on the VOE or pay stub may be used if it is consistent with W-2 earnings reported on the tax returns. If the tax returns do not include W-2 earnings or income is substantially lower than the current VOE or pay stub, further investigation is needed to determine whether income is stable.

**SELF EMPLOYED**

If a borrower is self-employed and self-employment income is not used to qualify, the borrower's individual federal tax returns must be obtained. If a business loss is reported on the borrower's individual federal tax returns, the underwriter may require additional documentation in order to fully evaluate the impact of a business loss on the income used for qualifying.

**Property Market Rents:**

The gross monthly rent for each unit must be documented in each loan, even when the borrower is not utilizing rental income to qualify.

For all investment properties and 2-4 unit primary residences, when rental income is not used to qualify, the gross monthly rental income for each unit must be documented with one of the following:

- Current Lease Agreement(s), or
- Form 216: Operating Income Statement for investment and 2-4 unit owner occupied properties (including those in which the borrower occupies one of the units as a principal residence), or
- Form 1007: A Single Family Comparable Rent Schedule for one-unit investment properties, or
- Small Residential Income Property Appraisal Report (Form 1025).

**VERBAL VOE**

**Verbal Verification of Employment for hourly, salary, and commission income (VOE)**

For each employed borrower, including second jobs, verbal verification of employment (VOE) must be obtained as part of the underwriting documentation in each loan file, regardless DU/DO findings. The phone number and, if possible, an address for the borrower's employer must be obtained independently by using a telephone book, the internet, directory assistance or by contacting the applicable licensing bureau. Verbal verifications should be completed by the borrower's Human Resource, Personnel Department, or supervisor within 10 calendar days prior to the Note date. Verbal VOE documentation must include:

- The name and title of the person who confirmed the employment

	<ul style="list-style-type: none"> <li>• The date of the call</li> <li>• The source of the phone number</li> <li>• The borrower's current employment status</li> <li>• The borrower's job title</li> <li>• The borrower's date of hire / dates of employment</li> <li>• Probability of continued employment</li> </ul> <p>If an employer will not provide verbal verification of employment, a written verification of employment request must be sent to the employer. Written employment verification documentation must include the name and title of the person performing the verification and be received at least 10 calendar days prior to the closing date. If it is discovered that the borrower is no longer employed, the loan may not fund until the borrower's new employment and income can be verified and the loan re-evaluated.</p>
<p><b>VERBAL VOE (cont'd):</b></p>	<p>Negative comments received from an employer could be a reason to decline the application. However, prior to doing so, the underwriter must perform a detailed investigation of the comments, arrive at a precise reason to support the decision and document the decision in writing.</p> <p><b>Verbal VOE requirements for self-employed income are:</b> Independent verification of the existence of the borrower's business within 30 calendar days prior to the note date through:</p> <ul style="list-style-type: none"> <li>• A third party, such as a CPA, regulatory agency, or the applicable licensing bureau, if possible; and</li> <li>• Verifying the phone listing and address for the borrower's business using a telephone book, the internet, or directory assistance.</li> </ul> <p>If the contact is made verbally, the lender must document the source of the information obtained and the name and title of the lender's employee who obtained the information. If a borrower is in the military, a military Leave and Earnings Statement (LES) dated within 30 days of the Note date is acceptable in lieu of a verbal or written VOE.</p>
<p><b>IRS FORM 4506-T</b></p>	<p><b>IRS Form 4506-T</b> – a signed and processed IRS Form 4506-T is required on all loans to obtain the borrower(s)'s tax return transcripts for the two years prior to the loan application, regardless of income or documentation type. All borrowers must sign the IRS Form 4506-T at application and closing; only the form signed at application must be processed. All forms and transcripts must be included in the loan file. This form is required on all conventional loans, all wage earners, self-employed, commission and all other non-employment income types.</p>
<p><b>TAX RETURN TRANSCRIPTS</b></p>	<p>Tax Transcripts are not allowed to take the place of a required Tax Return.</p> <p>Any difference between income documented in the tax transcript and income used to qualify for the loan must be reasonable and supported by information and documentation in the Loan file.</p>
<p><b>FRAUD REPORT</b></p>	<p>A Fraud Report will be required for all loans which show evidence of resolution for any reported issues. At a minimum, the six required elements in the fraud alert type to be evaluated are SSN, address, phone number, employment, liabilities and property alerts.</p>
<p><b>ASSETS</b></p>	<p>The loan application should provide an accurate reflection of the funds required from the borrower to close the transaction. The application must clearly state the source of the funds for closing costs, and cannot state other or any vague description. This applies to all loan applications. The funds required to close are the difference between the funds needed to complete the transaction and the mortgage amount. Adequate funds should be documented to close the transaction and any required cash reserves.</p>
<p><b>CASH RESERVES</b></p>	<p>Per DU/DO findings</p>
<p><b>GIFTS/ DOWN PAYMENT</b></p>	<p>Gift equity in the subject property is an acceptable source of down payment, as long as the amount of equity has been verified. The donor must provide a gift letter. 5% of the sales price must be verified as being saved by the borrower; however these funds do not have to be used</p>

	toward the down payment.
<b>DOCUMENTATION TYPES</b>	Per DU/DO findings
<b>SECTION 6:</b>	<b>PROPERTY/APPRAISALS</b>
<b>ELIGIBLE PROPERTIES</b>	1-4 Unit, including condominiums, and PUDs (Type E only).
<b>INELIGIBLE PROPERTIES</b>	Manufactured Homes Condotels Non-warrantable Condos Cooperatives
<b>STATE RESTRICTIONS</b>	Loans allowed in the 40 contiguous states where WesLend Financial is licensed and the District of Columbia. Please refer to the state Licensing list at <a href="http://www.weslendwholesale.com">www.weslendwholesale.com</a> .  <ul style="list-style-type: none"> <li>Ohio, Nevada, Minnesota and Maine loans must be full doc.</li> </ul> <p><b>There are no restrictions on Florida Condominiums.</b></p> <p><b>Texas Owner Occupied Homestead Cash Out:</b> Loans under Texas amendment 50, Article XVI of the Texas Constitution, which became effective January 1, 1998 (Owner Occupied Homestead cash-out refinance transactions) are NOT allowed.</p>
<b>APPRAISAL</b>	All appraisal orders, requests and questions must be sent to the WesLend Appraisal Desk at <a href="mailto:AppraisalDesk@Weslendfinancial.com">AppraisalDesk@Weslendfinancial.com</a> .  Desktop Underwriter (DU) Findings will determine appraisal product or PIW eligibility.
<b>CONDO PROJECTS</b>	<b>Project Approval:</b> Projects must meet investor's eligibility criteria.  Condo Type V is not eligible.  PUD Type E only; PUD's must be an established project in which control of the homeowners association has been turned over to the unit purchasers.  <b>Insurance Coverage:</b> Although project approval is not required, evidence of hazard/liability/fidelity/flood insurance must be obtained to ensure the policies have not expired, or will not expire within 30 days from the date of the new loan.  <b>Property Address:</b> The subject property address and unit number must be included on the proof of master insurance.
<b>SECTION 7:</b>	<b>INSURANCE</b>
<b>MORTGAGE INSURANCE</b>	Loans that require mortgage insurance are not allowed for this program.
<b>HAZARD INSURANCE</b>	<ul style="list-style-type: none"> <li>Hazard insurance is required for each property.</li> <li>The amount of hazard insurance coverage must be the lesser of 100% of the insurable value of the improvements as established by the property insurer OR the unpaid principal balance as long as it equals at least 80% of the insurable value of the improvements.</li> <li>For properties located in California, lenders may not require hazard insurance in an amount exceeding the replacement value of the improvements on the property.</li> <li>The maximum deductible may be up to 5% of the amount of the policy.</li> </ul>
<b>HO-6 Policy (Condo)</b>	Walls-in hazard insurance coverage policy is required (commonly known as HO-6 policy) unless the master insurance policy of the HOA covers the interior of the unit. The HO-6 policy must provide coverage in the amount of at least 20% of the appraised value with a 5% maximum deductible.

<b>RENT LOSS INSURANCE</b>	<p>If the subject property is a 2-4 unit primary property or 1-4 unit investment property, and rental income is used to qualify the borrower, rent loss insurance is required. This insurance covers the borrower for rental income losses incurred when the property is rendered un-rentable due to a direct physical loss, such as a fire. Coverage must be equal to a minimum of six months of gross monthly rent, and must be maintained as long as the mortgage is outstanding.</p>
<b>FLOOD INSURANCE</b>	<ul style="list-style-type: none"> <li>• A flood hazard determination is required for all loans.</li> <li>• Flood insurance is required if the property is located in a special flood hazard area or flood zone.</li> </ul>
<b>FLOOD INSURANCE (cont'd):</b>	<ul style="list-style-type: none"> <li>• Flood insurance is required on properties located within the following special flood hazard area zones: A, AE, AH, AO, A1-30, A-99, V, VE, V1-30</li> <li>• The maximum amount of flood insurance required is the lowest of: 100% of the replacement cost of the dwelling, calculated as appraised value minus land value OR the unpaid principal balance of the mortgage OR the maximum insurance available under the National Flood insurance program. (Currently \$250,000 per dwelling.)</li> <li>• The deductible for 1-4 unit properties may not exceed a maximum of \$5,000 unless a higher maximum is required by state law.</li> </ul>
<b>IMPOUNDS</b>	<p>Property tax and insurance escrows may be waived with the following criteria:</p> <p><u>Owner Occupied Property Types:</u></p> <ul style="list-style-type: none"> <li>• LTV Requirements:             <ol style="list-style-type: none"> <li>1. Less than or equal to 80% LTV for properties located in all states except for California</li> <li>2. Less than or equal to 89.99% LTV for properties located in California</li> </ol> </li> </ul> <p><u>Non Owner Occupied Property Types:</u></p> <ul style="list-style-type: none"> <li>• LTV Requirements:             <ol style="list-style-type: none"> <li>1. Less than or equal to 80% LTV for properties located in all states</li> </ol> </li> </ul>
<b>SECTION 8:</b>	<b>TITLE/CLOSING AGENTS</b>
<b>TITLE DOCUMENTATION</b>	<p><b><u>Title History Review Policy:</u></b> The preliminary title report must reflect a minimum 24-month title history.</p> <p><b><u>Title Insurance:</u></b> A full ALTA title policy is required.</p>
<b>PLAT/SURVEYS</b>	<ul style="list-style-type: none"> <li>• Surveys are required in some areas.</li> <li>• If surveys are not commonly required in the area where the property is located an ALTA 9 endorsement or its equivalent should be provided.</li> <li>• If it is not customary to supply either a survey or an endorsement, the title policy must not have a survey exception.</li> </ul>

**INTER VIVOS REVOCABLE TRUSTS**

**Eligible borrowers**

Inter vivos revocable trusts are created by individuals, while they are still living, as an estate planning tool. The inter vivos revocable trust, also called a family trust, living trust, or revocable living trust, can be used as an alternative form of property ownership. A trust is “revocable” when the individual who created it, usually called the grantor, trustor, or settlor, can change or cancel it at any time, for any reason, while still living. This ability to revoke the trust, or revocability, is important because it allows the grantor/trustor/settlor, who would otherwise own the property directly, to retain control of the property.

**Required Documents**

A certified copy of the entire recorded living trust agreement must be obtained. The Underwriter and Title Company will need to review and approve the trust vesting.

**Occupancy**

- 1-4 units owner occupied

**Title requirements**

The title insurance policy must ensure full title protection, and must indicate that title to the subject property is vested in the name of the trustees. The policy may not list any exceptions with regard to the trust or the trustees.

**SECTION 9:**

**FEES/MISCELLANEOUS**

**FEE LIMITATIONS**

- Points and fees limitation – please refer to the WesLend Conventional and FHA Fee sheet available at [www.weslendwholesale.com](http://www.weslendwholesale.com).

**FEE LIMITATIONS (cont'd):**

- Points and fees include origination fees, underwriting fees, finder's fees and any other fees that the lender charges as a condition of making the loan whether they are paid to the lender or a 3rd party.
- Bona fide discount points (points used to lower the interest rate), fees paid for actual services performed to make the loan (i.e. attorney fees, notary fees, appraisal, credit reports, surveys title exams, flood and tax certifications, home inspections, cost of MI, title policies, hazard insurance, flood insurance, transfer taxes and fees, escrow deposits for tax and insurance premiums) AND other miscellaneous fees that in total do not exceed .25% of the loan amount are not included in the points and fees calculation.
- Loans where the “points and fees” or “annual percentage rate” exceed the maximum thresholds described under HOEPA (Section 32) are not eligible for purchase. This applies to all types of mortgages (Purchases and refinances) except second homes, non-owner occupied properties or HELOC.
- Reminder: Section 32 (HOEPA) thresholds are: APR that exceeds the yield on the Treasury securities for the same term of the loan by >10% OR the total points and fees paid by the borrower exceeds the greater of 8% or the maximum dollar amount set annually by the Federal Reserve.

**SELLER/INTERESTED PARTY CONTRIBUTIONS**

Not applicable for this limited cash out refinance program.