

<b>SECTION 1</b>	<b>CODING</b>																
<b>PROGRAM CODES</b>	<b>PROGRAM CODES:</b> 30 Year LP Open Access: 1050-00 20 Year LP Open Access: 1250-00 15 Year LP Open Access: 1350-00 Agency Jumbo 30 Year LP Open Access: 1051-00 Agency Jumbo 15 Year LP Open Access: 1351-00																
<b>SECTION 2</b>	<b>LTV/CLTV/HCLTV LOAN AMOUNTS<sup>2,3</sup></b>																
<b>LTV/CLTV/HCLTV LIMITS BY PROGRAM TYPE</b>	<table border="1"> <thead> <tr> <th>Occupancy</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 align="center"><b>Florida Condominiums are not restricted</b></p>	Occupancy	Minimum Credit Score	Max LTV	Max CLTV	Owner Occupied	660	105%	105%	Second Home	680	105%	105%	Investment Property	680	105%	105%
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<b>CONFORMING LOAN LIMITS</b>	<p>Maximum conforming loan limits for 1-4 unit properties, <b>including high balance limits.</b></p> <p>Note: Must confirm that the property is located within an area that is eligible for an Agency Jumbo loan amount and the maximum loan size permitted. Refer to the attached link to determine maximum loan amount: <a href="https://www.efanniemae.com/sf/refmaterials/loanlimits/">https://www.efanniemae.com/sf/refmaterials/loanlimits/</a></p> <ul style="list-style-type: none"> <li>• The new refinance Mortgage amount may not exceed the existing unpaid balance plus interest accrued through the date the mortgage is paid off, plus up to a maximum of the lesser of 4% of the current unpaid principal balance of the mortgage being refinanced or \$5000 for related closing costs, financing costs and prepaids/escrows (actual costs only).</li> <li>• Cash back to the borrower is permitted to a maximum of \$250 to allow for changes in closing costs. If changes exceed \$250, the loan amount must be adjusted. Exception: cash back on the final HUD1 may exceed \$250 only by the amount that was paid outside of closing by the borrower, as documented in the loan file.</li> </ul>																
<b>SECTION 3</b>	<b>PROGRAM PARAMETERS</b>																
<b>MINIMUM LOAN AMOUNT</b>	\$60,000																
<b>CASH PROCEEDS</b>	Maximum cash out = \$250.00. This is a rate and term refinance program.																
<b>INTEREST ONLY OPTION</b>	Not allowed																
<b>TEMPORARY BUYDOWNS</b>	Not Allowed																
<b>PREPAYMENT PENALTY</b>	Not permitted																
<b>ASSUMABILITY</b>	Not allowed																
<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 (Not allowed on Primary Residence)																

<b>MAXIMUM NUMBER OF BORROWERS</b>	Loan transactions with more than four (4) applicants/borrowers are not eligible
<b>BORROWER ELIGIBILITY</b>	<p>The refinance must be originated for one or more of the following purposes. The required borrower benefit must be noted.</p> <ul style="list-style-type: none"> <li>• A reduction in the interest rate of the First Lien Mortgage; or</li> <li>• A reduction in the amortization term of the First Lien Mortgage (<b>Note:</b> An increase in the amortization term is permitted, provided there is another listed benefit to the borrower); or</li> <li>• To replace an adjustable-rate Mortgage (ARM), Interest Only Mortgage or a Balloon/Reset Mortgage with a fixed-rate Mortgage.</li> </ul> <p>The Borrower(s) obligated on original Mortgage must be the same as the Borrower(s) obligated on the new Mortgage being refinanced, except that a Borrower obligated may be omitted for any reason, not exclusively due to death or divorce, provided the following:</p> <ul style="list-style-type: none"> <li>• Documentation of the death or divorce is obtained and retained for the file, if applicable.</li> <li>• The omitted Borrower is removed from the deed and does not retain any ownership interest in the subject property.</li> <li>• Evidence is obtained that provides proof the remaining Borrower has been making the Mortgage payments, including the payments for any secondary financing, for the most recent 12-month period or, if the Mortgage is seasoned less than 12 months, since the Note Date of the Mortgage being refinanced.</li> <li>• <b>Adding New Borrowers:</b> New borrowers are permitted provided at least one borrower(s) from the mortgage being refinanced is being retained. A non-occupying borrower may not be added to a mortgage secured by a primary residence.</li> <li>• <b>Trusts:</b> If the existing loan was closed in the name of the individual borrowers, but has been transferred to an inter vivos revocable trust, the loan is eligible provided the borrowers on the existing mortgage are the only trustees to the trust and the trust otherwise meets all eligibility requirements in Section 807.1 of this manual.</li> <li>• If the existing mortgage was assumed by the current borrower(s), they must have been credit-qualified for the assumption under Freddie Mac's assumability guidelines. The borrower(s) who assumed the mortgage must meet the payment history requirements.</li> </ul>
<b>NON-OCCUPANT CO-BORROWER</b>	<p>Non-occupant co-borrowers are permitted. (Not allowed on Primary Residence)</p> <p>Maximum LTV and qualifying ratios are determined by LP. For Accept Mortgages with a non-occupying Borrower, you are not required to calculate or evaluate the occupant Borrower's monthly housing expense-to-income ratio.</p>
<b>PERMANENT RESIDENT ALIEN</b>	<p>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.</p> <p>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.</p>
<b>NON-PERMANENT RESIDENT ALIEN</b>	<p><b>Required Visas</b> - 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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>

**NON-PERMANENT  
RESIDENT ALIEN  
Continued...**

- 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**

- Loans must be processed using full\* documentation for assets and income **only**, regardless of the AUS findings. The AUS findings may be used for all other documentation requirements.
- Transaction must be for a primary residence or second home. Investment properties are not allowed.

**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.
- **NO EXCEPTIONS!**

**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
<b>UNDERWRITING</b>	<p><b>Must be submitted to Loan Prospector and receive an Accept recommendation.</b></p> <p>The Loan Prospector Feedback Certificate will provide the following information:</p> <ul style="list-style-type: none"> <li>Freddie Mac Loan number</li> </ul> <p><u>Loans that currently have MI are not eligible.</u></p> <p><u>Not eligible:</u></p> <ul style="list-style-type: none"> <li>Loans that receive an evaluation of invalid, ineligible or incomplete</li> <li>Loans that receive a Risk Class of Caution and a "500 Freddie Mac Eligible LP A-Minus Offering"</li> </ul> <p>Freddie Mac must be the owner of the loan. To verify current loan ownership: <a href="http://www.https://ww3.freddie.com/corporate/">www.https://ww3.freddie.com/corporate/</a></p>
<b>CREDIT SCORES</b>	<p><b>Minimum credit score of 660 required for Owner Occupied, and 680 for Second Homes and Investment properties, regardless of LP.</b></p> <p><b>Credit Score Selection</b></p> <p>The following criteria may be used to determine each individual borrower's Credit Score using the "middle/lower" method</p> <ul style="list-style-type: none"> <li>If there are three valid credit scores for a borrower, the middle score (numerical middle of the three scores) is used.</li> <li>If there are three valid scores for a borrower but two of the scores are the same, the duplicate score is used.</li> <li>If there are two valid scores for a borrower, the lower of the two scores is used.</li> <li>If there is one valid score for a borrower, that score is used.</li> </ul> <p><b>Loan Score Selection</b></p> <p>After selecting the appropriate Credit Score for each borrower, the Loan Score must be determined</p> <ul style="list-style-type: none"> <li>If there is more than one borrower, the lowest selected Credit Score among <u>all</u> borrowers is the Loan Score.</li> <li>When there is only one borrower, the selected Credit Score for that borrower is also the Loan Score.</li> </ul>
<b>CREDIT DOCUMENTS</b>	<p>The maximum age of credit document is 90 days for existing 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.</p> <p>A new merged credit report with the borrower(s) representative credit score is required.</p>
<b>RATIOS</b>	<p>Determined by LP</p> <p><b>Note:</b> If installment debt is paid down to less than 10 months remaining, the payment may be excluded from the ratio calculation.</p>
<b>SEASONING</b>	<p>The loan being refinanced must be seasoned for at least three months.</p>

<b>MORTGAGE PAYMENT HISTORY</b>	No more than 0 X 30 in the past 6 months and no more than 1 X 30 in the past 7-12 months.
<b>BANKRUPTCY/ FORECLOSURE</b>	<p><u>Bankruptcy and Foreclosure:</u> 48 months must have elapsed from the date the bankruptcy was discharged or dismissed (84 months for a foreclosure) or per LP output whichever is more restrictive.</p> <p><u>Unpaid Charge-offs and Collection Accounts:</u> Only accounts that impact the first lien position or as required by LP must be paid.</p>
<b>DEED-IN-LIEU</b>	As determined by LP
<b>DEED RESTRICTIONS</b>	Properties with deed restrictions are ineligible, unless the restriction is for "Age Restrictions Only".
<b>PURCHASE</b>	Not allowed. This is a refinance program only.
<b>REFINANCE</b>	<p><b>No Cash-Out (Rate/Term) Refinance</b></p> <p>The proceeds from the new refinance Mortgage may be used only to:</p> <ul style="list-style-type: none"> <li>• Pay off the unpaid principal balance of the existing first Mortgage, plus interest accrued through the date the mortgage is paid off, and</li> <li>• Pay related Closing Costs, Financing Costs and Prepays/ Escrows (actual costs only), up to a maximum of the lesser of 4% of the current unpaid principle balance of the mortgage being refinanced, or \$5000.</li> <li>• Cash back to the borrower is permitted to a maximum of \$250 to allow for changes in closing costs. If changes exceed \$250, the loan amount must be adjusted. Exception: cash back on the final HUD1 may exceed \$250 only by the amount that was paid outside of closing by the borrower, as documented in the loan file. Note: Refunding an existing escrow account at closing does not have to be included in the \$250 restriction since these funds are paid by the borrower.</li> <li>• <b>Principal curtailments</b> are only allowed as a result of at closing excess premium rate credits. The amount must be identified on the HUD-1 Settlement Statement and is limited to the amount of the excess premium rate credit</li> </ul>
<b>CASHOUT REFINANCES</b>	Not allowed. No cash out refinance program only.
<b>SUBORDINATE FINANCING</b>	<ul style="list-style-type: none"> <li>• New subordinate financing is not permitted.</li> <li>• Existing subordinate liens may be resubordinated, or refinanced simultaneously with the first lien.             <ul style="list-style-type: none"> <li>• If the existing second lien is being resubordinated, funds from the refinance of the first mortgage <i>may not</i> be used to pay down, or pay off, the second mortgage.</li> <li>• If the existing second lien is being refinanced simultaneously with the first, it must be for one of the following purposes:                 <ul style="list-style-type: none"> <li>• A reduction in the interest rate of the subordinate lien, or</li> <li>• To replace an ARM, interest only, or a subordinate lien with a balloon or call option (a fixed rate subordinate lien may not be refinanced into an ARM), or</li> <li>• A reduction in the amortization term of the subordinate lien, or</li> <li>• A reduction in the monthly payment of the subordinate lien.</li> <li>• The unpaid principal balance of the new subordinate lien may not be more than the unpaid principal balance, at the time of payoff, of the loan being refinanced.</li> </ul> </li> </ul> </li> <li>• Underwriter must confirm that existing subordinate financing has scheduled payments sufficient to meet the interest due.</li> </ul>

**EMPLOYMENT/INCOME**

**Income/employment may be documented per LP.** The underwriter may require additional income documentation if income does not appear reasonable or income cannot be calculated with the minimum required.

**LP Loans:** For loans that receive an Accept Credit Risk classification, refer to the LP Feedback Certificate for the appropriate documentation requirements (i.e., Standard Doc or Streamlined Accept).

**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 LP 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
- The date of the call
- The source of the phone number
- The borrower's current employment status
- The borrower's job title
- The borrower's date of hire / dates of employment
- Probability of continued employment

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. 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.

**Verbal VOE requirements for self-employed income are:**

Independent verification of the existence of the borrower's business within 30 calendar days prior to the note date through:

- A third party, such as a CPA, regulatory agency, or the applicable licensing bureau, if possible; and
- Verifying the phone listing and address for the borrower's business using a telephone book, the internet, or directory assistance.

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

<b>TAX RETURN TRANSCRIPTS</b>	<p>is acceptable in lieu of a verbal or written VOE.  <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>Most recent year 1040 IRS Tax Returns for all borrowers must be included in the Loan file if income information was used in the underwriting decision.</p>
<b>FRAUD REPORT</b>	<p><u>Tax Transcripts are not allowed to take the place of a required Tax Return.</u></p>
<b>ASSETS</b>	<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>
<b>CASH RESERVES</b>	<p>Regardless of the message provided by LP, all assets (including reserves) submitted to LP must be verified. Verification of sufficient funds to close is also required for all transactions. Documentation requirements are defined by the Documentation Level in the Loan Prospector Feedback Certificate.</p>
<b>DOCUMENTATION REQUIREMENTS</b>	<p>As determined by LP</p> <p>The original Freddie Mac loan number is required.          Loans may be documented in accordance with LP findings and conditions for employment, income, and assets. The underwriter may condition for additional documentation as needed over and above LP to determine eligibility.</p>
<b>SECTION 6</b>	<b>PROPERTY/APPRAISALS</b>
<b>ELIGIBLE PROPERTIES</b>	<p>1-4 Unit, including condominiums and PUDs</p>
<b>INELIGIBLE PROPERTIES</b>	<p>Co-Ops          2-4 unit second homes          Manufactured Homes          Non-warrantable condo          Condo or co-op hotel</p>
<b>STATE RESTRICTIONS</b>	<p>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>.</p> <ul style="list-style-type: none"> <li>Ohio, Nevada, Minnesota and Maine loans must be full doc.</li> </ul> <p><b>Florida Condominiums are not restricted.</b></p> <p><b>Texas Owner Occupied Homestead Cash Out – not eligible:</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) <b>are NOT allowed.</b></p>
<b>APPRAISAL</b>	<p>All appraisal orders, requests and questions must be sent to the <b>WesLend Appraisal Desk at <a href="mailto:AppraisalDesk@Weslend.com">AppraisalDesk@Weslend.com</a>.</b></p> <p><b>A full interior/exterior appraisal is required for the following loans:</b></p> <ul style="list-style-type: none"> <li>Borrower requests an appraisal.</li> <li>1-2 units properties where an HVE is not available</li> <li>All 3-4 unit properties</li> <li>All leasehold estates</li> <li>Lender has reason to believe an appraisal is warranted based on additional information about the property that would adversely affect the value condition or marketability of the property, or the property has been subject to a hurricane or other natural disaster</li> <li>All requirements for use of HVE point value estimates are not met.</li> <li>The existing loan has MI in place and the LTV determined using the HVE Value is 80% or less. (<b>Note:</b> MI may not be removed via use of the HVE Value.)</li> </ul>

<p><b>APPRAISAL Continued...</b></p>	<p><b>HVE Value Option (Home Value Explorer)</b></p> <ul style="list-style-type: none"> <li>• Index property valuations other than HVE are not permitted.</li> <li>• The HVE point value estimate may be used to determine the value of the property if the following requirements are met:             <ul style="list-style-type: none"> <li>• If Lender obtains the HVE data directly from Freddie Mac (as opposed to an authorized HVE distributor or reseller), Lender represents and warrants they have agreed to the terms and conditions relating to use of HVE data as set forth in the Freddie Mac Single Family Seller/Service Guide Exhibit 32, "Terms Relating to Use of Data Generated by Home Value Explorer®".</li> <li>• Lender is not aware of any circumstances or conditions that would adversely affect the value, condition or marketability of the property.</li> <li>• The property must be a 1- or 2-unit dwelling.</li> <li>• The property must be an attached or detached dwelling, or a unit in a Condominium Project or PUD.</li> <li>• The property must not be a dwelling on a leasehold estate.</li> <li>• The HVE point value estimate must have a Forecast Standard Deviation no greater than 0.20 (corresponding to a Confidence Score of "H" (high) or "M" (medium)) as reported by the HVE report.</li> <li>• The Seller must retain a written copy of the HVE point value estimate in the Mortgage file.</li> <li>• As of the Note Date of the LP Open Access, the HVE point value estimate may not be more than 120 days old.</li> </ul> </li> </ul>
<p><b>CONDO PROJECTS</b></p>	<p><b>Project Approval:</b> Projects must meet investor's eligibility criteria.</p> <p><b>Insurance Coverage:</b> Evidence of required hazard/ liability/fidelity/flood insurance must be obtained. Project Insurance is only required to meet the requirements in place at the time the existing loan was originated. New or additional HO-6 coverage is not required, but if coverage is in place, premiums must be included in debt ratio calculations.</p> <p><b>Property Address:</b> The subject property address and unit number must be included on the proof of master insurance.</p> <p><b>Project Classification Code:</b> The project classification code must be indicated in the loan file.</p> <p><b>Detached Condominiums:</b> Units in detached condominiums must be submitted to LP as condominium property types, not single-family detached.</p>
<p><b>SECTION 7 MORTGAGE INSURANCE</b></p>	<p><b>INSURANCE</b> Loans that require mortgage insurance are not allowed for this program.</p>
<p><b>HAZARD INSURANCE</b></p>	<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> <li>• 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.</li> </ul>
<p><b>HO-6 Policy (Condo)</b></p>	<p><u>New or additional HO-6 coverage is not required, but if coverage is in place, premiums must be included in debt ratio calculations.</u></p>

<b>RENT LOSS INSURANCE</b>	If the subject property is a 2-4 unit 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.
<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> <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>3. Less than or equal to 80% LTV for properties located in all states</li> </ol> </li> </ul> <p><u>Note:</u> Escrows on the new loan may be waived if the existing loan has escrows waived.</p>
<b>SECTION 8</b>	
<b>TITLE DOCUMENTATION</b>	<p><b>TITLE/CLOSING AGENTS</b></p> <p><u>Title History Review Policy:</u> The preliminary title report must reflect a minimum 24-month title history.</p> <p><u>Title Insurance:</u> 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>
<b>INTER VIVOS REVOCABLE TRUSTS</b>	<p>Inter vivos revocable trusts are created <u>by individuals, while they are still living</u>, 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.</p>
<b>Eligible borrowers</b>	
<b>Required Documents</b>	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.
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• 1-4 units owner occupied</li> </ul>
<b>Title requirements</b>	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.

