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Fixed Rate (Purchase & Rate/Term Refinances) – Fannie Mae DU						
Products: CF30, CF20, CF15, CF10						
Occupancy	Owner Occupied		Second Home		Investment Property	
LTV, CLTV, FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO
1 Unit	97% ¹	620	N/A	N/A	N/A	N/A
	95/95%	620	90/90% (min fico score 660 for LTV over 80%)	620	Purchase – 85/85% Refi – 75/75%	620
2 Units	Purchase & Refi- 80/80% (Refi-75/75% with secondary financing)	620	N/A	N/A	75/75%	620
3-4 Units	Purchase 75/75% Refi-75/75% (max through DU) (Refi-75/75% with secondary financing)	620	N/A	N/A	75/75%	620
Finance Type	Cash-Out Refinances					
1 Unit	80/80%	620	75/75%	620	75/75%	620
2-4 Units	75/75% (Refi-70/70% with secondary financing)	620	N/A	N/A	70/70%	620

¹ 97% - Refer to Fannie Mae Guideline Requirements (Only allowed on Fixed programs)

Fixed Rate (Purchase & Rate/Term Refinances) – Fannie Mae DU High Balance			
Products: HB30, HB15			
Occupancy	Owner Occupied	Second Home	Investment Property
LTV, CLTV, FICO	Max LTV/CLTV	Max LTV/CLTV	Max LTV/CLTV
1 Unit	95/95% - 660 (Fixed) 80/80% - 620 (Fixed)	90/90% - 660 (Fixed) 80/80% - 620 (Fixed)	80/80% - 620 (Fixed) Purchase 75/75% - 620 (Fixed) Rate & Term
2 Units	80/80% - 620 (Fixed)	N/A	75/75% - 620 (Fixed)
3-4 Units	75/75% - 620 (Fixed)	N/A	75/75% - 620 (Fixed)
Finance Type	Cash Out Transaction		
1 Unit	80/80% - 620 (Fixed)	75/75% - 620 (Fixed)	75/75% - 620 (Fixed)
2-4 Units	75/75% - 620 (Fixed)	N/A	70/70% - 620 (Fixed)

JMAC Direct Conforming / High balance Guideline

ARM Information	<p>For 5/1 ARM: Index: 1 YR Libor Caps: 2% initial adjust. 2% per adjust. ,thereafter, 5% Life Floor: Margin Margin: 2.25%</p> <p>For 7/1 ARM: Index: 1 YR Libor Caps: 5% initial adjust. 2% per adjust. ,thereafter, 5% Life Floor: Margin Margin: 2.25%</p> <p>For 10/1 ARM: Index: 1 YR Libor Caps: 5% initial adjust. 2% per adjust. ,thereafter, 5% Life Floor: Margin Margin: 2.25%</p>																																
Rate at Adjustment	<p>On 5/1 ARM, the initial note rate is in effect for 60 months; the first interest adjustment is calculated by the lower of Index plus Margin or Initial Rate plus 2%, and is subject to Life Cap of 5% plus Initial Rate if Index plus Margin is greater. Thereafter, a 2% annual adjustment cap begins with the second adjustment.</p> <p>On 7/1 ARM, the initial note rate is in effect for 84 months; the first interest adjustment is calculated by the lower of Index plus Margin or Initial Rate plus 5%, and is subject to Life Cap of 5% plus Initial Rate if Index plus Margin is greater. Thereafter, a 2% annual adjustment cap begins with the second adjustment.</p> <p>On 10/1 ARM, the initial note rate is in effect for 120 months; the first interest adjustment is calculated by the lower of Index plus Margin or Initial Rate plus 5%, and is subject to Life Cap of 5% plus Initial Rate if Index plus Margin is greater. Thereafter, a 2% annual adjustment cap begins with the second adjustment.</p>																																
Products	<p>Fixed Rate (10,15,20,25 and 30-Year)</p> <p>Fixed period LIBOR ARMs with 30 year term (5/1, 7/1, 10/1).</p>																																
Borrower Qualification	<p><u>Fixed Rate:</u> Borrower is qualified at the Note rate.</p> <p><u>7/1 and 10/1 ARMS:</u> Qualify at the greater of the Note rate or the fully indexed rate.</p> <p><u>5/1 ARMS:</u> Qualify at the higher of the note rate + 2% or the fully indexed rate.</p>																																
Maximum Loan Amount	<p>Minimum Loan Amount is \$75,000.00</p> <table border="1"> <thead> <tr> <th rowspan="2">Units</th><th>Continental Us</th><th>Hawaii</th><th>Continental Us</th><th>Hawaii</th></tr> <tr> <th colspan="2">Conforming Loan Limits</th><th colspan="2">High Balance Loan Limits</th></tr> </thead> <tbody> <tr> <td>One</td><td>\$417,000</td><td>\$721,050</td><td>\$625,500</td><td>\$938,250</td></tr> <tr> <td>Two</td><td>\$533,850</td><td>\$923,050</td><td>\$800,775</td><td>\$1,201,150</td></tr> <tr> <td>Three</td><td>\$645,300</td><td>\$1,115,800</td><td>\$967,950</td><td>\$1,451,925</td></tr> <tr> <td>Four</td><td>\$801,950</td><td>\$1,386,650</td><td>\$1,202,925</td><td>\$1,804,375</td></tr> </tbody> </table>				Units	Continental Us	Hawaii	Continental Us	Hawaii	Conforming Loan Limits		High Balance Loan Limits		One	\$417,000	\$721,050	\$625,500	\$938,250	Two	\$533,850	\$923,050	\$800,775	\$1,201,150	Three	\$645,300	\$1,115,800	\$967,950	\$1,451,925	Four	\$801,950	\$1,386,650	\$1,202,925	\$1,804,375
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Underwriting Method	<p>Loans must be underwritten through Desktop Underwriter® (DU®)</p> <p>Loans must receive a DU "Approve/Eligible"</p> <p>Loans with DU Refi Plus™ Approve/Eligible decisions: Refer to DU Refi Plus matrix</p> <p>DU recommendation of Approve/Eligible required.</p>																																
Prepayment Penalty	None																																
Occupancy	Primary Residence , second home, and investment properties																																
Eligible Borrowers	<p>US Citizens; Permanent Resident Aliens; Non-Permanent Resident Aliens allowed with required VISAs); Revocable Trust; Must have valid Social Security Number; Maximum of 4 borrowers per loan application are allowed</p> <p>Non-Permanent Required VISAs: A Series (A-1, A-2, A-3), E-1 and E2, G Series (G-1, G-2, G-3, G-4, G-5), H-1 (includes H-1B and H-1C), L-1, O-1A, O-1B, O-2, TN NAFTA for Canadian and Mexican Citizens, TC, NAFTA for Canadian citizens for professional or business purpose.</p>																																
Property Types	<ul style="list-style-type: none"> Condo, PUD, SFR, 2-4 Units (excludes manufactured homes, co-ops, condo hotels, mixed used, agricultural zoning, acreage greater than 10) Condo complex with 4 or less units require that at least 3 out of 4 are owner occupied properties. 																																

	<ul style="list-style-type: none"> Owner occupancy requirement for condos is no longer applicable for owner occupied and second home. On all investment properties, 51% owner-occupancy required. Studios/Loft Acceptable subject to similar comps No minimum square footage subject to similar comps
Qualifying Ratios	Maximum qualifying ratio: 50% (Subject to DU approval)
Credit	<ul style="list-style-type: none"> Non-traditional credit NOT allowed. Minimum credit score(s): Minimum required per LTV/CLTV grid DU Approve/Eligible <p>General Credit Guidelines</p> <p><u>Mortgage lates</u>: maximum 1x30 within 12 months subject to DU approval</p> <p><u>Chapter 7 or 11 Bankruptcy</u>: 4 years have elapsed since the discharge or dismissal date to the Application date</p> <p><u>Chapter 13 Bankruptcy</u>: 2 years have elapsed since discharge date to the Application date; 4 years have elapsed since dismissal date to the Application Date</p> <p><u>Short Sale, "Settled for Less", Deed-in-lieu of foreclosure, Pre-foreclosure</u>: with AUS approval- 4 years waiting period (to the Application Date) is required. 2 years waiting period (to the Application Date) is acceptable if reason was due to extenuating circumstances as per agency guidelines. Extenuating circumstances must be explained with adequate supporting documentation</p> <p><u>Foreclosure</u>: 7 years waiting period is required from completion date to the Application date</p> <ul style="list-style-type: none"> Borrower with multiple BK filings: 60 months since most recent discharged / dismissal Mortgages with previous modifications or restructured loans on subject property- Allowable under JMAC direct only. 24 month satisfactory Payment record required after the date of the recorded modification, and AUS approval.
Income Documents	<p>Base Pay (salary or hourly)</p> <ul style="list-style-type: none"> Paystub + W-2 covering most recent year <p>Bonus, Overtime, and Commission < 25%</p> <ul style="list-style-type: none"> Paystub + W-2s covering most recent two-year period <p>Commission >= 25%</p> <ul style="list-style-type: none"> Paystub, W-2s, and personal tax returns covering most recent two-year period <p>Self-Employment</p> <ul style="list-style-type: none"> Personal and business tax returns covering most recent two-year period <p>Second Job, not self-employed</p> <ul style="list-style-type: none"> Paystub + W-2s covering most recent two-year period <p>Second Job, self-employed</p> <ul style="list-style-type: none"> Personal and business tax returns covering most recent two-year period <p>NOTE: If borrower's has handwritten paystubs, then we also need a written VOE as well.</p> <p>Tax Transcripts on W-2's only allowable for salaried borrowers (if 1040's are not required)</p> <p>Asset Depletion for qualifying income is allowed – Refer to Fannie Mae Guideline carefully as there are restrictions imposed by FNMA.</p>

Down Payments, Reserves & Source of Funds	<p>Gift Funds</p> <ul style="list-style-type: none"> Primary Residence: <ul style="list-style-type: none"> If the LTV/CLTV is \leq 95%, the entire down payment may be a gifted from immediate family. If the LTV/CLTV is \leq 80%, then all down payment and closing costs can be gifted. Second Home: Allowed but 5% must be from borrower own funds. Gift of Equity Allowed on owner occupied and second home purchase. Investment Properties: Gifts funds and gifts of equity are not permitted. <p>Reserves are determined by AUS; the following are generally required</p> <ul style="list-style-type: none"> Additional reserves may be required by DU based on risk. Primary Residence with 2-4 units properties needs 6 months PITI Investment Properties needs 6 months PITI Second home or investment property transactions also require 2 months PITI reserves for each additional second home and/or investment property. <p>Seller Contributions: Basis for the limit is now based on CLTV ratio</p> <ul style="list-style-type: none"> Primary Residence and Second Home <ul style="list-style-type: none"> 3%: LTV > 90% 6%: LTV 75.01 -90% 9%: LTV < 75% Investment Properties <ul style="list-style-type: none"> 2%: All LTV/CLTVs <p>NOTE: VOD's are acceptable subject to QC, which may delay loan process.</p>
Assets	<p>Allowable Assets for down payment and closing:</p> <ul style="list-style-type: none"> Checking Saving 401K (vested 100%) – 60% of value Stock – 70% of the stock value Business Funds - 50% of the account balance ** must own the company 100% ** Life Insurance – 100% of cash value Government Bonds – 70% of redemption value <p>NOTE: VOD not allowed, except for CD accounts.</p>
Cash Out Transaction	<ul style="list-style-type: none"> Conforming up to 80% and up to the conforming limits for the property type up to \$625,500. High Balance up to 60% and up to \$625,500. Not Allowed for state of Texas

JMAC Direct Conforming / High balance Guideline

Property Flipping	<ul style="list-style-type: none"> • Properties owned less than 1 year and the value increased by more than 30% • A field review is required if $\geq 30\%$ appreciation within 90 days of loan application. • The increase in value must be supported by documented improvements. • The new purchase must be an Arm-Length Transaction.
Non-Arm's Length Transaction	<ul style="list-style-type: none"> • Allowed on non-owner and second home (Only Available on JMAC Direct Product)
Departing Property	Departing property needs to have at least 30% of equity for purpose of rental income. A 1007 rental survey (cost is \$100.00) will be required if value is supported and rental income needs to be used on departing property. {pricing is subject to change based on estimated value}
Maximum Number of Financed Properties	<ul style="list-style-type: none"> • Primary Residence: up to 10 financed properties including the owner occupied property but limited to a combined total of 15 properties. • Second and Investment: up to 10 financed properties including the owner occupied property
Recently Listed Properties	<ul style="list-style-type: none"> • Properties that were listed for sale must have been taken off the market at least one day before the application date • For cash out, it's limited to 70% LTV/CLTV (or less if mandated by the specific product, occupancy, or property type) • For refinance R&T, it's limited to 80% LTV/CLTV (or less if mandated by the specific product, occupancy, or property type) • The property must have been purchased by the borrower at least six months prior to the loan application for new financing except if delayed financing guidelines.
Mortgage Insurance	<ul style="list-style-type: none"> • LTV/CLTV $\leq 95\%$ requires a minimum credit score of 620 subject to DU and MI approval. Please refer to the product grid above for max LTV/CLTV allowed for either DU (Applies to Standard Conforming loan amounts) • LPMI Single premium allowed for both Fixed and ARM products. Please refer to the product grid above for max LTV/CLTV allowed for either DU. • Maximum DTI is subject to current mortgage insurance guidelines and DU findings.
Mortgage Insurance	Mortgage insurance allowed for both BPMI and LPMI.
Appraisal Restrictions	For High Balance, a field is required for LTV/CLTV or HCLTV exceeds 75% and property value or sales price \Rightarrow \$1.0 Million; AND is also required on loan amounts greater than \$625,500 when the LTV, CLTV or HCLTV exceeds 80%.
Appraisal Transfer	Allowed but appraisal report must be transferred from lender to lender with required compliance documents
Acreage	Maximum 20 acres
Seller's Carry Back Second	Not Allowed
Property Inspection Waiver	<p>The Property Inspection Waiver Disclosure must be completed prior to ordering loan documents. A \$75.00 PIW Inspection Waiver fee will be applied to the loan. This only applies to Fannie Mae with AUS findings with PIW waiver with Approve/Eligible findings.</p> <p>The following transactions are eligible for consideration for a PIW:</p> <ul style="list-style-type: none"> • One-unit Properties • Purchase money and -Limited cash-out (Rate and Term) refinances • Primary residences, second homes, and investment properties • When determining PIW eligibility, DU will apply the maximum allowable LTV/CLTV ratios consistent with the published limits in the Fannie Mae Seller Guide • PIW will not be offered on LTV/CLTV's greater than 80%. • Special Feature Code 801 must be in the DU findings.

	<p>The following transactions are not Eligible for PIW Waiver:</p> <ul style="list-style-type: none"> • Cash out refinances, condominiums, leasehold properties, construction to permanent transactions, high balance mortgage loans, 2-4 unit properties • DU case files that receive an ineligible consideration. • Properties currently listed for sale are not eligible. • LP Transactions • Non-Arm's Length Transactions • Purchase transactions where the borrower is purchasing an REO property, or the last transaction on the subject property was a foreclosure REGARDLESS of whether a lender receives a PIW offer • The final submission to DU must reflect PIW recommendation to be eligible. Subsequent submissions to DU which result in the loss of a PIW waiver are not eligible. • Resubmission of loan casefiles to DU are required when (a) material changes have occurred-such as property address, occupancy, transaction type, loan amount, CLTV, fico; or the loan has not closed within four months of receiving a PIW offer. • When an lender obtains an appraisal and also receives a PIW offer, the PIW may not be exercised. <p>There will be situation that lender needs to obtain an appraisal, even though PIW was offered on the loan casefile. Examples are:</p> <ul style="list-style-type: none"> • When the lender has reason to believe that fieldwork is warranted based on subsequent events such as a hurricane or other natural disaster. • A purchase transaction where the borrower is purchasing an REO property, or the last transaction on the subject property was a foreclosure • When the lender is required by law to obtain an appraisal <p>NOTE: There is a .250% add-on to price for borrower with over 4 financed properties if subject property is non-owner.</p>
Multiple Financed Properties	<ul style="list-style-type: none"> • Minimum Fico score of 720 for borrower with more than 6 financed properties • There is additional .250 hit adjustment for more than 4 financed properties *refer to rate sheet • Cash-Out Refinance loan on properties purchased greater than six (6) months since the date of acquisition is now allowed for borrowers, who own two to ten (2-10) financed properties. <ul style="list-style-type: none"> ○ If the seasoning is less than six (6) months then all delayed financing guidelines must be met. • Financed property has been re-defined as a residential one- to four-unit (1-4) property with a mortgage for which the borrower is personally obligated. <ul style="list-style-type: none"> ○ A property in the name of a Limited Liability Company (LLC) where the borrower has more than twenty five percentage (25%) ownership is no longer included in limitation. • Maximum number of financed properties for a borrower continues to be ten (10). <ul style="list-style-type: none"> ○ JMAC Lending will finance a maximum of four (4) properties for a borrower at one time. • Reserve requirement for other financed properties will now be calculated by applying a specific percentage based on the aggregate Unpaid Principal Balance (UPB) for all the mortgages and Home Equity Line of Credit (HELOC).

- The percentage is determined by the number of financed properties owned by the borrower as explained below:

Number of financed properties	Reserves (as percentage of UPB)
One to four (1-4)	2%
Five to six (5-6)	4%
Seven to ten (7-10)	6%

The aggregate UPB calculation does not include the mortgages and HELOCs that are

- The subject property,
- The borrower's principle residence,
- Properties that are sold or pending sale, and
- Accounts that will be paid by closing (or omitted)

NOTE:

- DU will also include the UPB calculation open mortgages and HELOCs on the credit report that are not disclosed on the online loan application.
- If processing multiple second home or investment applications simultaneously, the same assets may be used to satisfy the reserve requirements for both mortgage applications. Reserves are not cumulative for multiple applications. Funds to close are subtracted from available assets when considering sufficient assets for reserves.

DU Loans: DU is not able to determine the exact number of financed properties the borrower owns or is obligated on. The Underwriter must manually apply the Multiple Property policies outlined above. (Loans with 7-10 mortgage properties must be decisioned via DU, otherwise are ineligible)

Gift of Equity	Refer to Fannie Mae Guideline
Departing Property use for Rental Income	Refer to Fannie Mae Guideline

Student Loan Calculation	Refer to Fannie Mae Guideline
Third Party Processing Fee	<p>This is allowed with the following requirements:</p> <ul style="list-style-type: none"> • Provide invoice for processing fee; and • Processing Fee must be disclosed on initial LE; and • Processor NMLS#; and • Processing Company NMLS#; and • Processor must be shown as working for the company on NMLS; and • Processor cannot be affiliated to the Broker Company originating the loan; and • Processing Fee has to be reasonable (reasonable tolerance is fee not to exceed \$795)