

## Freddie Mac Standard and Super Conforming Product Profile

Overlays to Freddie Mac are underlined Overlays indicated as Non-Del Only  
are specific to NonDelegated loans only.

Owner Occupied				Second Home				Investment Properties			
Purchase	Property Type	LTV, CLTV, HCLTV**	Min Credit Score	Purchase	Property Type	LTV, CLTV, HCLTV**	Min Credit Score	Purchase	Property Type	LTV, CLTV, HCLTV**	Min Credit Score
	1 Unit	FRM: 97	<u>580**</u>		1 Unit	90	<u>580**</u>		1 Unit	85	<u>580**</u>
		FRM: 95								2-4 Unit	
	2 Unit	85			Property Type	LTV, CLTV, HCLTV**	Min Credit Score		Property Type	LTV, CLTV, HCLTV**	Min Credit Score
3-4 Unit	75	1 Unit		90	<u>580**</u>	2-4 Unit	75	<u>580**</u>			
R/T Refl	Property Type	LTV, CLTV, HCLTV**	Min Credit Score	R/T Refl	Property Type	LTV, CLTV, HCLTV**	Min Credit Score	R/T Refl	Property Type	LTV, CLTV, HCLTV**	Min Credit Score
	1 Unit	FRM: 97	<u>580**</u>		1 Unit	90	<u>580**</u>		1 Unit	75	<u>580**</u>
		FRM: 95								2-4 Unit	
	2 Unit	85			Property Type	LTV, CLTV, HCLTV**	Min Credit Score		Property Type	LTV, CLTV, HCLTV**	Min Credit Score
3-4 Unit	75	1 Unit		75	<u>580**</u>	2-4 Unit	70	<u>580**</u>			
	Property Type	LTV, CLTV, HCLTV**	Min Credit Score	*High balance and loans with non-occupant co-borrowers are limited to 95% LTV/CLTV **Scores below 620 require LPA Accept/Eligible. Minimum lowest middle score 580							
	1 Unit	80	<u>580**</u>								
	2-4 Unit	75									
Term:		Fixed Rate		Agency:		Freddie Mac					
		Fixed Period ARMS				LPA Accept					
Loan Amount:						Minimum Loan amount \$50,000					
						Maximum Loan Amount found at: www.fanniemae.com/singfamily/loan-limits					

## Ability to Repay and Qualified Mortgage Rule

- For loans subject to the ATR/GM rule, Windsor Mortgage will only purchase loans that comply with ATR/QM requirements.
  - Note: Investment properties which are for business purposes (borrower does not intend to be greater than 14 days in the year) are exempt from ATR/QM; however, such loans must meet agency eligibility requirements and are subject to the applicable points and fees threshold.
- Correspondents are responsible for providing evidence of compliance with the ATR/QM rules.
- Clear itemization of fees and application of all credits that indicate paid by/to will be required on all loans.
- See seller Guide section “Ability to Repay and Qualified Mortgage Rule” under “Delivery Procedures” for more details.

## Age of Documents

- For new and existing construction, credit documents must be no more than 4 months old on the date the note is signed, including credit reports and employment, income, and asset documents.
- Preliminary Title Policies must be no more than 90 days old on the date the note is signed.

## Appraisals

- Determined by LPA Findings. Appraisal waivers, through Loan Product Advisor, are acceptable. Appraisal Waivers are not eligible for:
  - Subject property is a leasehold
  - Subject property is subject to resale restrictions
  - The lender is required by law or regulation to obtain an appraisal (such as Texas (a)(6) transactions)
  - ACE + PDR Waivers are not eligible. Full Appraisal required
- Properties with unpermitted secondary kitchens may be eligible if:
  - It is common for the area
  - No negative impact on marketability
  - Appraiser comments on quality of construction, any health/safety issues, any soundness issues, must Freddie Mac requirements.
- Properties with accessory units may be acceptable when meeting Freddie Mac requirements:
  - Allowed on 1 unit attached or detached
  - Property must be appraised based on current use
  - At least one comparable sale with an accessory unit, when available, to demonstrate the property's conformity and marketability to its market area. If a recent comparable sale with an accessory unit is not available in the subject neighborhood, the appraiser can use an older sale with an accessory unit from the subject neighborhood or a sale with an accessory unit from a competing neighborhood as a comparable sale or as supporting market data. The appraiser may always use more than three comparable sales, including contract sales (pending sales) and/or current listings, to justify and support his or her opinion of market value, as long as at least three are actual closed (settled) sales.
  - If a comparable sale with an accessory unit is not available, the appraiser can use a comparable sale in the subject neighborhood without an accessory unit as long as the appraiser can justify and support such use in the appraisal report. Freddie Mac will purchase eligible Mortgages secured by a property with an accessory unit if the appraiser can develop an accurate opinion of market value for the property.
- If the subject property accessory unit does not comply with the zoning and land use requirements, property is eligible if:
  - The "Site" section of the appraisal report indicates that the accessory unit does not comply with zoning and land use requirements (illegal zoning compliance)
  - At least two comparable sales with each having only one accessory unit must be included in the appraisal report. The accessory unit of each comparable sale must also be non-compliant with the zoning and land use requirements to demonstrate the conformity and marketability of the subject property to its market area
  - Windsor Mortgage confirms that the existence of the accessory unit will not jeopardize future hazard insurance
- Recert of values in accordance with guidelines are acceptable.
- Properties with evidence of commercial production of marijuana, including but not limited to grow rooms, or hydroponic equipment, are ineligible.

## Assets

- Follow Freddie Mac guidelines relative to funds to close.
- Gift funds are allowed in accordance with Freddie Mac guidelines.
- The following requirements apply when evaluating deposits on the Borrower's account statements:
  - Except stated below, the Lender is not required to document the sources of unverified deposits for purchase or refinance transactions. However, when qualifying the Borrower, the Lender must consider any liabilities resulting from all borrowed funds.
  - For purchase transactions, the Lender must document the source of funds for any single deposit exceeding 50% of the total monthly qualifying income for the Mortgage if the deposit is needed to meet the requirements for Borrower Funds and/or reserves.
  - When a large deposit is not documented and is not needed to meet the requirements for Borrower Funds and/or reserves.
  - When a large deposit is not documented and is not needed for Borrower Funds and/or required reserves, the Lender must reduce the funds used for qualifying purposes by the amount of the unverified deposit. For Loan Prospector Mortgages, the Seller must enter the reduced amount of the asset into Loan Prospector.
  - When a single deposit consists of both verified and unverified portions, the Lender may use just the unverified portion when determining whether the deposit exceeds the 50% requirement.
  - When the source of funds can clearly be identified from the deposit information on the account statement (e.g., direct payroll deposits) or other documented income or asset source in the Mortgage file (e.g. tax refund amounts appearing on the tax returns in the file), the Lender is not required to obtain additional documentation.
  - The Seller must document the source of a deposit of any amount regardless of the transaction type if the Seller has any indication that the funds are borrowed or are not from an eligible source.
- When using a direct account verification (i.e., verification of deposit (VOD)), the Seller must include documentation of the source of funds when an account is opened within 90 days of verification and/or when the current balance in an account is significantly greater than the average balance.

## Assignment of Mortgages

All loans must be registered with MERS at time of delivery to Windsor Mortgage and a MERS transfer of beneficial rights and transfer of servicing right must be initiated by the Seller, to Plains Commerce Bank (#1005210), within 24-hours of purchase.

## AUS

- Loan Product Advisor with "Accept" Recommendation is required. LPA A Minus Offering is not allowed.
- Manual UW is not allowed.

## Borrower Eligibility

- U.S. citizens
- Permanent resident aliens, with proof of lawful permanent residence
- Nonpermanent resident alien immigrants with proof of lawful residence (Follow Windsor's Non-US Citizen guide.
- Properties vested in trusts are permitted for all occupancy types in accordance with Freddie Mac Trust guidelines.
- Windsor Mortgage allows investment properties to be vested in the name of the trust
- LTV/CLTV is above 95%
  - All borrowers must occupy the property
  - At least one borrower must be a first time home buyer on purchase transactions if HomeOne

## Condominiums

- Must follow Freddie Mac published Condominium Eligibility Guidelines.
- Streamlined Condo Review allowed in accordance with Freddie Mac Guidelines, including N/O/O up to 75%
- Condo Project Advisor waiver request allowed for the following:
  - Delinquent assessments
  - Excessive commercial space
  - Pending litigation
  - Reserves for capital expenditures and deferred maintenance
  - Condominium Unit Mortgages with approved Project Waiver Request, must be delivered to Freddie Mac within 120 days after the note date
  - Owner occupancy (referred to as 'Project Unit Occupancy' in Condo Project Advisor)
  - Excessive single investor concentration (referred to as 'Single Entity Ownership' in Condo Project Advisor)
  - The Condo Project Advisor feedback certificate must be maintained in the Mortgage file
- Freddie to Freddie rate and term refinances up to 80% LTV/CLTV may be eligible for a waiver of the project eligibility review
  - Documentation confirming Freddie Mac is the current owner and the current Freddie Mac loan number is required
  - See 5701.2 for complete details
- Windsor Mortgage will not allow a project in which: (i) the HOA is named as a party to pending litigation, or (ii) the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, functional use or habitability of the project. If it is determined that the reason for the pending litigation involves minor matters that do not affect the safety, structural soundness, functional use or habitability of the project, the project is eligible if the litigation is limited to one of the following:
  - The litigation amount is known, the insurance company has committed to providing defense and the litigation amount is covered by the insurance policy.
  - The litigation amount is unknown, the complaint is documented in the file, an attorney opinion letter is provided confirming litigation is minor matter, insurance is providing defense, and any possible damages are covered by insurance. See 5701.3 for complete details.
  - The matters involve non-monetary neighbor disputes regarding rights of enjoyment
  - The HOA is the plaintiff seeking reimbursement for repair expenses and the issue did not significantly impact financial stability or future solvency of HOA
  - The valid estimation of or known litigation amount is not expected to exceed 10% of the projects funded reserves, provided that this does not violate the applicable jurisdiction's laws and regulations.
- Florida Condos are allowed in accordance with Freddie Mac requirements.
- Lenders must provide all documentation used to verify the condo warranty type. Including but not limited
  - HOA questionnaire
  - Loan documentation with warranty type
  - Copies of applicable insurance policies
  - Any additional documentation as required by the warranty type

## Manufactured Homes

- LTV/CLTV- 95%
- Must be >600 SQ FT Double wide or Triple Wide
- No Leasehold or Condo projects

## Continuity of Obligation

When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met:

- At least one Borrower on the refinance Mortgage was a Borrower on the Mortgage being refinanced
- At least one Borrower on the refinance Mortgage held title to and resided in the Mortgage Premises as a Primary Residence for the most recent 12-month period and the Mortgage file contains documentation evidencing that the Borrower, either:
  - Has been making timely Mortgage payments, including the payments for any secondary financing, for the most recent 12-month period
  - Is a Related Person to a Borrower on the Mortgage being refinanced
- At least one Borrower on the refinance Mortgage inherited or was legally awarded the Mortgaged Premises by a court in the case of divorce, separation, or dissolution of a domestic partnership

## Credit

- All borrowers may have no credit score. Freddie Mac and LPA requirements must be met.
  - For LTV/CLTV above 95%, at least one borrower must have a usable credit score as determined by LPA.
- Must pay off any existing judgments or tax liens.
- For borrowers with frozen credit, no more than one credit bureau can have frozen credit information.
- Current Housing Payment, applicable when the payment for the primary residence for any borrower is not reported on credit (Ex. Renting primary and the subject is 2nd/NOO, or non-occupant co-borrower who rents):
  - When the payment is not reported on the credit report, provide third party verification of payment amount.
  - If living rent free, a rent-free letter from landlord or person obligated on lease required.
- Non-Del Only:
- Installment debt must be paid in full to be excluded. Borrowers may not pay down installment debts to less than 10 months to exclude the debt for qualifying.

## Credit: Derogatory

No specific waiting times with an LPA Accept. All derogatory events must be reflected on the credit report in order for the LPA accept to be valid. If derogatory event is not reflected on credit report, or is not accurate, the loan must be manually underwritten. Windsor Mortgage does not purchase manually underwritten Freddie Mac loans.

## Disaster Policy

- Windsor Mortgage may require a post-disaster inspection when the appraisal occurred before the incident end date of the disaster. See Windsor Mortgage disaster policy located in the Seller's Guide for full details.

## Documentation

- Determined by LPA
- Non-Del: Handwritten Verification of Mortgages (VOM) or Verification of Rents (VOR) are eligible.
- Private mortgages may be verified with cancelled checks or bank statements.
- One year of tax returns is acceptable if allowed by LPA and Freddie Mac guidelines
- Freddie Mac Automated Income and Asset Assessment
  - Loans using FHLMC Automated Income and Asset assessment are acceptable
  - Lenders must provide the third-party vendor report used in the LPA validation process.
- Income or assets derived from the production or sale of marijuana are ineligible for qualifying.
- Current housing payment for non-occupying borrowers and 2<sup>nd</sup> home/investment property transactions. The borrower must document their current housing payment with one of the following when they do not own a primary residence and purchasing second home or investment property:
  - Direct verification of rent from a management company
  - Direct verification of rent from an individual landlord (supported by two months of cancelled checks or other evidence of two months payments)
  - Copy of the current fully executed lease agreement (supported by two months of cancelled checks or other evidence of two months payments)
  - Six months of canceled checks or bank statements supporting consistent payment in the amount used in qualifying

## Down Payment Assistance

- Down Payment Assistance is allowed as long as the assistance is provided by a government entity. Evidence of the terms and provider must be included in the loan file and must meet Freddie Mac requirements.
- Employer assistance is acceptable in accordance with Freddie Mac guidelines.

## Eligible Mortgage Products

- Windsor Mortgage will only purchase the following products:
  - Agency Fixed Rate: 10 (standard balance only), 15, 20, 25 (standard balance only), 30 Year.
  - Agency Libor ARM: 3/1 (2/2/6 caps, 5530 Note and 5130 Rider, standard balance only), 5/1 (2/2/5 caps, 5531 Note and 5131 Rider), 7/1 (5/2/5 caps, 5531 Note and 5131 Rider) and 10/1 (5/2/5 caps, 5531 Note and 5131 Rider).
  - Home Possible financing is eligible. See Home Possible Product Profile for complete details.
  - HomeOne is eligible. HomeOne is defined as any loan with LTV/CLTV above 95% and is not Home Possible loan.
  - LPA and Freddie Mac requirements must be met.
  - Loans using the alternative LTV calculation, when resale restrictions survive foreclosure, are ineligible. Loans with resale restrictions using the standard LTV calculation remain eligible. See Freddie Mac 4406.1 for more information.
- Escrow for taxes, insurance, and mortgage insurance are required above 80% LTV, (90% in CA), or as required by applicable state law.

## Employment & Income Verification

Employment and income documentation must comply with the requirements of Loan Product Advisor or the Freddie Mac Seller Guide if not addressed by LPA:

- For salaried employees Pre-closing verification (PCV, previously known as verbal verification of employment) must be completed within 10 business days prior to the note date
- For self-employed borrowers the PCV must be completed within 120 days prior to the note date.
- For borrowers in the military, a military Leave and Earnings Statement dated within 30 days prior to the note date is acceptable in lieu of a verbal verification of employment
- Provide a written analysis of the income used to qualify the borrower on the Transmittal Summary or like document(s) in the file. An Income Analysis must be completed for self-employed borrowers.
- Assets as a basis of qualification is acceptable in accordance with Freddie Mac.
- Mortgage Credit Certificates (MCCs) The amount of the MCC tax credit may be considered as qualifying income in accordance with the following requirements:
  - The amount used as qualifying income must be calculated as follows:  $(\text{Mortgage amount}) \times (\text{Note Rate}) \times (\text{Mortgage Credit Certificate rate \%})$  divided by 12
  - The amount used as qualifying income cannot exceed the maximum Mortgage interest credit permitted by the IRS
  - The Mortgage file must contain a copy of the:
    - MCC
    - Seller's calculation of the amount used as qualifying income history of receipt of MCC tax credit is not required.
- Housing Choice Voucher Homeownership Program income (commonly known as Section 8 for homeowners) paid via Housing Assistance Payments (HAPs) are an acceptable source of income. However due to operational constraints, transactions involving HAPs paid directly to the Servicer are ineligible for purchase by Windsor Mortgage. Transactions with HAPs paid directly to the borrower continue to remain eligible for purchase.

## Employment and Income Commencing After the Note Date

- Option one is acceptable, see Freddie Mac Seller Guide 5303.2 for complete details.
- Option two is not allowed
- Purchase, No cash out refinance only
- One unit primary residence only
- Employment or increase must start no later than 90 days after the note date
- Income must be from new primary employment or a future salary increase with the current primary employer
- Non-fluctuating base pay only, employer may not be a family member or interested party
- Verify additional funds that meet or exceed the amount of the monthly housing expense plus other liabilities due between Note Date and start date of new employment/future increase plus one month
  - Partial month is counted as one month
  - Required in addition to all other required funds
- Include the offer letter, or employment contract, or proof of salary increase from current employer in the file
  - Must be fully executed and accepted by the borrower
  - Must include the terms of employment including start date, and annual income based on non-fluctuating earnings
  - Must be non-contingent or provide evidence from the employer all contingencies have been cleared
  - Future salary increase only: Increase is fully approved and explicitly granted to the borrower
- Provide a 10-day pre-closing verification (PCV) verifying the terms of the employment offer letter, contract or future salary increase have not changed
- All other Freddie Mac and Windsor Mortgage requirements must be met.

## Escrow Holdbacks

Escrow holdbacks are allowed in accordance with Freddie Mac guidelines including, but not limited to:

- A post funding stipulation for a copy of a 1004D confirming completion will be placed on loans where the appraisal is “subject to” improvements
- A post funding stipulation for a final title policy endorsement that ensures the priority of the first lien will be required on any loan where the appraisal is “subject to” improvements.
- A copy of the escrow agreement will be required that states how the escrow account will be managed and how the funds will be disbursed.
- Escrow Holdback to be 1.5x the higher of 2 bids. New construction can be for amount stated by builder

## Financing Concessions

- Financing concessions for primary residences and second home must be within the following allowable percentages:
  - 9% of value with LTV/CLTV ratios less than or equal to 75%
  - 6% of value with LTV/CLTV ratios greater than 75% up to and including 90%
  - 3 % of clue with LTV/CLTV ratios greater than 90%
  - The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio
- Property Seller can pay up to 12 months future HOA dues per Freddie Mac’s guidelines. Amount of HOA dues must meet IPC limits. See Freddie Mac 4204.3 for additional information.

## Gifts and Funds to Close

- Follow Freddie Mac’s guidelines.
- Borrowers must make 5% minimum down payment contribution from his/her own funds on loans with LTVs greater than 80% when the subject is a Secondary Residence with a gift used as a source of funds.

## High Cost / High Priced

- Windsor Mortgage will not purchase High-Cost Loans
- Higher Priced Mortgage Loans (HPML) transactions are eligible for purchase. HPML guidelines require:
  - Establishment of an escrow account for taxes and insurance premiums on any transactions secured by principal residence.
  - Must meet all applicable state and/or federal compliance requirements.
  - A prohibition on ARM loans with an initial fixed rate period of less than seven years (7/1 ARMs are eligible). HPML ARMs are qualified at the greater of the note rate or the fully indexed rate.



## Loan Purpose

- Purchase
  - For LTV/CLTV above 95%: When all borrowers are first time home buyers, at least one borrower must participate in a homeownership education program acceptable to Freddie Mac. See 5103.6 for complete details.
- Limited Cash-Out/Rate & Term Refinance
  - When the LTV/CLTV is greater than 95%: the loan being refinanced must be owned in whole or in part or securitized by Freddie Mac
  - Proceeds can be used to pay off a first mortgage
  - Proceeds can be used to pay off or pay down any junior lines related to the purchase of the subject property
  - Pay related Closing Costs and Prepaid items
  - Disburse cash out to the Borrower (or any other payee) up to the greater of 1% of the new refinance Mortgage or \$2,000
- Cash-Out
  - 6 months seasoning required, measured from settlement date to the Note Date of the cash-out refinance Mortgage, unless at least one borrower on the refinance mortgage inherited or was legally awarded the subject property (for example, in the case of divorce, separation or dissolution of a domestic partnership) or delayed financing is met.
  - Refinance to buy out owner's interest: Written agreement must be legible and signed/date prior to or at application. All other Freddie Mac requirements must be met
  - Freddie Mac's delayed financing provision is acceptable if all of the following requirements are met:
    - *The executed HUD-1 Settlement Statement from the purchase transaction must reflect that no financing secured by the subject property was used to purchase the subject property*
    - *The preliminary title report for the refinance transaction must reflect the Borrower as the owner of the subject property and must reflect that there are no liens on the property*
    - *The source of funds used to purchase the subject property must be fully documented*
    - *If funds were borrowed to purchase the subject property, those funds must be repaid and reflected on the HUD-1 Settlement Statement for the refinance transaction*
    - *The amount of the cash-out refinance Mortgage must not exceed the sum of the original purchase price and related closing costs, Financing Costs and Prepaids/Escrows as documented by the HUD-1 Settlement Statement for the purchase transaction, less any gift funds used to purchase the subject property.*
    - *There must have been no affiliation or relationship between the buyer and seller of the purchase transaction*
    - *The cash-out refinance Mortgage must comply with the applicable LTV/TLTV/HLTV ratio limits and all other Freddie Mac*
- All refinance transactions must meet Continuity of Obligation requirements

## Property: Eligible Types

- Single Family Detached Single Unit
- Single Family Attached Single Unit
- 2-4 Unit Attached/Detached
- Manufactured Homes \*see manufactured home section for overlays
- PUDs
- Low-rise and High-rise Condominiums (must be Fannie Mae eligible)
- Leaseholds

## Loan Purpose: Ineligible Transactions

- Intra-family purchases as a means to obtain cash-out for the seller while avoiding cash-out qualifications and pricing are not eligible transactions. These types of transactions may seem to meet Agency guidelines, they are not bonafide purchase transactions and therefore eligible for purchase by Windsor Mortgage. Unacceptable transactions of this type may have some or all of the following characteristics:
- Gift of equity from the seller
- Family member remaining in the home and on title after the “purchase”
- Large amount of seller credits
- Seller unable to qualify for a cash-out transaction of their own

## Property: Maximum Number of Financed Properties

- The loan must comply with Freddie Mac’s limitations on the maximum number of financed properties.
  - Owner-occupied: unlimited
  - Second home and investment property: ten
- When the borrower owns 7-10 financed properties:
  - LPA accept required
  - Minimum 720 credit score

## Property Flipping Policy (Properties resold within 180 days of purchase)

- Properties that involve a re-sale that occurred within the last 180 days that have a non-arm’s length relationship between the buyer and seller and an increase in value are prohibited.
- Lenders must pay particular attention and institute extra due diligence for those loans in which the appraised value is believed to be excessive or where the value of the property has experienced significant appreciation in short time period since the prior sale. Windsor Mortgage believes that one of the best ways lenders can reduce the risk associated with excessive values and/or rapid appreciation is by receiving accurate appraisals from knowledgeable, experienced appraisers.
- Windsor Mortgage recommends an additional value product to support the subject appraised value in instances of greater than 20% appreciation.

## Property: Turn-key Investments

- Purchase or refinance transactions involving turn-key investment, or other similar arrangements, are not eligible for purchase by Windsor Mortgage. Characteristics of a Turn-key property include but are not limited to:
- The property seller is an LLC (or other entity) that purchases distressed properties and re sells to borrowers at a non-distressed valuation.
- Property seller or a related entity enters into an agreement to manage the property on behalf of the buyer including marketing, tenant screening, rent collection, maintenance, etc.
- Buyer frequently lives out-of-the-area from the subject property
- See Windsor Mortgage Announcement 15-43 for additional details.

## Ratios

- The maximum DTI is 50% with a LPA Accept
- Loans with DTI exceeding 50% regardless of AUS decision are ineligible
- 3/1 & 5/1 ARMs are qualified at the greater of the Note rate plus 2% or the fully indexed rate. 7/1 ARMs & 10/1 ARMs are qualified at the note rate. 7/1 ARMs and 10/1 ARMs that are HPML are qualified at the greater of the note rate or the fully indexed rate.
- Windsor Mortgage allows non-occupant co-borrower blended ratios in accordance with Freddie Mac guidelines.

## Recently Listed Properties

- The subject property must not be currently listed for sale. IT must be taken off the market on or before the disbursement date of the new mortgage loan. Borrowers must confirm their intent to occupy the subject principal residence transactions).
- If the property was listed in the prior 30 days to the application date, the Early Pay-off (EPO) provision will be extended to 1 year

## Rental Income Calculation

- Follow Freddie Mac guidelines relative to rental income calculation.
- Rent loss insurance is not required.

## Reserves

- Follow LPA requirements for reserves
- Reserves must be based upon the full monthly payment (PITIA) amount for the property.

## Seasoning

Please refer to the Windsor Mortgage Seasoned Loan Policy located in the Windsor Mortgage Seller Guide for requirements and loan-level price adjustments.

## State Restrictions

- Illinois Land Trust Vestings are not eligible for loan sale to Windsor Mortgage
- Purchases in West Virginia are limited to 100% LTV/CLTV
- Texas 50 (a)(6) refinance mortgages are eligible with Windsor Mortgage Seller Approval:
  - Owner-Occupied, 1 unit only
  - Maximum 80% LTV/CLTV
  - 2% fee restrictions in accordance with Texas Constitution
  - Full appraisal required
  - No new secondary financing
  - Power of Attorney allowed in accordance with requirements
  - Loans must comply with Freddie Mac and Texas Constitution requirements

## Tax Transcripts

- Tax transcripts are required for all loans when Tax Returns are needed to qualify.
- When tax transcripts are provided, they must support the income used to qualify.
- A properly executed 4506-C is required for all transactions except when the loan file contains tax transcripts.
- If tax transcripts are not available (due to a recent filing for the current year) a copy of the IRS notice showing "No record of return filed" is required along with documented acknowledgment receipt (such as IRS stamped tax returns or evidence that the return was electronically received) from the IRS and transcripts from the previous year.

## Temporary Interest Buydown

- Allowed subject to the following:
  - Max total interest rate reduction of 2%, max increase per year of 1% (2/1 Buydown only)
  - Maximum 2 year to reach standard Note Rate
  - Minimum 680 FICO
  - Primary and secondary home purchases only
  - Manufactured homes ineligible
  - Fixed rate 30-year term
  - Borrower or lender funded buydown accounts are ineligible, must be seller funded.
  - Must meet all other applicable GSE requirements, including but not limited to qualification, documentation of buydown and funding of buydown

Windsor does not discriminate in any aspect of a credit transaction on the basis of sex, gender identity or expression, sexual orientation, marital status, familial status, race, color, ethnicity, religion, national origin, age, handicap or disability status, income derived from public assistance, military status or the good faith exercise of rights under the Consumer Credit Protection Act.