WINDSOR
MORTGAGE

Prime Jumbo 1

Program Eligibility Guide

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Prime Jumbo 1 Eligibility Matrix

Fixed Rate (15[4], 20, 25, 30 year) & Hybrid ARM Products

Purchase, Rate and Term Refinance				
Occupancy	**Units**	**Min FICO**	**Max LTV/CLTV/HCLTV**	**Max Loan Amount**
Primary	1	680	90%[1]	$2,000,000
	1	660	80%	$2,000,000
	1	700	80%	$3,500,000
	2	680	80%	$2,000,000
Second Home	1	680	90%	$2,000,000
	1	660	80%	$2,000,000
	1	700	75%	$3,000,000
Investment[3]	1-4	680	80%	$2,000,000

Cash-Out Refinance[2]					
Occupancy	**Units**	**Min FICO**	**Max LTV/CLTV/HCLTV**	**Max Loan Amount**	**Max Cash-Out**
Primary	1	680	80%	$2,000,000	Unlimited
	1	700	65%	$3,000,000	Unlimited
	2	680	70%	$1,000,000	Unlimited
	2	700	80%	$1,500,000	Unlimited
Second Home	1	680	65%	$1,500,000	Unlimited
	1	700	75%	$2,000,000	Unlimited
Investment[3]	1-4	700	75%	$2,000,000	Unlimited

Eligibility Matrix Footnotes

[1]Transactions with LTVs greater than 80%

- MI not required
- Secondary financing not allowed
- Maximum DTI 43%
- Gift funds require minimum 5% borrower contribution
- Escrow/impound accounts required for LTVs greater than 80% unless prohibited by applicable laws
- ARM and 15-year term not available for LTV/CLTVs over 80%
- No Non-Occupant Co Borrowers
- For First Time Home Buyers see FTHB overlays for 80.01% LTV/CLTV or higher

[2]Texas 50 (a) (6) & Texas 50 (f) (2) refinances (Texas Equity Loans)

- Only allowed on 20, 25 and 30-year fixed rate only. Additional restrictions apply, please see Prime Jumbo 1 Program Eligibility Supplement Section 2(D).

[3]Investment Property Transactions

The following requirements apply for all **Investment Property Transactions:**

- Co-ops not allowed
- Gift funds not allowed
- Transaction must be arm's length
- Appraiser to provide rent comparable schedule
- First-Time Homebuyers not allowed
- 20, 25, 30-year fixed rate only

[4]ARM and 15-year fixed rate loans

- Maximum DTI 45%
- Investment Properties not permitted on ARM or 15-year fixed

Prime Jumbo 1 Loan Notes

- Minimum loan amount is $1 over conforming.
- ARMs loans in New York state must be $1 over current conforming/high balance limit set by FHFA.
- Exceptions may be granted on a case-by-case basis by Windsor Mortgage (at its sole determination) for loans with terms or characteristics that are outside of Windsor Mortgage's eligibility requirements. Approval of the exception must be granted by Windsor Mortgage prior to the delivery of the loan.
- Higher Priced Mortgage Loans (HPML) are allowed if the following requirements are met:
    - Loan must have an escrow account for a minimum of 5 years.
    - 1002.14(a)(1) allowing the consumer to waive the requirement that the appraisal copy be provided three business days before consummation, does not apply to higher-priced mortgage loans subject to § 1026.35(c). A consumer of a higher-priced mortgage loan subject to § 1026.35(c) may not waive the timing requirement to receive a copy of the appraisal under § 1026.35(c)(6)(i).
    - If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 10% then a second full appraisal is required.
    - If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 20% then a second full appraisal is required.
    - If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals.
- Underwriting path:
    - Full Manual Underwrite

Prime Jumbo 1 Eligibility Guidelines

ELIGIBLE PRODUCTS

- **Fixed Rate:** 15, 20, 25, 30-year term
- **ARM:** 5/6, 7/6 and 10/6 ARM, Fully Amortizing 30-year term
- **Temporary Buydowns:** 3-2-1, 2-1, 1-0- Fixed Rate Products only.

ARM FEATURES

- Max 80% LTV/CLTV/HCLTV
- Minimum loan amount is $350,000
- Investment Properties are ineligible for ARM products
- Caps: 2/1/5 -5/6 ARM
- Caps: 5/1/5 allowed on 7/6, 10/6 ARM
- Index: SOFR (30 Day Average)
- Margin: 2.75
- Floor: 2.75
- No Conversion Option
- Assumable
- **Qualifying Rate:**
    - **5/6 ARM** qualify with the greater of the fully indexed rate or the Note rate +2%.
      Loans in New York state must be $1 over current conforming/high balance limit set by FHFA.
    - **7/6, 10/6 ARM** – qualify with greater of the fully indexed rate or the Note rate.
      Loans in New York state must be $1 over current conforming/high balance limit set by FHFA

TEMPORARY BUYDOWNS

Buydown Types:

- 3-2-1 Buydown
    - Year 1 (one): 3% below the Note Rate
    - Year 2 (two): 2% below the Note Rate
    - Year 3 (three): 1% below the Note Rate
- 2-1 Buydown
    - Year 1 (one): 2% below the Note Rate
    - Year 2 (two): 1% below the Note Rate
- 1-0 Buydown
    - Year 1 (one): 1% below the Note Rate
    - Year 2 (two) and beyond: Note Rate

Eligibility Requirements:

- Primary Residence and Second Homes - Fixed Rate Products Only.
- Purchase transactions only
- Seller/Builder and Third party funded buydowns allowed (Third parties include Real Estate Agents and Brokerages; Borrower funded buydowns are ineligible)
- 30-year fixed rate only
- Borrower must qualify for payment and reserves using the Note rate
- With buydown funds coming from an interested party to the transaction, Fannie Mae's interested party contribution (IPC) limits will apply.

Buydown Agreement Requirements:

- Written Agreement: The buydown plan must be written between the party providing the buydown funds and the borrower.
- Calculation: The buydown agreement must show:
    - The Sellers calculations of the total cost of the temporary buydown
    - Any interested party contribution
    - The annual percentage increase in the Borrowers monthly principal and interest payment
- Please refer to the Prime Jumbo 1 Eligibility Supplement, Section 6: Regulatory Compliance, (M) for proper disclosure requirements for the LE/CD.

Informational Items:

- Funds cannot be used to pay past due payments or buy down the mortgage for qualification purposes
- Funds are transferred to a new servicer as part of the standard transfer or servicer process (included in escrow account)

INELIGIBLE PRODUCTS

- High-Cost Loans (Federal (TILA 1026.32), State, Local)
- Non-Standard to Standard Refinance Transactions (ATRExempt)
- Balloons
- Graduated Payments
- Interest Only Products
- Loans with Prepayment Penalties
- Convertible ARMs
- Loans with bridge financing or departure residence buyout by third party, ie: Knock, Homelight, Prefund or Opendoor
- Investment Properties on ARM/15-year products
- Points and Fees exceeding 3% see eligibility supplement section 6.E

ELIGIBLE BORROWERS

- First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, first-time homebuyer requirements do not apply.
  - For transactions with 80.01% LTV/CLTV or higher, the following overlays are required:
    - 700 Minimum FICO score
    - Maximum loan amount is $1,500,000
    - Primary residence only
- US Citizens
- Permanent Resident Aliens with evidenceof lawful residency
  - Must be employed in the US for the past twenty-four (24) months.
- Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions:
  - Primary residence only.
  - Unexpired Visas only.
  - Credit tradeline requirements must be met, no exceptions.
  - Employed or self-employed borrower must have a current twenty-four (24) month employment history in the US.
  - Maximum LTV/CLTV is 80%
- Documentation evidencing lawful residency must be met (see Windsor Mortgage Program Eligibility Supplement for requirements).
- Illinois Land Trust (see Windsor Mortgage Program Eligibility Supplement for requirements).
- Inter Vivos Revocable Trust (see Windsor Mortgage Program Eligibility Supplement for requirements).
- All borrowers must have a valid Social SecurityNumber.
- Non-Occupant Co-Borrowers:
  - May or may not have an ownership interest in the subject property as indicated on title.
  - Maximum LTV/CLTV of 80%

INELIGIBLE BORROWERS

- Foreign Nationals
- DACA
- ITIN
- Asylum
- Borrowers with diplomatic status / diplomatic immunity
- Life Estates
- Non-Revocable Trusts
- Guardianships
- LLCs, Corporations or Partnerships
- Land Trusts, except for Illinois LandTrust
- Borrowers with **any** ownership in a business that is federally illegal, regardless if the income is not being considered for qualifying

DEBT-TO-INCOME RATIO (DTI)

- Primary Residence and Second Home:
  - 49.99% for LTVs ≤ 80%,
  - 43% for LTVs > 80%
- Investment Property: 47%
- ARMs and 15-year: 45%

TEXAS 50 (A) (6) & TEXAS 50 (F) (2) REFINANCES

- 20, 25 and 30-year fixed rate only
- See Prime Jumbo 1 Program Eligibility Supplement Section 2(D) for additional requirements.

ELIGIBLE OCCUPANCY TYPES

- Follow Fannie Mae Selling Guide

LTV/CLTV/HCLTV CALCULATION FOR REFINANCES

- Follow Fannie Mae Selling Guide

CONSTRUCTION TO PERMANENT FINANCING

- Follow Fannie Mae Selling Guide
- One-time close transactions not allowed

ESCROW HOLDBACKS

- Not allowed unless the holdback has been disbursed, and a certification of completion has been issued prior to purchase by Windsor Mortgage.

FINANCING CONCESSIONS

- Follow Fannie Mae Selling Guide

SELLER CONCESSIONS

- Follow Fannie Mae Selling Guide

DISASTER POLICY

- See Prime Jumbo 1 Program Eligibility Supplement for requirements.

PROPERTIES LISTED FOR SALE

- Follow Fannie Mae Selling Guide
- Properties currently listed for sale (at the time of application) are not eligible for refinance transactions.

PERSONAL PROPERTY

- Follow Fannie Mae Selling Guide

SECONDARY FINANCING

- **Secondary financing not allowed on LTVs > 80%**
- Institutional Financing only. Seller subordinate financing not allowed.
- Subordinate liens must be recorded and clearly subordinate to the first mortgage lien.
- If there is or will be an outstanding balance at the time of closing, the monthly payment for the subordinate financing must be included in the calculation of the borrower's debt-to-income ratio.
- Full disclosure must be made of the existence of subordinate financing and the subordinate financing repayment terms. The following are acceptable subordinate financing types:
  - Mortgage terms with interest at marketrate.
  - Mortgage with regular payments that cover at least the interest due, resulting in no negative amortization.
- Employer subordinate financing is allowed with the following requirements:
  - Employer must have an Employee Financing Assistance Program in place.
  - Employer may require full repayment of the debt if the borrower's employment ceases before the maturity date.
  - Financing may be structured in any of the following ways:
    - Fully amortizing level monthly payments
    - Deferred payments for some period before changing to fully amortizing payments
    - Deferred payments over the entireterm.
    - Forgiveness of debt over time
    - Balloon payment of no less than five (5) years, or the borrower must have sufficient liquidity to pay off the subordinate lien.

- LTV/CLTV/HCLTV guidelines must be met for loans with subordinate financing.

ASSET RESERVE REQUIREMENTS (# MONTHS OF PITIA)**	
Loan Amount	**# of Months**
≤ $1,000,000	• 6 months PITIA
$1,000,001 - $2,500,000	• 12 months PITIA
$2,500,001 - $3,500,000	• 18 months PITIA
Non-Retirement Asset Reserves Required for LTV/CLTVs 85.01%-90%	• At least 3 months of total reserves must be liquid assets
Additional 1-4 Unit Financed REO	• Additional three (3) or six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO. • If eligible to be excluded from the count of multiple financed properties, reserves are not required. • ***See Multiple Financed Properties section for full reserves and requirements***
**** Borrowed funds (secured or unsecured) are not allowed for reserves.**	

MULTIPLE FINANCED PROPERTIES

- The borrower(s) may own a total of ten (10) financed, 1–4-unit residential properties including the subject property and regardless of the occupancy type of the subject property.
- If the borrower owns up to four (4) financed properties:
  - Max financing for the subject transaction is allowed
  - Additional financed 1–4-unit residential properties require three (3) months reserves for each property
- If the borrower owns between five (5) and ten (10) financed properties:
  - The subject transaction is limited to a maximum of 80% LTV/CLTV/HCLTV or program maximum (lower of the two)
  - Subject property requires the greater of six (6) months reserves or required reserves per guidelines as indicated in the Asset Section of this guide
  - Additional financed 1–4-unit residential properties require six (6) months reserves for each property
- The borrower may own an unlimited number of financed 1–4-unit residential properties when the subject transaction is a primary residence with the following requirements met:

- The subject transaction is limited to a maximum of 80% LTV/CLTV/HCLTV or program maximum (lower of the two).
- Additional financed 1–4-unit residential properties require six (6) months reserves for each property.

- 1–4-unit residential financed properties held in the name of an LLC or other corporation can be excluded from the number of financed properties only when the borrower is not personally obligated for the mortgage.
  - Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation.

NON-ARM'S LENGTH TRANSACTIONS

A non-arm's length transaction exists whenever there is a personal or business relationship with any parties to the transaction which may include the seller, builder, real estate agent, appraiser, lender, title company or other interested party.

The following non-arm's length transactions are eligible:

- Family sales or transfers
- Property seller acting as their own real estate agent
- Relative of the property seller acting as the seller's real estate agent
- Borrower acting as their own real estate agent
- Relative of the borrower acting as the borrower's real estate agent
- Borrower is the employee of the originating lender and the lender has an established employee loan program. Evidence of employee program to be included in loan file.
- Originator is related to the borrower
- Originator is a current subsidiary of the builder
- Borrower purchasing from their landlord (The most recent 12 months cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord).

Gifts from relatives that are interested parties to the transaction are not allowed, unless it is a gift of equity.

Real estate agents may apply their commission towards closing costs and/or prepaids if the amounts are within the interested party contribution limitations.

Investment property transactions must be arm's length.

Other non-arm's length transactions may be acceptable on an exception basis.

ELIGIBLE PROPERTIES

- 1-2 Unit Owner Occupied Properties
- 1 Unit Second Homes
- 1-4 Unit Investment Properties
- Condominiums — Warrantable Only— Follow Fannie Mae Seller Guide

- Modular homes
- Planned Unit Developments (PUDs)
- Properties with ≤ 40 acres
- 20, 25, 30-year fixed rate only for transactions over ten (10) acres.
- Acreage must meet 50(a)(6) & 50(f)(2) requirements for urban and rural properties.
- Properties Subject to Existing Oil/Gas Leases: Follow Fannie Mae Seller Guide

NOTE: Properties that fall outside these parameters can be considered on an exception basis.

Miscellaneous:
Properties with leased solar panels must meet Fannie Mae requirements.

Acceptable Forms of Ownership:
- Fee Simple with title vesting as:
    - Individual
    - Joint Tenants
    - Tenants in Common
- Leaseholds must meet Fannie Mae requirements.
- Deed/Resale Restrictions must meet Fannie Mae requirements.

INELIGIBLE PROPERTIES

- Condotels
- Cooperatives
- 2-4 unit second home properties
- 3-4 unit owner occupied properties
- Manufactured Homes/Mobile Homes
- Mixed-Use Properties
- Model Home Leasebacks
- Non-Warrantable Condos
- Properties with condition rating of C5/C6
- Properties with construction rating of Q6
- Properties located in Hawaii in lava zones 1 & 2
- Properties located in areas where a valid security interest in the property cannot be obtained
- Properties > 40 acres
- Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant
- Tenants-in-Common projects (TICs)
- Unique properties

- Working farms, ranches or orchards

APPRAISAL REQUIREMENTS

- Transferred Appraisals allowed with the following requirements:
  - Copy of appraiser's license
  - Copy of appraiser's E&O insurance declaration page
  - AIR Certification from the appraisal management company who facilitated the order
  - Assignment letter from previous lender
  - Transferred appraisals must be dated less than 120 days from subject note date
- Appraisals must be completed for the subject transaction. Use of a prior appraisal, regardless of the date of the prior appraisal, is not allowed.
- Reconsiderations of Value based on Fannie requirements are allowed. All documentation used to arrive at final value must be included in the closed loan file. Windsor Mortgage requires secondary support on final value in all cases.
- Appraisal Update (Form 1004D) is allowed for appraisals that are over 120 days aged but less than 180 days aged from Note.
  - The appraiser must inspect the exterior of the property and provide a photo.
  - The appraiser must review current market data to determine whether the property as declined in value since the date of original appraisal. If the value has declined since original appraisal, a new full appraisal is required.
  - The appraisal Update (1004D) must be dated within 120 days of the Note date.
- Investment properties must contain a rent comparable schedule, regardless of whether rental income is used to qualify.
- **Collateral Underwriter (CU)) score in lieu of a CDA or CCA**.
  - The use of the Collateral Underwriter (CU) score in lieu of a CDA is allowed with the following requirements:
    - UCDP SSR included in loan file with a Fannie CU score of 2.5 or- less
    - No score or exceeds 2.5, CDA/CCA is required.
- Collateral Desktop Analysis (CDA) ordered from Clear Capital, or a Consolidated Collateral Analysis (CCA) ordered from Consolidated Analytics is required to support the value of the appraisal. The Seller is responsible for ordering the CDA.
  - If the CDA or CCA returns a value that is "Indeterminate" or if the CDA or CCA indicates a lower value than the appraised value that exceeds a 10% tolerance, then one (1) of the following requirements must be met:
    - A Clear Capital BPO or Consolidated Analytics BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation or a Consolidated Analytics Value Reconciliation of three Reports is required.
    - The Value Reconciliation will be used for the appraised value of the property. The Seller is responsible for ordering the BPO and Value Reconciliation through Clear Capital or Consolidated Analytics.
    - A field review or 2nd full appraisal may be provided. The lower of the two values will be used as the appraised value of the property. The Seller is responsible for providing the field review or 2nd full appraisal.

- If two (2) full appraisals are provided, a CDA is not required.

- For properties purchased by the seller of the property within ninety (90) days of the fully executed purchase contract the following requirements apply:
  - Second full appraisal is required.
  - Property seller on the purchase contract is the owner of record.
  - Increases in value should be documented with commentary from the appraiser and recent paired sales.

  The above requirements do not apply if the property seller is a bank that received the property as a result of foreclosure or deed-in lieu.

- Higher-Priced Mortgage Loans (HPML)
  - If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 10% then a second full appraisal is required. Bank owned properties are not exempt.
  - If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 20% then a second full appraisal is required. Bank owned properties are not exempt.
  - If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals

APPRAISAL REQUIREMENTS BASED ON LOAN AMOUNT:

First Lien Amount	Appraisal Requirements
Purchase / Refinance Transactions	
≤$2,000,000	1 Full Appraisal
>$2,000,000	2 Full Appraisals

- When two (2) appraisals are required, the following applies:
  - Appraisals must be completed by two (2) independent companies.
  - The LTV will be determined by the lower of the two (2) appraised values if the lower appraisal supports the value conclusion.
  - Both appraisal reports must be reviewed and address any inconsistencies betweenthe two (2) reports and all discrepancies must be reconciled.
  - If the two (2) appraisals are done "subject to" and 1004Ds are required, it is allowable to provide one (1) 1004D. If only one (1) 1004D is provided, it should be for the appraisal that the value of the transaction is being based upon.

Manual Underwriting Guidelines

MANUAL UNDERWRITING

- Manual underwrite is required, Follow Fannie Mae Selling Guide subject to Windsor Mortgage overlays.
- AUS findings are not considered; no documentation waivers are considered.
- All loans must meet the Price-Based QM definition:
  - ➢ Safe Harbor=APR less than 1.50% above the applicable APOR
  - ➢ Rebuttable Presumption = APR less than or equal to 2.25% above the applicable APOR (HPCT)
- QM designation must be provided in the loan file;
  - ➢ QM designation is QM Safe Harbor -APOR (or similar name i.e. Price Based)
  - ➢ QM Rebuttable Presumption refer to Jumbo Eligibility Supplement
  - ➢ A discount point is considered "bona fide" if it reduces a consumer's interest rate by an amount that reflects established industry practices. A 20-basis point reduction standard is used to determine if the discount points are bona fide or not. If bona fide discounts are excluded from the points and fees test, we will require all lock information necessary to determine if a discount charged was bona fide and to what extent that bona fide discount can be excluded.
- In all cases, the loan file must document the eight (8) ATR rules.
- In some cases, exceptions to program eligibility may be acceptable when strong compensating factors exist to offset the risk. Prior exception approval required from Windsor Mortgage.

DOCUMENTATION

- All loans must be manually underwritten and fully documented. No documentation waivers based on AUS recommendations permitted.
- Income calculation worksheet or 1008 with income calculation. Current Fannie Mae Form 1084, Freddie Mac Form 91 or equivalent is required for self-employment income analysis. Full income and asset verification is required.
- All credit documents, including title commitment, must be no older than 120 days from the Notedate.
- QM designation is Exempt for investment property transactions when the transaction is exclusively for business purposes. (Refer to §1026.3(a) and the Official Interpretation to §1026.3(a))
  - ➢ Investment property transactions require an attestation from the borrower stating the property is used 100% of the time for business purposes and/or 100% of any cash out proceeds must be used for business purpose in order for the designation to be Exempt.
  - ➢ If the borrower does not use the property and/or cash out proceeds 100% of the time for business purposes, the loan is subject to QM and the designation would be QM Safe Harbor

Note: Loans with application dates before 3.1.2021, regardless of lock date, must meet the maximum DTI of 43% and adhere to all Appendix Q documentation requirements.

- Loan file must document the eight (8) Ability to Repay (ATR) rules identified in Part 1026-Truth-in-Lending (Regulation Z).
- If subject transaction is paying off a HELOC that is not included in the CLTV/ HCLTV calculation, the loan file must contain evidence the HELOC has been closed.

- If the URLA/1003, title commitment or credit documents indicate the borrower is a party to a lawsuit, additional documentation must be obtained to determine no negative impact on the borrower’s ability to repay, assets or collateral.

REFINANCE TRANSACTIONS

RATE AND TERM REFINANCE

- The new loan amount is limited to pay off the current first lien mortgage, any seasoned non-first lien mortgages, closing costs and prepaid items.
    - If the first mortgage is a HELOC, evidence it was a purchase money HELOC or it is a seasoned HELOC that has been in place for twelve (12) months and total draws do not exceed $2000 in the most recent twelve (12) months.
    - A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months.
    - A seasoned equity line is defined as not having draws totaling over $2000 in the most recent twelve (12) months. Withdrawal activity must be documented with a transaction history.
    - Max cash back at closing is limited to 1% of the new loan amount.
- Properties inherited less than twelve (12) months prior to application date can be considered for a Rate and Term refinance transaction if the following requirements are met:
    - Must have clear title or copy of probate evidencing borrower was awarded the property.
    - A copy of the will or probate document must be provided, along with the buy-out agreement signed by all beneficiaries.
    - Borrower retains sole ownership of the property after the pay out of the other beneficiaries.
    - Cash back to borrower not to exceed 1% of loan amount.

DELAYED PURCHASE REFINANCING REQUIREMENTS

- Property was purchased by borrower for cash within six (6) months of the loan application.
- HUD-1/CD from purchase reflecting no financing obtained for the purchase of the property.
- Preliminary title reflects the borrower as the owner and no liens.
- Funds used to purchase the property are fully documented and sourced and must be the borrower’s own funds (no gift funds or business funds).
- Funds drawn from a HELOC on another property owned by the borrower, funds borrowed against a margin account or funds from a 401(k) loan are

  acceptable if the following requirements are met:
    - The borrowed funds are fully documented.
    - The borrowed funds are reflected on the Closing Disclosure (CD) as a payoff on the new refinance transaction.
- LTV/CLTV/HCLTV for Rate and Term refinances must be met. The loan is treated as a Rate and Term refinance except for primary residence transactions in Texas.
- Texas primary residence must be treated as cash out and locked as cash out however cash out limits, and 6 months seasoning will not be applicable
- Investment properties are allowed if borrower is not a builder or in the construction industry and prior transaction was arm’s length.

CASH-OUT REFINANCE REQUIREMENTS

- Borrower must have owned the property for at least six (6) months. If the property is owned free and clear and six (6) month seasoning is not met, refer to Delayed Purchase Refinancing section above.
- Inherited properties may not be refinanced as a cash-out refinance prior to twelve (12) months ownership. See Rate and Term Refinances for requirements.
- Cash-out refinances where the borrower is paying off a loan from a pledged asset/retirement account loan, secured loan, unsecured family loan or replenishing business funds used to purchase the property, the following guidelines apply:
  - ➢ Ownership seasoning requirement for cash-out is waived (borrower does not have to have owned for six (6) months prior to subject transaction).
  - ➢ Funds used to purchase the subject property must be documented and sourced.
  - ➢ HUD-1/CD for subject transaction must reflect payoff or pay down of pledged asset/retirement account loan, secured loan, unsecured family loan or business asset account.
  - ➢ The purchase must have been arm's length.
  - ➢ Investment properties are ineligible.

CONTINUITY OF OBLIGATION

When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements has been met. **If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible:**

- The borrower has been on title for at least twelve (12) months but is not obligated on the existing mortgage that is being refinanced and the
  borrower meets the following requirements:
  - ➢ Has been makingthe mortgage payments (including any secondary financing) for the most recent twelve (12) months, or
  - ➢ Is related to the borrower on the mortgage being refinanced.
- The borrower on the new refinance transaction was added to title twenty- four (24) months or more prior to the disbursement date of the new refinance transaction.
- The borrower on the refinance inherited or was legally awarded the property by a court in the case of divorce, separation or dissolution of a domestic partnership.
- The borrower on the new refinance transaction has been added to title through a transfer from a trust, LLC or partnership. The following requirements apply:
  - ➢ Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer.
  - ➢ The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent six (6) months prior to the disbursement of the new loan.

NOTE: Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement.

CREDIT

TRADELINE REQUIREMENTS

- Minimum three (3) tradelines are required. The following requirements apply:
  - Three (3) tradelines required, open or closed, rated for at least 12 months. At least one (1) of the tradelines must have activity within 12 months from the application date with no significant adverse credit, such as charge offs or collections.

--OR--

- Minimum two (2) tradelines are acceptable if the borrower has a satisfactory mortgage rating for at least twelve (12) months (open or closed) and one (1) additional open or closed tradeline rated for at least 12 months.
- Each borrower contributing income for qualifying must meet the minimum tradeline requirements; however, borrowers not contributing income for qualifying purposes are not subject to minimum tradeline requirements.
- Authorized user accounts are not allowed as an acceptable tradeline.
- Non-traditional credit is not allowed as an acceptable tradeline.

DISPUTED TRADELINES

- Disputed accounts with zero balance and no lates may be disregarded.
- Disputed tradelines with balances must be included in the DTI unless documentation can be provided that authenticates the dispute or proves the account does not belong to the borrower.
- Derogatory disputed accounts must be considered in analyzing the borrower's willingness to repay.

MORTGAGE HISTORY REQUIREMENTS

- 0x30x24: The mortgage rating may be on the credit report or a VOM. Applies to all borrowers on the loan.
- If the mortgage holder is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory mortgage history is required.

RENTAL HISTORY REQUIREMENTS

- If the borrower(s) is a First Time Homebuyer and has a rental history in the most recent twelve (12) months, a VOR must be obtained reflecting 0X30x12. Applies to all borrowers on the loan.
- First-Time Homebuyer is defined as a borrower who has not owned a home in the last three (3) years. For loans with more than one (1) borrower, where at least one (1) borrower has owned a home in the last three (3) years, first-time homebuyer requirements do not apply.
- If the landlord is a party to the transaction or relative of the borrower, cancelled checks or bank statements to verify satisfactory rent history is required; otherwise if not related or a party to the transaction a satisfactory VOR can be provided.

DEROGATORY CREDIT

- Bankruptcy, Chapter 7, 11, 13 - Seven (7) years since discharge / dismissal date
- Foreclosure - Seven (7) years since completion date
- Notice of Default - Seven (7) years
- Short Sale/Deed-in-Lieu - Seven (7) years since completion / sale date
- Mortgage accounts that were settled for less, negotiated or short payoffs - Seven (7) years since settlement date
- Credit events seasoned more than 10 years do not need to be considered.
- Loan Modification –
    - ➢ Lender initiated modification will not be considered a derogatory credit event if the modification did not include debt forgiveness and was not due to hardship as evidenced by supporting documentation. No seasoning requirement would apply.
    - ➢ If the modification was due to hardship or included debt forgiveness – Seven (7) years since modification.
- A forbearance that results in a loan modification (moving payments to the end of the mortgage) is a credit event and will be considered "due to hardship."
- Exceptions for credit events will be considered on a case-by-case basis between four (4) and seven (7) years with extenuating circumstances subject to the following:
    - ➢ Extenuating circumstances are defined as non-recurring events that were beyond the borrower's control resulting in a sudden, significant and prolonged reduction in income or catastrophic increase in financial obligations.
        - o Examples would include death or major illness of a spouse or child but would not include divorce or job loss.
    - ➢ Documentation must be provided to support the claim of extenuating circumstances and confirm the nature of the event that led to the credit event and illustrate the borrower had no reasonable option other than to default on their obligations.
    - ➢ If the defaulted debt was assigned to an ex-spouse and the default occurred after the borrower was relieved of the obligation, the event may be considered on an exception basis.
    - ➢ Not allowed with LTVs exceeding 80%
- Multiple derogatory credit events not allowed. However, credit events seasoned more than 10 years do not need to be considered.
    - ➢ A mortgage with a Notice of Default filed that is subsequently modified is not considered a multipleevent.
    - ➢ A mortgage with a Notice of Default filed that is subsequently foreclosed upon or sold as a short sale is not considered a multiple event.
- Medical collections - allowed to remain outstanding if the balance is less than $10,000 in aggregate.

PAST MORTGAGE FORBEARANCES

- Forbearances due to Covid, Allowable six (6) months after the end of the forbearance period, and only if the borrower made all the monthly payments during forbearance and did not utilize the forbearance terms to skip any payments. Payoff statements and mortgage statements must not reflect any deferred principal balances or any indication of current forbearance.

OUTSTANDING JUDGEMENTS/TAX LIENS/CHARGE-OFFS/PAST-DUE ACCOUNTS

- Tax liens, judgments, charge-offs and past-due accounts must be satisfied or brought current prior to or at closing. Cash-out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge- offs or past-due accounts.
- Payment plans for prior year tax liens/liabilities are not allowed; all tax liens/liabilities must be paid in full prior to or at loan funding.

CREDIT INQUIRIES

- If the credit report indicates inquiries within the most recent 90 days of the credit report, the seller must confirm the borrower did not obtain additional credit that is not reflected in the credit report or mortgage application. In these instances, the borrower must explain the reason for the credit inquiry.
- If additional credit was obtained, a verification of that debt must be provided, and the borrower must be qualified with the monthly payment.
- Confirmation of no new debt may be in the form of a new credit report, pre-close credit report or gap credit report.

CREDIT REPORTS-FROZEN BUREAUS

- Credit reports with bureaus identified as “frozen” are required to be unfrozen and a current credit report with all bureaus unfrozen is required.
- Credit Refreshes/Rescores: Windsor Mortgage will allow for Credit Score refreshes; however, the closed loan file must include all documentation to support the change in score and still meet sufficient assets as required by the program guidelines.

LIABILITIES

LIABILITY REQUIREMENTS

- The monthly payment on revolving accounts with a balance must be included in the borrower’s DTI, regardless of the number of months remaining. If the credit report does not reflect a payment and the actual payment cannot be determined, a minimum payment may be calculated using the greater of $10 or 5%.
- Open-end or net thirty (30) day account: Follow Fannie Mae Selling Guide
- Loans secured by financial assets: Follow Fannie Mae Selling Guide
- For all student loans, whether deferred, in forbearance, or in repayment, a monthly payment must be included in the borrower’s monthly debt obligation.
  - If a monthly payment is provided on the credit report, the amount indicated for the monthly payment may be used in qualifying.
  - If the credit report does not provide a monthly payment or if it shows $0 as the monthly payment, the monthly payment may be one of the options below:
    - Loan payment indicated on student loan documentation verifying monthly payment is based on an income-driven plan.

- For deferred loans or loans in forbearance:
  - 1% of the outstanding loan balance (even if this amount is lower than the actual fully amortizing payment) or
  - A fully amortizing payment using the documented loan repayment terms.

- HELOCs with a current outstanding balance with no payment reflected on the credit report may have the payment documented with a current billing statement. HELOCs with a current $0 balance do not need a payment included in the DTI unless using for down payment or closing costs. New HELOC draws require documentation supporting new payment based on draw and current balance, or repayment terms.
- Lease payments, regardless of the number of payments remaining must be included in the DTI.
- Alimony payments: Defer to FNMA selling guide for Alimony, Child Support, and Separate Maintenance.
- If the most recent tax return, tax extension, or tax transcripts indicate a borrower owes money to the IRS or State Tax Authority, evidence the amount(s) has been paid in full and source of funds is used to pay, sufficient liquid assets to pay the debt must be
  - A payment plan for the most recent tax year is allowed if the following requirements are met:
    - Payment plan was set up at the time the taxes were due. Copy of payment plan must be included in loan file.
    - Payment is included in the DTI.
    - Satisfactory pay history based on terms of payment plan is provided.
    - Payment plan is only allowed for taxes due for most recent tax year, prior years not allowed. For example, borrower files their 2025 return or extension in April 2026. A payment plan would be allowed for taxes due for 2025 tax year. Payment plans for 2024 or prior years would not be allowed.
    - Borrower does not have a prior history of tax liens.

CONTINGENT LIABILITIES

- **Co-Signed Loans:** The monthly payment on a co-signed loan may be excluded from the DTI if evidence of timely payments made by the primary obligor (other than the borrower) is provided for the most recent twelve (12) months and there are no late payments reporting on the account.
- **Debts Paid by Others:** Follow Fannie Mae/Selling Guide
- **Court Order:** If the obligation to make payments on a debt has been assigned to another person by court order, the payment may be excluded from the DTI if the following documents are provided.
  - Copy of court order.
  - For mortgage debt, a copy of the document transferring ownership of property.
  - If transfer of ownership has not taken place, any late payments associated with the repayment of the debt owing on the mortgage property should be considered when reviewing the borrower's credit profile.
- **Assumption with No Release of Liability:** The debt on a previous mortgage may be excluded from DTI with evidence the borrower no longer owns the property. The following requirements apply:
  - Payment history showing the mortgage on the assumed property has been current during the previous twelve (12) months or

- The value on the property, as established by an appraisal or sales price on the HUD-1/CD results in an LTV of 75% or less.

- To exclude the departure residence payment on a primary residence, the requirements for any of the following four (4) departure residence options must be met:
  - Departure Residence Pending Sale (Under contract)
  - Departure Residence Subject to Guaranteed Buy-out with Corporation Relocation
  - Departure Residence to be Rented
  - Departure Residence to be Sold (Not under contract)

DEPARTURE RESIDENCE PENDING SALE (UNDER CONTRACT)

To exclude the payment for a borrower's primary residence that is pending sale but will close after the subject transaction, the following requirements must be met:

- A copy of an executed sales contract for the property pending sale and confirmation financing contingencies have beencleared/satisfied. The pending sale transaction must be arm's length.
- The closing date for the departure residence must be within thirty (30) days of the subject transaction Note date.

DEPARTURE RESIDENCE SUBJECT TO GUARANTEED BUY-OUT WITH CORPORATION RELOCATION

To exclude the payment for a borrower's primary residence that is part of a Corporate Relocation, the following requirements must be met:

- Copy of the executed buy-out agreement verifying the borrower has no additional financial responsibility toward the departing residence once the property has been transferred to the third party.
- Guaranteed buy-out by the third party must occur within four (4) months of the fully executed guaranteed buy-out agreement.
- Evidence of receipt of equity advance if funds will be used for down payment or closing costs.
- Verification of an additional six (6) months PITIA of the departure residence.

DEPARTURE RESIDENCE TO BE RENTED

Option 1 (No Lease)	Option 2 (Lease Required)
• No lease required. • Signed letter of intent from borrower indicating they intend to rent the departure residence within ninety (90) days of closing on the subject transaction.	• Copy of current lease agreement. • Copy of security deposit and evidence of deposit into borrower's account.
• Departure residence must have a minimum of 20% equity after deduction of outstanding liens to use rent to offset the payment. • If less than 20% equity, the full payment with no benefit of rent must be included in the DTI.	• Departure residence must have a minimum of 20% equity after the deduction of outstanding liens to use rent to offset the payment. • If less than 20% equity, the full payment with no benefit of rent must be included in the DTI.

• Equity in the departure residence must be documented with the prior purchase price, AVM, BPO or 2055 exterior appraisal dated within six (6) months of the subject transaction.	• Equity in the departure residence must be documented with the prior purchase price, AVM, BPO or 2055 exterior appraisal dated within six (6) months of the subject transaction.
• Market Rent Survey is required by a licensed appraiser. Rent calculation is 75% of the market rent less PITIA. • Any negative amount must be included in the DTI. • Any positive rental income is disregarded for the income calculation and can only be used to offset the payment.	• Rental calculation is based on 75% of the lease amount less PITIA. Any negative amount must be included in the DTI. Any positive income is included as rental income.
• **Required reserves for departure residence = 6 months PITIA**	• **Required reserves for departure residence = 3 months PITIA**
• Maximum LTV/CLTV/HCLTV on the subject transaction is 80%	• No limit on LTV, refer to program maximum

DEPARTURE RESIDENCE TO BE SOLD (NOT UNDER CONTRACT)

- No contract required for departure residence. Departure residence may be listed for sale or intent to list for sale.
- Signed letter of intent from borrower indicating they intend to list the departure residence for sale within ninety (90) days of closing on subject transaction. If listed for sale, provide copy of current listing.
- Equity in the departure residence must be documented with a 2055 exterior appraisal or full appraisal dated within six (6) months of subject transaction Note date.
- Departure residence must have a minimum of 20% equity after deduction of outstanding liens to exclude the payment from the DTI.
- If less than 20% equity, the full payment must be included in the DTI.
- The lower of the appraised value or current listing (if listed) should be used to determine 20% equity.
- **Required reserves for the departure residence are based on the marketing time indicated by the departure residence appraisal:**
  - **If appraisal indicates marketing time of six (6) months or less = 12 months PITIA.**
  - **If departure residence has been on the market >6 months = 24 months PITIA.**
  - **If appraisal indicates marketing time over six (6) months = 24 months PITIA.**
- Maximum LTV/CLTV/HCLTV on the subject transaction is 80%

ASSETS

ASSET REQUIREMENTS

- Beyond the minimum reserve requirements and to fully document the borrowers' ability to meet their obligations, borrowers should disclose all liquid assets. Eligible assets must be held in a US account. Large deposits inconsistent with monthly income or deposits must be verified if using for down payment, reserves or closing costs.
- Lender is responsible for verifying large deposits did not result in any new undisclosed debt.

PURCHASE TRANSACTIONS

- The statements must cover the most recent full two (2) month period of account activity (60 days, or, if account information is reported on a quarterly basis, the most recent quarter).

REFINANCE TRANSACTIONS

- The statements must cover the most recent full one (1) month period of account activity (30 days, or, if account information is reported on a quarterly basis, the most recent quarter).

Asset Type	Eligible for Calculation Funds	Additional Requirements
Checking/Savings /Money Market/CDs	100%	• Two (2) months most recent statements.
Publicly Traded Stocks/Bonds/ Mutual Funds	100%	• Two (2) months most recent statements. • Non-vested stock is ineligible. • Margin account and/or pledged asset balances must be deducted.
Retirement Accounts (401(k), IRAs etc.)	100%	• Most recent statement(s) covering a two (2) month period. • Evidence of liquidation if using for down payment or closing costs. • Evidence of access to funds is required regardless of employment status. • Retirement accounts that do not allow for any type of withdrawal are ineligible for reserves.

Cash Value of Life Insurance/ Annuities	100% of value unless subject to penalties.	• Most recent statement(s) covering a two (2) month period.
1031 Exchange	Allowed on second home and investment purchases only. Reverse 1031 exchanges not allowed.	• HUD-1/CD for bothproperties. • Exchange agreement. • Sales contract for exchange property. • Verification of funds from the Exchange Intermediary.
Business Funds	Allowed for down payment/closing costs and reserves with additional requirements met.	• Cash flow analysis required using most recent three (3) months business bank statements to determine no negative impact to business. • Business bank statements must not reflect any NSFs (non- sufficient funds) or overdrafts. • If borrower(s) ownership in the business is less than 100%, the following requirements must be met: ➢ Borrower(s) must have majority ownership of 50% or greater. ➢ The other owners of the business must provide an access letter to the business funds. ➢ Borrower(s) % of ownership must be applied to the balance of business funds for use by borrower(s).
Gift Funds	• LTVs > 80%: Gift funds may be used once borrower has contributed 5% of their own funds. • Gift funds not allowed for reserves. • Gift funds not allowed on investment properties. • Gift Funds not allowed to pay off debts to qualify	• Donor must be family member, future spouse or domestic partner. • Executed gift letter with gift amount and source, donor's name, address, phone number and relationship. • Seller must verify sufficient funds to cover the gift are either in the donor's account or have been transferred to the borrower's account. • Acceptable documentation includes the following: ➢ Copy of donor's check and borrower's deposit slip. ➢ Copy of donor's withdrawal slip and borrower's deposit slip. ➢ Copy of donor's check to the closing agent. ➢ A settlement statement/CD showing receipt of the donor's gift check.

INCOME / EMPLOYMENT

Stable monthly income must meet the following requirements to be considered for qualifying:

- Stable - One (1) or two (2) year history of receiving the income
- Verifiable
- High probability of continuing for at least three (3) years

When the borrower has less than a two (2) year history of receiving income, the lender must provide a written analysis to justify the determination that the income used to qualify the borrower is stable.

DECLINING INCOME

- When the borrower has declining income, the most recent twelve (12) months should be used.
- In certain cases, an average of income for a longer period may be used when the decline is related to a one-time capital expenditure and proper documentation is provided.
- In all cases, the decline in income must be analyzed to determine if the rate of decline would have a negative impact on the continuance of income and the borrower's ability to repay. The employer or the borrower should provide an explanation for the decline and the underwriter should provide a written justification for including the declining income in qualifying.

RESIDUAL INCOME REQUIREMENT - DTI > 45% < 49.99% AND ALL LOANS 85.01%-90% LTV

- Residual Income Calculation required for DTI exceeding 45% and not to exceed 49.99% as well as LTVs exceeding 85%. All loans must meet the residual income requirements below.
- Residual income equals Gross Qualifying Income less Monthly Debt (as included in the debt-to-income ratio)

# in Household	1	2	3	4	5
Required Residual	$1550	$2600	$3150	$3550	$3700

Add $150 for additional family members

GENERAL DOCUMENTATION REQUIREMENTS

- Tax transcripts for personal tax returns for one(1) ortwo (2) years are required when tax returns are used to document borrower's income or any loss and must match the documentation in the loan file.
    - For Taxpayer Identity Theft instructions, see Prime Jumbo 1 Program Eligibility Supplement. For cases where the IRS indicates "No Record Found" see Prime Jumbo 1 Program Eligibility Supplement.
- 4506-C / Form 8821 must be signed and completed for all borrowers. IRS will require the latest form completed in full.
- Taxpayer consent form signed by all borrowers.
- Income calculation worksheet or 1008 with income calculation. The Fannie Mae 1084, or Freddie Mac Form 91 or equivalent is required for self-employment analysis. The most recent Form 1084 or Form 91 should be used based on application date. Instructions per Form 1084 or Form 91 must be followed.

- Copy of liquidity analysis must be included in the loan file if the income analysis includes income from boxes 1, 2 or 3 on theK-1 that is greater than distributions indicated on the K-1.
- If a liquidity analysis is required and the borrower is using business funds for down payment or closing costs, the liquidity analysis must consider the reduction of those assets.

- Paystubs must meet the following requirements:
  - Clearly identify the employee/borrower and the employer.
  - Reflect the current pay period and year-to-date earnings.
  - Computer generated.
  - Paystubs issued electronically via email or internet, must show the URL address, date and time printed and identifying information.
  - Year-to-date pay with most recent pay period at the time of application and no earlier than 120 days prior to the Note date.
- W-2 forms must be complete and be a copy provided by the employer.
- Verification of Employment Requirements:
  - Requirements below apply when income is positive and included in qualifying income:
  - Verbal Verification of Employment (VVOE) must be performed no more than ten (10) business days prior to the Note date. The Verbal VOE should include the following information for the borrower:
    - Date of contact
    - Name and title of person contacting the employer
    - Name of employer
    - Start date of employment
    - Employment status and job title
    - Name, phone #, and title of contact person at employer
    - Independent source used to obtain employer phone number
  - Fannie Mae Verification of Employment alternatives allowed for non-self-employed borrowers.
  - Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than thirty (30) calendar days prior to the Note date.
    - Third party verification can be from a CPA, regulatory agency or applicable licensing bureau. A borrower's website is not acceptable third-party source.
    - Listing and address of the borrower's business
    - Name and title of person completing the verification and date of verification.
  - Written Verification of Employment may be required for a borrower's income sourced from commissions, overtime and or other income when the income detail is not clearly documented on W-2 forms or paystubs.

Written VOEs cannot be used as a sole source for verification of employment, paystubs and W-2s are still required

TAX RETURNS MUST MEET THE FOLLOWING REQUIREMENTS WHEN USED FOR QUALIFYING

- Personal income tax returns (if applicable) must be complete with all schedules (W-2 forms, K-1s etc.) and must be signed. In lieu of a signature, personal tax transcripts for the corresponding year may be provided.
- Business income tax returns (if applicable) must be complete with all schedules and must be signed. In lieu of a signature, business transcripts for the corresponding year may be provided.
- For unfiled tax returns for the prior year's tax return, please see the Prime Jumbo 1 Program Eligibility Supplement.
- Tax transcripts must be provided to support tax returns.

UNACCEPTABLE SOURCES OF INCOME

- Any unverified source
- Deferred compensation
- Temporary or one-time occurrence income
- Rental income from a second home
- Retained earnings
- Education benefits
- Trailing spouse income
- Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income from these sources are **not allowed** for qualifying:
    - Foreign shell banks.
    - Medical marijuana dispensaries.
    - Any business or activity related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law.
    - Businesses engaged in any type of internet gambling.

SPECIFIC INCOME DOCUMENTATION REQUIREMENTS

NON-SELF EMPLOYMENT INCOME REQUIREMENTS

Follow Fannie Mae Selling Guide for the following income types:

- Salaried Income
- Hourly and Part-Time Income
- Commission Income
- Overtime and Bonus Income
- Alimony/Child Support/Separate Maintenance
- Capital Gains
- Disability Income – Long Term (Private policy or employer-sponsored policy)
- Dividends and Interest Income
- Foreign Income

- K-1 Income/Loss on Schedule E
- Non-Taxable Income (Child support, military rations/quarters, disability, foster care, etc.)
- Note Income
- Projected Income
- Rental Income
- Rental Income – Departing Primary Residence
- Restricted Stock and Stock Options
- Retirement Income (Pension, Annuity, 401(k), IRA Distributions)
- Social Security Income
- Trust Income

BORROWERS EMPLOYED BY FAMILY

- YTD paystub
- Two (2) years W-2s
- Two (2) years personal tax returns with two (2) years tax transcripts.
- VVOE
- Borrower's potential ownership in the business must be addressed.

ASSET DEPLETION

- Full Manual Underwrite Required
- Eligible assets must be held in US account
- Calculate the depletion of assets using a 3% rate of return over the life of the loan; the same as calculating a P & I payment for a mortgage.
  - For borrowers > 59 1/2, all post-closing retirement and liquid assets may be used in the calculation if the assets are fully vested and unrestricted.
  - For borrowers < 59 ½, all post-closing liquid (non-retirement) assets can be included in the calculation. Minimum liquid post-closing assets of $500,000 required to include asset depletion for qualifying income.
  - Business funds are not allowed for income calculation.
  - Assets can only be tied to one income stream. If using asset depletion, the same asset cannot also be used for IRA withdrawals income, dividends/interest or capital gains.
  - Required reserves do not need to be backed out of the assets being used for asset depletion.
  - Joint account assets with a non-borrowing spouse are eligible when accompanied by an executed joint account access letter from the non-borrowing spouse.

SELF-EMPLOYMENT

- Self-Employed borrowers are defined as having 25% or greater ownership or receive 1099 statement to document income.

- **The requirements below apply for Self-Employed borrowers.**
  - Income calculations should be based on the Fannie Mae Form 1084 or Freddie Mac Form 91 or equivalent income calculation form.
  - Year-to-date is defined as the period ending as of the most recent tax return through the most recent quarter ending one (1) month prior to the Note date. For tax returns on extension the entire unfiled year is also required.
  - Year-to-date financials (profit and loss statement) is not required if the income reporting is positive, not declining and not counted in qualifying income.
  - May be either audited or unaudited. CPA prepared, or borrower prepared is acceptable
- **The lender may provide one (1) year of personal and business tax returns if the following requirements are met:**
  - The business from which the borrower is using self-employed income must have been in existence for five years as reflected on the URLA, and the borrower has had an ownership share of 25% or more for the past five years consecutively, and
  - For partnerships, S corporations and corporations, the federal income tax return for the business must support the information reflected on the URLA. If the business was in existence prior to the borrower having 25% or more ownership, then the lender must demonstrate the borrower has had 25% or more ownership for at least five years consecutively.
  - For sole proprietorships, the individual federal tax return and any other documentation or information received must support the information reflected on the URLA for the number of years the business has been in existence.
- **Year-To-Date Profit & Loss Statement:**
  - Year-to-Date Profit & Loss is only required if self-employment income is the primary income source used to qualify.
    - Profit and Loss is not required for Secondary Self Employment.
  - Year-to-date is defined as the period ending as of the most recent tax return through the most recent quarter ending one (1) month prior to the Note date.
    - For tax returns on extension the entire unfiled year is also required
  - If the Year-to-Date profit & loss statements reflects a downward income trend the lower income reporting on the YTD Profit & Loss must be used for qualification.
- **YTD P&L is required for current year to date if Note date is on or after April 30th.**
- **YTD P&L may be omitted if the following criteria are met:**
  - Two (2) years tax returns are provided, and no declining income is present.
  - If Note date is after April 15th, P&L may only be omitted if most recent tax year return is filed. If extension is filed, then YTD P&L for prior year is required and depending on Note date, current YTD P&L may also be required.
- Secondary Self-Employment Income:
  - Follow FNMA Selling Guide

SELF EMPLOYMENT INCOME REQUIREMENTS

Follow Fannie Mae Selling Guide for the following income types:

- Sole Proprietorship (Includes Schedule C and Schedule F)
- Partnership/S-Corporation
- Corporation

Version History

VERSION HISTORY

VERSION NUMBER: 1.0 **DATE: 4.18.16**

- New guide. Jumbo product renamed Select QM and is now a stand-alone guide. Removed any reference to Jumbo Plus product, it is now a stand-alone guide, Select Non-QM.

The following changes were made to the new guide, from the existing guide.

- Added Notice of Default to Foreclosure section. (Select QM Underwriting Guidelines/ *Credit)*
- Added vested restricted stock units or stock options cannot be used as assets for reserves if using as qualifying income. (Select QM Underwriting Guidelines / Income/Employment / *Restricted Stock & Stock Options*)
- Added language to Properties Listed for Sale to include "at the time of application" are not allowed. (Select QM/Underwriting Guidelines
- / *Properties Listed for Sale*)
- Added Limited Review as an allowed option for condominium review. (Select QM Underwriting Guidelines / *Eligible Properties)*
- Added properties located on tribal/Indian/Native American land are not eligible (Select QM Underwriting Guidelines / *Ineligible Properties*)

VERSION NUMBER: 1.1 **DATE: 8.15.16**

- Removed "No rental income for the subject property showing on Schedule E of the borrower's tax returns" (Select QM Eligibility Matrix / *Footnote #6*)
- Added footnote "If using rental income an executed lease agreement must be provided; see Rental Income in the Income / Employment section for more details" (Select QM Eligibility Matrix / *Footnote#7*)
- Added requirement for tax liens, judgments, charge-offs, and past-due accounts be satisfied or brought current prior to or at closing. Cash-out proceeds from the subject transaction may not be used to satisfy judgments, tax liens, charge-offs or past-due accounts. Added medical collections are allowed to remain outstanding as long as the balance is less than $10,000 in aggregate (Select QM Underwriting / Credit / Derogatory Credit / *Outstanding Judgments/Tax liens)*
- Added business bank statements must not reflect any NSFs or overdrafts (Select QM Underwriting / Assets / Asset Requirements / *Business Funds*)
- Added language for clarification purposes to indicate tax transcripts for "personal tax returns" are required (Select QM Underwriting Guidelines / Income / Employment / *General Documentation Requirements)*
- Removed "Second Home Cash-Out Refinance transactions limit the number of financed properties to the subject and a primary residence" (Select QM Underwriting Guidelines / *Multiple Financed Properties*)
- Added "Properties with a private transfer fee covenant are ineligible unless covenant is excluded under 12 CFR 1228 as an excepted transfer fee covenant" (Select QM Underwriting Guidelines / *Ineligible Properties)*
- Removed the guideline "A CDA is required" when 2 appraisals are required. (Select QM Underwriting Guidelines / *Appraisal Requirements)*

VERSION NUMBER: 1.2 **DATE: 12.01.16**

- Clarification added "maximum LTV/CLTV of 80% for FTHB transactions located in CA, CT, NJ, NY with loan amounts up to $1,500,000. (Select QM Underwriting Guidelines / Eligible Borrowers / *First-Time Homebuyers)*

- Added requirements if borrower is party to a lawsuit, documentation must be obtained to determine no negative impact to borrower's ability to repay, assets or collateral. (Select QM / Underwriting Guidelines / *Documentation)*
- Clarification added "loan is treated as a rate and term refinance exception for primary residence transactions in Texas. (Select QM / Underwriting Guidelines / Refinance Transactions / *Delayed Purchase Refinance*)
- Co-signed loans – added language to include "the most recent 12 months" for evidence of account paid by primary obligor". (Select QM
- / Underwriting Guidelines / *Liabilities*)
- Added Model Home Leasebacks as ineligible property. (Select QM / Underwriting Guidelines / *Ineligible Properties)*

VERSION NUMBER: 1.3	DATE: 1.03.16

- Changed the minimum loan amount from $417,001 to $424,101. (Select QM / Eligibility Matrix / *Select QM Loan Notes*)

VERSION NUMBER: 1.4	DATE: 3.01.27

- Added requirement for borrower attestation to determine QM designation. (Select QM / Underwriting Guidelines /*Documentation*)
- Added site condos meeting Fannie Mae's requirements do not require a limited review. (Select QM / Eligible Properties / *Condominiums*)

VERSION NUMBER: 1.5	DATE: 5.08.17

- Added cash-out refinance for investment properties with a 740 FICO score up to 60% LTV/CLTV/HCLTV with a max loan amount of
- $1,000,000 and cash out limit of $250,000 for 1-4 units as an eligible transaction. (Select QM / Eligibility Matrix / *Investment*)
- Increased LTV/CLTV/HCLTV from 65% to 70% for investment purchase transactions and from 60% to 70% on investment rate and term refinance transactions. (Select QM / Eligibility Matrix */ Investment*)
- Added requirement for cash-out investment property transactions to include an attestation from the borrower indicating purpose of cash out proceeds. (Select QM / Underwriting Guidelines / Documentation */ QM Designation*)
- Added allowable source of funds used to purchase the subject property include funds drawn on a HELOC from another property owned by the borrower, funds borrowed against a margin account or funds from a 401(k) loan. (Select QM / Underwriting Guidelines / Refinance Transactions / *Delayed Purchase Refinancing*)
- Added the additional acceptable relationships for non-arm's length transactions, relative of seller acting as seller's real estate agent, relative of borrower acting as borrower's real estate agent, originator related to borrower. (Select QM / Underwriting Guidelines / *Non-Arm's Length Transactions*)
- Added gifts from relatives that are interested parties to the transaction are not allowed. Real estate agents may apply their commission towards closing costs/prepaids within the IPC limits. (Select QM / Underwriting Guidelines / *Non-Arm's Length Transactions)*

- Added rental income is allowed for 2-unit primary residence properties and not allowed for 1 unit or 1 unit plus accessory properties. (Select QM / Underwriting Guidelines / Income/Employment / *Unacceptable Income Sources / Rental Income*)
- Added requirement for RSU/Stock Option awards must be similar to the qualifying income and awarded on a consistent basis and borrower must be currently employed by the employer issuing the RSU/Stock Options in order to use for qualifying income. (Select QM / Underwriting Guidelines / Income/Employment / *Restricted Stock and Stock Options)*
- Added requirement for trust income to be documented to indicate it is irrevocable and if using trust fund assets file must contain evidence the trust income will not be negatively affected. (Select QM / Underwriting Guidelines / Income/Employment / *Trust Income)*

VERSION NUMBER: 1.6	**DATE: 7.03.17**

- Updated LTV/CLTV/HCLTV, FICO score and loan amounts for Rate and Term refinances to align with Purchase matrix (Select QM / Eligibility Matrix / *Primary Residence*)
- Added borrowers with ownership in a federally illegal business are ineligible borrowers (Select QM / Underwriting Guidelines / *Ineligible Borrowers*)
- Aligned student loan payments with the new Fannie Mae requirements allowing 1% of the outstanding balance or fully amortizing payment if a payment is not indicated on the credit report (Select QM / Underwriting Guidelines / Liabilities / *StudentLoans*)

VERSION NUMBER: 1.7	**DATE: 8.21.17**

- Revised VOR history requirement from 24 months to 12 months. (Select QM / Underwriting Guidelines / Credit / *Rental History)*
- Addedcredit events allowed if seasoned for 7 years and credit events less than 7 years with extenuating circumstances considered on an exception basis (Select QM / Underwriting Guidelines / Credit / *Derogatory Credit*)
- Added business funds for an allowable source of funds for reserves with parameters. (Select QM / Underwriting Guidelines / Assets / *Business Funds*)
- Increased acceptable acreage from 20 acres to 40 acres with parameters. Changed properties over 20 acres to 40 acres under ineligible properties (Select QM / Underwriting Guidelines / *Eligible Properties / Ineligible Properties*)

VERSION NUMBER: 1.8	**DATE: 1.02.18**

- Revised the minimum loan amount to $453,101 for 1-unit properties with LTVs 80% or below. (Select QM / Eligibility Matrix / *Select QM Notes*)
- Revised the QM designation for investment property transactions exclusively for business purposes from Not Applicable to Exempt. (Select QM / Underwriting Guidelines / *Documentation / QM Designation*)
- Revised the version date for the 4506-T form (Select QM / Underwriting Guidelines / Income/Employment / *General Documentation)*
- Revised the language for ineligible properties from “Properties located on Indian/Native American tribal land” to “Properties located in areas where a valid security interest in the property cannot be obtained”. (Select QM / Underwriting Guidelines / *Ineligible Properties)*

VERSION HISTORY

VERSION NUMBER: 1.9	DATE: 3.26.18

- Texas 50(A)(6) removed requirement for retail originations only (Select QM Matrix / Eligibility Matrix / *Texas 50(A)(6) footnote* and Underwriting Guidelines */ Texas 50(A)(6) Refinance*)
- Revised the monthly payment calculation for student loans. The update mirrors Fannie Mae's current approach to student loan payments (Select QM / Underwriting Guidelines / *Liabilities)*
- Revised requirements for tax transcripts. W-2 transcripts allowed for borrowers with income that is strictly W-2 wages. Updated specific income sections to indicate when tax transcripts are required. (Select QM / Underwriting Guidelines / Income/Employment / *General Documentation)*
- Added requirement for liquidity analysis if using income on K-1 boxes 1, 2 or 3 that is greater than distributions. Liquidity analysis must also take into account any business funds for down payment or closing costs (Select QM / Underwriting Guidelines / Income/Employment / *Documentation*)
- Added requirement for long term disability from private policy or employer-sponsored policy to include a copy of the policy or benefits statement to determine eligibility terms (Select QM / Underwriting Guidelines / Income/Employment / *Long-Term Disability*)
- Changed time for existing distributions for IRA/401(k) or similar retirement assets to be 6 months from Note date, prior guideline was 6 months prior to application (Select QM / Underwriting Guidelines / Income/Employment / *Retirement Income*)
- Updated detached condominiums no longer require project review or project warranty (Select QM / Underwriting Guidelines / Eligible Properties / *Condominiums*)

VERSION NUMBER: 2.0	DATE: 6.27.18

- Added "publicly traded" to stocks as an allowable asset since privately held stock is not allowed. Added requirement for employer-sponsored retirement accounts to have evidence of access to funds. (Select QM
- / Underwriting Guidelines / Assets / *Asset Types*)
- Added requirement for ytd K-1 income to be verified if the most recent K-1 is more than 90 days aged from Note date. Employment verification requirements also apply. (Select QM / Underwriting Guidelines / Income/Employment / *K-1 Income*)
- Added requirements for rental properties with leases that roll over or property is in a state where all leases roll over. (Select QM / Underwriting Guidelines / Income/Employment / *Rental Income*)
- Revised the RSU requirements. Continuance on vesting schedule reduced from 36 months to 24 months. 52-week low replaced with lower of 52-week average or current stock price and is based on application date instead of closing date. (Select QM / Underwriting Guidelines / Income/Employment / *RSU Income*)
- Updated condominium requirements for limited review to align with Fannie Mae update. Removed overlays for limited review. (Select QM / Underwriting Guidelines / Eligible Properties / *Condominiums*)
- Added Tenants-in-Common projects (TICs) as an ineligible property type. (Select QM / Underwriting Guidelines / *Ineligible Properties*)

VERSION NUMBER: 2.1	DATE: 10.08.18

- Lowered the minimum FICO score requirement from 720 to 700 for loan amounts up to $1,500,000 with 80% LTV/CLTV/HCLTV maximum. (Select QM / Eligibility Matrix / *Primary, Purchase, Rate and Term Refinance*)

- Lowered the minimum FICO score requirement from 700 to 680 for loan amounts up to $1,000,000 with 60% LTV/CLTV/HCLTV maximum. (Select QM / Eligibility Matrix / *Primary, Purchase, Rate and Term Refinance*)
- Added cash-out refinance transactions allowed for 2-unit properties upto $1,000,000 with minimum 700 FICO, 60% LTV/CLTV/HCLTV maximum and cash out maximum of $250,000. (Select QM / Eligibility Matrix / *Primary Cash-Out Refinance*)
- Removed footnote 5 – Second home purchases with LTVs between 75.01 and 80% limited to 20, 25, 30-year fixed rate only. All Select QM products will be available. (Select QM / Eligibility Matrix / *Investment Transaction footnotes*)
- Removed footnote 6 – Second home cash-out refinances limited to 20, 25, 30-year fixed rate only. All Select QM products will be available. (Select QM / Eligibility Matrix / *Investment Transaction footnotes*)
- Increased maximum loan amount on all investment transactions from $1,000,000 to $1,500,000. (Select QM / Eligibility Matrix / *Investment Transactions*)
- Added clarification regarding credit events and what is considered one credit event or multiple credit events. (Select QM / Underwriting Guidelines / Credit / *Derogatory Credit*)
- Asset verification by a Fannie Mae approved asset validation provider is allowed. (Select QM / Underwriting Guidelines / Assets / *Asset Requirements*)
- Added language for stock accounts to have margin accounts and/or pledged assets deducted from available assets. (Select QM / Underwriting Guidelines / Assets / *Asset Requirements*)
- Removed the requirement for additional 3 months reserves when the loan product is an ARM. (Select QM / Underwriting Guidelines / Assets / *Reserves Requirements*)

VERSION NUMBER: 2.2	**DATE: 1.02.19**

- Revised the maximum loan amount for second home cash-out refinance from $1,000,000 at 60% to $1,500,000 (Select QM/ *Eligibility Matrix*)
- Revised the minimum loan amountfrom $453,101 to $484,351 for 1-unit properties with LTVS ≤80% (Select QM / Eligibility Matrix*/ Select QM Loan Notes)*
- Added requirement for divorces on or after 1/1/2019, alimony payments paid by a borrower must be treated as a liability. (Select QM / Underwriting Guidelines / *Liabilities*)
- Added allowance of tax transcripts (personal and business) in lieu of a signature on the corresponding tax return (Select QM / Underwriting Guidelines / Income/Employment / Retirement Income /*Self-Employment)*

VERSION NUMBER: 2.3	**DATE: 4.08.19**

- Removed overlay for agency high balance loan limits not eligible for LTVs over 80%. (Select QM / Eligibility Matrix / *LTVs over 80% footnote and Select QM Loan Notes*)
- Removed requirement for loan product to be 20, 25, 30 year fixed only for non-permanent resident aliens (Select QM /Underwriting Guidelines / Eligible Borrowers / *Non- Permanent Resident Aliens*)
- Added restriction for borrowed funds not allowed for reserves (Select QM / Underwriting Guidelines / Assets / *Reserve Requirements)*
- Revised 2106 expenses (due to tax law change), An average must be taken from 2017 expenses on tax returns for 12 months when the 2018 return reflect no 2106 expenses and deducted from qualifying income. (Select QM / Underwriting Guidelines / Income/Employment / *2106 Expenses)*

- Clarification added for 1120S and Partnership returns for the due date with the IRS of March 15 and end date for extension of September 15 due to tax law changes in 2016. (Select QM / Underwriting Guidelines / Income/Employment /*Partnerships/S-Corps*)
- Added Appraisal Update allowed for appraisals aged between 120 days and 180 days from appraisal date. (Select QM / Underwriting Guidelines */ Appraisal Requirements)*

VERSION NUMBER: 2.4	DATE: 1.02.20

- Revised the maximum cash out limit from $250,000 to $500,00 for all occupancy types (Select QM */ Eligibility Matrix*)
- Updated the minimum loan amount from $484,351 to $510,401 (Select QM / Eligibility Matrix / *Footnotes*)
- Language added for borrowers on payment plan with IRS for most recent tax year. (Select QM / Underwriting */ Liabilities)*
- Added eligible assets must be held in a US account (Select QM / Underwriting Guidelines / *Assets*)
- Updated business funds for assets when borrower is majority owner but less than 100% owner of the business (Select QM / Underwriting / *Assets*)
- Added requirement for taxpayer consent form signed by all borrowers (Select QM / Underwriting / *Income/Employment*)
- Removed the requirement for CDA to include MLS sheets (Select QM / Underwriting Guidelines / *Appraisal Requirements*)

VERSION NUMBER: 2.5	DATE: 6.15.20

- Revised the minimum FICO for 1unit primary residence purchase, rate and term refinance

  >80% LTV from 760 to 740. (Select QM / Underwriting Guidelines /*Primary Residence| Purchase, Rate and Term Refinance*)
- Revised the maximum loan amount for 1unit primary residence purchase, rate and term refinance with ≥700 FICO from $1,500,000 to $1,000,000. (Select QM / Underwriting Guidelines /*Primary Residence | Purchase, Rate and Term Refinance*)
- Revised the maximum LTV and loan amount for 1unit primary residence purchase, rate and term refinance with ≥720 FICO from 75% LTV to 80%, maximum loan amount revised from $2,000,000 to $1,500,000. (Select QM / Underwriting Guidelines /*Primary Residence| Purchase, Rate and Term Refinance*)
- Revised the maximum loan amount for 1unit primary residence purchase, rate and term refinance with a ≤70% LTV from $2,500,000 to $2,000,000. (Select QM / Underwriting Guidelines /*Primary Residence | Purchase, Rate and Term Refinance*)
- Removed the 1unit ≥680 FICO, 60%LTV, $1,000,000 max loan amount from the Select QM Purchase, Rate and Term Refinance Eligibility Matrix as this loan parameter is no longer available. (Select QM / Underwriting Guidelines /*Primary Residence | Purchase, Rate and Term Refinance*)
- Revised the minimum FICO for 2unit primary residence purchase, rate and term refinance with a ≤65% LTV from 700 to 720 FICO. (Select QM / Underwriting Guidelines/*Primary Residence | Purchase, Rate and Term Refinance*)
- Revised the maximum cash-out for primary residence cash-out refinance from $500,000 to $250,000, program max of up to $500,000 still available with 50% LTV for >$250,000 cash-out. (Select QM / Underwriting Guidelines /*Primary Residence | Cash-Out Refinance*)

- Removed the 1unit ≥700 FICO, 65%LTV, $1,000,000 max loan amount from the Select QM Cash-Out Refinance Eligibility Matrix as this loan parameter is no longer available. (Select QM / Underwriting Guidelines

  /*Primary Residence | Cash-Out Refinance*)
- Removed the 1unit ≥720 FICO, 60%LTV, $2,000,000 max loan amount from the Select QM Cash-Out Refinance Eligibility Matrix as this loan parameter is no longer available. (Select QM / Underwriting Guidelines

  /*Primary Residence | Cash-Out Refinance*)
- Removed the 1unit ≥720 FICO, 50%LTV, $2,500,000 max loan amount from the Select QM Cash-Out Refinance Eligibility Matrix as this loan parameter is no longer available. (Select QM / Underwriting Guidelines

  /*Primary Residence | Cash-Out Refinance*)
- Revised the minimum FICO and maximum loan amount for 2unit primary residence cash-out refinance with a 60% LTV from 700 to 720 FICO, maximum loan amount revised from $1,000,000 to $1,500,000. (Select QM / Underwriting Guidelines /*Primary Residence| Cash-Out Refinance*)
- Revised the maximum LTV for 1unit second home purchase from 80% to 75% LTV. (Select QM / Underwriting Guidelines /*Second Home| Purchase, Rate and Term Refinance*)
- Removed the 1unit ≥720 FICO, ≤50%LTV, $2,500,000 max loan amount from the Select QM Second Home Purchase, Rate and Term Refinance Eligibility Matrix as this loan parameter is no longer available. (Select QM

  / Underwriting Guidelines /*Second Home | Purchase, Rate and Term Refinance*)
- Revised the maximum loan amount for 1unit second home cash-out refinance with a 60% LTV from $1,500,000 to $1,000,000. (Select QM / Underwriting Guidelines /*Second Home| Cash-Out Refinance*)
- Revised the maximum LTV and loan amount for 1unit second home cash-out refinance with >$1,000,000 loan amount from 50% LTV to 55% LTV, maximum loan amount revised from $2,000,000 to $1,500,000. (Select QM / Underwriting Guidelines /*Second Home | Cash-Out Refinance*)
- Revised the maximum cash-out for second home cash-out refinance from $500,000 to $250,000, program max of up to $500,000 still available with 50% LTV for >$250,000 cash-out. (Select QM / Underwriting Guidelines /*Second Home | Cash-Out Refinance*)
- Revised the minimum FICO, maximum LTV, maximum loan amount for investment 1- 4unit purchase, rate and term refinances from 740 to 760 FICO, 70% to 60%LTV, $1,500,000 to $1,000,000 maximum loan amount. (Select QM / Underwriting Guidelines /*Investment | Purchase, Rate and Term Refinance*)
- Removed the investment cash-out refinance option from the Investment Property Eligibility Matrix as this product is no longer offered. (Select QM / Underwriting Guidelines /*Investment | Purchase, Rate and Term Refinance*)
- Added footnotes revising maximum cash-out to $250,000 but can be up to $500,00 cash- out with a max LTV of 50%. (Select QM / Eligibility Matrix / *Footnotes*)
- Revised eligible products to only include 20, 25, 30-year fixed rate. (Select QM / Underwriting Guidelines / *Eligible Products*)
- Revised ineligible products to include 5/1, 7/1, 10/1 ARM Fully Amortizing, 30-year term. (Select QM / Underwriting Guidelines / Ineligible Products)
- Removed allowance for Texas 50 (a) (6) refinance (Texas Equity Loans) on 20, 25, and 30-year fixed rate as these are not available at this time. (Select QM / Eligibility Matrix / *Footnotes*)

- Revised the age requirements of all credit documents, including title commitment from must be no older than ninety (90) days to must be no older than sixty (60) days. (Select QM / Underwriting Guidelines / *Documentation*)
- Added requirement that all credit, income, assets and appraisal documentation must be dated after June 1st, 2020. (Select QM / Underwriting Guidelines /*Documentation*)
- Revised Texas 50 (a) (6) Refinance (Texas Equity Loans) to not allowed at this time. (Select QM / Underwriting Guidelines / *Texas 50 (a) (6) Refinance (Texas equity Loans)*)
- Revised Debt-to-Income Ratio (DTI) requirements adding additional parameters as follows, Primary residence: 43% for LTVs ≤80% & 36% for LTVs >80%, Second Home 40%, Investment Property: 38%, Self-Employed Borrower: 35%, Note: Fico score <720 limits max DTI to 38%. (Select QM / Underwriting Guidelines / *Debt-to-Income Ratio (DTI)*)
- Language added to derogatory credit section stating that a forbearance that results in a loan modification (moving payments to the end of the mortgage) is a credit event and will be considered “due to hardship.” (Select QM / Underwriting Guidelines /*Credit)*
- Language added for Past Mortgage Forbearances which are allowable six months after the end of the forbearance period only if all of the monthly payments were made during forbearance each month they were due. (Select QM / Underwriting Guidelines / *Credit)*
- Language added to asset requirements that asset documentation must be dated after June 1st, 2020 and be no more than sixty (60) days aged of note date. (Select QM / Underwriting Guidelines / *Assets)*
- Revised % Eligible for calculation of funds for publicly traded stocks/bonds/mutual funds from 100% to 70%. (Select QM / Underwriting Guidelines / *Assets)*
- Language added to business funds reserve requirements which requires that the max LTV be reduced to 65% LTV if business funds are used for reserves. (Select QM / Underwriting Guidelines / *Assets)*
- Revised the asset reserve requirements for primary residence $1,000,001-$1,500,000 from 9 months to 12 months. (Select QM / Underwriting Guidelines / *Assets)*
- Revised the asset reserve requirements for primary residence $1,500,001-$2,000,000 from 12 months to 18 months. (Select QM / Underwriting Guidelines / *Assets)*
- Removed the reserve requirements language for primary residence $2,000,001-$2,500,000 24 months as primary residence loans >$2,000,000 are not eligible. (Select QM / Underwriting Guidelines / *Assets)*
- Removed the reserve requirements language for second home $1,500,001-$2,000,000 24 months as second home loans >$1,500,000 are not eligible. (Select QM / Underwriting Guidelines / *Assets)*
- Removed the reserve requirements language for second home $2,000,001-$2,500,000 36 months as second home loans >$1,500,000 are not eligible. (Select QM / Underwriting Guidelines / *Assets)*
- Revised the asset reserve requirements for investment property ≤$1,000,000 from 18 months to 24 months. (Select QM / Underwriting Guidelines / *Assets)*
- Removed the reserve requirements language for investment property $1,000,001-$1,500,000 24 months as investment property >$1,000,000 are not eligible. (Select QM / Underwriting Guidelines / *Assets)*
- Language added to asset reserve requirements for Non-Retirement Asset Reserves Required, if primary residence: 3 months, second home: 6 months, investment property: 6 months. (Select QM / Underwriting Guidelines / *Assets)*
- Language added to income guidelines requiring income documentation to be dated after June 1st, 2020 and be no more than sixty (60) days aged of note date. (Select QM / Underwriting Guidelines / *Income/Employment)*

- Language added to income guidelines requiring self-employment income statements to be the most recent 3 months and not be more than 30 days old from the note date. (Select QM / Underwriting Guidelines / *Income/Employment)*
- Revision made to the paystub requirements where Year-to-date-pay with most recent pay period at the time of application was to be no earlier than ninety (90) days from note date but revised to sixty (60) days from note date. (Select QM / Underwriting Guidelines / *Income/Employment)*
- Revision made to Verbal Verification of Employment requirements which required a VVOE performed no more than ten (10) business days prior to the Note date now revised to no more than five (5) business days prior to the Note date. (Select QM / Underwriting Guidelines / *Income/Employment)*
- Revision made to verification of existence of borrower's self-employment which must be verified through a third-party source revised from no more than thirty (30) days to five (5) calendar days prior to the Note date. (Select QM / Underwriting Guidelines / *Income/Employment)*
- Removed second home eligibility from property listed for sale within six (6) months of the application date requirements, Revised property listed for sale language to state that properties listed for sale within six (6) months of the application date are not acceptable for refinance transactions. (Select QM / Underwriting Guidelines /*Properties listed for sale)*
- Language added restricting restricted stock and stock options income to no more than 25% of qualifying income. (Select QM / Underwriting Guidelines / *Income/Employment)*
- Revised eligible properties acreage from $\leq$40 acres to $\leq$20 acres. (Select QM / Underwriting Guidelines / *Eligible Properties)*
- Revised acreage for eligible properties transaction must be 10% below maximum LTV/CLTV/HCLTV as allowed on Select QM for transactions from twenty (20) acres to ten (10) acres. (Select QM / Underwriting Guidelines / *Eligible Properties)*
- Revised acreage for eligible properties 20,25,30-year fixed rate only for transactions over twenty (20) acres to over ten (10) acres. (Select QM / Underwriting Guidelines / *Eligible Properties)*
- Revised acreage for ineligible properties from properties >40 acres to >20 acres. (Select QM/ Underwriting Guidelines / *Ineligible Properties)*
- Added language that appraisals must be dated after June 1st, 2020 and be dated no more than 120 days from the note date. (Select QM / Underwriting Guidelines / *Appraisal Requirements)*
- Removed language allowing the recertification of value using appraisal update (Form 1004D), this option is no longer allowed. (Select QM / Underwriting Guidelines / *Appraisal Requirements)*

VERSION NUMBER: 2.6	**DATE: 6.26.20**

- Language added to reserve requirements for second homes >$1,500,000 - <$2,000,000, 24-month reserves required. (Select QM / Underwriting Guidelines / *Assets)*
- Language added to documentation date requirements of June 1st, 2020 noting that this date requirement may not apply to tax returns or W2s which can be dated prior to June 1st, 2020. (Select QM / Underwriting Guidelines / *Documentation*)
- Language added to stable monthly income documentation which must be dated after June 1st, 2020 clarifying and noting that this date requirement may not apply to tax returns or W2s which can be dated prior to June 1st, 2020. (Select QM / Underwriting Guidelines / *Income*)
- Language added to non-arm's length transaction eligibility to include "originator is a current subsidiary of the builder." (Select QM / Underwriting Guidelines / *Non-Arm's Length Transactions*)

VERSION HISTORY

VERSION NUMBER: 2.7	DATE: 8.01.20

- Revised language for Texas 50 (a) (6) Refinance (Texas Equity Loans) from not available at this time to only allowed for 20, 25 and 30-year fixed rate only. (Select QM / Eligibility Matrix / *Footnotes*)
- Added language to Texas 50 (a) (6) footnote 4 to include "Texas 50 (f) (2)." (Select QM / Eligibility Matrix / *Footnotes*)
- Added language to Texas 50 (a) (6) footnote 4 Jumbo Program Eligibility Supplement to include "Section 2(D)." (Select QM / Eligibility Matrix / *Footnotes*)
- Added language to section header Texas50 (6) to include "& Texas 50 (f) (2)" and removed Texas Equity Loan wording. (Select QM / Underwriting Guidelines/ *Texas 50 (a) (6) & Texas 50 (f) (2) Refinances)*)
- Revised language for Texas 50 (a) (6) & Texas 50 (f) (2) Refinances from not available at this time to only allowed for 20, 25 and 30-year fixed rate only. (Select QM / Underwriting Guidelines/ *Texas 50 (a) (6) & Texas 50 (f) (2) Refinances)*)
- Revised language to Texas 50 (a) (6) & Texas 50 (f) (2) Refinances see Jumbo Program Eligibility supplement to include reference to "Section 2(D)." (Select QM / Underwriting Guidelines/ *Texas 50 (a) (6) & Texas 50 (f) (2) Refinances)*)

VERSION NUMBER: 2.8	DATE: 9.15.20

- Clarifying language added to documentation required for a borrower affidavit specific to COVID-19 pandemic for loans with application dates on or after June 1st, 2020. (See Prime Jumbo 1 Seller Guide section 5.D.5 for additional details) (Select QM / Underwriting Guidelines / *Documentation*)
- Revised days for all credit documents, including title commitment, from must be no older than sixty (60) days to ninety (90) days. (Select QM / Underwriting Guidelines / *Documentation*)
- Language added to asset reserve requirements for Self-Employed Borrowers requiring an additional three (3) months reserves. (Select QM / Underwriting Guidelines / *Assets*)

VERSION NUMBER: 2.9	DATE: 12.14.20

- Updated the minimum loan amount from $510,401 to $548,251 (Select QM / Eligibility Matrix / *Footnotes*)

VERSION NUMBER: 3.0	DATE: 5.28.21

- Reduced minimum credit score from 700 to 680 for loan amount up to $1,000,000/60% LTV. (Select QM / Eligibility Matrix /*Primary Residence*)
- Increased maximum loan amount on Primary residence transactions from $1,500,000 to $2,000,000. (Select QM / Eligibility Matrix /*Primary Residence*)
- Increased maximum loan amount on primary transactions from $1,000,000 to $1,500,000. (Select QM / Eligibility Matrix /*Primary Residence/Purchase and Rate and Term)*
- Increased maximum loan amount on Primary residence transactions from $1,500,000 to $2,000,000. (Select QM / Eligibility Matrix /*Primary Residence/Cash Out)*
- Added additional Cash out LTV/CLTV/HCLTVs at 65% with 700 score to $1,000,000 loan amount, 65% LTV/CLTV/HCLTV, 65% with 720 score to $1,500,000 and 60% LTV/CLTV/HCLTV to $2,000,000 loan amount (Select QM/Eligibility Matrix/*Primary Residence)*
- Revised the maximum cash out limit from $250,000 to $500,00 for all occupancy types (Select QM */ Eligibility Matrix*)

- Increased LTV from 75% to 80% on Second Home/Purchase and Rate and Term (Select QM / Eligibility Matrix /*Second Home*)
- Reduced credit score from 740 to 720 (Select QM / Eligibility Matrix /*Second Home*)
- Reduced credit score from 760 to 740 (Select QM / Eligibility Matrix /*Investment*)
- Increased LTV/CLTV/HCLTV from 60% to 70% (Select QM / Eligibility Matrix /*Investment*)
- Increased loan amount from $1,000,000 to $1,500,000 (Select QM / Eligibility Matrix /*Investment*)
- Added Cash Out 740 score, 60%LTV/CLTV/HCLTV, $1,500,000 loan amount 1-4 unit on Investment (Select QM/ Eligibility Matrix /*Investment*)
- Removed Footnote #3, Max cash out of $250,000 but to $500,0000 cash out with a max of 50% LTV. (Select QM / Eligibility Matrix /*Footnote #3*)
- Removed Footnote #6, <720 fico caps DTI of 38%. (Select QM / Eligibility Matrix /*Footnote #6*)
- Added to Footnote #1, added WA to list of States to allow $1,500,000 loan amount for FTHB. (Select QM / Eligibility Matrix /Footnote #1)
- Removed Self Employed DTI cap of 35%. (Select QM / Underwriting Guidelines / *Debt to income Ratio)*
- Removed DTI cap of 38% with scores below 720. (Select QM / Underwriting Guidelines / *Debt to income Ratio)*
- Updated % eligible funds from 70% to 100% for Stock Accounts/Mutual Funds. (Select QM / Underwriting Guidelines / *Assets)*
- Reduced reserve requirements from 12 to 9 for Primary Residences $1,000,000-$1,500,000 loan amount. (Select QM / Underwriting Guidelines / *Assets)*
- Added reserve requirements for loan amounts $1,500,000- $2,000,000 of 12 months. (Select QM / Underwriting Guidelines / *Assets)*
- Added reserve requirements for loan amounts $2,000,001- $2,500,000 at 24 months. (Select QM / Underwriting Guidelines / *Assets)*
- Reduced reserves requirements from 24 to 18 months for loan amounts less than $1,000,000 on investment properties. (Select QM / Underwriting Guidelines / *Assets)*
- Added reserve requirements of 24 months for loan amounts $1,000,001- $1,500,000 for investment properties. (Select QM / Underwriting Guidelines / *Assets)*
- Reduced FTHB reserves from 18 months to 15 months. (Select QM / Underwriting Guidelines / *Assets)*
- Removed for 4506-T for updated form requirements of 4506-C. (Select QM / Underwriting Guidelines / *Income / Employment)*
- Removed Self-employed income statements to be within 30 days of Note. (Select QM / Underwriting Guidelines / *Income / Employment)*
- Revised the age requirements for Verbal VOE from 5 days to 10 days. (Select QM / Underwriting Guidelines / *Income / Employment)*
- Revised the age requirements for Verbal VOE for Self Employed Borrower from 5 days to 10 days. (Select QM / Underwriting Guidelines / *Income / Employment)*
- Added WA state to be included in FTHB transactions located in CA, CT, NJ, NY with loan amounts up to $1,500,000. (Select QM Underwriting Guidelines / Eligible Borrowers / *First-Time Homebuyers)*
- Increased RSU income cap from 25% to 35%. (Select QM / Underwriting Guidelines / *Income / Employment)*

- Updated language surrounding Prime Jumbo 1 Trust definition of Year To Date for Profit and Loss/Balance Sheet statements. (Select QM / Underwriting Guidelines / *Income / Employment)*
- Removed appraisals must be dated no more than 120 days from note date. (Select QM / Underwriting Guidelines / *Appraisal Requirements)*
- Added back language to allow for recerts of value for appraisals aged 120 days but less than 180 days from Note. (Select QM / Underwriting Guidelines / *Appraisal Requirements)*

VERSION NUMBER: 3.1	**DATE: 7.12.21**

- Added hybrid arm products to Select QM Eligibility matrix. (Select QM / *Eligibility Matrix*)
- Arm features added to eligible products. (Select QM / Underwriting Guidelines / *Eligible Products*)
- Removed 5/1, 7/1, 10/1 ARM Fully Amortizing, 30-year term from ineligible products. (Select QM / Underwriting Guidelines / *Ineligible Products*)
- Updated max DTI for Primary Residences to 45% with less than or equal to LTV/CLTV/HCLTV of 80%. Added residual income calculation to be required with DTIs exceeding 45% but below 49.99% for Primary Residences only. (Select QM / Underwriting Guidelines / *Debt-to-Income Ratio*)
- Removed all pre closing signature and date requirements. (Select QM / Underwriting Guidelines / *Income/Employment*)
- Aligned Rental Income section to require a lease agreement and/or 100 per Fannie Mae guidelines. (Select QM / Underwriting Guidelines / *Income/Employment*)
- Added Projected Income as an acceptable income source subject to meeting Fannie Mae requirements. (Select QM / Underwriting Guidelines / *Income/Employment*)
- Added Prime Jumbo 1 Asset Depletion Calculation as an acceptable income source. (Select QM / Underwriting Guidelines / *Income/Employment*)
- Added short term rentals and documentation requirements to use short term rental income. (Select QM / Underwriting Guidelines / *Income/Employment*)
- Added additional verbiage for departing residences for lease or rent to align with Fannie Mae guidance for rental income. (Select QM / Underwriting Guidelines / *Income/Employment*)
- Added commentary to address the use of the new QM/SH- APOR status in Underwriting Section. (Select QM / Underwriting Guidelines / *Underwriting*)
- Added commentary surrounding use of these guidelines with application dates after 3.1.21 regardless of lock date in Documentation section. (Select QM / Underwriting Guidelines / *Documentation*)

VERSION NUMBER: 3.2	**DATE: 8.23.21**

- Increased RSU total income from 35% to 50%. (Select QM / Underwriting Guidelines / *Income/Employment*)
- Amended Departing Residence Rental income section to allow for lease, copy of security deposit and evidence into title OR Form 1007/Form 1025 to offset departing residence PITI payment. (Select QM / Underwriting Guidelines / *Income/Employment*)

VERSION HISTORY

VERSION NUMBER: 3.3	DATE: 10.04.21

- Max LTV for Purchase or Rate and Term Refinance for Primary residence transactions with a 680 FICO has increased from 60% to 70% LTV. (Select QM / *Eligibility Matrix*)
- Revision made to Eligible products that allows for Rebuttable Presumption (HPCT) on 5/6 ARM's. (Select QM / Underwriting Guidelines / *Assets*)
- Clarifying revisions made to documentation section regarding QM designation. (Select QM / Underwriting Guidelines / *Documentation*)
- Removed Non-Retirement liquid reserve requirements from the minimum asset guidelines. (Select QM / Underwriting Guidelines / *Assets*)

VERSION NUMBER: 3.4	DATE: 1.03.22

- Added 15-year term to Select QM Eligibility matrix. (Choice QM / *Eligibility Matrix*)
- Revised requirements that apply for investment property to include: 15-year term investment cash-out not available. (Select QM / Eligibility Matrix / *Footnotes*)
- Revised requirements that apply for investment property to include: 15-year term maximum loan amount is $1,000,000. (Select QM / Eligibility Matrix / *Footnotes*)
- Revised the requirements that apply for transactions with LTVs greater than 80% to include: 15-year cash-out refinance not available for LTV/CLTVs over 80%. (Select QM / Eligibility Matrix / *Footnotes*)
- Added footnote #5 to eligibility matrix: 2nd home 15-year cash-out refinance not allowed. (Select QM / Eligibility Matrix / *Footnotes*)
- Revised Select Loans QM Notes to include: 15-year term will cap at 80% LTV/CLTV, minimum FICO score of 680. (Choice QM / Eligibility Matrix / *Footnotes*)
- Revised Select Loans QM Notes to include: no exceptions allowed on the ARMs or 15-year products. (Choice QM / Eligibility Matrix / *Footnotes*)
- Updated minimum loan amounts from $548,251 to $647,201. (Select QM, Eligibility Matrix, *Footnotes*)
- Added the 15-year term as an eligible product (Select QM / Underwriting Guidelines / *Eligible Products*)
- Removed Covid Attestation from required documentation. (Select QM / Underwriting Guidelines / *Documentation*)
- Revised (DTI) section to include: 15-year term maximum DTI 43%. (Select QM / Eligibility Matrix / *Debt-to-Income-Ratio*)
- Amended Short Term Rental requirements to allow 1 year returns vs 2 years (Select QM / Underwriting Guidelines/ *Rental income)*
- Amended Price Based APOR Verbiage (Select QM/ Underwriting Guidelines/*Underwriting*)

VERSION NUMBER: 3.5	DATE: 4.11.22

- Minimum loan amounts of $500,000 added to ARM and 15 YR products. (Select Eligibility Guide / Eligibility Matrix)
- Added verbiage to Select notes "Loans in New York state must be $1 over current conforming/high balance limit set by FHFA." (Select / Eligibility matrix notes)

- Added an ARM/15 Overlay section to UW Eligibility Guide (Select / Underwriting guidelines / *ARM/15 overlay*)
- Added verbiage to *ARM/15 overlay* section that "Loans in New York state must be $1 over current conforming/high balance limit set by FHFA." (Select / Underwriting guidelines / *ARM/15 overlay*)
- Delayed Purchase section added commentary tied to if property is located in Texas (Select / Underwriting Guidelines / Refinances/ *Delayed Purchase)*
- Added Credit Event commentary for events exceeding 10 years are not to be considered. (Select / Underwriting Guidelines / Credit / *Derogatory Credit*)
- Added clarity for Forbearance to review for deferred interest on payoffs or mortgage statements. (Select / Underwriting Guidelines / Credit / *Derogatory Credit*)
- Installment debt less than 10 months removed as a line item, Windsor Mortgage defaults to Fannie Mae for installment debt requirements. (Select / Underwriting Guidelines / Credit / *Liabilities)*
- Removed the requirement for borrower to be on job 6 months for any gaps of employment. (Select QM / Underwriting Guidelines / Income/Employment/Gaps in Employment)
- Removed requirement for W2 transcripts for wage earners on all files (Select / Underwriting Guidelines / Income/Employment/General Documentation Requirements)
- Removed 2106 section as based on tax year it no longer applies (Select / Underwriting Guidelines / Income/Employment/ *2106 Expenses Section)*
- Updated Cap Gain section to align with Fannie requirements (Select / Underwriting Guidelines / Income/Employment / *Capital Gains)*
- Updated K-1 section to allow for losses to be included off most recent tax year K-1 and no other documentation is required (Select / Underwriting Guidelines / Income/Employment / *K-1 Section)*
- Rental Income section clarified to follow Fannie Mae requirements (Select QM / Underwriting Guidelines / Income/Employment / *Rental Income)*
- RSU income section removed requirements for tax returns to be provided in loan file Select QM / Underwriting Guidelines / Income/Employment / *RSU)*
- Removed requirement for Balance Sheets to be in line with Fannie Mae requirements (Select QM / Underwriting Guidelines / Income/Employment)
- Removed LTV reduction overlay tied to acreage (Select QM / Underwriting Guidelines / Eligible Properties / *Acreage*)
- Amended Condo commentary to align with to meet all Fannie Mae Requirements (Select QM / Underwriting Guidelines / Eligible Properties / *Condos*)
- Added Gift funds are not allowed to pay off debts to qualify in Gift Section (Select QM / Underwriting Guidelines /Assets / *Gift Funds*)
- Added verbiage to rural property section to ensure Texas equity loans meet urban/rural acreage requirements (Select QM / Underwriting Guidelines / Eligible Properties / *Acreage*)
- Added Points and Fees exceeding 3% commentary (Select / Underwriting Guidelines / *Ineligible Products*)

VERSION NUMBER: 3.6 **DATE: 9.12.22**

- Added Co-Ops as not allowed within the ARM and 15-year Overlay section and Notes (Select / Underwriting Guidelines / Arm & 15-year overlay)

VERSION HISTORY

VERSION NUMBER: 3.7	DATE: 1.02.23

- Updated the new conforming loan limits from $647,201 to $726,201 (Select / Underwriting Guidelines / *Eligibility matrix notes*)
- Added Declining Markets properties as an eligible property for Windsor Mortgage to purchase with 5% LTV/CLTV/HCLTV reduction to apply (Select / Underwriting Guidelines / *Eligible Properties*)
- Added Consolidated Analytics as additional vendor to use for additional value support- see Appraisal Requirements section (Select / Underwriting Guidelines / *Appraisal Requirements*)

VERSION NUMBER: 3.8	DATE: 2.27.23

- Increased minimum loan amount for ARM and 15-year from $500,000 to $600,000 (Select/ Eligibility Matrix/*Notes/Overlay Section*)
- Increased minimum score for ARM/15-year from 680 to 700 (Select/ Eligibility Matrix/*Notes/Overlay Section*)
- Removed NOO as eligible property for 15-year (Select/ Eligibility Matrix/*Notes/ Ineligible Products/ Overlay Section*)
- Removed Second Home Cash Out as acceptable for ARM (Select/Eligibility Matrix/*Notes*)
- Reduced DTI for ARM/15-year from 43% to 40% (Select/Underwriting Guidelines/*Debt to Income and ARM/15 YR Overlay*)
- Added Max cash back at closing for ARM and 15-year transactions is limited to $5000 (Select/ Underwriting Guidelines/ Rate and Term Transactions/*ARM/*15-year *Overlay*)
- Added Maximum allowable cash back of $500,000 for ARM and 15-year transactions (Select/ Eligibility Matrix/*ARM/15 YR Overlay*)
- Appraisal Recertifications not allowed on ARM or 15-year transactions (Select/ Underwriting Guideline/ *Appraisal Requirements/ARM/*15-year *Overlay)*
- For ARMs and 15-year transactions, a mandatory Field Review is required with CDA/CCA with value variance between 5% -10% and transaction LTV is between 75% and 80% (Select/ Underwriting Guideline/ *Appraisal Requirements/ARM/*15-year *Overlay)*
- First Time Homebuyers require a minimum credit score of 740 and maximum loan amount of $1,250,000 (Select/Underwriting Guidelines/*ARM/*15-year *Overlay/ First Time Homebuyer Requirements*)

VERSION NUMBER: 3.9	DATE: 3.21.23

- Removed Primary Residence Units and Second Homes on ARM and 15 Year Transactions as Eligible from Choice (Select/Eligibility Matrix/Notes/Underwriting Guidelines /*ARM and 15-year overlay section*)
- Added Second Home and Investment on ARM and 15-year Transaction as both ineligible transactions (Select/Underwriting Guidelines/*Ineligible Transactions*)
- Updated minimum credit score required from 700 to 720 for ARM and 15 Year transactions. (Select/Eligibility/Notes/Underwriting Guidelines/*ARM and 15-year overlay section*)
- Updated Maximum LTV/CLTV/HCLTV for Cash out ARMs and 15 Year to 65% (Select/Eligibility/Notes/Underwriting Guidelines/*ARM and 15-year overlay section*)
- Added Temporary Buydowns as eligible (Select/Underwriting Guideline/*Temporary Buydown Section*)

VERSION HISTORY

VERSION NUMBER: 4.0	DATE: 8.21.23

- Removed ARM/15 Year columns from Eligibility Matrix (Select/Eligibility Matrix)
- Updated minimum loan amount verbiage to align with all guidelines (Select/Eligibility Matrix/Select Notes)
- Removed ARM/15 Year Notes from Eligibility Matrix- (See Overlay Box within Program Guideline for all Overlays) (Select/Eligibility Matrix/Select Notes)
- Updated Credit Documents age from 90 days to 120 days (Select/Underwriting Guides/Documentation)
- Updated Credit Inquiry letters to be within 90 days from 120 days (Select/Underwriting Guidelines/Credit)
- Added language from Jumbo Eligibility Supplement as tied to credit refresh and credit rescores (Select/Underwriting Guidelines/Credit)
- Added verbiage about Debts Paid by Others to Follow Fannie Mae guides (Select/underwriting Guidelines/Liabilities)
- Updated age of paystubs to align with credit document date of 90 to 120 days (Select/Underwriting Guidelines/Income and Employment)
- Removed requirement for two years tax returns for Commission Income borrowers (Select/Underwriting Requirements/Income)
- Updated Financing Concessions bullet to follow Fannie Mae guides (Select/Underwriting Guidelines/Financing Concessions)
- Removed the $2,000,000- $2,500,000 loan amount, 36-month reserves option in reserves grid (Select/Underwriting Guidelines/Assets)

VERSION NUMBER: 4.1	DATE: 10.16.23

- Removed retirement account haircuts based on retirement age (Select/Underwriting Guide/Assets/Retirement Accounts)
- Removed the term “balance sheet” as a required document in Year-to-Date Financials (Select/Underwriting Guide/Income and Employment/Self Employment)
- Removed land to value cap of 35% for acreage 10-20 acres overlay (select/Underwriting Guide/Eligible Property/Prop 20 acres)
- Updated verbiage to Trust Income to align with Fannie Mae new changes to Trust income documentation and calculation. (Select/Underwriting Guide/income and Employment/Trust Income)
- Updated Rental Income in Departing Residence section to state must meet Fannie Mae requirements (Select/Underwriting Guide/Rental Income/Departing Residence)

VERSION NUMBER: 4.2	DATE: 1.02.24

- Select Eligibility Matrix update to allow for Purchase and Rate and Term transactions to $3,000,000, maximum LTV/CLTV of 60% and minimum credit score of 760. (Select/Eligibility Matrix/Primary Residence)
- Updated Eligibility Matrix, Select Notes section to not allow Exceptions on the $3,000,000 loan amount transactions. (Select/Eligibility Matrix/Select Notes)

VERSION HISTORY

VERSION NUMBER: 4.3	DATE: 4.15.24

- Updated Second Home Eligibility increasing maximum loan amounts for Purchase and Rate and Term, 80% LTV/CLTV $1,000,000 TO $1,500,000, 70% LTV/CLTV $1,500,000 to $2,000,000, 65% LTV/CLTV $2,000,000 to $2,500,000. (Select/Eligibility Grid)
- Added note to Select notes section that $1 over conforming/high balance refers to ARMs and 15 Year transactions only (Select/Eligibility/Notes)
- Added additional overlay to the $3,000,000 loan amount Note, ARM/15Yr cap at $2,500,000. (Select/Eligibility/Notes)
- Removed Declining Markets Policy Note in Notes (Select/Eligibility/Notes)
- Updated Business Funds to remove the 2x reserve requirements when using Business Funds for reserves. (Select/Underwriting/Assets)
- Updated Business Funds to increase the max LTV/CLTV from 65% to 75% when using Business Funds for reserves. (Select/Underwriting/Assets)
- Updated reserve requirements for Second Home transactions to allow for the $2,500,000 loan amount. (Select/Underwriting/Assets)
- Updated the verbal VOE requirements to allow for the Fannie Mae alternative methods to document verification of employment for wage earners only. (Select/Underwriting/Income and Employment)
- Updated Profit and Loss commentary in Self Employed Income to allow P/L from CPA audited/not audited and borrower prepared as acceptable. (Select/underwriting Guidelines/Income and Employment/Self Employment)
- Remove Declining Markets Policy as tied to Appraisals (Select/Underwriting/Eligible Properties)

VERSION NUMBER: 4.4	DATE: 10.07.24

- Updated Primary Residence Eligibility, Purchase/Rate and Term 75% LTV to 80% LTV to $2,000,000 (Select/Eligibility/Primary Residence)
- Updated Second Home Eligibility, Purchase/Rate and Term, increased min loan amount from $1,500,000 to $2,000,000. (Select/Eligibility/Second Home)
- Removed Second Home Eligibility Purchase/Rate and Term, 70%, $2,000,000(Select/Eligibility/Second Home)
- Increased Second Home Eligibility, Purchase/Rate and Term 65% LTVCLTV to 70% LTV/CLTV (Select/Eligibility/Second Home)
- Updated Notes section to remove 15-year New York State loan amount overlay. Removed ARMs and 15-year overlays of $2,500,000 max loan amount. Added line item that no Co-Ops or Condotels allowed on ARMs (Select/Eligibility/ Notes Section)
- Added Fixed Programs Only to Eligible Products by Temporary Buy downs (Select/Eligibility Guide/Eligible Products)
- Updated ARM and 15 Year Overlay box renamed as ARM Features, removed references to 15-year. Removed all necessary overlays as tied to ARMs. ARMS will now be reviewed to Select guideline. Removed No Exceptions allowed. (Select/Underwriting Guidelines/ARM Overlay)
- Added Fixed Rate Programs to Temporary Buydowns (Select/Underwriting Guidelines/Temporary Buydowns)
- Added Assumable ARMS and Bridge Financing by Third party firms as ineligible (Select/Underwriting/Ineligible Products)

- Removed second homes as ineligible on ARMs and 15-year transactions. (Select/Underwriting Guidelines/Ineligible Products)
- Removed 75% LTV overlay and no other financed properties overly for Non-Perm Resident Aliens (Select/Underwriting Guidelines/Eligible Borrowers
- Removed FTHB Overlays tied to ARM bullet point (Select/Underwriting Guidelines/Eligible Borrowers)
- Updated DTI, for Second Homes from 40%-43%, ARMs, 40% to 45%, removed 15-year DTI overlay. (Select/Underwriting Guidelines/Debt to Income)
- Removed Business Funds as reserves overlay of 75% LTV. (Select/underwriting Guidelines/Assets/Business Funds)
- Removed Gaps In Employment overlay- (Select/Underwriting Guidelines/Income and Employment)
- Added Non-Warrantable Condos and Condotels as eligible property types (Select/ Underwriting Guidelines/Eligible Properties)
- Removed Non-Warrantable Condos and Condotels as Ineligible Properties (Select/underwriting Guidelines/Ineligible Properties)
- Removed Appraisal support overlay for mandatory Field Reviews on ARM and 15-year from (Select/Underwriting Guidelines/Appraisal Requirements)
- Increased Primary Purchase and Rate/Term 85% LTV loan amount to $1,500,000 from $1,000,000 (Select/Eligibility Guide)
- Increased Primary Purchase and Rate/Term LTV from 60% to 70% to $3,000,000 (Select/Eligibility Guide)
- Added a max loan amount of $3,500,000, Primary Purchase and Rate/Term 60% LTV, min score 760)
- Removed from Notes section, the no exceptions on the $3,000,000 transactions-(Select/Eligibility Guide/Notes)
- Amended Reserves to account for the mx $3,500,000, reserves of 18 months now required $2-$3 million and 24 months required over $3,000,000. (Select/Underwriting Guidelines/Assets/Reserves)

VERSION NUMBER: 4.5	**DATE: 1.06.25**

- Adopted the FHFA 2025 loan limits
- Updated ARMS as Assumable as eligible, removed Not Assumable from overlay section.
- Added Form 8821 as eligible form for tax transcripts

VERSION NUMBER: 4.6	**DATE: 3.17.25**

- Updated Primary and Second Home Eligibility to allow for 660 from 680 min score, purchase and rate and term. (Prime Jumbo 1/Eligibility Matrix)
- Updated Primary Residence and Second Home Eligibility to allow for 90% LTV/CLTV to 2 million. (Prime Jumbo 1/Eligibility Matrix)
- Updated Primary Cash out LTVs and loan amounts. (Prime Jumbo 1/Eligibility Matrix)
- Updated Primary Residence and Second Home to now allow for unlimited Cash back with LTV/CLTVs less than 60%. (Prime Jumbo 1/Eligibility Matrix)
- Added Investment Properties from $1,500,000 to $2,000,000 mx loan amount. (Prime Jumbo 1/Eligibility Matrix)
- Added Note Section in Eligibility to support the over 80.00% LTV/CLTV overlays. (Prime Jumbo 1/Eligibility Matrix Footnotes)

- Added Prime Jumbo 1 Notes that unlimited cash back is allowed for 60% LTV/CLTV or less. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Removed FTHB overlays for all loans, vs tied to now over 80.01% LTV/CLTVs. (Prime Jumbo 1 / Underwriting guidelines / Eligible Borrowers)
- Added overlay to non-perm resident aliens to cap at 80% LTV/CLTV. (Prime Jumbo 1 / Underwriting guidelines / Eligible Borrowers)
- Added Non-Occupant Co Borrower as eligible. (Prime Jumbo 1 / Underwriting guidelines / Eligible Borrowers)
- Updated Debt to Income section to include the DTIs for LTV/CLTV over 80% on primary and second home. Increased Second Home max DTI to 49.99%/38% over 80% (Prime Jumbo 1 / Underwriting guidelines / Debt-to-Income)
- Removed seasoning requirements for properties purchased within a year to align with Fannie Mae seasoning requirements. (Prime Jumbo 1 / Underwriting guidelines / LTV/CLTV Calculation for Refinances)
- Added max LTV of 80% for credit event seasoning exceptions within 4-7 years- see Derogatory Credit section (Prime Jumbo 1 / Underwriting guidelines / Credit)
- Added allowance to use one- or two-months bank statements for asset verification in Assets section (Prime Jumbo 1 / Underwriting guidelines / Assets)
- Updated reserves requirements to include higher LTVs to 90%, added minimum liquidity requirements for higher LTVs 85.01-90% LTV/CLTV (Prime Jumbo 1 / Underwriting guidelines / Assets)
- Updated multiple financed properties to allow for 10 or unlimited with reserves requirements noted between 3 and 6 months (Prime Jumbo 1 / Underwriting guidelines / Assets/ Multiple Financed properties)
- Added options to use 1- or 2-years income verification for non-self-employed and rental income, previously 2 years required in all files. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)
- Updated retirement income to align with Fannie Mae requirements removed min distribution requirements of 6 months. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)
- Updated residual income requirements to align with the higher LTV/CLTVs. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)
- Updated non-self-employed borrowers to use Work # to verify income with 2 years of earnings history provided. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)
- Updated K-1/Schedule E Loss to align with Fannie Mae- Removed overlay to hit for loss and document. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)
- Added one- or two-year self-employed income documentation based on Fannie requirements, previously 2 years for all files. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)
- Added ability to waive the P/L based on app dates and years of income documented in closed loan file. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)
- Added Reconciliation of Value per Fanie Mae as allowed in the Appraisal Requirements section. (Prime Jumbo 1 / Underwriting guidelines / Appraisal Requirements)
- Added Fannie Mae CU score as acceptable as secondary value support. (Prime Jumbo 1 / Underwriting guidelines / Appraisal Requirements)
- Updated max acreage of 20 to now allow 40 acres. (Prime Jumbo 1 / Underwriting guidelines / Eligible Properties)

VERSION HISTORY

VERSION NUMBER: 4.7	DATE: 4.14.25

- Updated 2-unit maximum loan amount for 700 FICO Primary Residence | Purchase, Rate and Term Refinance from $1,000,000 to $1,500,000. (Prime Jumbo 1 / Eligibility Matrix)
- Updated 2-unit maximum loan amount for 720 FICO Primary Residence | Purchase, Rate and Term Refinance from $1,500,000 to $2,000,000. (Prime Jumbo 1 / Eligibility Matrix)
- Revised eligibility footnotes to include co-ops and condotels ineligible on 15-year transactions. (Prime Jumbo 1 / Eligibility Matrix / Footnotes)
- Added clarifying language to non-occupant co-borrowers to include "May or may not have an ownership interest in the subject property as indicated on title" with a maximum LTV/CLTV of 80%. (Prime Jumbo 1 / Underwriting guidelines / Eligible Borrowers)
- Debt to income ratio updated for 15-year transactions to maximum of 45%. (Prime Jumbo 1 / Underwriting Guidelines / Debt-to-income ratio).
- Commission income W2 or W2 transcripts updated to include —one (1) or two (2) years acceptable. (Prime Jumbo 1 / Underwriting Guidelines / Income/Employment)

VERSION NUMBER: 4.8	DATE: 10.20.25

- Added 3-2-1 buydowns as eligible for temporary buydowns and second homes as eligible. (Prime Jumbo 1 / Eligibility Matrix / Temporary Buydowns)
- Removed FTHB overlays for asset reserves on transactions with loan amounts ≤ $1,500,000 and ≤ 80% LTV. (Prime Jumbo 1 / Underwriting Guidelines / Assets)
- Revised loans with bridge financing by third party, ie: Knock, Homelight or Opendoor to also include "or departure residence buyout" as ineligible products. (Prime Jumbo 1 / Underwriting Guidelines / Ineligible Products)
- Revised Self-Employment income to include guidance on secondary employment losses which will defer to FNMA seller guide. (Prime Jumbo 1 / Underwriting Guidelines / Income/Employment)
- Revised minimum appraisals required for refinance transactions from 2 appraisals required for transactions > $1,500,000 to 2 appraisals required for transactions >$2,000,000. (Prime Jumbo 1 / Underwriting Guidelines / Appraisal Requirements).
- Revised self-employment income types and removed the following verbiage *"signed. In lieu of a signature, personal tax transcripts for the corresponding year may be provided on"*, this verbiage is superseded as personal tax transcripts are required. (Prime Jumbo 1 / Underwriting Guidelines / Income/Employment)
- Added clarifying language to asset depletion income stream to include that "assets can only be tied to one income stream. If using asset depletion, the same asset cannot also be used for IRA withdrawals income, Dividends/interest or capital gains and that required reserves do not need to be backed out of the assets being used for asset depletion" (Prime Jumbo 1 / Underwriting Guidelines / Income/Employment)

VERSION NUMBER: 4.9	DATE: 1.05.26

- Adopted the FHFA 2026 conforming loan limits. (Prime Jumbo 1 / Eligibility Matrix / Prime Jumbo 1 Loan Notes)
- Revised salaried, hourly, and part-time income requirements to remove the requirement that one (1) year income documentation must include two (2) years with the same employer, and added clarifying language that a Work # reflecting two (2) years of earnings is acceptable in lieu of paystubs and W-2s. (Prime Jumbo 1 / Underwriting Guidelines / Income/Employment)

- Revised commission, overtime, and part time income requirements to include that a Work # reflecting two (2) years of earnings is acceptable in lieu of paystubs and W-2s. (Prime Jumbo 1 / Underwriting Guidelines / Income/Employment)
- Added clarifying language to asset depletion income that Joint account assets with a non-borrowing spouse are eligible when accompanied by an executed joint account access letter from the non-borrowing spouse. (Prime Jumbo 1 / Underwriting Guidelines / Income/Employment)
- A new Departure Residence feature has been added to the Liabilities section allowing additional options for excluding the departure residence payment from liabilities when all applicable guide requirements are met. The eligibility criteria vary depending on whether the borrower intends to rent or sell the departure residence. (Prime Jumbo 1 / Underwriting Guidelines / Liabilities)

VERSION NUMBER: 5.0	DATE: 06.15.26

- Revised 1-unit primary residence purchase or rate and term refinance eligibility from minimum 720 FICO, maximum 70% LTV/CLTV/HCLTV, maximum $2,500,000 loan amount to minimum 700 FICO, maximum 80% LTV/CLTV/HCLTV, and maximum $3,500,000 loan amount. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Revised 1-unit primary residence purchase or rate and term refinance eligibility from minimum 740 FICO, maximum 70% LTV/CLTV/HCLTV, maximum $3,000,000 loan amount to minimum 700 FICO, maximum 80% LTV/CLTV/HCLTV, and maximum $3,500,000 loan amount. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Revised 1-unit primary residence purchase or rate and term refinance eligibility from minimum 740 FICO, maximum 60% LTV/CLTV/HCLTV, maximum $3,500,000 loan amount to minimum 700 FICO, maximum 80% LTV/CLTV/HCLTV, and maximum $3,500,000 loan amount. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Revised 2-unit primary residence purchase or rate and term refinance eligibility from minimum 700 FICO, maximum 65% LTV/CLTV/HCLTV, maximum $1,500,000 loan amount to minimum 680 FICO, maximum 80% LTV/CLTV/HCLTV, and maximum $2,000,000 loan amount. (Prime Jumbo 1 /Eligibility Matrix/Primary Residence)
- Revised 2-unit primary residence purchase or rate and term refinance eligibility from minimum 720 FICO, maximum 60% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount to minimum 680 FICO, maximum 80% LTV/CLTV/HCLTV, and maximum $2,000,000 loan amount. (Prime Jumbo 1 /Eligibility Matrix/Primary Residence)
- Revised 1-unit primary residence cash-out refinance eligibility from minimum 720 FICO, maximum 80% LTV/CLTV/HCLTV, maximum $1,500,000 loan amount, and $500,000 maximum cash-out to minimum 680 FICO, maximum 80% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Revised 1-unit primary residence cash-out refinance eligibility from minimum 700 FICO, maximum 75% LTV/CLTV/HCLTV, maximum $1,000,000 loan amount, and $500,000 maximum cash-out to minimum 680 FICO, maximum 80% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Revised 1-unit primary residence cash-out refinance eligibility from minimum 720 FICO, maximum 65% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount, and maximum $500,000 cash-out to minimum 680 FICO, maximum 80% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Revised 1-unit primary residence cash-out refinance eligibility from minimum 720 FICO, maximum 60% LTV/CLTV/HCLTV, maximum $2,500,000 loan amount, and unlimited maximum cash-out to minimum 700 FICO, maximum 65% LTV/CLTV/HCLTV, maximum $3,000,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Added 2-unit primary residence cash-out refinance eligibility for minimum 680 FICO, maximum 70% LTV/CLTV/HCLTV, maximum $1,000,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)

VERSION HISTORY

- Revised 2-unit primary residence cash-out refinance eligibility from minimum 720 FICO, maximum 60% LTV/CLTV/HCLTV, maximum $1,500,000 loan amount, and unlimited maximum cash-out to minimum 700 FICO, maximum 80% LTV/CLTV/HCLTV, maximum $1,500,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)

- Revised 1-unit second home purchase or rate and term refinance eligibility from minimum 720 FICO, maximum 70% LTV/CLTV/HCLTV, maximum $2,500,000 loan amount to minimum 700 FICO, maximum 75% LTV/CLTV/HCLTV, and maximum $3,000,000 loan amount. (Prime Jumbo 1/Eligibility Matrix/Second Home)
- Revised 1-unit second home cash-out refinance eligibility from minimum 720 FICO, maximum 60% LTV/CLTV/HCLTV, maximum $1,500,000 loan amount, and unlimited maximum cash-out to minimum 680 FICO, maximum 65% LTV/CLTV/HCLTV, maximum $1,500,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Second Home)
- Revised 1-unit second home cash-out refinance eligibility from minimum 720 FICO, maximum 50% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount, and unlimited maximum cash-out to minimum 700 FICO, maximum 75% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Primary Residence)
- Revised 1-4 unit investment property purchase and rate and term refinance eligibility from minimum 740 FICO, maximum 70% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount to minimum 680 FICO, maximum 80% LTV/CLTV/HCLTV, and maximum $2,000,000 loan amount. (Prime Jumbo 1/Eligibility Matrix/Investment)
- Revised 1-4 unit investment property cash-out refinance eligibility from minimum 740 FICO, maximum 60% LTV/CLTV/HCLTV, maximum $2,000,000 loan amount, and unlimited maximum cash-out to minimum 700 FICO, maximum 75% LTV/CLTV/HCLTV, maximum $2,000,000 cash out, and unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix/Investment)
- Increased maximum DTI for transactions with LTVs greater than 80% from 38% to 43%. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Revised gift fund requirements for transactions with LTVs greater than 80% from not permitted to permitted with a minimum 5% borrower contribution. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Revised investment property eligibility to remove the 50% LTV/CLTV/HCLTV limitation for Florida attached condominiums. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Revised minimum loan amount from $1 over the current conforming loan limit to a minimum $500,000 loan amount for fixed rate loans. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Higher Priced Mortgage Loans (HPML) now eligible when guideline requirements are met. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Added a dedicated underwriting path section to Prime Jumbo 1 loan notes listing Prime Jumbo 1 as a full manual underwrite. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Removed cash out unlimited with LTVs/CLTVs less than 60% in Prime Jumbo 1 loan notes. All refinance tiers have unlimited maximum cash-out. (Prime Jumbo 1/Eligibility Matrix Footnotes)
- Rebuttable Presumption (HPCT) note removed from 5/6 ARM and added to underwriting section. (Prime Jumbo 1/Underwriting Guidelines/ARM Features)
- Added "High-Cost Loans (Federal (TILA 1026.32), State, Local)" to ineligible products. (Prime Jumbo 1/Underwriting Guidelines/Ineligible Products)
- Removed Higher Priced Mortgage Loans (HPML) from ineligible products. Higher Priced Mortgage Loans (HPML) now eligible if guideline requirements are met. (Prime Jumbo 1/Underwriting Guidelines/Ineligible Products)
- Removed Higher Priced Covered Transactions (HPCT QM Rebuttable Presumption) (TILA 1026.43(b)(4)) from ineligible products. (Prime Jumbo 1/Underwriting Guidelines/Ineligible Products)Added Prefund as a third-party example for loans with bridge financing or departure residence buyout. (Prime Jumbo 1/Underwriting Guidelines/Ineligible Products)
- Added Rebuttable Presumption = APR less than or equal to 2.25% above the applicable APOR (HPCT) to Underwriting. (Prime Jumbo 1/Underwriting Guidelines/Underwriting)
- Added QM Rebuttable Presumption refer to Jumbo Eligibility Supplement to Underwriting section. (Prime Jumbo 1/Underwriting Guidelines/Underwriting)
- Revised minimum FICO eligibility for First-Time Homebuyer transactions with 80.01% LTV/CLTV or higher from 740 to 700. (Prime Jumbo 1/Underwriting Guidelines/Eligible Borrowers)
- Removed no gift funds allowed for First-Time Homebuyer transactions with 80.01% LTV/CLTV or higher. (Prime Jumbo 1/Underwriting Guidelines/Eligible Borrowers)

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- Removed reserve requirements met for FTHB as specified in the asset section for First-Time Homebuyer transactions with 80.01% LTV/CLTV or higher. (Prime Jumbo 1/Underwriting Guidelines/Eligible Borrowers)
- Added DACA borrowers to ineligible borrowers section. (Prime Jumbo 1/Underwriting Guidelines /Ineligible Borrowers)
- Added ITIN borrowers to ineligible borrowers section. (Prime Jumbo 1/Underwriting Guidelines/Ineligible Borrowers)
- Added Asylum borrowers to ineligible borrowers section. (Prime Jumbo 1/Underwriting Guidelines/Ineligible Borrowers)
- Clarified ineligible borrowers with diplomatic status to include diplomatic immunity. (Prime Jumbo 1/Underwriting Guidelines/Ineligible Borrowers)
- Revised eligible occupancy types to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Eligible Occupancy Types)
- Increased maximum DTI for primary residence and second home with LTV > 80% from 38% to 43%. (Prime Jumbo 1/Underwriting Guidelines/Debt-to-Income Ratio)
- Removed references to cash-out limitations. (Prime Jumbo 1/Underwriting Guidelines/Refinance Transactions)
- Revised construction to permanent financing title requirements and LTV/CLTV/HCLTV determination to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Construction to Permanent Financing)
- Added one-time close transactions are not allowed in construction to permanent financing. (Prime Jumbo 1/Underwriting Guidelines/Construction to Permanent Financing)
- Revised tradeline requirements from one tradeline open for 24 months and two tradelines rated for 12 months to three open or closed tradelines required with at least a 12-month rating, one of which must show activity within the past 12 months and no adverse credit. (Prime Jumbo 1/Underwriting Guidelines/Credit)
- Revised alternate tradeline requirements to remove 24-month recency requirement for two tradelines and require the additional tradeline to have a minimum 12-month rating. (Prime Jumbo 1/Underwriting Guidelines/Credit)
- Clarified mortgage history requirement as 0x30x24. (Prime Jumbo 1/Underwriting Guidelines/Credit)
- Revised VOR reflecting 0x30x12 requirement to only apply to First-Time Homebuyers with rental history in the most recent twelve months. (Prime Jumbo 1/Underwriting Guidelines/Credit)
- Added definition of First-Time Homebuyer as no home ownership within the past three years; requirement waived if at least one borrower has owned a home within that period. (Prime Jumbo 1/Underwriting Guidelines/Credit)
- Revised treatment of open-end and net 30 accounts to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Liabilities)
- Revised treatment of loans secured by financial assets to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Liabilities)
- Clarified new HELOC draws require documentation supporting new payment based on draw and current balance, or repayment terms. (Prime Jumbo 1/Underwriting Guidelines/Liabilities)
- Revised alimony treatment to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Liabilities)
- Added clarification to departure residence pending sale under contract that confirmation of financing contingencies must be cleared/satisfied. (Prime Jumbo 1/Underwriting Guidelines/Liabilities)
- Removed requirement of additional 6 months PITIA reserves on departing residence pending sale under contract. (Prime Jumbo 1/Underwriting Guidelines/Liabilities)
- Revised business fund requirements if borrower(s) ownership in the business is less than 100% from borrowers must have the majority ownership of 51% or greater to 50% or greater. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised gift funds policy for LTVs > 80% to allow gift funds after a borrower contributes 5% of their own funds. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Removed gift funds not allowed on LTVs > 80%. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Removed differentiated reserve requirements for primary residence, second home, investment property, and First Time Homebuyers. (Prime Jumbo 1/Underwriting Guidelines/Assets)

- Revised the primary residence reserve requirement for loan amounts ≤ $1,000,000 with LTV ≤ 80% of 6 months to all loan amounts ≤ $1,000,000 require 6 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the primary residence reserve requirement for loan amounts ≤ $1,000,000 with LTV > 80% of 12 months to all loan amounts ≤ $1,000,000 require 6 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the primary residence reserve requirement for loan amounts $1,000,001-$2,000,000 with LTV > 80% of 15 months to all loan amounts $1,000,001-$2,500,000 require 12 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the primary residence reserve requirement for loan amounts $1,000,001-$1,500,000 of 9 months to all loan amounts $1,000,001-$2,500,000 require 12 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the primary residence reserve requirement for loan amounts $1,500,001-$2,000,000 of 12 months to all loan amounts $1,000,001-$2,500,000 require 12 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the primary residence reserve requirement for loan amounts $2,000,001-$3,000,000 of 18 months to all loan amounts $2,500,001-$3,500,000 require 18 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the primary residence reserve requirement for loan amounts $3,000,001-$3,500,000 of 24 months to all loan amounts $2,500,001-$3,500,000 require 18 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the second home reserve requirement for loan amounts ≤ $1,000,000 of 12 months to all loan amounts ≤ $1,000,000 require 6 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets/Reserve Requirements)
- Revised the second home reserve requirement for loan amounts ≤ $1,000,000 with LTV > 80% of 15 months to all loan amounts ≤ $1,000,000 require 6 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the second home reserve requirement for loan amounts $1,000,001-$1,500,000 with LTV > 80% of 18 months to all loan amounts $1,000,001-$2,500,000 require 12 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the second home reserve requirement for loan amounts $1,000,001-$1,500,000 of 18 months to all loan amounts $1,000,001-$2,500,000 require 12 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the second home reserve requirement for loan amounts $1,500,001-$2,500,000 of 24 months to all loan amounts $1,000,001-$2,500,000 require 12 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the investment property reserve requirement for loan amounts ≤ $1,000,000 of 18 months to all loan amounts ≤ $1,000,000 require 6 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised the investment property reserve requirement for loan amounts $1,000,001-$2,000,000 of 24 months to all loan amounts $1,000,001-$2,500,000 require 12 months PITIA. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Removed overlay reserve requirements for the First-Time Homebuyer of 15 months for loan amounts ≤ $1,000,000 with LTV > 80%. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Removed overlay reserve requirement for First-Time Homebuyers of 18 months for loan amounts $1,000,001-$1,500,000 with LTV > 80%. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Removed overlay reserve requirement for Self Employed Borrower of an additional 3 months reserves required. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Removed max of ten financed properties may be owned from additional 1-4 unit financed REO section. (Prime Jumbo 1/Underwriting Guidelines/Assets)
- Revised financing concession requirement of interested party contributions applying only to closing costs and prepaid expenses, excluding down payment and reserves, to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Financing Concessions)
- Revised seller concessions requirements to follow Fannie Mae Selling Guide. (Prime Jumbo

1/Underwriting Guidelines/Seller Concessions)

- Revised personal property policy to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Personal Property)
- Removed the Prime Jumbo 1 overlay restricting rental income from ADUs on primary residences. Rental income from an ADU on a primary residence is now permitted, provided it meets Fannie Mae Selling Guide requirements. (Prime Jumbo 1/Underwriting Guidelines/Income/Employment)
- Revised the non-self-employment salaried, hourly and part-time, commission, overtime and bonus, alimony/child support/separate maintenance, capital gains, long term disability, dividends and interest, foreign, non-taxable, note, projected, rental, departing primary residence rental, restricted stock and stock options, retirement, social security, and trust income sections to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Income/Employment)
- Clarified asset depletion requires full manual underwrite. (Prime Jumbo 1/Underwriting Guidelines/Income/Employment)
- Revised the self-employment sole proprietorship, partnership/s-corporation, and corporation income sections to align with Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Income/Employment)
- Revised properties listed for sale to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Properties Listed for Sale)
- Revised warrantable condominium requirements to follow Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Eligible Properties)
- Removed Windsor Mortgage overlay for projects located in Florida from not eligible for limited review to follow Fannie Mae Selling Guide for warrantable condominiums. (Prime Jumbo 1/Underwriting Guidelines/Eligible Properties)
- Revised cooperative requirements to align with Fannie Mae; limited to fixed rate only. (Prime Jumbo 1/Underwriting Guidelines/Eligible Properties)
- Revised oil/gas lease requirements to align with Fannie Mae Selling Guide. (Prime Jumbo 1/Underwriting Guidelines/Eligible Properties)
- Removed non-warrantable condo investor concentration requirement. (Prime Jumbo 1/Underwriting Guidelines/Non-Warrantable Condominiums)
- Clarified when the borrower is purchasing from their landlord, the most recent 12 months of cancelled checks or bank statements are required to verify satisfactory pay history between borrower and landlord. (Prime Jumbo 1/Underwriting Guidelines/Non-Arm's Length Transactions)
- Revised transfer appraisals from not allowed to transferred appraisals are allowed with the following requirements: Copy of appraiser's license, copy of appraiser's E&O insurance declaration page, AIR Certification from the appraisal management company who facilitated the order, assignment letter from previous lender, and transferred appraisals must be dated less than 120 days from subject note date. (Prime Jumbo 1/Underwriting Guidelines/Non-Arm's Length Transactions)
- Added specific appraisal requirements for Higher-Priced Mortgage Loans (HPML). (Prime Jumbo

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- Removed non-warrantable condos and condotels from eligible properties, added them into ineligible properties, and removed reference to them