WINDSOR
MORTGAGE

# PRIME JUMBO 1

## Program
## Eligibility Guide

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## Prime Jumbo 1 Eligibility Matrix

### Fixed Rate (15,20, 25, 30 year) & Hybrid ARM Products

#### Primary Residence | Purchase, Rate and Term Refinance

| Transaction Type | Units | Minimum FICO | Maximum LTV/CLTV/HCLTV | Maximum Loan Amount |
|---|---|---|---|---|
| Purchase or Rate and Term Refinance | 1 | 680 | 90%[1] | $2,000,000 |
| | | 660 | 80% | $2,000,000 |
| | | 720 | 70% | $2,500,000 |
| | | 740 | 70% | $3,000,000 |
| | | 740 | 60% | $3,500,000 |
| | 2 | 700 | 65% | $1,000,000 |
| | | 720 | 60% | $1,500,000 |

#### Primary Residence | Cash-Out Refinance[2]

| Transaction Type | Units | Minimum FICO | Maximum LTV/CLTV/HCLTV | Maximum Loan Amount | Maximum Cash-Out |
|---|---|---|---|---|---|
| Cash-Out Refinance | 1 | 720 | 80% | $1,500,000 | $500,000 |
| | | 700 | 75% | $1,000,000 | $500,000 |
| | | 720 | 65% | $2,000,000 | $500,000 |
| | | 720 | 60% | $2,500,000 | Unlimited |
| | 2 | 720 | 60% | $1,500,000 | Unlimited |

#### Second Home | Purchase, Rate and Term Refinance

| Transaction Type | Units | Minimum FICO | Maximum LTV/CLTV/HCLTV | Maximum Loan Amount |
|---|---|---|---|---|
| Purchase or Rate and Term Refinance | 1 | 680 | 90%[1] | $2,000,000 |
| | | 660 | 80% | $2,000,000 |
| | | 720 | 70% | $2,500,000 |

#### Second Home | Cash-Out Refinance

| Transaction Type | Units | Minimum FICO | Maximum LTV/CLTV/HCLTV | Maximum Loan Amount | Maximum Cash-Out |
|---|---|---|---|---|---|
| Cash-Out Refinance | 1 | 720 | 60% | $1,500,000 | Unlimited |
| | | | 50% | $2,000,000 | Unlimited |

#### Investment[3] | Purchase | Rate and Term Refinance | Cash-Out Refinance

| Transaction Type | Units | Minimum FICO | Maximum LTV/CLTV/HLCTV | Maximum Loan Amount |
|---|---|---|---|---|
| Purchase | 1-4 | 740 | 70% | $2,000,000 |
| Rate and Term Refinance | 1-4 | 740 | 70% | $2,000,000 |
| Cash-Out Refinance | 1-4 | 740 | 60% | $2,000,000<br>Max Cash Out: Unlimited |



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1. The following requirements apply for transactions with LTVs greater than 80%:
    - MI not required
    - Secondary financing is not allowed
    - Maximum DTI 38%
    - Gift funds are not allowed
    - 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) are only allowed on 20, 25, and 30-year fixed rates. Additional restrictions apply; please see Windsor Mortgage Program Eligibility Supplement Section 2(D).
3. The following requirements apply for Investment Property: Purchase, Rate and Term Refinance, and Cash-Out Refinance Transactions:
    - Florida attached condominiums limited to 50% LTV/CLTV/HCLTV
    - Co-ops are not allowed
    - Gift funds are not allowed
    - Transaction must be arm's length
    - Appraiser to provide rent comparable schedule
    - First-time homebuyers are not allowed
    - 20, 25, 30-year fixed rate only

**Prime Jumbo 1 Loan**

**Notes:**

- Minimum loan amount is $1 over the current conforming loan limit.
- Loans in New York state must have a balance of $1 over the current conforming/high balance limit set by FHFA.
- Exceptions may be granted on a case-by-case basis by Prime Jumbo 1 (at its sole determination) for loans with terms or characteristics that are outside of Windsor Mortgage's Prime Jumbo 1 eligibility requirements. Approval of the exception must be granted by Prime Jumbo 1 prior to the delivery of the loan.
- No Co-Ops or Condotels on ARM transactions.
- Cash out unlimited with ltvs/cltvs less than 60%



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| Jumbo 1 Underwriting Guidelines | |
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| **Eligible Products** | • **Fixed Rate:** 15, 20, 25, 30-year term<br>• **ARM:** 5/6, 7/6 and 10/6 ARM, Fully Amortizing 30-year term<br>• **Temporary Buydowns:** 2-1, 1-0- Fixed Rate Products only. |
| **ARM and 15-Year Overlays** | **ARM and 15-Year Overlays:**<br>• Max 80% LTV/CLTV/HCLTV<br>• Minimum credit score 720<br>• Minimum loan amount is $600,000<br>• ARMs and 15 years allowed on Primary Residence only. No multi-units allowed.<br>• No Investment or Second Home properties allowed<br>• Max cash out allowed on ARM and 15-year is $500,000.<br>• Maximum LTV/CLTV/HCLTV for Cash Out on Primary Residence is 65%.<br>• Max cash back at closing for ARM and 15-year transactions is limited to $5,000 (r/t)<br>• First Time Homebuyers (FTHB)<br>▶ Minimum credit score of 740<br>▶ Maximum loan amount of $1,250,000<br>• Maximum Debt to Income (DTI) is 40%<br>• Maximum age of appraisal is 120 days<br>▶ Recertifications for appraisals dated 120-180 days are not allowed<br>• Co-Ops are not allowed<br>• LTVs ranging from 75%-80% with CDA variance 5%-10%<br>▶ Field review required<br>**ARM Features:**<br>• Max 80% LTV/CLTV/HCLTV<br>• Minimum loan amount is $350,000<br>• No Investment properties allowed<br>• Caps: 2/1/5 -5/6 ARM<br>• Caps: 5/1/5 allowed on 7/6, 10/6 ARM<br>• Index: SOFR (30 Day Average)<br>• Margin: 2.75<br>• Floor: 2.75<br>• No Conversion Option<br>• Assumable<br>• **Qualifying Rate:**<br>➢ **5/6 ARM** qualify with the greater of the fully indexed rate or the Note rate +2%.<br>*Loans in New York state must be $1 over current conforming/high balance limit set by FHFA.*<br>o We will allow for Rebuttal Presumption (HPCT) on 5/6 ARM's. Note: Rebuttable Presumption = APR less than 2.25% above the applicable APOR.<br>➢ **7/6, 10/6 ARM** – qualify with greater of the fully indexed rate or the Note rate.<br>**NOTE:** No Exceptions approved on any ARMs or 15-year Terms |



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| Jumbo 1 Underwriting Guidelines | |
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| **Temporary Buydowns** | **Buydown Types:**<br>• 2-1 Buydown<br>▶ Year 1 (one): 2% below the Note Rate<br>▶ Year 2 (two): 1% below the Note Rate<br>• 1-0 Buydown<br>▶ Year 1 (one): 1% below the Note Rate<br>▶ Year 2 (two) and beyond: Note Rate<br><br>**Eligibility Requirements:**<br>• Primary Residence only<br>• Purchase transactions only<br>• Seller/Builder and third-party funded subsidies (Third-party subsidies include Real Estate Agents and Brokerages; Borrower (funded)buydowns are ineligible)<br>• 30-year fixed rate only<br>• Borrower must qualify for payment and reserves using the Note rate<br>• With buydown funds coming from an interested party to the transaction, Fannie Mae's interested party contribution limits will apply.<br><br>**Buydown Agreement Requirements:**<br>• Written Agreement: The buydown plan must be written between the party providing the buydown funds and the borrower.<br>• Calculation: the buydown agreement must show:<br>▶ The Sellers calculations of the total cost of the temporary buydown<br>▶ Any interested party contribution<br>▶ The annual percentage increase in the Borrowers monthly principal and interest payment<br>• Please refer to the Jumbo Eligibility Supplement, Section 6: Regulatory Compliance, (M) for proper disclosure requirements for the LE/CD.<br><br>**Informational Items:**<br>• Funds cannot be used to pay past due payments or buy down the mortgage for qualification purposes<br>• Funds are transferred to a new servicer as part of the standard transfer or servicer process (included in escrow account) |
| **Ineligible Products** | • Higher-Priced Mortgage Loans (HPML)<br>• Non-Standard to Standard Refinance Transactions (ATR Exempt)<br>• Higher-Priced Covered Transactions (HPCT QM-Rebuttable Presumption)<br>• Balloons<br>• Graduated Payments<br>• Interest Only Products<br>• Loans with Prepayment Penalties<br>• Convertible ARMs<br>• Investment and Second Home Properties on ARM or 15-year programs<br>• Points and Fees exceeding 3% see eligibility supplement section 6.E |



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| Jumbo 1 Underwriting Guidelines | |
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| **Underwriting** | • Manual underwriting is required; follow the Fannie Mae Selling Guide subject to Windsor overlays.<br>• AUS findings are not considered; no documentation waivers are considered.<br>• All loans must meet the Price-Based QM Safe Harbor definition: Safe Harbor=APR less than 1.50% above the applicable APOR<br>• QM designation must be provided in the loan file.<br>▶ QM designation is QM Safe Harbor -APOR (or similar name, i.e. Price Based)<br>• In all cases, the loan file must document the eight (8) ATR rules.<br>• In some cases, exceptions to program eligibility may be acceptable when strong compensating factors exist to offset the risk. Prior exception approval is required from Windsor. |
| **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.<br>➢ For transactions with 80.01% LTV/CLTV or higher, the following overlays are required:<br>o 740 Minimum FICO score<br>o Maximum loan amount is $1,500,000<br>o No gift funds allowed<br>o Primary residence only<br>o Reserve requirements met for FTHB as specified in the Asset section<br>• US Citizens<br>• Permanent Resident Aliens with evidenceof lawful residency<br>➢ Must be employed in the US for the past twenty-four (24) months.<br>• Non-Permanent Resident Aliens with evidence of lawful residency are eligible with the following restrictions:<br>➢ Primary residence only.<br>➢ Unexpired Visas only.<br>➢ Credit tradeline requirements must be met, noexceptions.<br>➢ Borrower must have a current twenty-four (24) month employment history in the US.<br>➢ Maximum LTV/CLTV is 80%<br>• Documentation evidencing lawful residency must be met (see Redwood Program Eligibility Supplement for requirements).<br>• Illinois Land Trust (see Redwood Program Eligibility Supplement for requirements).<br>• Inter Vivos Revocable Trust (see Redwood Program Eligibility Supplement for requirements).<br>• All borrowers must have a valid Social Security Number.<br>• Non-Occupant Co-Borrowers |



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| **Ineligible Borrowers** | • Foreign Nationals<br>• Borrowers with diplomatic status<br>• Life Estates<br>• Non-Revocable Trusts<br>• Guardianships<br>• LLCs, Corporations or Partnerships<br>• Land Trusts, except for the Illinois Land Trust<br>• Borrowers with **any** ownership in a business that is federally illegal, regardless of if the income is not being considered for qualifying |
| **Eligible Occupancy Types** | • Primary residences for 1-2 units<br>• Second home residences for one (1) unit properties<br>▶ Must be a reasonable distance away from the borrower's primary residence.<br>▶ Must be occupied by the borrower for some portion of the year.<br>▶ Must be suitable for year-round use.<br>▶ Must not be subject to a rental agreement, and the borrower must have exclusive control over the property.<br>▶ Any rental income received on the property cannot be used as qualifying income.<br>• Investment properties for 1-4 units |
| **Documentation** | • All loans must be manually underwritten and fully documented. No documentation waivers based on AUS recommendations are permitted.<br>• 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.<br>• All credit documents, including title commitment, must be no older than 120 days from the Note date.<br>• 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))<br>▶ 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 purposes in order for the designation to be Exempt.<br>▶ 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<br>***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.***<br>• Loan file must document the eight (8) Ability to Repay (ATR) rules identified in Part 1026-Truth-in-Lending (Regulation Z).<br>• 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.<br>• If the 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.<br>• All self-employed borrowers must provide the most recent two years signed and dated personal and business tax returns, all schedules and all pages. |



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| Jumbo 1 Underwriting Guidelines | |
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| **Debt-to-Income Ratio (DTI)** | • Primary Residence and Second Home: 49.99% for LTVs ≤80%, 38% for LTVs>80%<br>• Primary Residence and Second Home: DTI > 45% ≤ 49.99% requires residual income calc<br>• Investment Property: 47%<br>• ARM: 45% |
| **LTV/CLTV/HCLTV Calculation for Refinances** | • Follow FNMA Selling Guide |
| **Refinance Transactions** | **Rate and Term Refinance:**<br>The new loan amount is limited to paying off the current first-lien mortgage, any seasoned non-first-lien mortgages, closing costs, and prepaid items.<br>▶ 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.<br>▶ A seasoned non-first lien mortgage is a purchase money mortgage or a mortgage that has been in place for twelve (12) months.<br>▶ 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.<br>▶ Max cash back at closing is limited to 1% of the new loan amount.<br>▶ Max cash back at closing for ARM and 15-year transactions is limited to $5,000<br><br>Properties inherited less than twelve (12) months prior to the application date can be considered for a Rate and Term refinance transaction if the following requirements are met:<br>▶ Must have a clear title or copy of probate evidencing borrower was awarded the property.<br>▶ A copy of the will or probate document must be provided, along with the buy-out agreement signed by all beneficiaries.<br>▶ Borrower retains sole ownership of the property after the pay out of the other beneficiaries.<br>▶ Cash back to the borrower not to exceed 1% of the loan amount. |



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| Jumbo 1 Underwriting Guidelines | |
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| **Refinance Transactions** | **Delayed Purchase Refinancing is allowed with the following requirements:**<br>• Property was purchased by borrower for cash within six (6) months of the loan application.<br>• HUD-1/CD from purchase reflecting no financing obtained for the purchase of the property.<br>• Preliminary title reflects the borrower as the owner and no liens.<br>• 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).<br>• 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:<br>▶ The borrowed funds are fully documented.<br>▶ The borrowed funds are reflected on the Closing Disclosure (CD) as a payoff on the new refinance transaction.<br>• 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.<br>• 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<br>• 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:**<br>• 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.<br>• Maximum cash-out limitations include the payoff of any unsecured debt, unseasoned liens and any cash in hand.<br>• Inherited properties may not be refinanced as a cash-out refinance prior to twelve (12) months ownership. See Rate and Term Refinances for requirements.<br>• 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:<br>▶ Cash-out limitation is waived if previous transaction was a purchase.<br>▶ Seasoning requirement for cash-out is waived (borrower does not have to have owned for six (6) months prior to subject transaction).<br>▶ Funds used to purchase the subject property must be documented and sourced.<br>▶ 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. If cash-out proceeds exceed payoff of loans, excess cash must meet cash-out limitations.<br>▶ The purchase must have been arm's length.<br>▶ Investment properties are ineligible. |



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| **Refinance Transactions** | **Continuity of Obligation:**<br>When at least one (1) borrower on the existing mortgage is also a borrower on the new refinance transaction, continuity of obligation requirements have been met.<br>If continuity of obligation is not met, the following permissible exceptions are allowed for the new refinance to be eligible:<br>• 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:<br>▶ Has been making the mortgage payments (including any secondary financing) for the most recent twelve (12) months, or<br>▶ Is related to the borrower on the mortgage being refinanced.<br>• 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.<br>• 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.<br>• 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:<br>▶ Borrower must have been a beneficiary/creator (trust) or 25% or more owner of the LLC or partnership prior to the transfer.<br>▶ 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.<br>**NOTE:** Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement. |
| **Secondary Financing** | • Institutional Financing only. Seller subordinate financing not allowed.<br>• Subordinate liens must be recorded and clearly subordinate to the first mortgage lien.<br>• 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.<br>• Full disclosure must be made of the existence of subordinate financing and the subordinate financing repayment terms. The following are acceptable subordinate financing types:<br>▶ Mortgage terms with interest at market rate.<br>▶ Mortgage with regular payments that cover at least the interest due, resulting in no negative amortization.<br>• Employer subordinate financing is allowed with the following requirements:<br>▶ Employer must have an Employee Financing Assistance Program in place.<br>▶ Employer may require full repayment of the debt if the borrower's employment ceases before the maturity date.<br>▶ Financing may be structured in any of the following ways:<br>○ Fully amortizing level monthly payments<br>○ Deferred payments for some period before changing to fully amortizing payments<br>○ Deferred payments over the entire term.<br>○ Forgiveness of debt over time<br>○ Balloon payment of no less than five (5) years, or the borrower must have sufficient liquidity to pay off the subordinate lien.<br>• LTV/CLTV/HCLTV guidelines must be met for loans with subordinate financing. **Secondary financing is not allowed on LTVs >80% on Jumbo 1.** |



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| Jumbo 1 Underwriting Guidelines | |
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| **Texas 50 (a) (6) & Texas 50 (f) (2) Refinances** | • 20, 25 and 30-year fixed rate only<br>• See Jumbo Program Eligibility Supplement Section 2(D) for additional requirements. |
| **Construction-To-Permanent Financing** | • The borrower must hold title to the lot which may have been previously acquired or purchased as part of the transaction.<br>• LTV/CLTV/HCLTV is determined based on the length of time the borrower has owned the lot. The time frame is defined as the date the lot was purchased to the Note date of the subject transaction.<br>▶ For lots owned twelve (12) months or more, the appraised value can be used to calculate the LTV/CLTV/HCLTV.<br>▶ For lots owned less than twelve (12) months, the LTV/CLTV/HCLTV is based on the lesser of the current appraised value of the property or the total acquisition costs (documented construction costs plus documented purchase price of lot). |
| **Credit** | **Tradeline Requirements:**<br>• Minimum three (3) tradelines are required. The following requirements apply:<br>▶ One (1) tradeline must be open for twenty-four (24) months and active within the most recent six (6) months.<br>▶ Two (2) remaining tradelines must be rated for twelve (12) months and may be opened or closed.<br>**--OR--**<br>• Minimum two (2) tradelines are acceptable if the borrower has a satisfactory mortgage rating for at least twelve (12) months (opened or closed) within the last twenty-four (24) months and one (1) additional open tradeline.<br>• 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.<br>• Authorized user accounts are not allowed as an acceptable tradeline.<br>• Non-traditional credit is not allowed as an acceptable tradeline.<br>**Disputed Tradelines:**<br>• All disputed tradelines must be included in the DTI if the account belongs to the borrower unless documentation can be provided that authenticates the dispute.<br>• Derogatory accounts must be considered in analyzing the borrower's willingness to repay. However, if a disputed account has a zero balance and no late payments, it can be disregarded.<br>**Mortgage History Requirements:**<br>• If the borrower(s) has a mortgage in the most recent twenty-four (24) months, a mortgage rating must be obtained reflecting 0X30 in the last twenty-four (24) months. The mortgage rating may be on the credit report or a VOM. Applies to all borrowers on the loan.<br>• If the mortgage holder is a party to the transaction or relative of the borrower, canceled checks or bank statements to verify satisfactory mortgage history are required.<br>**Rental History Requirements:**<br>• If the borrower(s) has a rental history in the most recent twelve (12) months, a VOR must be obtained reflecting 0X30 in the last twelve (12) months. Applies to all borrowers on the loan. |



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| Jumbo 1 Underwriting Guidelines | |
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| **Credit** | • If the landlord is a party to the transaction or relative of the borrower, canceled checks or bank statements to verify satisfactory rent history are required; otherwise, if not related or a party to the transaction, a satisfactory VOR can be provided.<br><br>**Derogatory Credit:**<br>• Bankruptcy, Chapter 7, 11, 13 - Seven (7) years since discharge / dismissal date<br>• Foreclosure - Seven (7) years since completion date<br>• Notice of Default - Seven (7) years<br>• Short Sale/Deed-in-Lieu - Seven (7) years since completion / sale date<br>• Mortgage accounts that were settled for less, negotiated or short payoffs - Seven (7) years since the settlement date<br>• Credit events seasoned more than 10 years do not need to be considered.<br>• Loan Modification –<br>▶ 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.<br>▶ If the modification was due to hardship or included debt forgiveness – Seven (7) years since modification.<br>• 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."<br>• 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:<br>▶ 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 a catastrophic increase in financial obligations.<br>○ Examples would include death or major illness of a spouse or child but would not include divorce or job loss.<br>▶ Documentation must be provided to support the claim of extenuating circumstances, 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.<br>▶ 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.<br><br>➢ Not allowed with LTVs exceeding 80%<br><br>• Multiple derogatory credit events are not allowed. However, credit events seasoned more than 10 years do not need to be considered.<br>▶ A mortgage with a Notice of Default filed that is subsequently modified is not considered a multiple event.<br>▶ 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.<br>• Medical collections - allowed to remain outstanding if the balance is less than $10,000 in aggregate.<br><br>**Past Mortgage Forbearances:**<br>• Due to Covid, Allowable six 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. |



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| Jumbo 1 Underwriting Guidelines | |
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| **Credit** | **Outstanding Judgments/Tax Liens/Charge-offs/Past-Due Accounts:**<br>• 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.<br>• Payment plans on prior year tax liens/liabilities are not allowed and must be paid in full.<br>**Credit Inquiries:**<br>• 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.<br>• If additional credit was obtained, verification of that debt must be provided, and the borrower must be qualified with the monthly payment.<br>• Confirmation of no new debt may be in the form of a new credit report, pre-close credit report, or gap credit report.<br>**Credit Reports-Frozen Bureaus:**<br>• Credit reports with bureaus identified as "frozen" are required to be unfrozen and a current credit report with all bureaus unfrozen is required.<br>• Credit Refreshes/Rescores: Windsor 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:**<br>• 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%.<br>• If the credit report reflects an open-end or net thirty (30) day account, the balance owing must be subtracted from liquid assets.<br>• Loans secured by financial assets (life insurance policies, 401(k), IRAs, CDs, etc.) do not require a payment to be included in the DTI if documentation is provided to show the borrower's financial asset as collateral for the loan.<br>• For all student loans, whether deferred, in forbearance, or in repayment, a monthly payment must be included in the borrower's monthly debt obligation.<br>▶ If a monthly payment is provided on the credit report, the amount indicated for the monthly payment may be used in qualifying.<br>▶ 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:<br>○ Loan payment indicated on student loan documentation verifying monthly payment is based on an income-driven plan.<br>○ For deferred loans or loans in forbearance:<br>▪ 1% of the outstanding loan balance (even if this amount is lower than the actual fully amortizing payment) or<br>▪ A fully amortizing payment using the documented loan repayment terms. |



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| Jumbo 1 Underwriting Guidelines | |
|---|---|
| **Liabilities** | • 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 A $0 balance does not need a payment included in the DTI unless used for a down payment or closing costs.<br>• Lease payments, regardless of the number of payments remaining, must be included in the DTI.<br>• Alimony payments may be deducted from income rather than included as a liability in the DTI for divorces prior to 1/1/2019. For borrowers with a divorce on or after 1/1/2019, the alimony payment must be treated as a liability.<br>• If the most recent tax return or tax extension indicates a borrower owes money to the IRS or State Tax Authority, evidence of sufficient liquid assets to pay the debt must be documented if the amount due is within ninety (90) days of loan application date or if tax transcripts show an outstanding balance due.<br>▶ A payment plan for the most recent tax year is allowed if the following requirements are met:<br>○ Payment plan was set up at the time the taxes were due. A copy of the payment plan must be included in the loan file.<br>○ Payment is included in the DTI.<br>○ Satisfactory pay history based on terms of payment plan is provided.<br>○ Payment plan is only allowed for taxes due for the most recent tax year; prior years are not allowed. For example, the borrower filed their 2019 return or extension in April 2020. A payment plan would be allowed for taxes due for the 2019 tax year. Payment plans for 2018, or prior years would not be allowed.<br>○ Borrower does not have a prior history of tax liens.<br>**Contingent Liabilities:**<br>• **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 no late payments are reported on the account.<br>• **Debts Paid by Others:** Follow Fannie Mae/Selling Guide<br>• **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.<br>▶ Copy of court order.<br>▶ For mortgage debt, a copy of the document transferring ownership of property.<br>▶ If the transfer of ownership has not taken place, any late payments associated with the repayment of the debt owing on the mortgaged property should be considered when reviewing the borrower's credit profile.<br>• **Assumption with No Release of Liability:** The debt on a previous mortgage may be excluded from DTI with evidence that the borrower no longer owns the property. The following requirements apply:<br>▶ Payment history showing the mortgage on the assumed property has been current during the previous twelve (12) months or<br>▶ The value of the property, as established by an appraisal or sales price on the HUD-1/CD, results in an LTV of 75% or less. |



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## Jumbo 1 Underwriting Guidelines

### Liabilities

**Departure Residence Pending Sale:** 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 all contingencies have been cleared/satisfied. The pending sale transaction must be at arm's length.
- The closing date for the departure residence must be within thirty (30) days of the subject transaction Note date.
- Six (6) months of reserves must be verified for the PITIA of the departure residence.

**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.

### 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 used for down payment, reserves, or closing costs.
- We are responsible for verifying that 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 quarterly, 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 quarterly, the most recent quarter).
- Asset verification by a Fannie Mae-approved asset validation provider is allowed in lieu of one (1) or two (2) months' statements provided by the borrower. The asset verification must provide 30 or 60 days of account activity and include all items normally indicated on bank statements.

| Asset Type | % Eligible for Calculation of Funds | Additional Requirements |
|---|---|---|
| **Checking/Savings /Money Market/CDs** | 100% | Two (2) months most recent statements. |
| **Publicly Traded Stocks/Bonds/ Mutual Funds** | 100f% | • Two (2) months most recent statements. Non-vested stock is ineligible.<br>• Margin account and/or pledged asset balances must be deducted. |
| **Retirement Accounts, 401k, IRA, Etc.** | 100% | • Most recent statement(s) covering a two (2) month period.<br>• Evidence of liquidation if used for down payment or closing costs. |



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| Jumbo 1 Underwriting Guidelines | | | |
|---|---|---|---|
| **Assets** | **Retirement Accounts (401(k), IRAs etc.)** | 100% | • Evidence of access to funds is required regardless of employment status.<br>• Retirement accounts that do not allow for any 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.<br>Reverse 1031 exchanges are not allowed. | • HUD-1/CD for both properties.<br>• Exchange agreement.<br>• Sales contract for exchange property.<br>• 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 the most recent three (3) months of business bank statements to determine no negative impact on the business.<br>• Business bank statements must not reflect any NSFs (non-sufficient funds) or overdrafts.<br>• If borrower(s) ownership in the business is less than 100%, the following requirements must be met:<br>▶ Borrower(s) must have majority ownership of 51% or greater.<br>▶ The other owners of the business must provide an access letter to the business funds.<br>▶ Borrower(s) % of ownership must be applied to the balance of business funds for use by the borrower(s).<br>• **Business funds for reserves or a combination of personal/business funds for reserves will require the total amount of reserves to be 2X or double the regular requirement for the subject property and any additional financed REO.**<br>• **If business funds are used for reserves, the max LTV is reduced to 65%.** |



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<table>
<tr><th colspan="4">Jumbo 1 Underwriting Guidelines</th></tr>
<tr><td rowspan="11">Assets</td><td>Gift Funds</td><td>• Gift funds may be used once the borrower has contributed 5% of their own funds.<br>• Gift funds are not allowed for reserves.<br>• Gift funds not allowed on LTVs >80%.<br>• Gift funds are not allowed on investment properties.<br>• Gift Funds not allowed to pay off debts to qualify</td><td>• Donor must be a family member, future spouse, or domestic partner.<br>• Executed gift letter with gift amount and source, donor's name, address, phone number, and relationship.<br>• The seller must verify that sufficient funds to cover the gift are either in the donor's account or have been transferred to the borrower's account.<br>• Documentation includes the following:<br>▶ Copy of donor's check and borrower's deposit slip.<br>▶ Copy of donor's withdrawal slip and borrower's deposit slip.<br>▶ Copy of donor's check to the closing agent.<br>▶ A settlement statement/CD showing receipt of the donor's gift check.</td></tr>
<tr><td colspan="3">Reserve Requirements (# of Months of PITIA)**</td></tr>
<tr><td>Occupancy</td><td>Loan Amount</td><td># of Months</td></tr>
<tr><td rowspan="6">Primary Residence</td><td>≤$1,000,000 with LTV ≤80%</td><td>6</td></tr>
<tr><td>≤$1,000,000 with LTV >80%</td><td>12</td></tr>
<tr><td>$1,000,001 - $2,000,000 w/LTV > 80%</td><td>15</td></tr>
<tr><td>$1,000,001-$1,500,000</td><td>9</td></tr>
<tr><td>$1,500,001-$2,000,000</td><td>12</td></tr>
<tr><td>$2,000,001-$2,500,000</td><td>18</td></tr>
<tr><td rowspan="4">Second Home</td><td>$3,000,001-$3,500,000</td><td>24</td></tr>
<tr><td>≤$1,000,000</td><td>12</td></tr>
<tr><td>≤$1,000,000 with LTV > 80%</td><td>15</td></tr>
<tr><td>$1,000,001-$1,500,000 w/LTV >80%</td><td>18</td></tr>
<tr><td rowspan="2">Investment Property</td><td>$1,000,001-$1,500,000</td><td>18</td></tr>
<tr><td>$1,500,001-$2,500,000</td><td>24</td></tr>
<tr><td>Non-Retirement Asset Reserves Required for LTV/ CLTVs 85.01%-90%</td><td>≤$1,000,000</td><td>18</td></tr>
<tr><td colspan="2">$1,000,001-$2,000,000</td><td>24</td></tr>
<tr><td colspan="3">• Primary Residence and Second Home: 3 months</td></tr>
</table>



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<table>
<tr><th colspan="4">Jumbo 1 Underwriting Guidelines</th></tr>
<tr><td rowspan="5">Assets</td><td rowspan="3">First-Time Homebuyer</td><td>≤$1,000,000 with LTV ≤80%</td><td>12</td></tr>
<tr><td>≤$1,000,000 with LTV >80%</td><td>15</td></tr>
<tr><td>$1,000,001-$1,500,000 w/LTV > 80%</td><td>18</td></tr>
<tr><td>Self-Employed Borrower</td><td colspan="2">• Additional three (3) months reserves required.</td></tr>
<tr><td>Additional 1-4 Unit Financed REO</td><td colspan="2">• An additional three (3) or six (6) months reserves PITIA for each property is required based on the PITIA of the additional REO.<br>• If eligible to be excluded from the count of multiple financed properties, reserves are not required.<br>• Max of ten (10) financed properties may be owned<br>• See the Multiple Financed Properties section for full reserves and requirements</td></tr>
<tr><td colspan="3">**Borrowed funds (secured or unsecured) are not allowed for reserves.</td></tr>
<tr><td>Financing Concessions</td><td colspan="3">• Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender or their affiliates and/or any other party with an interest in the real estate transaction. The following restrictions for interested party contributions apply:<br>▶ May only be used for closing costs and prepaid expenses and may not be used for down payment or reserves.<br>▶ Maximum interested party contributions must meet Fannie Mae's requirements.</td></tr>
<tr><td>Seller Concessions</td><td colspan="3">• All seller concessions must be addressed in the sales contract, appraisal, and HUD-1/CD. A seller concession is defined as any interested party contribution beyond the stated limits (as shown in the prior section, financing concessions) or any amounts not being used for closing costs or prepaid expenses.<br>• If a seller concession is present, both the appraised value and the sales price must be reduced by the concession amount for the purposes of calculating the LTV/CLTV/HCLTV.</td></tr>
<tr><td>Personal Property</td><td colspan="3">• Any personal property transferred with a property sale must be deemed to have zero transfer value as indicated by the sales contract and appraisal.<br>• If any value is associated with the personal property, the sales price and the appraised value must be reduced by the personal property value for purposes of calculating the LTV/CLTV/HCLTV.</td></tr>
<tr><td>Income / Employment</td><td colspan="3">Stable monthly income must meet the following requirements to be considered for qualifying:<br>• Stable - One (1) or (2) year history of receiving the income<br>• Verifiable<br>• High probability of continuing for at least three (3) years<br>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.</td></tr>
</table>



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| | Jumbo 1 Underwriting Guidelines |
|---|---|
| **Income / Employment** | **Declining Income:** When the borrower's income is declining, the most recent twelve (12) months should be used.<br>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.<br>In all cases, the income decline must be analyzed to determine if the rate of decline would negatively impact the continuation of income and the borrower's ability to repay. The employer or the borrower should explain the decline, and the underwriter should provide a written justification for including the declining income in qualifying.<br>**Residual Income Requirement- DTI > 45% ≤ 49.99% and all loans 85.01%-90% LTV**<br>Residual Income Calculation is 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*

**Gaps in Employment**: A minimum of two (2) years of employment and income history must be documented.

- Gaps more than thirty (30) days during the past two (2) years require a satisfactory letter of explanation

**General Documentation Requirements:**

- Tax transcripts for personal tax returns for one (1) or two (2) years are required when tax returns are used to document a borrower's income or any loss and must match the documentation in the loan file.
- For Taxpayer Identity Theft instructions, see Jumbo Program Eligibility Supplement. For cases where the IRS indicates "No Record Found," see Jumbo Program Eligibility Supplement.4506-C/Form 8821 must be signed and completed for all borrowers. The IRS will require the latest form to be 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 the application date. Instructions per Form 1084 or Form 91 must be followed.
  - A copy of the liquidity analysis must be included in the loan file if the income analysis includes income from boxes 1, 2, or 3 on the K-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 on the current pay period and year-to-date earnings.
  - Computer generated.
  - Paystubs issued electronically via email or the Internet must show the URL address, the date and time of printing, and identifying information.



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| Jumbo 1 Underwriting Guidelines | |
|---|---|
| **Income / Employment** | ▶ Year-to-date pay with the most recent pay period at the time of application and no earlier than 120 days prior to the Note date.<br><br>• W-2 forms must be complete and be a copy provided by the employer.<br>• Verification of Employment Requirements:<br><br>The requirements below apply when income is positive and included in qualifying income:<br><br>▶ 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:<br>○ Date of contact<br>○ Name and title of the person contacting the employer<br>○ Name of employer<br>○ Start date of employment<br>○ Employment status and job title<br>○ Name, phone #, and title of the contact person at the employer<br>○ Independent source used to obtain employer phone number<br>▶ Verification of the existence of the 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.<br>○ Third-party verification can be from a CPA, regulatory agency, or applicable licensing bureau. A borrower's website is not acceptable third-party source.<br>○ Listing and address of the borrower's business<br>○ Name and title of person completing the verification and date of verification.<br>▶ 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 pay stubs.<br><br>*Written VOEs cannot be used as the sole source for employment verification; paystubs and W-2s are still required.* |



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|---|---|
| | **Tax Returns must meet the following requirements when used for qualifying:**<br><br>• 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.<br>• 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.<br>• For unfiled tax returns for the prior year's tax return, please see the Jumbo Program Eligibility Supplement.<br>• Tax transcripts must be provided to support tax returns.<br><br>**Unacceptable Sources of Income:**<br><br>• Any unverified source<br>• Deferred compensation<br>• Temporary or one-time occurrence income<br>• Rental income from primary residence – One (1) unit property or one (1) unit property with an accessory unit<br>• Rental income from a second home |


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<table>
<tr><th colspan="2">Jumbo 1 Underwriting Guidelines</th></tr>
<tr><td rowspan="11">Income<br>Employment</td><td>
<ul>
<li>Retained earnings</li>
<li>Education benefits</li>
<li>Trailing spouse income</li>
<li>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 is not allowed for qualifying:
<ul>
<li>Foreign shell banks.</li>
<li>Medical marijuana dispensaries.</li>
<li>Any business or activity related to recreational marijuana use, growing, selling, or supplying of marijuana, even if legally permitted under state or local law.</li>
<li>Businesses engaged in any internet gambling.</li>
</ul></li>
</ul>
</td></tr>
<tr><td>Specific Income Documentation Requirements</td></tr>
<tr><td>Non-Self Employment Documentation Requirements:</td></tr>
<tr><td>Salaried Income</td></tr>
<tr><td>
<ul>
<li>W-2s or W-2 Transcripts – most recent one (1) or two (2) years</li>
<li>One-year income documentation requires a minimum of (2) years at the same employer.</li>
<li>YTD paystub</li>
<li>VVOE</li>
</ul>
NOTE: WORK # verification of employment acceptable with two (2) -year history of earnings.
</td></tr>
<tr><td>Hourly and Part-Time Income</td></tr>
<tr><td>
<ul>
<li>W-2s or W-2 Transcripts – one (1) or two (2) years</li>
<li>One-year income documentation requires a minimum of (2) years at the same employer.</li>
<li>YTD paystub</li>
<li>VVOE</li>
</ul>
NOTE: WORK # verification of employment acceptable with two (2) -year history of earnings.
</td></tr>
<tr><td>Commission Income</td></tr>
<tr><td>
<ul>
<li>Two (2) years of W-2s or W-2 Transcripts</li>
<li>One-year income documentation requires a minimum of (2) years at the same employer.</li>
<li>YTD paystub</li>
<li>VVOE</li>
</ul>
NOTE: WORK # verification of employment acceptable with two (2) -year history of earnings.
</td></tr>
<tr><td>Overtime and Bonus Income</td></tr>
<tr><td>
<ul>
<li>YTD paystub</li>
<li>W2s or W-2 Transcripts —one (1) or two (2) years</li>
<li>VVOE</li>
<li>One-year income documentation requires a minimum two (2)-year history at the same employer Note: WORK # verification of employment is also acceptable with two (2)-year history of earnings</li>
</ul>
</td></tr>
<tr><td>Alimony/Child Support/Separate Maintenance</td></tr>
<tr><td>
<ul>
<li>Considered with a divorce decree, court-ordered separation agreement, or other legal agreement, provided the income will continue for at least three (3) years.</li>
<li>If the income is the borrower's primary income source and there is a defined expiration date (even if it is beyond three (3) years), the income may not be acceptable for qualifying purposes.</li>
<li>Evidence of receipt of full, regular, and timely payments for the most recent six (6) months.</li>
</ul>
</td></tr>
</table>



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| Jumbo 1 Underwriting Guidelines | |
|---|---|
| **Income / Employment** | **Asset Depletion** |
| | • Eligible assets must be held in US account<br>• 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.<br>▶ 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.<br>▶ 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 are required to include asset depletion for qualifying income.<br>▶ Business funds are not allowed for income calculation. |
| | **Borrowers Employed by Family** |
| | • YTD paystub<br>• Two (2) years W-2s and<br>• Two (2) years of personal tax returns with two (2) years of tax transcripts.<br>• VVOE<br>• Borrower's potential ownership in the business must be addressed. |
| | **Capital Gains** |
| | • Must be gained from similar assets for two (2) continuous years to be considered qualifying income.<br>• If the trend results in a gain, it may be added as income.<br>• Personal tax returns – Two (2) years with a consistent history of gains from similar assets.<br>• Two (2) years of tax transcripts to support tax returns.<br>• Document assets similar to the assets reported as capital gains to support the continuation of the capital gain income. |
| | **Disability Income – Long Term**<br>(Private policy or employer-sponsored policy) |
| | • A copy of the policy or benefits statement must be provided to determine current eligibility for disability payments, the number and the amount of payments, the frequency of payments, and if there is an established termination date.<br>• The termination date may not be within 3 years of the Note date; please note that reaching a specific age may trigger a termination date, depending on the policy. |
| | **Dividends and Interest Income** |
| | • Personal tax returns – two (2) years with two (2) years tax transcripts.<br>• Documented assets to support the continuation of the interest and dividend income. |
| | **Foreign Income** |
| | • YTD paystub<br>• W-2 forms or the equivalent and personal tax returns reflecting the foreign earned income. Income must be reported on two (2) years US tax returns with two (2) years tax transcripts.<br>• VVOE<br>• All income must be converted to US Currency. |



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| Jumbo 1 Underwriting Guidelines | |
|---|---|
| **Income / Employment** | **K-1 Income/Loss on Schedule E** |
| | • Follow Fannie Me Selling Guide |
| | **Non-Taxable Income**<br>(Child support, military rations / quarters, disability, foster care, etc.) |
| | • Documentation must be provided to support continuation for three (3) years.<br>• Income may be grossed up by applicable tax amount. Tax returns must be provided to confirm that income is non-taxable. Two (2) years of tax transcripts to support tax returns.<br>• If the borrower is not required to file a federal tax return, gross up to 25%. |
| | **Note Income** |
| | • A copy of the Note must document the amount, frequency, and duration of the payment.<br>• Evidence of receipt for the past twelve (12) months and evidence of the Note income must be reflected on personal tax returns. Tax transcripts to support tax returns.<br>• Note income must have a three (3) year continuance. |
| | **Projected Income** |
| | • Allowed on a Purchase transaction, primary residence, one-unit property.<br>• Borrower cannot be employed by family members and can be qualified using only fixed base income.<br>• The employment offer or contract must identify the employer and be fully executed by the employer and borrower.<br>• The offer or contract must be non-contingent.<br>▶ If there are contingencies present, the lender must confirm prior to closing that all conditions of employment are satisfied with verbal or written verification.<br>• If the start date is no more than 30 days prior to the note date:<br>▶ Loan file must contain the employment offer or contract and a verbal verification that confirms active employment status.<br>• If the start date is no more than 90 days after the note date:<br>▶ Loan file must include a contingent free employment offer or contract. |



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| Jumbo 1 Underwriting Guidelines | |
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| **Income / Employment** | **Rental Income**<br>All properties (except departing primary residence) -- Please follow Fannie Mae Rental Income guidelines:<br>• If the property is an investment property (subject or non-subject) and is a seasonal rental, vacation rental, or short-term rental, the following requirements must be met:<br>▶ Must have a history of at least one filed (1) year tax return reflecting the property on Schedule E<br>• Personal tax returns – Follow the Fannie Mae Selling Guide<br>▶ For properties listed on Schedule E, rental income should be calculated using net rental income + depreciation + interest + taxes + Insurance + HOA divided by applicable months minus PITIA.<br>▶ If rental income is not available on the borrower's tax returns, net rental income should be calculated using gross rents X75% minus PITIA.<br>▶ One (1) or Two (2) years tax transcripts.<br>• Net rental income may be added to the borrower's total monthly income. Net rental losses must be added to the borrower's total monthly obligations.<br>• If the subject property is the borrower's primary residence (one (1) unit property or one (1) unit property with an accessory unit) and generating rental income, the full PITIA should be included in the borrower's total monthly obligations.<br>• If the subject property is the borrower's primary residence with two (2) units, rental income may be included for the unit not occupied by the borrower if the requirements for a lease agreement and/or tax returns above are met. |
| | **Rental Income - Departing Primary Residence**<br>• If the borrower is converting their current primary residence to a rental property and using rental income to qualify or offset the payment, the following requirements apply:<br>▶ Follow Fannie Mae's requirements.<br>▶ Any positive rental income is disregarded for the income calculation and can only be used to offset the payment. |
| | **Restricted Stock and Stock Options**<br>• May only be used as qualifying income if the income has been consistently received for two (2) years and is identified on the paystubs, W-2s as income and the vesting schedule indicates the income will continue for a minimum of two (2) years at a similar level as prior two (2) years.<br>• A two (2) year average of prior income received from RSUs or stock options should be used to calculate the income, with the continuance based on the vesting schedule using a stock price based on the lower of the current stock price or the 52-week average for the most recent twelve (12) months reporting at the time of application. The income used for qualifying must be supported by future vesting based on the stock price used for qualifying and vesting schedule.<br>• Additional awards must be similar to the qualifying income and awarded on a consistent basis.<br>• There must be no indication the borrower will not continue to receive future awards consistent with historical awards received. |



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| Jumbo 1 Underwriting Guidelines | |
|---|---|
| **Income / Employment** | • Borrower must be currently employed by the employer issuing the RSUs/stock options for the RSUs/stock options to be considered in qualifying income.<br>• Stock must be a publicly traded stock.<br>• Vested restricted stock units and stock options cannot be used for reserves if using for income to qualify.<br><br>**NOTE: RSU income is capped at 50% of qualifying income.** |
| | **Retirement Income**<br>(Pension, Annuity, 401(k), IRA Distributions) |
| | • Existing distribution of assets from an IRA, 401(k) or similar retirement asset must be sufficient to continue for a minimum of three (3) years.<br>▶ Distribution must have been set up at least six (6) months prior to note date if there is no prior history of receipt; **or** two (2) year history of receipt evidenced.<br>▶ Distributions cannot be set up or changed solely for loan qualification purposes.<br>▶ Follow FNMA Selling Guide<br>• Document regular and continued receipt of income as verified by any of the following:<br>▶ Letters from the organizations providing the income.<br>▶ Copies of retirement award letters.<br>▶ Copies of federal income tax returns signed. In lieu of a signature, personal tax transcripts for the corresponding year may be provided.<br>▶ Most recent IRS W-2 or 1099 forms.<br>▶ Proof of current receipt with two (2) months bank statements.<br><br>*If any retirement income ceases within the first three (3) years of the loan, it may not be used.* |
| | **Social Security Income** |
| | • Social Security income must be verified by a Social Security Administration benefit verification letter. If benefits expire within the first three (3) years of the loan, the income may not be used.<br>• Benefits (children or surviving spouse) with a defined expiration date must have a remaining term of at least three (3) years. |
| | **Trust Income** |
| | • Income from trusts may be used if guaranteed, and regular payments will continue for at least three (3) years.<br>• Regular receipt of trust income for the past twelve (12) or twenty-four (24) months must be documented.<br>• Must adhere to Fannie Mae policy as tied to fixed or variable trust income payments.<br>• Copy of trust agreement or trustee statement showing:<br>▶ Total amount of borrower-designated trust funds.<br>▶ Terms of payment.<br>▶ Duration of trust.<br>▶ Evidence that the trust is irrevocable.<br>• If trust fund assets are being used for down payment or closing costs, the loan file must contain adequate documentation to indicate that the withdrawal of the assets will not negatively affect income. |



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| Jumbo 1 Underwriting Guidelines | |
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| **Income / Employment** | **Self-Employment** |

Self-employed borrowers are defined as having 25% or greater ownership or receiving 1099 statements to document income.

The requirements below apply to 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) are not required if the income reporting is positive, not declining, and not counted in qualifying income.

- It may be either audited or unaudited. CPA-prepared or borrower-prepared is acceptable.
  - You 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.

**o 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.

o Profit and Loss are 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.

o For tax returns on extension, the entire unfiled year is also required

- If the Year-to-Date profit & loss statements reflect a downward income trend, the lower income reporting on the YTD Profit & Loss must be used for qualification.
- YTD P&L is required for the current year to date if the Note date is on or after April 30th.
- YTD P&L may be omitted if the following criteria are met:
- Two (2) years of tax returns are provided, and no declining income is present.
- If the Note date is after April 15th, P&L may only be omitted if the most recent tax year return is filed. If the extension is filed, then YTD P&L for the prior year is required, and depending on the Note date, current YTD P&L may also be required.



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| **Income**<br>**Employment** | **Sole Proprietorship**<br>(Includes Schedule C and Schedule F) |
| | • One (1) or two (2) years' personal tax returns, signed. In lieu of a signature, personal tax transcripts for the corresponding year may be provided.<br>• One (1) or two (2) years of tax transcripts to support.<br>• YTD profit and loss statement.<br><br>**NOTE**: YTD P&L may be waived if the borrower is a 1099-paid borrower who does not actually own a business if all the following requirements are met:<br>▶ Year-to-date income in the form of a written VOE or pay history is provided by the employer paying the 1099. YTD income must support the prior year's income. |
| | **Partnership/S-Corporation** |
| | • One (1) or two (2) years' personal tax returns, signed. In lieu of a signature, personal tax transcripts for the corresponding year may be provided on.<br>• One (1) or two (2) years of tax transcripts to support.<br>• One (1) or two (2) years of K-1s reflecting ownership percentage if counting any income from this source in qualifying (K-1 income, W-2 income, capital gains, or interest/dividends) or if Schedule E reflects a loss.<br>• One (1) or two (2) years of business tax returns (1065s or 1120s) signed if 25% or greater ownership. In lieu of a signature, business tax transcripts for the corresponding year may be provided.<br>• The due date for business returns for Partnerships and S-corporations is typically March 15, with an extension for six (6) months, or typically September 15. After the extension date, the loan is not eligible without the filed tax return.<br>• Business returns and YTD financials are not required if the income reporting is 0 or positive, not declining, and not counted as qualifying income.<br>• YTD profit and loss statement if 25% or greater ownership.<br>• Stable to increasing income should be averaged for years. |

| Jumbo 1 Underwriting Guidelines | |
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| | **Corporation** |
| **Income / Employment** | • One (1) or two (2) years' personal tax returns, signed. In lieu of a signature, personal tax transcripts for the corresponding year may be provided.<br>• One (1) or two (2) years of tax transcripts to support.<br>• One (1) or Two (2) years business returns (1120) signed if 25% or greater ownership. In lieu of a signature, business tax transcripts for the corresponding year may be provided.<br>• Business returns must reflect % of ownership for the borrower.<br>• YTD profit and loss statement if 25% or greater ownership.<br>• Stable to increasing income should be averaged for two (2) years. |
| **Multiple Financed Properties** | • The borrower(s) may own a total of ten (10) financed, 1–4-unit residential properties, including the subject property, regardless of the occupancy type of the subject property.<br>• If the borrower owns up to four (4) financed properties:<br>➢ Max financing for the subject transaction is allowed<br>➢ Additional financed 1–4-unit residential properties require three (3) months reserves for each property<br>• If the borrower owns between five (5) and ten (10) financed properties:<br>➢ The subject transaction is limited to a maximum of 80% LTV/CLTV/HCLTV or program maximum (lower of the two)<br>➢ Subject property requires the greater of six (6) months reserves or required reserves per guidelines as indicated in the Asset Section of this guide<br>➢ Additional financed 1–4-unit residential properties require six (6) months reserves for each property<br>• 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:<br>➢ The subject transaction is limited to a maximum of 80% LTV/CLTV/HCLTV or program maximum (lower of the two).<br>➢ Additional financed 1–4-unit residential properties require six (6) months of reserves for each property.<br>• 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.<br>➢ Ownership of commercial or multifamily (five (5) or more units) real estate is not included in this limitation. |
| **Properties Listed for Sale** | • Properties currently listed for sale (at the time of application) are not eligible for refinance transactions.<br>• Properties listed for sale within six (6) months of the application date are not acceptable for refinance transactions.<br>• Cash-out refinances are not eligible if the property was listed for sale within twelve (12) months of the application date. |



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| **Eligible Properties** | • 1-2 Unit Owner Occupied Properties<br>• 1 Unit Second Homes<br>• 1-4 Unit Investment Properties<br>• Condominiums – Attached – Warrantable- Follow Fannie Mae Condo Warrantability requirements.<br>▶ Limited review allowed for attached units in established condominium projects:<br>o Eligible transactions as per Fannie Mae guidelines.<br>o Projects located in Florida are not eligible for limited review.<br>▶ CPM or PERS allowed<br>▶ Florida attached condominiums limited to 50% LTV/CLTV/HCLTV on investment transactions.<br>▶ Condominium documents to support condominium eligibility review must be no older than 120 days from the Note date.<br>• Cooperatives<br>▶ Must meet Fannie Mae project standards |


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| Jumbo 1 Underwriting Guidelines | |
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| **Eligible Properties** | ▶ Underlying Blanket Mortgage - Any underlying/blanket mortgage for the project may be a balloon mortgage with a remaining term of less than three (3) years but not less than six (6) months. If the balloon incorporates an adjustable rate feature, the current interest rate may not be subject to an interest rate adjustment prior to the maturity date.<br>▶ Investment properties not allowed<br>• Modular homes<br>• Planned Unit Developments (PUDs)<br>• Properties with ≤ 40 Acres<br>▶ Properties >10 acres ≤ 40 acres must meet the following:<br>○ No commercial use allowed<br>○ No income-producing attributes<br>• 20, 25, 30-year fixed rate only for transactions over ten (10) acres.<br>• Acreage must meet 50(a)(6) & 50(f)(2) requirements for urban and rural properties.<br>• Properties Subject to Existing Oil/Gas Leases must meet the following:<br>▶ Title endorsement providing coverage to the lender against damage to existing improvements resulting from the exercise of the right to use the surface of the land, which is subject to an oil and/or gas lease.<br>▶ No active drilling; Appraiser to comment or current survey to show no active drilling.<br>▶ No lease recorded after the home construction date; Re-recording of a lease after the home was constructed is permitted.<br>▶ Must be connected to public water.<br>**Declining Markets:**<br>• Windsor will purchase loans within a declining market, as noted on the appraisal, third-party valuation, or Seller's internal review of the appraisal.<br>▶ There is a 5% reduction to the maximum LTV/CLTV/HCLTV based on Windsor's Program Eligibility grid.<br>**NOTE**: Properties that fall outside these parameters can be considered on an exception basis.<br>**Miscellaneous:**<br>Properties with leased solar panels must meet Fannie Mae's requirements.<br>**Acceptable Forms of Ownership:**<br>• Fee Simple with title vesting as:<br>▶ Individual<br>▶ Joint Tenants<br>▶ Tenants in Common<br>• Leaseholds must meet Fannie Mae's requirements.<br>• Deed/Resale Restrictions must meet Fannie Mae's requirements. |
| **Ineligible Properties** | • 2-4 unit second home properties<br>• 3-4 unit owner-occupied properties<br>• Condotels / Condo Hotels<br>• Manufactured Homes/Mobile Homes |



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| Jumbo 1 Underwriting Guidelines | |
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| **Ineligible Properties** | • Mixed-Use Properties<br>• Model Home Leasebacks<br>• Non-Warrantable Condominiums<br>• Properties with condition rating of C5/C6<br>• Properties with a construction rating of Q6<br>• Properties located in Hawaii in lava zones 1 & 2<br>• Properties located in areas where a valid security interest in the property cannot be obtained<br>• Properties >40 acres<br>• Properties with a private transfer fee covenant unless the covenant is excluded under 12CFR 1228 as an excepted transfer fee covenant<br>• Tenants-in-Common projects (TICs)<br>• Unique properties<br>• Working farms, ranches or orchards |
| **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 another interested party. The following non-arm's length transactions are eligible:<br>• Family sales or transfers<br>• Property seller acting as their own real estate agent<br>• Relative of the property seller acting as the seller's real estate agent<br>• Borrower acting as their own real estate agent<br>• Relative of the borrower acting as the borrower's real estate agent<br>• The 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 the loan file.<br>• Originator is related to the borrower<br>• Originator is a current subsidiary of the builder<br>• Borrower purchasing from their landlord (canceled checks or bank statements required to verify satisfactory pay history between borrower and landlord).<br>Gifts from relatives who are interested parties to the transaction are not allowed unless they are gifts of equity.<br>Real estate agents may apply their commission toward closing costs and/or prepaids if the amounts are within the interested party contribution limitations.<br>Investment property transactions must be at arm's length.<br>Other non-arms-length transactions may be acceptable on an exception basis. |
| **Disaster Policy** | • See Jumbo Program Eligibility Supplement for requirements. |



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| Jumbo 1 Underwriting Guidelines | |
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| **Escrow Holdbacks** | • Not allowed unless the holdback has been disbursed, and a certification of completion has been issued prior to purchase by Windsor. |
| **Appraisal Requirements** | • Transferred appraisals are not allowed.<br>• Appraisals must be completed for the subject transaction. Use of a prior appraisal, regardless of the date of the prior appraisal, is not allowed.<br>• Value reconsiderations based on Fannie requirements are allowed. Closed loan files must include all documentation to reach the final value. Windsor Mortgage requires secondary support on final value in all cases.<br>• An Appraisal Update (Form 1004D) is allowed for appraisals older than 120 days but less than 180 days from the Note.<br>▶ The appraiser must inspect the exterior of the property and provide a photo.<br>▶ The appraiser must review current market data to determine whether the property has declined in value since the date of the original appraisal. If the value has declined since the original appraisal, a new full appraisal is required.<br>▶ The appraisal Update (1004D) must be dated within 120 days of the Note date.<br>▶ Appraisal Recertifications are not allowed on ARM or 15-year transactions<br>• Investment properties must contain a rent-comparable schedule.<br>• **Collateral Underwriter (CU) score in lieu of a CDA or CCA**.<br>➢ The use of the Collateral Underwriter (CU) score in lieu of a CDA is allowed with the following requirements:<br>○ UCDP SSR included in loan file with a Fannie CU score of 2.5 or- less<br>○ No score, or if it exceeds 2.5, CDA/CCA is required.<br>• A Collateral Desktop Analysis (CDA) ordered is required to support the appraisal's value. The Seller is responsible for ordering the CDA.<br>▶ 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:<br>○ 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.<br>○ 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.<br>○ 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.<br>▶ If two (2) full appraisals are provided, a CDA is not required.<br>• For ARMs and 15-year transactions, a mandatory Field Review is required when CDA/CCA value variance is between 5% -10% and transaction LTV is between 75% and 80%<br>• For properties purchased by the seller of the property within ninety (90) days of the fully executed purchase contract, the following requirements apply:<br>▶ A second full appraisal is required.<br>▶ The property seller on the purchase contract is the owner of record.<br>▶ Increases in value should be documented with commentary from the appraiser and recent paired sales.<br>*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.* |



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<table>
<tr><th colspan="2">Jumbo 1 Underwriting Guidelines</th></tr>
<tr><td>Appraisal Requirements</td><td>
Appraisal requirements b ased on loan amount:
<table>
<tr><th>First Lien Amount</th><th>Appraisal Requirements</th></tr>
<tr><td colspan="2">Purchase Transactions</td></tr>
<tr><td>≤$2,000,000</td><td>1 Full Appraisal</td></tr>
<tr><td>>$2,000,000</td><td>2 Full Appraisals</td></tr>
<tr><td colspan="2">Refinance Transactions</td></tr>
<tr><td>≤$1,500,000</td><td>1 Full Appraisal</td></tr>
<tr><td>>$1,500,000</td><td>2 Full Appraisals</td></tr>
</table>
<ul>
<li>When two (2) appraisals are required, the following applies:
<ul>
<li>Two (2) independent companies must complete the appraisals.</li>
<li>The LTV will be determined by the lower of the two (2) appraised values if the lower appraisal supports the value conclusion.</li>
<li>Both appraisal reports must be reviewed and address any inconsistencies between the two (2) reports and all discrepancies must be reconciled.</li>
<li>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.</li>
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## Version History

| Version Number | Date | Description of Change |
|---|---|---|
| 2.6 | 06.26.2020 | • Language added to reserve requirements for second homes >$1,500,000 - <$2,000,000, 24-month reserves required. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• 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. (Jumbo 1 / Underwriting Guidelines / *Documentation*)<br>• 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. (Jumbo 1 / Underwriting Guidelines / *Income*)<br>• Language added to non-arm's length transaction eligibility to include "originator is a current subsidiary of the builder." (Jumbo 1 / Underwriting Guidelines / *Non-Arm's Length Transactions*) |
| 2.7 | 08.01.2020 | • Revised language for Texas 50 (a) (6) Refinance (Texas Equity Loans) from not being available at this time to only allowing for 20, 25, and 30-year fixed rates only. (Jumbo 1 / Eligibility Matrix / *Footnotes*)<br>• Added language to Texas 50 (a) (6) footnote 4 to include "Texas 50 (f) (2)." (Jumbo 1 / Eligibility Matrix / *Footnotes*)<br>• Added language to Texas 50 (a) (6) footnote 4 Jumbo Program Eligibility Supplement to include "Section 2(D)." (Jumbo 1 / Eligibility Matrix / *Footnotes*)<br>• Added language to section header Texas50 *(a)* (6) to include "& Texas 50 (f) (2)" and remove Texas Equity Loan wording. (Jumbo 1 / Underwriting Guidelines/ *Texas 50 (a) (6) & Texas 50 (f) (2) Refinances))*<br>• 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 rates only. (Jumbo 1 / Underwriting Guidelines/ *Texas 50 (a) (6) & Texas 50 (f) (2) Refinances))*<br>• Revised language to Texas 50 (a) (6) & Texas 50 (f) (2) Refinances see Jumbo Program Eligibility supplement to include reference to "Section 2(D)." (Jumbo 1 / Underwriting Guidelines/ *Texas 50 (a) (6) & Texas 50 (f) (2) Refinances))* |
| 2.8 | 09.15.2020 | • Clarifying language added to the documentation required for a borrower affidavit specific to the COVID-19 pandemic for loans with application dates on or after June 1st, 2020. (See Windsor Seller Guide section 5.D.5 for additional details) (Jumbo 1 / Underwriting Guidelines / *Documentation)*<br>• Revised days for all credit documents, including title commitment, must be no older than sixty (60) days to ninety (90) days. (Jumbo 1 / Underwriting Guidelines / *Documentation*)<br>• Language added to asset reserve requirements for Self-Employed Borrowers requiring an additional three (3) months of reserves. (Jumbo 1 / Underwriting Guidelines / *Assets*) |



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## Version History

| Version Number | Date | Description of Change |
|---|---|---|
| 2.9 | 12.14.2020 | • Updated the minimum loan amount from $510,401 to $548,251 (Jumbo 1 / Eligibility Matrix / *Footnotes*) |
| 3.0 | 05.28.2021 | • Reduced minimum credit score from 700 to 680 for loan amounts up to $1,000,000/60% LTV. (Jumbo 1 / Eligibility Matrix /*Primary Residence*)<br>• Increased maximum loan amount on Primary residence transactions from $1,500,000 to $2,000,000. (Jumbo 1 / Eligibility Matrix /*Primary Residence*)<br>• Increased maximum loan amount on primary transactions from $1,000,000 to $1,500,000. (Jumbo 1 / Eligibility Matrix /*Primary Residence/Purchase and Rate and Term)*<br>• Increased maximum loan amount on Primary residence transactions from $1,500,000 to $2,000,000. (Jumbo 1 / Eligibility Matrix /*Primary Residence/Cash Out)*<br>• Added additional Cash out LTV/CLTV/HCLTVs at 65% with 700 scores to $1,000,000 loan amount, 65% LTV/CLTV/HCLTV, 65% with 720 scores to $1,500,000 and 60% LTV/CLTV/HCLTV to $2,000,000 loan amount (Jumbo 1/Eligibility Matrix/*Primary Residence)*<br>• Revised the maximum cash-out limit from $250,000 to $500,00 for all occupancy types (Jumbo 1 / *Eligibility Matrix*)<br>• Increased LTV from 75% to 80% on Second Home/Purchase and Rate and Term (Jumbo 1 / Eligibility Matrix /*Second Home*)<br>• Reduced credit score from 740 to 720 (Jumbo 1 / Eligibility Matrix /*Second Home*)<br>• Reduced credit score from 760 to 740 (Jumbo 1 / Eligibility Matrix /*Investment*)<br>• Increased LTV/CLTV/HCLTV from 60% to 70% (Jumbo 1 / Eligibility Matrix /*Investment*)<br>• Increased loan amount from $1,000,000 to $1,500,000 (Jumbo 1 / Eligibility Matrix /*Investment*)<br>• Added Cash Out 740 score, 60%LTV/CLTV/HCLTV, $1,500,000 loan amount 1-4 unit on Investment (Jumbo 1 / Eligibility Matrix /*Investment*)<br>• Removed Footnote #3, Max cash out of $250,000 but to $500,0000 cash out with a max of 50% LTV. (Jumbo 1 / Eligibility Matrix /*Footnote #3*)<br>• Removed Footnote #6, <720 fico caps DTI of 38%. (Jumbo 1 / Eligibility Matrix /*Footnote #6*)<br>• Added to Footnote #1, added WA to list of States to allow $1,500,000 loan amount for FTHB. (Jumbo 1 / Eligibility Matrix /Footnote #1)<br>• Removed Self Employed DTI cap of 35%. (Jumbo 1 / Underwriting Guidelines / *Debt to Income Ratio)*<br>• Removed DTI cap of 38% with scores below 720. (Jumbo 1 / Underwriting Guidelines / *Debt to Income Ratio)* |



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## Version History

| Version Number | Date | Description of Change |
|---|---|---|
| | | • Updated % eligible funds from 70% to 100% for Stock Accounts/Mutual Funds. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• Reduced reserve requirements from 12 to 9 for Primary Residences $1,000,000-$1,500,000 loan amount. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• Added reserve requirements for loan amounts $1,500,000- $2,000,000 of 12 months. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• Added reserve requirements for loan amounts $2,000,001- $2,500,000 at 24 months. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• Reduced reserves requirements from 24 to 18 months for loan amounts less than $1,000,000 on investment properties. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• Added reserve requirements of 24 months for loan amounts $1,000,001-$1,500,000 for investment properties. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• Reduced FTHB reserves from 18 months to 15 months. (Jumbo 1 / Underwriting Guidelines / *Assets)*<br>• Removed for 4506-T for updated form requirements of 4506-C. (Jumbo 1 / Underwriting Guidelines / *Income / Employment)*<br>• Removed Self-employed income statements to be within 30 days of Note. (Jumbo 1 / Underwriting Guidelines / *Income / Employment)*<br>• Revised the age requirements for Verbal VOE from 5 days to 10 days. (Jumbo 1 / Underwriting Guidelines / *Income / Employment)*<br>• Revised the age requirements for Verbal VOE for Self Employed Borrower from 5 days to 10 days. (Jumbo 1 / Underwriting Guidelines / *Income / Employment)*<br>• Added WA state to be included in FTHB transactions located in CA, CT, NJ, NY with loan amounts up to $1,500,000. (Jumbo 1 Underwriting Guidelines / Eligible Borrowers / *First-Time Homebuyers)*<br>• Increased RSU income cap from 25% to 35%. (Jumbo 1 / Underwriting Guidelines / *Income / Employment)*<br>• Updated language surrounding Windsor Trust definition of Year To Date for Profit and Loss/Balance Sheet statements. (Jumbo 1 / Underwriting Guidelines / *Income / Employment)*<br>• Removed appraisals must be dated no more than 120 days from note date. (Jumbo 1 / Underwriting Guidelines / *Appraisal Requirements)*<br>• Added back language to allow for recerts of value for appraisals aged 120 days but less than 180 days from Note. (Jumbo 1 / Underwriting Guidelines / *Appraisal Requirements)* |



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## Version History

| Version Number | Date | Description of Change |
|---|---|---|
| 3.1 | 07.12.2021 | • Added hybrid arm products to Jumbo 1 Eligibility matrix. (Jumbo 1 / *Eligibility Matrix*)<br>• Arm features added to eligible products. (Jumbo 1 / Underwriting Guidelines / *Eligible Products*)<br>• Removed 5/1, 7/1, 10/1 ARM Fully Amortizing, 30-year term from ineligible products. (Jumbo 1 / Underwriting Guidelines / *Ineligible Products*)<br>• 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. (Jumbo 1 / Underwriting Guidelines / *Debt-to-Income Ratio*)<br>• Removed all pre closing signature and date requirements. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*)<br>• Aligned Rental Income section to require a lease agreement and/or 100 per Fannie Mae guidelines. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*)<br>• Added Projected Income as an acceptable income source subject to meeting Fannie Mae requirements. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*)<br>• Added Windsor Asset Depletion Calculation as an acceptable income source. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*)<br>• Added short term rentals and documentation requirements to use short term rental income. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*)<br>• Added additional verbiage for departing residences for lease or rent to align with Fannie Mae guidance for rental income. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*)<br>• Added commentary to address the use of the new QM/SH- APOR status in Underwriting Section. (Jumbo 1 / Underwriting Guidelines / *Underwriting*)<br>• Added commentary surrounding use of these guidelines with application dates after 3.1.21 regardless of lock date in Documentation section. (Jumbo 1 / Underwriting Guidelines / *Documentation*) |
| 3.2 | 08.23.2021 | • Increased RSU total income from 35% to 50%. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*)<br>• 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. (Jumbo 1 / Underwriting Guidelines / *Income/Employment*) |
| 3.3 | 10.04.2021 | • Max LTV for Purchase or Rate and Term Refinance for Primary residence transactions with a 680 FICO has increased from 60% to 70% LTV. (Jumbo 1 / *Eligibility Matrix*)<br>• Revision made to Eligible products that allows for Rebuttable Presumption (HPCT) on 5/6 ARM's. (Jumbo 1 / Underwriting Guidelines / *Assets*) |



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| Version Number | Date | Description of Change |
|---|---|---|
| | | • Clarifying revisions made to documentation section regarding QM designation. (Jumbo 1 / Underwriting Guidelines / *Documentation*)<br>• Removed non-retirement liquid reserve requirements from the minimum asset guidelines. (Jumbo 1 / Underwriting Guidelines / *Assets*) |
| 3.4 | 1.03.2022 | • Added 15-year term to Jumbo 1 Eligibility matrix. (Choice QM / *Eligibility Matrix*)<br>• Revised requirements that apply for investment property to include: 15-year term investment cash-out not available. (Jumbo 1 / Eligibility Matrix / *Footnotes*)<br>• Revised requirements that apply for investment property to include: 15-year term maximum loan amount is $1,000,000. (Jumbo 1 / Eligibility Matrix / *Footnotes*)<br>• 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%. (Jumbo 1 / Eligibility Matrix / *Footnotes*)<br>• Added footnote #5 to eligibility matrix: 2nd home 15-year cash-out refinance not allowed. (Jumbo 1 / Eligibility Matrix / *Footnotes*)<br>• Revised Jumbo 1 Loans QM Notes to include: 15-year term will cap at 80% LTV/CLTV, minimum FICO score of 680. (Choice QM / Eligibility Matrix / *Footnotes*)<br>• Revised Jumbo 1 Loans QM Notes to include: no exceptions allowed on the ARMs or 15-year products. (Choice QM / Eligibility Matrix / *Footnotes*)<br>• Updated minimum loan amounts from $548,251 to $647,201. (Jumbo 1, Eligibility Matrix, *Footnotes*)<br>• Added the 15-year term as an eligible product (Jumbo 1 / Underwriting Guidelines / *Eligible Products*)<br>• Removed Covid Attestation from required documentation. (Jumbo 1 / Underwriting Guidelines / *Documentation*)<br>• Revised (DTI) section to include: 15-year term maximum DTI 43%. (Jumbo 1 / Eligibility Matrix / *Debt-to-Income-Ratio*)<br>• Amended Short Term Rental requirements to allow 1 year returns vs 2 years (Jumbo 1 / Underwriting Guidelines/ *Rental income)*<br>• Amended Price Based APOR Verbiage (Jumbo 1/ Underwriting Guidelines/*Underwriting*) |
| 3.5 | 4.11.2022 | • Minimum loan amounts of $500,000 added to ARM and 15 YR products. (Jumbo 1 Eligibility Guide / Eligibility Matrix)<br>• Added verbiage to Jumbo 1 notes “Loans in New York state must be $1 over current conforming/high balance limit set by FHFA.” (Jumbo 1 / Eligibility matrix notes)<br>• Added an ARM/15 Overlay section to UW Eligibility Guide (Jumbo 1 / Underwriting guidelines / *ARM/15 overlay*) |



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| Version Number | Date | Description of Change |
|---|---|---|
| 3.5 | 4.12.2022 | • 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." (Jumbo 1 / Underwriting guidelines / *ARM/15 overlay*)<br>• Delayed Purchase section added commentary tied to if property is located in Texas (Jumbo 1 / Underwriting Guidelines / Refinances/ *Delayed Purchase)*<br>• Added Credit Event commentary for events exceeding 10 years are not to be considered. (Jumbo 1 / Underwriting Guidelines / Credit / *Derogatory Credit*)<br>• Added clarity for Forbearance to review for deferred interest on payoffs or mortgage statements. (Jumbo 1 / Underwriting Guidelines / Credit / *Derogatory Credit*)<br>• Installment debt less than 10 months removed as a line item, Windsor defaults to Fannie Mae for installment debt requirements. (Jumbo 1 / Underwriting Guidelines / Credit / *Liabilities)*<br>• Removed the requirement for borrower to be on job 6 months for any gaps of employment. (Jumbo 1 / Underwriting Guidelines / Income/Employment/Gaps in Employment)<br>• Removed requirement for W2 transcripts for wage earners on all files (Jumbo 1 / Underwriting Guidelines / Income/Employment/General Documentation Requirements)<br>• Removed 2106 section as based on tax year it no longer applies (Jumbo 1 / Underwriting Guidelines / Income/Employment/ *2106 Expenses Section)*<br>• Updated Cap Gain section to align with Fannie requirements (Jumbo 1 / Underwriting Guidelines / Income/Employment / *Capital Gains)*<br>• Updated K-1 section to allow for losses to be included off most recent tax year K-1 and no other documentation is required (Jumbo 1 / Underwriting Guidelines / Income/Employment / *K-1 Section)*<br>• Rental Income section clarified to follow Fannie Mae requirements (Jumbo 1 / Underwriting Guidelines / Income/Employment / *Rental Income)*<br>• RSU income section removed requirements for tax returns to be provided in loan file Jumbo 1 / Underwriting Guidelines / Income/Employment / *RSU)*<br>• Removed requirement for Balance Sheets to be in line with Fannie Mae requirements (Jumbo 1 / Underwriting Guidelines / Income/Employment)<br>• Removed LTV reduction overlay tied to acreage (Jumbo 1 / Underwriting Guidelines / Eligible Properties / *Acreage*)<br>• Amended Condo commentary to align with to meet all Fannie Mae Requirements (Jumbo 1 / Underwriting Guidelines / Eligible Properties / *Condos*)<br>• Added Gift funds are not allowed to pay off debts to qualify in Gift Section (Jumbo 1 / Underwriting Guidelines /Assets / *Gift Funds*)<br>• Added verbiage to rural property section to ensure Texas equity loans meet urban/rural acreage requirements (Jumbo 1 / Underwriting Guidelines / Eligible Properties / *Acreage*)<br>• Added Points and Fees exceeding 3% commentary (Jumbo 1 / Underwriting Guidelines / *Ineligible Products*) |



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| Version Number | Date | Description of Change |
|---|---|---|
| 3.6 | 9.12.2022 | • Added Co-Ops as not allowed within the ARM and 15-year Overlay section and Notes (Jumbo 1 / Underwriting Guidelines / Arm & 15-year overlay) |
| 3.7 | 01.03.2023 | • Updated the new conforming loan limits from $647,201 to $726,201 (Jumbo 1 / Underwriting Guidelines / *Eligibility matrix notes*)<br>• Added Declining Markets properties as an eligible property for Windsor to purchase with 5% LTV/CLTV/HCLTV reduction to apply (Jumbo 1 / Underwriting Guidelines / *Eligible Properties*)<br>• Added Consolidated Analytics as additional vendor to use for additional value support- see Appraisal Requirements section (Jumbo 1 / Underwriting Guidelines / *Appraisal Requirements*) |
| 3.8 | 02.27.2023 | • Increased minimum loan amount for ARM and 15-year from $500,000 to $600,000 (Jumbo 1/ Eligibility Matrix/*Notes/Overlay Section*)<br>• Increased minimum score for ARM/15-year from 680 to 700 (Jumbo 1/ Eligibility Matrix/*Notes/Overlay Section*)<br>• Removed NOO as eligible property for 15-year (Jumbo 1/ Eligibility Matrix/*Notes/ Ineligible Products/ Overlay Section*)<br>• Removed Second Home Cash Out as acceptable for ARM (Jumbo 1/Eligibility Matrix/*Notes*)<br>• Reduced DTI for ARM/15-year from 43% to 40% (Jumbo 1/Underwriting Guidelines/*Debt to Income and ARM/15 YR Overlay*)<br>• Added Max cash back at closing for ARM and 15-year transactions is limited to $5000 (Jumbo 1/ Underwriting Guidelines/ Rate and Term Transactions/*ARM/*15- year *Overlay*)<br>• Added Maximum allowable cash back of $500,000 for ARM and 15-year transactions (Jumbo 1/ Eligibility Matrix/*ARM/15 YR Overlay*)<br>• Appraisal Recertifications not allowed on ARM or 15-year transactions (Jumbo 1/ Underwriting Guideline/ *Appraisal Requirements/ARM/*15-year *Overlay)*<br>• 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% (Jumbo 1/ Underwriting Guideline/ *Appraisal Requirements/ARM/*15- year *Overlay)*<br>• First Time Homebuyers require a minimum credit score of 740 and maximum loan amount of $1,250,000 (Jumbo 1/Underwriting Guidelines/*ARM/*15-year *Overlay/ First Time Homebuyer Requirements*) |



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## Version History

| Version Number | Date | Description of Change |
|---|---|---|
| 3.9 | 03.31.2023 | • Removed Primary Residence Units and Second Homes on ARM and 15 Year Transactions as Eligible from Choice (Jumbo 1/Eligibility Matrix/Notes/Underwriting Guidelines /*ARM and 15-year overlay section*)<br>• Added Second Home and Investment on ARM and 15-year Transaction as both ineligible transactions (Jumbo 1/Underwriting Guidelines/*Ineligible Transactions*)<br>• Updated minimum credit score required from 700 to 720 for ARM and 15 Year transactions. (Jumbo 1/Eligibility/Notes/Underwriting Guidelines/*ARM and 15- year overlay section*)<br>• Updated Maximum LTV/CLTV/HCLTV for Cash out ARMs and 15 Year to 65% (Jumbo 1/Eligibility/Notes/Underwriting Guidelines/*ARM and 15-year overlay section*)<br>• Added Temporary Buydowns as eligible (Jumbo 1/Underwriting Guideline/*Temporary Buydown Section*) |
| 4.0 | 8.21.2023 | • Removed ARM/15 Year columns from Eligibility Matrix (Jumbo 1/Eligibility Matrix)<br>• Updated minimum loan amount verbiage to align with all guidelines (Jumbo 1/Eligibility Matrix/Jumbo 1 Notes)<br>• Removed ARM/15 Year Notes from Eligibility Matrix- (See Overlay Box within Program Guideline for all Overlays) (Jumbo 1/Eligibility Matrix/Jumbo 1 Notes)<br>• Updated Credit Documents age from 90 days to 120 days (Jumbo 1/Underwriting Guides/Documentation)<br>• Updated Credit Inquiry letters to be within 90 days from 120 days (Jumbo 1/Underwriting Guidelines/Credit)<br>• Added language from Jumbo Eligibility Supplement as tied to credit refresh and credit rescores (Jumbo 1/Underwriting Guidelines/Credit)<br>• Added verbiage about Debts Paid by Others to Follow Fannie Mae guides (Jumbo 1/underwriting Guidelines/Liabilities)<br>• Updated age of paystubs to align with credit document date of 90 to 120 days (Jumbo 1/Underwriting Guidelines/Income and Employment)<br>• Removed requirement for two years tax returns for Commission Income borrowers (Jumbo 1/Underwriting Requirements/Income)<br>• Updated Financing Concessions bullet to follow Fannie Mae guides (Jumbo 1/Underwriting Guidelines/Financing Concessions)<br>• Removed the $2,000,000- $2,500,000 loan amount, 36-month reserves option in reserves grid (Jumbo 1/Underwriting Guidelines/Assets) |



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## Version History

| Version Number | Date | Description of Change |
|---|---|---|
| 4.1 | 11.02.2023 | • Removed retirement account haircuts based on retirement age (Jumbo 1/Underwriting Guide/Assets/Retirement Accounts)<br>• Removed the term "balance sheet" as a required document in Year-to-Date Financials (Jumbo 1/Underwriting Guide/Income and Employment/Self Employment)<br>• Removed land to value cap of 35% for acreage 10-20 acres overlay (Jumbo 1/Underwriting Guide/Eligible Property/Prop 20 acres)<br>• Updated verbiage to Trust Income to align with Fannie Mae new changes to Trust income documentation and calculation. (Jumbo 1/Underwriting Guide/income and Employment/Trust Income)<br>• Updated Rental Income in Departing Residence section to state must meet Fannie Mae requirements (Jumbo 1/Underwriting Guide/Rental Income/Departing Residence) |
| 4.4 | 10.07.24 | • Updated Primary Residence Eligibility, Purchase/Rate and Term 75% LTV to 80%<br>• LTV to $2,000,000 (Jumbo 1/Eligibility/Primary Residence)<br>• Updated Second Home Eligibility, Purchase/Rate and Term, increased min loan amount from $1,500,000 to $2,000,000. (Jumbo 1/Eligibility/Second Home)<br>• Removed Second Home Eligibility Purchase/Rate and Term, 70%,<br>• $2,000,000(Jumbo 1/Eligibility/Second Home)<br>• Increased Second Home Eligibility, Purchase/Rate and Term 65% LTVCLTV to 70% LTV/CLTV (Jumbo 1/Eligibility/Second Home)<br>• Added Fixed Programs Only to Eligible Products by Temporary Buy downs (Jumbo 1/Eligibility Guide/Eligible Products)<br>• Added Fixed Rate Programs to Temporary Buydowns (Jumbo 1/Underwriting Guidelines/Temporary Buydowns)<br>• Added Assumable ARMS and Bridge Financing by Third party firms as ineligible (Jumbo 1/Underwriting/Ineligible Products)<br>• Removed second homes as ineligible on ARMs and 15-year transactions. (Jumbo 1/Underwriting Guidelines/Ineligible Products)<br>• Removed 75% LTV overlay and no other financed properties overly for Non-Perm Resident Aliens (Jumbo 1/Underwriting Guidelines/Eligible Borrowers<br>• Removed FTHB Overlays tied to ARM bullet point (Jumbo 1/Underwriting Guidelines/Eligible Borrowers)<br>• Updated DTI, for Second Homes from 40%-43%, ARMs, 40% to 45%, removed 15-year DTI overlay. (Jumbo 1/Underwriting Guidelines/Debt to Income)<br>• Removed Business Funds as reserves overlay of 75% LTV. (Jumbo 1/underwriting Guidelines/Assets/Business Funds)<br>• Removed Gaps in Employment overlay- (Jumbo 1/Underwriting Guidelines/Income and Employment)<br>• Removed Appraisal support overlay for mandatory Field Reviews on ARM and |



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| | | • Increased Primary Purchase and Rate/Term LTV from 60% to 70% to<br>• $3,000,000-(Jumbo 1/Eligibility Guide)<br>• Added a max loan amount of $3,500,000, Primary Purchase and Rate/Term 60% LTV, min score 760)<br>• Removed from Notes section, the no exceptions on the $3,000,000 transactions-(Jumbo 1/Eligibility Guide/Notes)<br>• Removed Appraisal support overlay for mandatory Field Reviews on ARM and 15-years from (Jumbo 1/Underwriting Guidelines/Appraisal Requirements)<br>• Increased Primary Purchase and Rate/Term 85% LTV loan amount to $1,500,000 from $1,000,000-(Jumbo 1/Eligibility Guide)<br>• Added documentation requirement for self-employed borrowers to provide the most recent two years' tax returns, all schedules, all pages, signed and dated. |
| 4.4.1 | 11.01.24 | • Revised to include change as noted on 10.07.24 regarding the Update to DTI, for Second Homes from 40%-43%, ARMs, 40% to 45%, removed 15-year DTI overlay. (Jumbo 1/Underwriting Guidelines/Debt to Income) |
| 4.5 | 01.25.25 | • Revised Minimum loan amount to $1 over conforming/high balance loan limits<br>• Revised to state, "Loans in NY State must be $1 over current conforming/high balance limit set by FHFA |
| 4.6 | 03.18.25 | • Updated Primary and Second Home Eligibility to allow for 660 from 680 min score, purchase and rate, and term. (Prime Jumbo 1/Eligibility Matrix)<br>• Updated Primary Residence and Second Home Eligibility to allow for 90% LTV/CLTV to 2 million. (Prime Jumbo 1/Eligibility Matrix)<br>• Updated Primary Cash out LTVs and loan amounts. (Prime Jumbo 1/Eligibility Matrix)<br>• Updated Primary Residence and Second Home to now allow for unlimited Cashback with LTV/CLTVs less than 60%. (Prime Jumbo 1/Eligibility Matrix)<br>• Added Investment Properties from $1,500,000 to $2,000,000 mx loan amount. (Prime Jumbo 1/Eligibility Matrix)<br>• Added Note Section in Eligibility to support the over 80.00% LTV/CLTV overlays. (Prime Jumbo 1/Eligibility Matrix Footnotes)<br>• Added Prime Jumbo 1 Notes that unlimited cash back is allowed for 60% LTV/CLTV or less. (Prime Jumbo 1/Eligibility Matrix Footnotes)<br>• Removed FTHB overlays for all loans, vs. tied to now over 80.01% LTV/CLTVs. (Prime Jumbo 1 / Underwriting guidelines / Eligible Borrowers)<br>• Added overlay to non-perm resident aliens to cap at 80% LTV/CLTV. (Prime Jumbo 1 / Underwriting guidelines / Eligible Borrowers)<br>• Added Non-Occupant Co-Borrower as eligible. (Prime Jumbo 1 / Underwriting guidelines / Eligible Borrowers)<br>• 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) |



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| | | Removed seasoning requirements for properties purchased within a year to align with Fannie Mae's seasoning requirements. (Prime Jumbo 1 / Underwriting guidelines / LTV/CLTV Calculation for Refinances)<br>• Added max LTV of 80% for credit event seasoning exceptions within 4-7 years- see Derogatory Credit section (Prime Jumbo 1 / Underwriting guidelines / Credit)<br>• Added allowance to use one- or two-month bank statements for asset verification in the Assets section (Prime Jumbo 1 / Underwriting guidelines / Assets)<br>• 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)<br>• 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)<br>• Added options to use 1- or 2-years income verification for non-self-employed and rental income; previously, 2 years were required in all files. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)<br>• Updated retirement income to align with Fannie Mae's requirements and removed minimum distribution requirements of 6 months. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)<br>• Updated residual income requirements to align with the higher LTV/CLTVs. (Prime Jumbo 1 / Underwriting guidelines / Income/Employment)<br>• 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)<br>• 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)<br>• 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)<br>• 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)<br>• Added Reconciliation of Value per Fanie Mae as allowed in the Appraisal Requirements section. (Prime Jumbo 1 / Underwriting guidelines / Appraisal Requirements)<br>• Added Fannie Mae CU score as acceptable as secondary value support. (Prime Jumbo 1 / Underwriting guidelines / Appraisal Requirements)<br>• Updated max acreage of 20 to now allow 40 acres. (Prime Jumbo 1 / Underwriting guidelines / Eligible Properties) |



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**Document History**

| Date | Revisions Made | Approved By | Uploaded |
|---|---|---|---|
| 03.16.25 | 03.16.25 | M. Miller/Z. Kempf | 03.18.25 |
| 03.18.25 | Removed the NOCB from the ineligible list | C. Bruton | 03.19.25 |



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