



WINDSOR

MORTGAGE



Prime Jumbo

3 AUS

# Prime Jumbo 3 AUS Product Profile



Owner Occupied					
	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum Reserves Subject Property
Purchase and Rate Term	1-Unit	1,500,000	89.99%	700	The greater of 3 Months PITIA or per the AUS
		2,000,000	89.99%	720	The greater of 3 Months PITIA or per the AUS
		2,500,000	80%	720	18 months PITIA
		3,000,000	80%	740	18 months PITIA
		3,500,000	75%	740	24 Months PITIA
	2-Unit	1,500,000	84.99%	720	The greater of 3 Months PITIA or per the AUS
		2,000,000	84.99%	740	The greater of 3 Months PITIA or per the AUS
		2,000,000	80%	720	The greater of 3 Months PITIA or per the AUS
		2,500,000	75%	720	18 months PITIA
		3,000,000	75%	740	18 months PITIA
Cash-Out	1-Unit	1,000,000	80%	700	The greater of 6 months PITIA or per the AUS
		1,500,000	80%	720	The greater of 6 months PITIA or per the AUS
		2,000,000	80%	740	The greater of 6 months PITIA or per the AUS
		3,000,000	70%	740	18 months PITIA
	2-Unit	1,000,000	70%	700	The greater of 6 months PITIA or per the AUS
		1,500,000	70%	720	The greater of 6 months PITIA or per the AUS
		2,000,000	70%	740	The greater of 6 months PITIA or per the AUS
		2,000,000	70%	740	The greater of 6 months PITIA or per the AUS

# Prime Jumbo 3 AUS Product Profile



Second Home					
Purchase and Rate Term	I-Unit	1,500,000	80%	700	The greater of 3 months PITIA or per the AUS
		2,000,000	80%	720	The greater of 3 months PITIA or per the AUS
		3,000,000	75%	740	18 months PITIA
Cash-Out	I-unit	1,500,000	70%	720	The greater of 6 months PITIA or per the AUS
		2,000,000	70%	740	The greater of 6 months PITIA or per the AUS
Investment Property					
	Units	Maximum Loan Amount	Maximum LTV/CLTV	Minimum Credit Score	Minimum Reserves Subject Property
Purchase and Rate Term	I-Unit Purchase	1,000,000	80%	700	The greater of 3 Months PITIA or per the AUS
		1,500,000	80%	720	The greater of 3 Months PITIA or per the AUS
		2,000,000	80%	740	The greater of 3 Months PITIA or per the AUS
		2,500,000	75%	740	18 months PITIA
	I-Unit Rate Term	1,000,000	75%	700	The greater of 3 Months PITIA or per the AUS
		1,500,000	75%	720	The greater of 3 Months PITIA or per the AUS
		2,500,000	75%	740	18 months PITIA
	2 Unit	1,500,000	70%	720	The greater of 3 Months PITIA or per the AUS
2,500,000		70%	740	18 months PITIA	
Cash Out	I-Unit	1,500,000	70%	740	The greater of 6 months PITIA or per the AUS
	2-Unit	1,500,000	65%	740	The greater of 6 months PITIA or per the AUS
<p><b>Follow applicable AUS agency guidelines for any issue not addressed below.</b></p> <p><b>Guidance in blue font indicates alignment with AUS Agency guidelines and is subject to change.</b></p>					
Ability To Repay and Qualified Mortgage Rule	All loans must meet the Ability-to-Repay and Qualified Mortgage standards set forth in the General QM Loan Definition of Regulation Z, effective April 1, 2022, including the Safe Harbor Verification provisions, as codified in the official commentary to Regulation Z, comment 43(e)(2)(v)(B)-3.				
Age of Documents	<ul style="list-style-type: none"> <li>For new and existing construction, credit documents must be no more than 4 months old (DU) or 120 days (LPA) as of the date the note is signed, including credit reports and documents related to employment, income, and assets.</li> <li>Preliminary Title Policies must be no more than 180 days old on the date the note is signed.</li> </ul>				



## Prime Jumbo 3 AUS Product Profile

### Appraisals

- All appraisals must comply with applicable regulations and standards, including but not limited to USPAP, FIRREA, AIR, and HVCC compliance.
  - Purchase Transaction:
    - One full appraisal for purchase transactions  $\leq$  \$3,000,000
    - Two full appraisals for loan amounts  $>$  \$3,000,000
      - Must use the lower of the two values to determine LTV.
  - Refinance Transactions:
    - Two full appraisals or refinance transactions on loan amounts  $>$ 2 million
      - Must use the lower of the two values to determine LTV.
  - All single appraisal transactions (purchase and refinance) must have a secondary valuation assessment completed prior to the note date with one of the following conditions satisfied:
    - A Fannie Mae Collateral Underwriter® (CU) Score of  $<$  2.5 and a Freddie Mac Loan Collateral Advisor® (LCA) score of  $<$  2.5 is required
      - If CU returns no score (999), an LCA  $<$  2.5 is sufficient. If LCA returns no score (99), a CU score  $<$  2.5 is sufficient.
      - If two scores are obtained and either score is  $>$  2.5, another assessment option referenced below is required.
    - Clear Capital or Home Value Estimator (HVE) AVM with an estimated value that is  $>$  90% of the appraised value and FSD  $\leq$  13%
      - If the Clear Capital or HVE AVM supports the appraised value, a copy or screenshot of the AVM result, including the date, property address, estimated value, and FSD must be retained in the file
    - Clear Capital Collateral Desktop Analysis (CDA) with a value that is  $>$  90% of the appraised value
      - If the CDA supports the appraised value, a report must be retained in the loan file
    - Field Review with a value that supports the original appraised value
      - If the field review supports the original appraised value, the report must be retained in the loan file
    - If none of the secondary valuations conditions above can be met, an exterior appraisal or second full appraisal is required
      - The lower of the first (original) and second (exterior or full) appraisal values must be used as the appraised value in the LTV calculation.
      - If both an exterior and second full appraisal are obtained, the lower of the second full appraisal value and the original appraisal value must be used as the appraised value to determine LTV.
  - Property inspection waivers are not eligible
  - Unpermitted additions are not eligible
    - Accessory units are acceptable (SFR only) when fully permitted and comply with zoning. Similar comps must be provided. Refer to the applicable AUS/GSE Selling Guide for complete details on the requirements.
- Other Appraisal Considerations**
- Properties zoned agricultural are eligible if all of the following are met:
  - The property is  $\leq$  5.00 acres
  - No presence of barns, pole barns, stables, horse stalls, livestock, chicken coops, grain silos, crops (other than a few fruit trees, grapevines, etc. for personal household consumption), or any agricultural related outbuildings
  - Subject property and the surrounding area must be non-agricultural
  - Subject property may not have an underlying affiliation with other land used for agricultural purposes.



## Prime Jumbo 3 AUS Product Profile

AUS	<ul style="list-style-type: none"> <li>Loans must be underwritten through DU or LPA.</li> <li>Agency High Balance/Super Conforming loan amounts require a DU Approve/Eligible or LPA Accept/Eligible</li> <li>Jumbo loan amounts require a DU Approve/Ineligible or LPA Accept/Ineligible (ineligible due to loan amount only).</li> <li>Manual UW is not permitted.</li> </ul>
Borrower Eligibility	<ul style="list-style-type: none"> <li>The maximum number of borrowers is four</li> <li>U.S. citizens</li> <li>Permanent resident aliens, with proof of lawful permanent residence</li> <li>Nonpermanent resident alien immigrants with proof of lawful residence</li> <li>There must be a documented employment and income history, including, but not limited to, two years of US tax returns, a history of visa renewals, and no reason to believe that employment will cease.</li> <li>See Windsor Mortgage Non-US Citizen for Documentation Requirements</li> <li>Foreign Nationals are not eligible</li> <li>Borrowers who are a party to a lawsuit are ineligible.</li> <li>All borrowers must have a valid Social Security Number</li> <li>Non-occupant co-borrowers must share a relationship that meets the gift donor requirement under applicable Agency guidelines.</li> <li>Inter Vivos Revocable Trusts are eligible (follow applicable AUS Agency Guidance)</li> <li>Blind trusts and irrevocable trusts are not eligible.</li> </ul>
CEMA	<ul style="list-style-type: none"> <li>Refinance Only</li> <li>Lost Note Affidavits (LNAs) are not allowed for prior or current notes</li> </ul>
Condominiums	<ul style="list-style-type: none"> <li>Condominium projects must be Agency warrantable.</li> <li>In accordance with the Fannie Mae and Freddie Mac Selling Guides, CPM or CPA must be checked to ensure the project is not “unavailable” or “ineligible” regardless of the project review process used in underwriting the loan (including Limited/Streamline).</li> <li>Condominium projects with a status of CPM “unavailable” or CPA “ineligible” are ineligible. <ul style="list-style-type: none"> <li>The CPM or CPA certificate must be retained in the loan file.</li> </ul> </li> <li>Limited/Streamline condominium project reviews are eligible for Agency High Balance loan amounts only.</li> <li>New condo projects are eligible if they are Fannie Mae or Lender CPM-approved or Freddie Mac CPA-approved. <ul style="list-style-type: none"> <li>For all transactions: New projects in Florida are not eligible unless Fannie Mae PERS approved (“Approved by Fannie Mae” status designation in CPM).</li> </ul> </li> <li>Florida Condos are allowed in accordance with the underlying AUS/GSE Selling Guide requirements.</li> <li>All project documentation needed to demonstrate that the project meets Agency eligibility requirements, including any documentation relied upon to enter information into CPM or CPA, must be retained in the loan file.</li> <li>Jumbo loan amounts require a full project review. <ul style="list-style-type: none"> <li>A Condo Project Manager (CPM) or Condo Project Advisor (CPA) must be utilized to assist in the comprehensive review of the project.</li> <li>Fannie Mae DU loans: Use CPM.</li> <li>Freddie Mac LPA loans: Use CPA. A reciprocal review from CPM is eligible; however, the CPA must also be verified to ensure the project is not ineligible.</li> <li>FHA reciprocal reviews are ineligible.</li> </ul> </li> </ul>

# Prime Jumbo 3 AUS Product Profile



<p>Condominiums</p>	<ul style="list-style-type: none"> <li>• Projects in which the HOA is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation related to the safety, structural soundness, habitability, or functional use of the project, are ineligible.</li> <li>• Projects with pending litigation involving minor matters with no impact on the safety, structural soundness, habitability, or functional use of the project may be eligible if the litigation meets the applicable Agency requirements for minor matters.</li> <li>• Refer to the applicable Agency guidelines for complete guidance on condominium eligibility and project standard requirements.</li> </ul>
<p>Credit</p>	<ul style="list-style-type: none"> <li>• Fraud Report (e.g., DataVerify or Fraud guard) required</li> <li>• Any potential findings must be satisfactorily cleared prior to close.</li> <li>• No credit bureaus may be frozen. Borrowers must unfreeze all bureaus and rerun the AUS with updated credit.</li> <li>• IRS Installment Agreements – must meet the following requirements:             <ul style="list-style-type: none"> <li>o IRS approved: The payment associated with the installment agreement must be included in the calculation of the borrower's debt-to-income ratio if there are more than 10 months of payments remaining under the agreement.                 <ul style="list-style-type: none"> <li>– The loan file must include a copy of the installment agreement approved by the IRS, which verifies the payment terms, including the monthly payment amount and balance.</li> <li>– The loan file must contain documentation verifying the borrower is not past due under the terms of the installment agreement.</li> <li>– There must be no indication, and the lender must not know that the IRS has filed a Notice of Federal Tax Lien for the taxes owed under the installment agreement.</li> </ul> </li> <li>o Pending IRS approval: When a borrower has applied for an installment agreement and it is pending IRS approval, the following requirements must be met:                 <ul style="list-style-type: none"> <li>– The application for the installment agreement, which reflects the amount of taxes owed and the requested payment terms, must be documented in the loan file.</li> <li>– The greater of the monthly payment amount requested by the borrower or the amount of taxes owed, divided by 72, must be included in the DTI ratio.</li> <li>– There must be no indication, and the lender must not know that the IRS has filed a Notice of Federal Tax Lien for the taxes owed under the installment agreement.</li> </ul> </li> <li>o No more than two years may be on a tax repayment plan. Contingent liabilities may only be excluded from the DTI with proof that the borrower is not the primary obligor.</li> </ul> </li> </ul>



## Prime Jumbo 3 AUS Product Profile

### Credit

- Contingent liabilities may only be excluded from the DTI if proof is provided that the borrower is not the primary obligor.
- Installment debt must be paid in full to be eligible for exclusion. Borrowers may not pay down installment debts for less than 10 months to exclude
- **Mortgage Payment History**
  - The mortgage payment history reflected on the credit report can be used to meet mortgage payment history requirements. Refer to the applicable AUS/GSE Selling guide for complete requirements.
  - Private mortgages may be verified with canceled checks or bank statements
  - If there is evidence that the subject loan subject loan being refinanced or any other mortgage, the borrower is obligated to is currently in forbearance the loan is ineligible (e.g., reflected on the credit report, mortgage statement, payoff statement, in SSE, etc.)

For FNMA DU loans only: As a reminder, FNMA requires that, on the date of the loan application, the borrower's existing mortgage(s) must be current, meaning that no more than 45 days have elapsed since the last installment was paid. If the credit report does not reflect the above, proof that the additional loan payment was paid on time is required. Refer to the FNMA Selling Guide for complete details on the requirements.

### **Second Home / Investment Properties / Non-Occupant Borrowers Current Housing Payment**

- Borrowers must document their current housing expense with one of the following when they do not currently own a primary residence:
  - Six months of canceled checks or equivalent payment source.
  - Six months' bank statements reflecting a clear and consistent payment to an organization or individual
  - Direct verification of rent from a management company or individual landlord, supported by two months' cancelled checks; or
  - A copy of a current, fully executed lease agreement and two months' canceled checks (or equivalent payment source) supporting the rental payment amount.
- For second home transactions where the borrower is living rent-free, the borrower's rent-free status must be documented. A rent-free letter from a third-party verification source may be acceptable.
- Non-occupant borrowers
  - Non-occupant co-borrowers must share a relationship that meets the gift donor under applicable Agency guidelines.
  - Non-occupant co-borrowers must have a reasonable ability to make housing payments. Rent-free is not acceptable.

# Prime Jumbo 3 AUS Product Profile



Derogatory Credit	<ul style="list-style-type: none"> <li>• Minimum 7-year seasoning on all major derogatory credit events, including bankruptcy (7, 11, 13), multiple bankruptcies, foreclosures, Deed-in-Lieu of Foreclosure, Pre-foreclosure Sale (Short Sale), Mortgage Charge-Off</li> <li>• Forbearance: Six months of timely, consecutive payments are required after forbearance.</li> <li>• Modifications: 6 months of consecutive, timely payments are required after forbearance. The trial payment plan may be included in seasoning if the final modification payment is the same as the trial.</li> </ul>
Disaster Policy	<ul style="list-style-type: none"> <li>• Windsor Mortgage may require a post-disaster inspection when the appraisal occurred before the incident end date of the disaster.</li> </ul>
Documentation income and Assets	<ul style="list-style-type: none"> <li>• Follow AUS/GSE used for income and asset documentation, and verification requirements</li> <li>• Written verification of documents, including but not limited to, Verification of Employment (VOE), Verification of Mortgage, Verification of Rents, is not eligible.             <ul style="list-style-type: none"> <li>▪ A written VOE (WVOE) is acceptable provided that W2s and pay stubs are also obtained in accordance with AUS&gt;</li> </ul> </li> <li>• Fannie Mae Day 1 Certainty/DU Validation Service or Freddie Mac Asset Income Modeler (AIM) relief is not applicable.             <ul style="list-style-type: none"> <li>▪ Rent payment history utilizing borrower-provided documentation in the Freddie Mac LPA Assessment is ineligible</li> </ul> </li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>• Capital gains income is not allowed. Capital gains and losses do not need to be included.</li> <li>• Income derived from the production or sale of marijuana is ineligible</li> <li>• Income derived from Bitcoin and other virtual currencies is ineligible</li> <li>• Non-taxable Income             <ul style="list-style-type: none"> <li>○ <b>Social Security Income (SSI)</b> <ul style="list-style-type: none"> <li>▪ Document regular receipt per requirements outlined in the Fannie Mae Selling Guide</li> <li>▪ 15% of Social Security Income (SSI) may be treated as non-taxable without providing documentation to evidence the nontaxable status. That amount can then be grossed up by 25%</li> </ul> </li> </ul> </li> </ul> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>• Social Security Benefit amount: \$1,500</li> <li>• Non-taxable amount: <math>\\$1,500 \times 15\% = \\$225</math></li> <li>• Gross-up amount: <math>\\$225 \times 25\% = \\$56</math> (rounded to the nearest dollar)</li> <li>• Qualifying income: <math>\\$1,500 + \\$56 = \\$1,556</math> (does not require additional documentation)</li> <li>• Note: If more than 15% of SSI is grossed up, documentation is required to verify that the income is non-taxable.</li> <li>• Follow the requirements for the AUS/GSE used</li> </ul>



## Prime Jumbo 3 AUS Product Profile

- Trust income is eligible; the following requirements apply regardless of GSE
  - If any assets from the trust are being used for down payment, closing costs, or reserves, those assets must be subtracted from the total amount before determining if the trust income meets continuity of income requirements.
  - A copy of the trust agreement or the trust's federal tax returns confirming the amount, frequency, and type of income being received (variable or fixed).
  - Follow the fixed or variable income requirements outlined in the table below

Trusts with Fixed Payments	Trusts with Variable Payments
<p>Use the fixed payment amount from the trust agreement as the borrower's qualifying income, converting it to a monthly amount, as applicable.</p> <ul style="list-style-type: none"><li>• One month's bank statement or other equivalent required documenting current receipt of trust income</li><li>• Payments must have been received for the past 12 consecutive months or longer to be considered stable monthly income.</li><li>• Document 3-year continuance after the note date.<ul style="list-style-type: none"><li>◦ Evidence sufficient assets are available in the trust to support the qualifying income (e.g., bank statements, letter from trustee, CPA, or an attorney letter in lieu of a trustee letter). When the borrower is the trustee, a letter from the trustee is not acceptable documentation.</li></ul></li></ul>	<p>A minimum of two years receipt is required. Determine the frequency of payments (weekly, monthly, quarterly, annually, etc.).</p> <ul style="list-style-type: none"><li>• A minimum 24-month history of trust income is required evidence by the borrower's signed federal income tax returns for the most recent two years, and</li><li>• Current receipt of trust income with one month's bank statement or another equivalent document.</li><li>• Document 3-year continuance after the note date.<ul style="list-style-type: none"><li>◦ Evidence sufficient assets are available in the trust to support the qualifying income (e.g., bank statements, letter from trustee, CPA, or an attorney letter in lieu of a trustee letter). When the borrower is the trustee, a letter from the trustee is not acceptable documentation.</li></ul></li></ul>

Documentation:  
Income and Assets

- VA Disability: VA disability can be documented via the Certificate of Eligibility (COE) for the veteran.
  - a copy of the COE must be retained in the file,
  - the disability income must be reflected in the conditions section of the COE,
  - and the COE must be dated within 120 days of the note date.
  - If the surviving spouse received additional benefits for dependent children, verification of the children's ages is required to establish a continuance for a minimum of 3 years
- Fannie Mae DU:
  - When using employment-related assets to qualify, the net documented assets must be discounted by 30%.
  - RSU income is eligible in accordance with Fannie Mae guidelines.
- Freddie Mac LPA:
  - RSU income is eligible in accordance with Freddie Mac guidelines.

# Prime Jumbo 3 AUS Product Profile



## Documentation: Income and Assets

### Assets

- VODs are not acceptable for asset documentation.
- Business assets are eligible for down payment and closing costs in accordance with Agency guidelines
- Follow the gift requirements for the AUS/GSE used
  - Gift funds are not eligible for investment property transactions.
  - Gifts of equity are ineligible.
  - Gifts must be from a related party as defined by the applicable GSE.
  - Wedding gifts may not be used to qualify
  - Gift funds are ineligible if the donor is also the seller of the subject property.
- Assets derived from the production or sale of marijuana are ineligible
- Assets derived from Bitcoin and other virtual currencies are ineligible
- Assets held solely in the name of a non-borrowing purchaser are considered a gift and must follow published gift fund requirements of the AUS/GSE used
  - Large deposits sourced back to a non-borrowing purchaser are considered a gift and must follow the published gift fund requirements of the AUS/GSE used
- Follow the large deposit requirements of the AUS/GSE used
- For refinance transactions, documentation explaining large deposits is not required; however, any borrowed funds, including related liabilities, must be taken into consideration.
- **Note: Regardless of AUS documentation requirements, all documentation submitted with the loan file is subject to review and may be used for qualification purposes.**

# Prime Jumbo 3 AUS Product Profile



Down Payment Assistance	<ul style="list-style-type: none"> <li>• Employer assistance is acceptable, provided it is in accordance with Agency guidelines.</li> <li>• Other forms of down payment assistance are ineligible.</li> </ul>
Eligible and Ineligible Mortgage Products and Feature	<ul style="list-style-type: none"> <li>• Fixed Rates Available for 15 and 30 years, permitted. LTVs &gt; 80% are limited to a 30-year fixed-rate loan term.</li> <li>• The APR calculation requires the use of the maximum interest rate that would apply during the first five years as the interest rate for the full term of the loan</li> <li>• All loans must also meet QM requirements regardless of the AUS determination             <ul style="list-style-type: none"> <li>• NOTE date to the first payment due date may not exceed 60 days.</li> </ul> </li> </ul> <p><b>Ineligible</b> All specialty Agency programs are not eligible, including but not limited to any renovation programs, low- to moderate-income programs, etc.</p>
eMrtgs & eNotarization	<ul style="list-style-type: none"> <li>• eMortgages and eNotarization are ineligible</li> </ul>
Employment and Income Verification	<ul style="list-style-type: none"> <li>• For salaried employees, the verbal verification of employment must be completed within 10 business days prior to the note date.             <ul style="list-style-type: none"> <li>○ YTD paystub is ineligible</li> <li>○ Written VOE (Form 1005) is ineligible</li> <li>○ Bank statement is ineligible</li> </ul> </li> <li>• For self-employed borrowers, the verbal verification of employment must be completed within 120 days prior to the note date.</li> <li>• For borrowers in the military, a military Leave and Earnings Statement dated within 30 days prior to the note date is acceptable in lieu of a verbal verification of employment.</li> </ul>
Employment Offers	<ul style="list-style-type: none"> <li>• Employment Offers or Contracts for future employment are not eligible.</li> </ul>
Escrow Holdbacks	<ul style="list-style-type: none"> <li>• Escrow holdbacks are ineligible.</li> </ul>
Escrow/Impound	<ul style="list-style-type: none"> <li>• Escrows for taxes and insurance are required above 80% LTV (90% in CA) or as required by applicable state law.</li> </ul>

# Prime Jumbo 3 AUS Product Profile



Financing Concessions	<ul style="list-style-type: none"><li>• Financing concessions for primary residences and second homes must be within the following allowable percentages:<ul style="list-style-type: none"><li>○ 9% of value with LTV/CLTV ratios less than or equal to 75%</li><li>○ 6% of value with LTV/CLTV ratios greater than 75% up to and including 90%</li></ul></li><li>• The maximum financing concession for investment properties is 2% of value, regardless of the LTV ratio</li><li>• Value is the lesser of the sales price or appraised value</li></ul>
Hazard Insurance	<p>Policies must provide for claims to be settled on a replacement cost basis. Insurance policies that provide for claims to be settled at actual cash value or limit, or that depreciate, reduce, or otherwise settle losses for less than a replacement cost basis, are not eligible.</p> <p><b>I-4 Unit Properties</b></p> <ul style="list-style-type: none"><li>• The insurance limits must equal the lesser of:<ul style="list-style-type: none"><li>○ 100% of the replacement cost of the improvements as of the current property insurance policy effective date, or</li><li>○ the unpaid principal balance of the mortgage, provided it equals no less than 80% of the replacement cost value (RCV) of the improvements as of the current property insurance policy effective date.</li></ul></li><li>• The replacement cost value must be verified to complete the calculation above (refer to the Validating Property Insurance Sufficiency requirements outlined below).</li></ul> <p><b>Master Property Insurance for Condominium and PUD<sup>1</sup> Projects</b></p> <ul style="list-style-type: none"><li>• The master policy coverage limits for condominium and PUD projects must be at least equal to 100% of the replacement cost value of the project's improvements, including common elements and residential structures, as of the current effective date of the insurance policy.</li><li>• Verification that the project insurance coverage is not less than the minimum required, as described above, is required (refer to Validating Property Insurance Sufficiency requirements outlined below).</li></ul> <p><b>Note: An HO-6 policy cannot be utilized to satisfy insufficient master property insurance coverage. Building Ordinance or Law Coverage cannot be utilized to offset insufficient master property insurance coverage.</b></p> <p><b>Validating Property Insurance Sufficiency</b></p> <ul style="list-style-type: none"><li>• Replacement cost sufficiency may be determined using one of the following:<ul style="list-style-type: none"><li>○ A replacement cost estimator provided by the insurer; or</li><li>○ A recent property risk appraisal; or</li><li>○ A statement from the insurer affiliated with the property confirming the cost of improvements, as of the current property insurance policy effective date, such that the insurance limits meet the limits specified above; or</li><li>○ The presence of a guaranteed replacement cost endorsement.</li><li>○ A statement from an insurer or insurance industry professional not affiliated with the property insurer, or the HOA if applicable, is not acceptable evidence.</li></ul></li></ul> <p><b><sup>1</sup>Applies to PUD projects where the project's legal documents provide for a master property insurance policy that covers both the common elements and residential structures.</b></p> <p>Refer to the Selling Guide of the AUS used for complete property insurance requirements.</p>

# Prime Jumbo 3 AUS Product Profile



High Cost/High Priced	<ul style="list-style-type: none"><li>• Windsor Mortgage will not purchase High-Cost Loans</li><li>• Higher Priced Mortgage Loans (HPML) transactions are ineligible.</li><li>• Higher-Priced Covered Transactions (HPCTs) are ineligible.</li></ul>
Ineligible Transactions	<ul style="list-style-type: none"><li>• Intra-family purchases, as a means to obtain cash-out for the seller, while avoiding cash-out qualifications and pricing, are not eligible transactions. These types of transactions may seem to meet Agency guidelines, but they are not bona fide purchase transactions and therefore not eligible for purchase. Unacceptable transactions of this type may have some or all of the following characteristics:<ul style="list-style-type: none"><li>o Gift of equity from the seller</li><li>o Large amount of seller credits</li><li>o Family member remaining in the home and on title after the “purchase”</li><li>o Seller unable to qualify for a cash-out transaction of their own</li></ul></li></ul>
Loan Purpose: Purchase	<ul style="list-style-type: none"><li>• Purchase transactions are eligible</li></ul>

# Prime Jumbo 3 AUS Product Profile



Loan Purpose:  
Refinance

- Non-Del Only: All cash-out refinance transactions must present a tangible benefit to the borrower. At Windsor's discretion, cash-out loans where the effective interest of proceeds is clearly more costly than alternative financing may be deemed ineligible.
- All NOO cash-out transactions require a use-of-funds attestation. Attestation must indicate whether the funds are being used for personal or business purposes. Must be signed and dated by at least one borrower.

## **Fannie Mae DU Refinance**

- Limited cash out refinance:
  - o Cash out to the borrower cannot exceed \$2,000
  - o Fannie Mae ownership requirements must be met. Note: Ownership in an LLC does not meet Fannie Mae requirements for a limited cash-out refinance
  - o Limited cash out refinance to buy out an owner's interest is eligible
  - o Paying off a subordinate mortgage lien (including prepayment penalties) used to purchase the subject property is eligible.
  - o Paying off the construction loan and documented construction cost overruns for a two-closing construction-to-permanent loan is eligible
  - o Paying for construction costs to build a home for a single-closing construction-to-permanent transaction, which may include paying off an existing lot lien, is not eligible
  - o Pools, or other features, constructed by a third-party builder/contractor are not eligible for payoff with loan proceeds on a limited cash out refinance
  - o Paying off the unpaid principal balance of PACE loans and other debt used for energy-related improvements is not eligible
  - o Refer to Fannie Mae Selling Guide for complete requirements
- Cash out refinance:
  - o Maximum cash-out is \$500,000, which includes:
    - o The payoff of any unsecured debt
    - o Unseasoned liens
    - o Debt not secured by the subject property
    - o Non-purchase money seconds secured by the property, and
    - o Any cash on hand

# Prime Jumbo 3 AUS Product Profile



Loan  
Purpose:  
Refinance  
  
Freddie Mac

Fannie Mae ownership requirements must be met. Note: Ownership prior to closing by a limited liability corporation (LLC) that is majority-owned or controlled by the borrower(s) is eligible and may be counted towards meeting the borrower's six-month ownership requirement. In order to close the refinance transaction, ownership must be transferred out of the LLC and into the name of the individual borrower(s)  
Delayed financing meeting Fannie Mae requirements is eligible when a borrower purchased the subject property for cash within 180 days of the loan application

➤ FNMA Student Loan Cash-Out Refinances **are not eligible. Refer to FNMA Selling Guide for complete requirements.**

## Freddie Mac LPA Refinance

- No cash-out refinance • Cash out to the borrower cannot exceed \$2,000
- Freddie Mac ownership requirements must be met.  
Note: Ownership in an LLC does not meet Freddie Mac requirements for a no-cash-out refinance
- Pay off the principal and interest due, including a balance deferred under a loss mitigation plan, for the first mortgage, regardless of its age, used to acquire the property, is eligible
- Pay off the P and I due, including a balance deferred under a loss mitigation plan, for the first mortgage, originated as a refinance transaction, with a note date no less than 30 days prior to the note date of the "no cash-out" refinance mortgage, as documented in the mortgage file is eligible
- For construction conversion mortgages (two-time close), the amount of the interim construction financing secured by the mortgaged premises is considered an amount used to pay off the first mortgage and is eligible. The payoff of a renovation mortgage or one-time close construction loan is not eligible.
- Pools, or other features, constructed by a third-party builder/contractor are not eligible for payoff with loan proceeds on a NCO refinance
- Paying off a Property Assessed Clean Energy (PACE) or PACE-like obligation is not eligible > Refer to FHLMC Selling Guide.

## Cash out refinance

- Maximum cash-out is \$500,000, which includes:
    - The payoff of any unsecured debt
    - Unseasoned liens
    - Debt not secured by the subject property
    - Non-purchase money seconds secured by the property, and
    - Any cash on hand
- Freddie Mac ownership requirements must be met.

**Note: For cases in which title to the property is held by a limited liability company (LLC) or limited partnership (LP), the time the property was titled in the name of the LLC or LP may be included in the six-month requirement provided:**

At least one Borrower must have been the majority owner or had control of the LLC or LP since the date the LLC or LP acquired the property, and

- Title must be transferred from the LLC or LP into the Borrower's name on or before the Note Date
- Freddie Mac seasoning requirements for a cash-out refinance used to pay off a first lien mortgage must be met.
- Delayed financing meeting Freddie Mac requirements is eligible when a borrower purchased the subject property for cash within 180 days of the loan application.
- Special purpose cash-out refinance where the owner of the subject property uses the proceeds of the refinance transaction to buy out the equity of a co-owner is eligible. > Refer to Freddie Mac Selling Guide for complete requirements

# Prime Jumbo 3 AUS Product Profile



<p>Loan Purpose: Ineligible Transactions</p>	<p>Intra-family purchases, as a means to obtain cash-out for the seller, are not eligible transactions because they avoid cash-out qualifications and pricing. These types of transactions may seem to meet Agency guidelines, but they are not bona fide purchase transactions and therefore not eligible for purchase by Windsor. Unacceptable transactions of this type may have some or all of the following characteristics:</p> <ul style="list-style-type: none"> <li>• Gift of equity from the seller</li> <li>• Large amount of seller credits</li> <li>• Family member remaining in the home and on title after the “purchase”</li> <li>• Seller unable to qualify for a cash-out transaction of their own</li> </ul>
<p>Minimum Loan Amount</p>	<p>\$1 above the High Balance loan limit.</p>
<p>Mortgage Insurance</p>	<p>Mortgage insurance is not required</p>
<p>Multiple Financed Properties</p>	<ul style="list-style-type: none"> <li>• Maximum number of 10 financed properties.</li> <li>• Borrowers with 7-10 financed properties use the more restrictive of 720 FICO or AUS Jumbo FICO requirement.</li> <li>• Loan balances &lt;= \$1,000,000 follow applicable Agency guidelines for reserve requirements.</li> <li>• Loan balances &gt; \$1,000,000:             <ul style="list-style-type: none"> <li>○ 1-6 properties use 6 months of the monthly payment amount on each additional property.</li> <li>○ 7-10 properties use 8 months of the monthly payment amount on each additional property.</li> </ul> </li> </ul>
<p>Occupancy</p>	<ul style="list-style-type: none"> <li>• Primary residence - 1-2 units</li> <li>• Second homes - 1-unit only             <ul style="list-style-type: none"> <li>○ See the Credit section for borrowers who do not currently own a primary residence. Investment 1-2-unit and primary residence 1- 2-unit properties:                 <ul style="list-style-type: none"> <li>➢ When using rental income to qualify for a subject property, the borrower must own a primary residence (DU or LPA); or</li> <li>➢ Document a reasonable current housing expense (DU only).</li> <li>➢ See the Credit section for borrowers who do not currently own a primary residence.</li> </ul> </li> </ul> </li> </ul>
<p>Power of Attorney (POA)</p>	<ul style="list-style-type: none"> <li>• Specific Power of Attorney meeting all State, Federal, and Agency requirements allowed.</li> <li>• An individual employed by or affiliated with any party to the loan transaction, e.g., title insurer, settlement agent, etc., is not eligible as a POA.</li> </ul>
<p>Property: Eligible Type</p>	<ul style="list-style-type: none"> <li>• Single Family Detached Single Unit</li> <li>• Single Family Attached Single Unit</li> <li>• 2 Unit Attached/Detached</li> <li>• PUDs</li> <li>• Low-rise and High-rise condominiums (must be Agency eligible)</li> <li>• Rural Properties (in accordance with Agency Guidelines, properties must be residential in nature)</li> </ul>



## Prime Jumbo 3 AUS Product Profile

Property: Ineligible Types	<ul style="list-style-type: none"><li>• 3- 4-unit properties</li><li>• Manufactured homes or any dwelling built on a permanent chassis.<ul style="list-style-type: none"><li>○ Manufactured homes, when used as an accessory dwelling unit, are eligible. Refer to the applicable AUS/GSE Selling Guide for complete requirements</li></ul></li><li>• Mobile homes</li><li>• Cooperatives</li><li>• New condos, unless PERS approved</li><li>• Condotels</li><li>• Non-warrantable condos</li><li>• Hotel Condominiums</li><li>• Timeshares</li><li>• Working Farms and Ranches</li><li>• Hobby farms</li><li>• Leaseholds</li><li>• Unimproved Land</li><li>• Property currently in litigation</li><li>• Properties with deed restrictions or resale restrictions</li><li>• Geodesic or berm homes</li><li>• Land Trust, including community land trusts</li><li>• Condition Rating of C5/C6 or a Quality Rating of Q6</li><li>• Turn-key investment properties. Refer to the Property Turn-key Investments section for further details.</li><li>• Properties located in Lava Zone 1 or 2</li><li>• Properties zoned commercial, agricultural (&gt;5 acres), or mixed use</li><li>• Properties with evidence of commercial production of marijuana, including but not limited to grow rooms, or hydroponic equipment, are ineligible.</li><li>• Properties with solar panels that include a UCC filing or an easement on title are ineligible.</li></ul>
Property Flipping (resold within 180 days of purchase)	<p>Properties that involve a resale that occurred within the last 180 days, with a non-arm's-length relationship between the buyer and seller, and an increase in value, are prohibited. The time frame is established by the seller's date of acquisition as the date of settlement on the seller's purchase of the property and the execution of a sales contract with another party.</p>
Property: Turn-Key Investment	<p>Purchase or refinance transactions involving turn-key investment, or other similar arrangements, are not eligible for origination by Windsor. Characteristics of a Turn-key property include, but are not limited to:</p> <ul style="list-style-type: none"><li>○ The property seller is an LLC (or other entity) that purchases distressed properties and resells to borrowers at a non-distressed valuation.</li><li>○ The property seller or a related entity agrees to manage the property on behalf of the buyer, including marketing, tenant screening, rent collection, and maintenance, among other tasks.</li><li>○ Buyer frequently lives out of the area from the subject property.</li></ul>

# Prime Jumbo 3 AUS Product Profile



<p>Ratios</p>	<ul style="list-style-type: none"> <li>• Maximum DTI of 50.00% with an AUS approve/accept is eligible for the following:             <ul style="list-style-type: none"> <li>○ Primary residence</li> <li>○ Maximum CLTV 80.00%</li> <li>○ Maximum loan amount \$2,000,000</li> </ul> </li> <li>• Scenarios not meeting the above criteria have a maximum DTI of 45.00% with an AUS approve/accept</li> </ul>
<p>Recently Listed Properties</p>	<ul style="list-style-type: none"> <li>• No Cash-Out Transaction             <ul style="list-style-type: none"> <li>○ The subject property must not be currently listed for sale. It must be taken off the market on or before the disbursement date.</li> <li>○ Borrowers must confirm their intent to occupy the subject property (for principal residence transactions).</li> </ul> </li> <li>• Cash-Out Transaction             <ul style="list-style-type: none"> <li>○ Properties listed for sale in the six months preceding the application date for new financing are limited to 70% LTV/CLTV.</li> <li>○ Properties listed for sale must be removed from the market on or before the disbursement date.</li> </ul> </li> </ul>
<p>Rental Income</p>	<ul style="list-style-type: none"> <li>• Follow applicable AUS/GSE Selling Guide requirements for rental income, including calculation and amounts eligible for use.</li> </ul> <p>Note: When using rental income to qualify for a subject property, the borrower must own a primary residence (DU or LPA); or</p> <ul style="list-style-type: none"> <li>• Document a reasonable current housing expense (DU only).</li> </ul>
<p>Reserves</p>	<ul style="list-style-type: none"> <li>• Refer to the eligibility matrix on the first page of the Product Profile.</li> <li>• If the borrower owns other financed properties, additional reserves must be calculated and documented for these properties, in addition to the subject property and the borrower’s principal residence (refer to the Multiple Financed Properties section above).</li> <li>• Business assets cannot be used as reserves.</li> </ul>
<p>State Restrictions</p>	<ul style="list-style-type: none"> <li>• Illinois Land Trust Vesting are not eligible-</li> <li>• Texas 50 (a)(6) refinance mortgages are not eligible</li> </ul>
<p>Tax Transcripts</p>	<ul style="list-style-type: none"> <li>• When tax returns are used for qualification purposes, tax transcripts for the most recent one year’s personal returns are required.</li> <li>• Tax transcripts will be ordered for any income type when red flags are present or at Windsor’s discretion</li> <li>• If tax transcripts are not available (due to a recent filing for the current year) a copy of the IRS notice showing “No record of return filed” is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received) from the IRS and transcripts from the previous year.</li> <li>• When tax transcripts are provided, they must support the income used to qualify.</li> <li>• A properly executed 4506-C for personal and business returns is required for all transactions except when the loan file contains tax transcripts.</li> </ul>



# Prime Jumbo 3 AUS Product Profile

<p>Temporary Interest Rate Buydowns</p>	<p>Allowed subject to the following:</p> <ul style="list-style-type: none"> <li>• Maximum loan amount \$1,500,000</li> <li>• Minimum 740 FICO</li> <li>• Owner Occupied only</li> <li>• Purchase transactions only</li> <li>• Borrower-paid buydowns are ineligible</li> <li>• Lender-paid buydowns are ineligible</li> <li>• Maximum total interest rate reduction of 2%, max increase per year of 1% (e.g., 1/0, 1/1, and 2/1)</li> <li>• Maximum 2 years to reach standard note rate</li> <li>• Must qualify at the standard note rate without the benefit of the buydown</li> <li>• Must meet all other applicable Fannie Mae or Freddie Mac requirements, including but not limited to qualification, IPC limits, documentation of buydown, and funding of buydown.</li> </ul>
<p>Title</p>	<ul style="list-style-type: none"> <li>• Follow applicable AUS for title requirements</li> <li>• Attorney opinion letters are ineligible</li> <li>• PACE/HERO liens must be paid off and removed at or prior to closing. Subordination is not acceptable.</li> <li>• Solar liens or leases must be subordinated to the subject transaction             <ul style="list-style-type: none"> <li>o UCC filings must be removed or subordinated</li> </ul> </li> </ul> <p>Windsor Mortgage will originate loans in accordance with the applicable underlying Agency guidelines (Fannie Mae Single Family Selling Guide or Freddie Mac Single-Family Seller/Service Guide), unless otherwise noted in the Windsor Mortgage guidelines.</p> <p><i>Windsor Mortgage does not discriminate in any aspect of a credit transaction on the basis of sex, gender identity or expression, sexual orientation, marital status, familial status, race, color, ethnicity, religion, national origin, age, handicap or disability status, income derived from public assistance, military status or the good faith exercise of rights under the Consumer Credit Protection Act.</i></p>

## Document History

Date	Revision	Approved	Uploaded
11.08.24	Product Name Change from Prime Jumbo 1	M Miller	11.13.24
03.26.25	Revised to the newest version changes in Orange	M Miller and Z Kempf	03.27.25
03.28.25	Added 2-unit under investment property	N Klimoski	03.28.25
05.09.25	conforming limits --> High Balance	Z Kempf	05.09.25
06.24.25	Lender-paid buydowns are ineligible	Z Kempf	06.24.25
03.12.26	Removed references to ARM products being eligible	Z Kempf	03.12.26