



STANDARD CONVENTIONAL PRODUCT GUIDE DELEGATED CORRESPONDENT

PROGRAM OVERVIEW			
<p>Programs that are offered through traditional underwriting, Fannie Mae's Desktop Underwriter (DU) and Freddie Mac's Loan Prospector (LP), are described in this section. This program overview contains information on both purchases and refinances.</p>			
PROGRAM TERMS			
TERM	<ul style="list-style-type: none"> • 15/20/30 year terms available 		
LOAN TYPE	<ul style="list-style-type: none"> • Fixed Rate • 5 & 7 Year Arms Available 		
OCCUPANCY TYPE	<ul style="list-style-type: none"> • Primary Residence • Second Homes (no non-arms length transactions) • Investment Properties (no non-arms length transactions) 		
LOAN-TO-VALUE	<ul style="list-style-type: none"> • For the most recent FCM Credit Score/LTV Matrix please reference the link below: FCM Credit Score/LTV Matrix • Max cash at close on a rate/term is the lesser of 2% of the balance of the new mortgage or \$2,000 		
95.01-97% LTV Additional Requirements (NON HR)	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> • Purchase <ul style="list-style-type: none"> ◇ 1 Borrower must be a first time home buyer ◇ 1 Unit, Primary Residence (SFR, CONDO, PUD) ◇ Fixed Rate Only ◇ 35% Standard MI Coverage ◇ Reserves if required by AUS may be gifted </td> <td style="vertical-align: top; width: 50%;"> <ul style="list-style-type: none"> • Refinance <ul style="list-style-type: none"> ◇ Subject property loan must be an existing Fannie Mae mortgage. Check eligibility at FANNIE MAE LOOK UP TOOL. ◇ 1 unit Primary Residence (SFR, CONDO, PUD) ◇ Fixed Rate Only ◇ 35% Standard MI Coverage ◇ Reserves, if required by AUS, may be gifted. ◇ Cash Out Refinances are ineligible ◇ All other standard LCOR requirements apply </td> </tr> </table>	<ul style="list-style-type: none"> • Purchase <ul style="list-style-type: none"> ◇ 1 Borrower must be a first time home buyer ◇ 1 Unit, Primary Residence (SFR, CONDO, PUD) ◇ Fixed Rate Only ◇ 35% Standard MI Coverage ◇ Reserves if required by AUS may be gifted 	<ul style="list-style-type: none"> • Refinance <ul style="list-style-type: none"> ◇ Subject property loan must be an existing Fannie Mae mortgage. Check eligibility at FANNIE MAE LOOK UP TOOL. ◇ 1 unit Primary Residence (SFR, CONDO, PUD) ◇ Fixed Rate Only ◇ 35% Standard MI Coverage ◇ Reserves, if required by AUS, may be gifted. ◇ Cash Out Refinances are ineligible ◇ All other standard LCOR requirements apply
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MORTGAGE INSURANCE	<ul style="list-style-type: none"> • Acceptable MI Types: Borrower Paid Monthly MI, Lender Paid Single Premium MI, Split MI • Financed MI – Only allowed for Purchase or Rate/Term of a 1 unit (SFR, CONDO, PUD) Primary Residence <ul style="list-style-type: none"> ◇ Maximum Gross LTV including MI <ul style="list-style-type: none"> • 97% ◇ Maximum DTI: as determined by AUS or MI certificate 		
MAXIMUM LOAN AMOUNT	<ul style="list-style-type: none"> • Conforming Loan Limits: <ul style="list-style-type: none"> ◇ 1-unit: \$453,100 ◇ 2-unit: \$580,150 ◇ 3-unit: \$701,250 ◇ 4-unit: \$871,450 • For the most recent Conforming Loan Limits please reference: Fannie Mae Loan Limits 		
MINIMUM LOAN AMOUNT	<ul style="list-style-type: none"> • \$50,000 		
ESCROWS	<ul style="list-style-type: none"> • Escrows for taxes and insurance are mandatory for loans with an LTV greater than 80%, subject to state law 		

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ARMS	Program Code	ARM Type	Margins	First Adjustment Cap	Annual Cap after First Adjustment	Lifetime Cap	Qualifying Rate	INDEX
	C5/1ARM	5 Year ARM	2.25	2	2	5	Rate + 2%	LIBOR
	C7/1ARM	7 Year ARM	2.25	5	2	5	Greater of FIR or Note Rate	LIBOR
FIR = Fully Indexed Rate = Index + Margin								
BORROWER ELIGIBILITY								
GENERAL	<ul style="list-style-type: none"> • Valid social security number. (additional restrictions apply for Permanent and Non-Permanent Resident Aliens) • Power of Attorney not allowed on Investment Properties or Cash Out Refinances 							
EMPLOYMENT & INCOME	<ul style="list-style-type: none"> • DTI Restrictions: <ul style="list-style-type: none"> ◊ Ratios are evaluated by AUS and the underwriter • 4506-T Requirements: A 4506T must be signed for each tax return type where income from that return was used in qualification. • Tax Transcripts: <ul style="list-style-type: none"> ◊ Are not required for those borrowers qualifying with W-2 income and 1099 fixed income (SS and Pensions). ◊ Income derived from Self Employment, Commissions greater than 25%, Rental Income, Interest and Dividends, Trust Income etc. are required to be supported by tax transcripts matching each year of income used for qualifying. 							
CREDIT								
MINIMUM CREDIT SCORE	<ul style="list-style-type: none"> • For the most recent FCM Credit Score/LTV Matrix please reference the link below: FCM Credit Score/LTV Matrix 							
CREDIT REPORT REQUIREMENTS	<ul style="list-style-type: none"> • Maximum DTI: determined by AUS • Manual underwrites are not allowed; AUS approval required • Borrower must have at least one valid credit score. • Fannie Mae: Transactions receiving an Approve/Eligible where a co-borrower has no score is eligible provided all other Fannie Mae requirements are met. 							
GENERAL CREDIT	<ul style="list-style-type: none"> • Payoff of revolving accounts to qualify the borrower is allowed. Account closure is not required. • HELOC payments: If the actual payment cannot be determined on a HELOC, a payment may be calculated using 1% of the outstanding balance. 							

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	<ul style="list-style-type: none"> • Alimony may be treated as a reduction in income OR a liability. • Student Loans: DU follow agency guidance. For LP loans follow agency guidelines and the following exception: Student Loan – Medical Profession* For the follow Medical designations, Student Loans that are deferred for a minimum of 12 months after the date of the note do not have to be included in the DTI: <ul style="list-style-type: none"> • Medical Resident • Medical Doctor (MD) • Doctor of Dental Science (DDS) • Doctor of Dental Medicine (DMD) or be a dental surgeon specializing in oral and maxillofacial surgery • Doctor of Ophthalmology (MD) • Doctor of Optometry (OD) • Doctor of Podiatric Medicine (DPM) • Doctor of Osteopathic Medicine (DO) <p style="text-align: center;">*When required, MI must be obtained from a participating MI Provider.</p> <ul style="list-style-type: none"> • Fannie Mae: Non-mortgage debt payments with satisfactory payment history may be excluded with 12-month history of someone else paying the debt. For Mortgage debt, the payor must be obligated on the debt, provide 12 months cancelled checks and have a 12-month satisfactory payment history.
PROPERTY	
GEOGRAPHICAL RESTRICTIONS	<ul style="list-style-type: none"> • No restrictions other than FCM's standard lending footprint.
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • 1 to 4 unit • Townhomes/PUDs • Modular Homes • Manufactured Homes • Condominiums (additional conditions may apply to ensure condominium eligibility) <ul style="list-style-type: none"> ◊ Florida Condos with LTVS greater than 75% Primary/70% 2nd Home LTVs will require a Full Condo Review regardless of AUS Condo review recommendation.
MANUFACTURED HOME REQUIREMENTS	<p>Manufactured Homes are eligible for financing for conventional loan programs. The following list of restrictions and requirements are in addition to regular program underwriting requirements:</p> <ul style="list-style-type: none"> • 660 minimum Credit Score • Primary Residence Only • 30 Year Fixed Rate Only • No High Balance • Non Occupant Co-Borrowers allowed at LTVs ≤ 80% • Purchase and Rate and Term/LCOR

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	<ul style="list-style-type: none"> • Properties up to 10 acres • Approve/Accept/Eligible only • If property is less than 1 year old, a structural engineer’s report meeting HUD guidelines must be provided. Reports must be dated within 12 months of note date. • Properties with an unexpired right of redemption are ineligible • Repair escrows are ineligible. <p>Property Requirements:</p> <ul style="list-style-type: none"> • Home must have been manufactured in 1994 or later. • Appraiser must be able to verify that the subject has not been removed from original installation site. Verification of wheels, axles, tongue and running lights have been removed. • The manufactured home must have been de-titled and be classified as real property to be eligible for a mortgage. The title policy must identify the manufactured unit as part of real property and contain an ALTA Form 7 or equivalent endorsement. • Original Certificate of title with any lien noted thereon having been marked released. Multiple certificates will be required if more than one unit. • New construction is eligible if the manufactured home will be sold as real estate (de-titled and classified as Real Estate by dealer/seller) and vested in fee simple ownership prior to closing and reflected as real property on title commitment.
INELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • Co-ops • Florida Investment Condos with LTVs greater than 80% • Properties with an Appraisal Rating of Q6 or C5/C6
APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> • Investment properties and Second Homes require full appraisals regardless of AUS findings. • Appraisals are valid for 120 days from the date of inspection to the Note date • Appraisal Forms: <ul style="list-style-type: none"> ◊ 1 unit primary & second home dwellings: Uniform Residential Appraisal Report (Fannie Mae Form 1004) ◊ 2-4 unit primary dwellings: Small Residential Income Property Appraisal Report (Fannie Mae Form 1025) ◊ 1 unit investment dwellings when using rental income: Uniform Residential Appraisal Report/Operating Income Statement/Single Family Comparable Rent Schedule (Fannie Mae Form 1004 & 1007) ◊ 2-4 unit investment dwellings when using rental income: Small Residential Income Property Appraisal Report/Operating Income Statement/Single Family Comparable Rent Schedule (Fannie Mae Form 1025 & 1007) ◊ Condominium units: Individual Condominium Unit Appraisal Report (Fannie Mae Form 1073) • Additional Investment Property Requirements: <ul style="list-style-type: none"> ◊ When the borrower owns more than one financed investment property the subject investment property must be secured by either a 15, 20, or 30 year fixed loan or a 7/1 ARM.

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CONSTRUCTION TO PERM	<ul style="list-style-type: none"> • Seller must obtain prior approval from VP Correspondent Lending to submit single close CTP loans. • Minimum Loan Amount \$80,000 • Single Family Residence Only • Fixed Rate Only • DU Only • Cash Out is not allowed • Original AUS must be dated before the first Note date or loan will have to qualify as a manual underwrite • Must meet all other parameters listed in FNMA Selling Guide B-5-3-1 • FCM DOES NOT underwrite construction/permanent with modification loans
HIGH BALANCE (DU)/SUPER CONFORMING (LP)	
OVERVIEW	A program designed as an outlet for loan amounts greater than \$453,100 on properties located in markets eligible for high-cost loan limits. Please visit the County Loan Limits to determine if a market qualifies and the maximum limit for that particular market.
LOAN TERMS	<ul style="list-style-type: none"> • For the most recent FCM Credit Score/LTV Matrix please reference the link below: FCM Credit Score/LTV Matrix • 15/30 Year Fixed Only • Primary Residence, Second Home, Investment Properties • Maximum Loan Amount LP/Super Conforming Files: \$1M
CREDIT	<ul style="list-style-type: none"> • All borrower must have traditional credit. • No Manual Underwrites
PROPERTY ELIGIBILITY	<ul style="list-style-type: none"> • Must be in a qualifying market. Please see the County Loan Limits to determine property and loan amount eligibility.
APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> • Interior/Exterior Appraisal required on all loans • DU/High Balance Files: A field review is required for properties valued at \$1M or more with an LTV/CLTV or HCLTV ratio greater than 75%
HOMEReadY MORTGAGE (DU)	
OVERVIEW	HomeReady mortgage may be originated for Purchases or Limited Cash Out Refinances. The guidelines below pertain to 1 unit residence, for specific guidelines regarding 2-4 units, please contact FCM underwriting. The following guidelines only apply to AUS approval, manual underwriting is not acceptable.
LOAN TERMS	<ul style="list-style-type: none"> • 30 Year Fixed
ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • 1 Unit Single Family Residence • FNMA Warrantable Condos • Planned Unit Developments (attached and detached)
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • Non Occupant Co Borrowers are permitted to a maximum LTV/CLTV of 95%
INCOME	<ul style="list-style-type: none"> • AUS will determine income eligibility.

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MINIMUM BORROWER CONTRIBUTION	<ul style="list-style-type: none"> Community Seconds are an acceptable source for down payment funds up to 105% LTV
ADDITIONAL TERMS	<ul style="list-style-type: none"> Homeownership Education is required and must meet Fannie Mae requirements found here. Borrowers may have existing ownership in other property.
APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> Interior/Exterior Appraisal required on all loans
DU REFI PLUS AND LP RELIEF REFI OPEN ACCESS	
TERM	<ul style="list-style-type: none"> 15 & 30 year terms available (other terms may be available, please contact the lock desk for more details)
LOAN TYPE	<ul style="list-style-type: none"> Fixed Rate Rate/Term Refinance only
OCCUPANCY TYPE	<ul style="list-style-type: none"> Primary Residence Second Homes Investment Properties
LOAN-TO-VALUE	<ul style="list-style-type: none"> For the most recent FCM Credit Score/LTV Matrix please reference the link below: FCM Credit Score/LTV Matrix
MORTGAGE INSURANCE	<ul style="list-style-type: none"> Original LTVs <= 80% mortgage insurance will be waived by DU Loans with existing MI may be transferred if currently underwritten by one of the following MI companies: <ul style="list-style-type: none"> ◇ Radian ◇ MGIC ◇ Genworth ◇ PMI Group ◇ RMIC ◇ United Guaranty ◇ Triad AUS findings must include the Mortgage Insurance Provider and Mortgage Insurance Certificate number. The following MI products are eligible for MI transfers: <ul style="list-style-type: none"> ◇ LPMI Single Premium ◇ BPMI Single, Monthly, or Annual Premium The following MI products are ineligible for MI transfers: <ul style="list-style-type: none"> ◇ LPMI Annual or Monthly ◇ Split Premiums (LPMI/BPMI hybrids) ◇ Changing from LPMI to BPMI or BPMI to LPMI ◇ Changing the payment plan frequency (monthly, annual, single)
MAXIMUM LOAN AMOUNT	<ul style="list-style-type: none"> This product can be used to: <ul style="list-style-type: none"> ◇ Pay off the current unpaid principal balance on the existing first mortgage ◇ Pay closing costs, prepaids items and points. Limited to maximum of \$5000 for LP Relief Refinances. The maximum cash to the borrower at closing cannot exceed \$250

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SECONDARY FINANCING	<ul style="list-style-type: none"> Existing secondary financing is allowed but must be re-subordinated New subordinate financing is not allowed.
BORROWER ELIGIBILITY	
GENERAL	<ul style="list-style-type: none"> Eligibility must be evidenced by AUS and Fannie Mae Look Up Tool
EMPLOYMENT & INCOME	<ul style="list-style-type: none"> DTI Restrictions: <ul style="list-style-type: none"> ◇ Max DTI is 50% regardless of AUS Findings. ◇ If the file is an HPML file, the maximum DTI is 45%
CREDIT	
MINIMUM CREDIT SCORE	<ul style="list-style-type: none"> For the most recent FCM Credit Score/LTV Matrix please reference the link below: FCM Credit Score/LTV Matrix
CREDIT REPORT REQ'MENTS	<ul style="list-style-type: none"> File must receive an Approve/Eligible (DU) or Accept/Accept (LP). Manual underwrites are not allowed
BANKRUPTCY/FORECLOSURE /DEED-IN-LIEU	Credit is evaluated by AUS.
MORTGAGE/RENTAL HISTORY	<ul style="list-style-type: none"> Evaluated by AUS.
PROPERTY	
SPECIAL PROPERTY REQUIREMENTS	<ul style="list-style-type: none"> Condominiums do not require CPM Approval. Proof of HOA Liability Insurance is required.
APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> For DU Refi Plus: <ul style="list-style-type: none"> ◇ Final DU run determines appraisal requirements (i.e. full appraisal, PIW, 2075) For LP Relief Refi: <ul style="list-style-type: none"> ◇ The value can be determined using the HVE value provided by LP if the standard deviation is between 0 and .20 with a confidence value of Medium or High, otherwise a full appraisal is required to determine value.

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