

## Primary Residence

Loan Purpose	Minimum FICO	Max DTI	Units	Max LTV/CLTV/HCLTV
No Cash-Out	620	65%	1	Fixed 97%/105% <sup>1, 2</sup>
			Manufactured	95%

<sup>1</sup> Loans with Non-occupant borrowers are limited to 95% max LTV.

<sup>2</sup> Loans with a resubordinated Community Second have max CLTV of 105%.

## Requirements

FHLMC Loan Lookup	Product Types
<a href="#">FHLMC Loan Lookup</a>	15yr, 20yr, 25yr and 30yr Fixed
FHLMC Area Median Income Lookup Link	Occupancy
<a href="#">FHLMC AMI Lookup</a>	Primary Residence Only
Property Types	AUS
SFRs, PUDs, Warrantable Condo, Multi-Wide Manufactured Homes*	All loans must receive LPA Accept Findings. LPA must reflect RefiPossible Eligible.
Max Loan Amount	Minimum Loan Amount
Conforming Limits Only. No Super Conforming.	\$75,000
Max Cash Back	
\$250	

## Mortgage Insurance

**Standard mortgage insurance is used when required. Lender Paid MI with single premium is permitted. BPMI monthly and Single Premium allowed.**

Loan Term	LTV			
	80.01-85%	85.01-90%	90.01-95%	95.01-97%
25 & 30 Year Terms, Manufactured	12%	25%	30%	35%
10, 15 & 20 Year	6%	12%	25%	35%

## General Eligibility

<b>Borrower Benefit</b>	The refinanced loan must provide the following benefits to the borrower: <ul style="list-style-type: none"> <li>a reduction in interest rate of at least 50 basis points, and</li> <li>a reduction in the monthly payment that includes principal, interest, and the mortgage insurance payment (if applicable).</li> </ul>
<b>Borrower Income Limit</b>	The borrower(s) income must be less than or equal to 80% of the applicable AMI limit for the subject property's location.
<b>Existing Loan Eligibility</b>	The existing loan must: <ul style="list-style-type: none"> <li>be a conventional mortgage loan owned or securitized by Freddie Mac</li> <li>be seasoned at least 12 months but no more than 120 months (from the original note date to new loan note date).</li> <li>not be subject to recourse, repurchase agreement, indemnification, outstanding repurchase demand, or credit enhancement.</li> <li>No super conforming, temporary subsidy buydowns or Texas Equity Section 50(a)(6) Mortgage.</li> </ul>
<b>Net Tangible Benefit</b>	The refinance transaction must result in both of the following: <ul style="list-style-type: none"> <li>A mortgage interest rate reduction of at least 50 basis points (bps) and,</li> <li>A reduction in the Borrower's First Lien monthly principal, interest and mortgage insurance (if applicable) payment.</li> </ul>

<p><b>New Loan Eligibility</b></p>	<p>The new RefiPossible loan must:</p> <ul style="list-style-type: none"> <li>• be a fixed-rate loan.</li> <li>• have maximum LTV, CLTV, and HCLTV ratios as permitted in the Eligibility Matrix.</li> <li>• be a limited cash-out refinance with cash out less than or equal to \$250. Excess proceeds may be applied as a curtailment on the new loan.</li> <li>• have a loan limit that conforms to the general loan limits (high-balance loans are not permitted).</li> <li>• not be a Texas Section 50(a)(6) loan.</li> <li>• one time use only</li> <li>• may not be combined with a HomePossible refinance transaction.</li> </ul>
<p><b>Credit</b></p>	
<p><b>Acceptable Borrowers</b></p>	<ul style="list-style-type: none"> <li>• have identical borrowers on the new loan as the existing loan.</li> <li>• New borrowers cannot be added or removed. One or more borrowers may only be removed if: <ul style="list-style-type: none"> <li>o the remaining borrower(s) meet the payment history requirements and provides evidence that they have made at least the last 12 months of payments from their own funds (including any secondary financing, or</li> <li>o due to the death of a borrower documented in the loan file.</li> </ul> </li> <li>• Non-occupant co-borrowers are permitted if he/she is on the existing loan. <ul style="list-style-type: none"> <li>o A maximum LTV, CLTV, and HCLTV ratio of 95% applies, (CLTV ratio may be up to 105% when a Community Seconds is being resubordinated).</li> </ul> </li> </ul>
<p><b>Age of Documents</b></p>	<ul style="list-style-type: none"> <li>• 120 Days for Credit Report, Income, Asset and Appraisal</li> <li>• 90 days Title</li> </ul> <p>All items are measured from Note Date</p>
<p><b>Borrower Eligibility</b></p>	<p><b>Eligible Borrowers:</b> Must have legal residency and valid Social Security Number</p> <ul style="list-style-type: none"> <li>• US Citizens, Permanent Residents and Non Permanent Resident Aliens (except DACA)</li> <li>• Inter-Vivos Revocable Trusts</li> </ul> <p><b>Ineligible Borrowers:</b></p> <ul style="list-style-type: none"> <li>• Foreign Nationals</li> <li>• Limited and General Partnerships</li> <li>• Irrevocable Trusts</li> <li>• ITIN borrowers</li> </ul>
<p><b>Contingent Liabilities</b></p>	<p>A contingent liability may be excluded from liabilities when meeting the requirements below.</p> <p><b>Installment (not including Mortgages), Revolving, Monthly Lease Payment</b></p> <ul style="list-style-type: none"> <li>• A party other than the Borrower has been making timely payments for the most recent 12 mos. (regardless of whether the party is obligated on the debt)</li> <li>• The party making the payments is not an interested party to the subject real estate or Mortgage transaction</li> </ul> <p><b>Mortgage:</b> Documentation must indicate the following:</p> <ul style="list-style-type: none"> <li>• A party other than the Borrower has been making timely payments for the most recent 12 months</li> <li>• The party making the payments is obligated on the Note for the Mortgage that is being excluded</li> <li>• The party making the payments is not an interested party to the subject real estate or Mortgage transaction</li> </ul>
<p><b>Credit Refresh / Soft Pull</b></p>	<p>Required within 10 calendar days of Note date. Any additional inquiries found on soft pull must be addressed by borrower.</p>

<p><b>Debt paid by Borrower's Business</b></p>	<p>When a self-employed Borrower is obligated on a debt that has been paid by the Borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the monthly debt payment-to-income ratio if the following requirements are met:</p> <ul style="list-style-type: none"> <li>• The Mortgage file contains evidence that the debt has been paid timely by the Borrower's business for no less than the most recent 12 months, and</li> <li>• The tax returns evidence that business expenses associated with the debt (e.g., interest, lease payments, taxes, insurance) have been reported and support that the debt has been paid by the business</li> </ul>
<p><b>Derogatory Credit</b></p>	<p>Follow per LPA Feedback</p>
<p><b>DTI</b></p>	<p>Per LPA</p>
<p><b>Federal Income Tax Installment Agreements</b></p>	<p>The debt may include the monthly payment amount in liabilities (in lieu of requiring payment in full) if:</p> <ul style="list-style-type: none"> <li>• There is no indication that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located.</li> </ul> <p>To do so the following must be provided:</p> <ul style="list-style-type: none"> <li>• An approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and</li> <li>• Evidence the borrower is current on the payments associated with the tax installment plan. (Acceptable evidence includes the most recent payment reminder from the IRS, reflecting the last payment amount and date and the next payment amount owed and due date); and</li> <li>• <b>At least one payment must have been made prior to closing.</b></li> </ul>
<p><b>Mortgage Payment History</b></p>	<p>The Mortgage being refinanced cannot have a payment history that indicates more than the following:</p> <ul style="list-style-type: none"> <li>• 30 days delinquent in the most recent six months</li> <li>• 30 days delinquent more than once in the most recent 12 months</li> <li>• 60 or more days delinquent in the most recent 12 months.</li> </ul>
<p><b>Non-Occupant Co-Borrower</b></p>	<ul style="list-style-type: none"> <li>• Permitted to 95% LTV with Accept/Eligible transactions.</li> <li>• Non-occupant co-borrower cannot be an interested party to the transactions (for example, the builder, seller or broker).</li> </ul>
<p><b>Open-End or 30 day Accounts</b></p>	<ul style="list-style-type: none"> <li>• When there is no monthly payment listed on the credit report or if there is no documentation indicating a monthly payment amount, 5% of the outstanding balance must be used.</li> <li>• Monthly payments on 30 day accounts are not required to be included in the liabilities if the Borrower has sufficient funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the Borrower.</li> </ul>
<p><b>Solar Panels (Leased or PPA)</b></p>	<ul style="list-style-type: none"> <li>• Solar Lease Contract with terms and conditions or Power Purchase Agreement Note must be obtained and reviewed.</li> <li>• If the solar panels are included in Title and UCC fixture filing remains, the solar debt secured in real estate must be included in the CLTV ratio and subordination is required. The solar panel can then be included and given value in the property appraisal based on standard appraisal requirements.</li> <li>• The monthly lease payment must be included in the DTI ratio calculation unless the lease is structured to <ul style="list-style-type: none"> <li>o provide delivery of a specific amount of energy at a fixed payment during a given period, and</li> <li>o have a production guarantee that compensates the borrower on a prorated basis in the event the solar panels fail to meet the energy output required for in the lease for that period.</li> </ul> </li> <li>• Payments under power purchase agreements where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio.</li> </ul>

<b>Student Loan Qualification</b>	<p><b>Student Loans in Repayment, Deferment or Forbearance:</b></p> <ul style="list-style-type: none"> <li>• If the monthly payment amount is greater than \$0, use the monthly payment amount reported on the credit report or file documentation, OR</li> <li>• If the monthly payment amount reported on the credit report is \$0, use 0.5% of the outstanding loan balance as reported on credit report.</li> </ul> <p><b>Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs:</b></p> <p>The student loan payment may be excluded from the monthly DTI ratio provided the Mortgage file contains documentation that indicates the following:</p> <ul style="list-style-type: none"> <li>• The student loan has ten or less monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, OR</li> <li>• The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid at the end of the deferment or forbearance period</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• The Borrower is eligible or approved for student loan forgiveness, cancellation, discharge or employment-contingent repayment program, and is not aware of any circumstances that will make the Borrower ineligible in the future. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable.</li> </ul>
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**Income / Asset**

<b>Assets</b>	<p>Per LPA.</p> <ul style="list-style-type: none"> <li>• 1-month account statement (only required if funds to close is greater than \$500).</li> </ul> <p>Source any single large deposits that exceeds 50% of the total monthly qualifying income for Purchase transactions.</p>
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The following table describes the income documentation requirements.											
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<b>Reserves</b>	Per LPA
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<b>Amended Tax Returns</b>	Amended tax returns must be filed before the loan application date. An increase in income of 20% or more from the original return will not be allowed without Management's approval.
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<b>Tax Transcripts</b>	<ul style="list-style-type: none"> <li>• All loans require a signed 4506-C form. Additional 4506-C form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN.</li> <li>• Tax Transcripts are required for: <ul style="list-style-type: none"> <li>o Self-employed borrowers</li> <li>o Borrower employed by family member</li> <li>o Using rental income to qualify per tax returns</li> <li>o Relationship between the parties</li> </ul> </li> </ul>
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Property	
Property Valuation	<ul style="list-style-type: none"> <li>Standard property valuation requirements for an appraisal waiver or appraisal apply.</li> <li>Transferred Appraisal Accepted</li> <li>A \$500 credit will be provided to the borrower when an appraisal is required and obtained at closing.</li> </ul>
Condo Project Review	<ul style="list-style-type: none"> <li>All project review requirements will be waived for properties located in a condo, or PUD project except that the lender must confirm the project is not a condo or co-op hotel or motel, houseboat, timeshare or segmented ownership project.</li> </ul>
Escrow Accounts / Impounds	Required if LTV is $\geq 90\%$ in CA or $> 80\%$ in all other states.
Escrow Holdbacks	<ul style="list-style-type: none"> <li>Allowed for repairs that do not present a health or safety concern and do not affect the structural integrity of the property.</li> <li>\$5,000 limit on required repairs.</li> <li>1.5 times the repair to be held by escrow and released upon clearance by Nations Direct written authorization.</li> <li>Repairs to be completed within 10 days of closing.</li> </ul>
Ineligible Properties	<ul style="list-style-type: none"> <li>No Land Trusts, Indian Leased Land, Vacant land</li> <li>Property Condition rating C5 or 6, Quality condition Q6</li> <li>Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos</li> <li>Commercial Property, Boarding houses, Bed and Breakfast</li> <li>Working Farms</li> <li>GreenChoice Mortgage</li> <li>One Time Close Construction to Perm Loans</li> </ul>
Manufactured Homes	<ul style="list-style-type: none"> <li>Primary Residence</li> <li>Fixed Rate, Fee Simple Only</li> <li>Property must <b>not</b> be located in a deed restricted area including restrictions for age and income</li> <li>HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification</li> <li>Built on or after June 15, 1976</li> <li>Built on a permanent chassis in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed.</li> <li>Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area.</li> <li>Must be legally classified as real property; it must be a 1-unit dwelling that is permanently affixed to a permanent foundation</li> <li>Manufactured Condos <b>not</b> allowed</li> <li>Flood insurance required for properties in flood zone</li> <li>Manufactured home must be on original site, relocated homes are not permitted</li> <li>HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property</li> <li>New Construction will require a Structural Engineer's report to show that the property is designed to be used as a dwelling with permanent foundation and meets HUD requirements</li> <li>Additions to the property are not permitted if the addition was to add GLA or if there were structural changes to the home (additions such as decks and green rooms without structural changes to the property may be accepted)</li> <li>Borrower must own the land on which the home is located</li> <li>Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property</li> </ul>
Max Financed Properties	<ul style="list-style-type: none"> <li>Subject is Primary - Unlimited financed properties</li> </ul>
Maximum Loan Exposure	NDM will not extend more than 4 active loans to any one individual or an aggregate of \$2 million.

**Properties  
Listed for Sale /  
Listing History**

Property must be taken off the market prior to application date and borrowers must confirm the intent to occupy.

**State  
Restrictions**

Please see our approved License States. TX 50(a)(6) not allowed.