



CONFORMING FIXED – DU/LP APPROVAL

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Conforming Fixed – DU/LP Approval

Program Codes: CF30, CF30D, CF25, CF20, CF15, CF15F, CF15D, CF10

(Min: \$35,000)

Fully Amortizing Fixed Rate							
Property Type	Transaction Type	Max Loan	Max LTV ^{4,6} w/o Secondary Financing ³	Max LTV With Secondary Financing ³	Max CLTV /HCLTV	Min FICO Score	
Primary							
SFR/PUD/Condo	Purchase Rate/Term Refi ¹⁰	\$548,250	97% / 97%	97% / 97%	97% / 97%	620	
	Cash-out Refi ^{1,5,7}		80%	80%	80%/80%		
2-Units	Purchase Rate/Term Refi ¹⁰	\$702,000	85%	85%	85% / 85%		
	Cash-out Refi ^{1,5,7}		75%	75%	75% / 75%		
3-4 Units	Purchase Rate/Term Refi	3-\$848,500	75% ^{DU} 80% ^{LP}	75% ^{DU} 80% ^{LP}	75% / 75% ^{DU} 80% / 80% ^{LP}		
	Cash-out Refi ^{1,5,7}	4-\$1,054,500	75%	75%	75% / 75%		
Manufactured ²	Purchase Rate/Term Refi ¹⁰	\$548,250	95%	95%	95% / 95%		
	Cash-out Refi ^{1,2,5,7}		65%	65%	65% / 65%		
MH Advantage ^{2,8,9}	Purchase Rate/Term Refi ¹⁰	\$548,250	97%	105%	105% / 105%		
	Cash-out Refi ^{1,2,5,7}		65%	65%	65% / 65%		
Second Home							
SFR/PUD/Condo (1 Unit Only)	Purchase Rate/Term Refi ¹⁰	\$548,250	90%	90%	90% / 90%		
	Cash-out Refi ^{1,5,7}		75%	75%	75% / 75%		
Manufactured	Purchase Rate/Term Refi ¹⁰	\$548,250	90%	90%	90% / 90%		
MH Advantage ^{8,9}			90%	90%	90% / 90%		

See Other Footnotes on next page



CONFORMING FIXED – DU/LP APPROVAL (CONT'D)

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Conforming Fixed – DU/LP Approval (cont'd)

Program Codes: CF30, CF30D, CF25, CF20, CF15, CF15D, CF10

(Min: \$35,000)

Fully Amortizing Fixed Rate						
Property Type	Transaction Type	Max Loan	Max LTV ^{4,6} w/o Secondary Financing	Max LTV With Secondary Financing	Max CLTV /HCLTV	Min FICO Score
Investment						
SFR/PUD/Condo (1 Unit Only)	Purchase	\$548,250	85%	85%	85% / 85%	620
2-4 Units		2-\$702,000 3-\$848,500 4-\$1,054,500	75%	75%	75% / 75%	
1-4 Units ¹¹	Rate/Term Refi ¹¹	1 Unit - \$548,250 2 Unit - \$702,000 3 Unit - \$848,500 4 Unit - \$1,054,500	75% ¹¹	75% ¹¹	75% / 75% ¹¹	
SFR/PUD/Condo (1 Unit Only)	Cash-out Refi ^{1,5,7}	\$548,250	75%	75%	75% / 75%	
2-4 Units		2-\$702,000 3-\$848,500 4-\$1,054,500	70%	70%	70% / 70%	

¹ Maximum Cash-out based on LTV and Max Loan Amount

² Only terms of 20 years or less, Fixed Rate available for cash out refinances on Manufactured Homes.

³ LTVs > 80%: be sure to check MI overlays

⁴ Purchase LTVs > 95%: at least 1 borrower must be 1st Time Home Buyer as indicated on the 1003, no Manual UW, no Manufactured Rate/Term LTVs > 95%: existing loan must be owned by FNMA (submitted through DU) or FHLMC (submitted through LPA)

⁵ If the property purchased within the prior six months, borrower is ineligible for a cash-out transaction unless the loan meets the Delayed Financing Exceptions. Refer to the Delayed Financing Exceptions guides in the Conventional Underwriting Manual.

⁶ Non Occupant Co-Borrower not allowed with LTVs > 95% on DU

Borrowers who own five to ten financed properties are subject to additional eligibility requirements. (see Multiple Financed Properties Section in UW Guides).

⁷ Cash Out Refinances with a DTI exceeding 45% must have at least six (6) months reserves. Cash out proceeds cannot be used for reserves

⁸ Secondary Financing must be Community Second. Community Seconds must be on the MWF Approved List.



CONFORMING FIXED – DU/LP APPROVAL (CONT'D)

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⁹To be eligible for MH Advantage financing, the home must have an MH Advantage sticker applied by the home's manufacturer pursuant to an agreement with Fannie Mae

¹⁰All Texas Refinances are limited to 80% LTV/CLTV

¹¹Freddie Mac (LP): 1-unit Investment Rate/Term max 80% LTV/TLTV/HTLTV; 2- 4-unit Investment Rate/Term max 75% LTV/TLTV/HCLTV



CONFORMING FIXED – DU MANUAL UNDERWRITING

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Conforming Fixed – DU Manual Underwriting

Program Codes: CF30, CF30D, CF15, CF15D

(Min: \$35,000)

Fully Amortizing Fixed Rate								
Property Type	Transaction Type	Max Loan	Max LTV/CLTV /HCLTV	Max DTI ≤ 36%		Max DTI ≤ 45%		
				Min FICO Score for LTV listed	Min Months Reserves	Min FICO Score for LTV listed	Min Months Reserves	
Primary								
SFR/PUD/Condo 1 Unit	Purchase Rate/Term Refi ¹⁰	\$548,250	95%	680 for LTV > 75%	0	700 for LTV > 75%	0	
				620 for LTV ≤ 75%		640 for LTV ≤ 75%		
				660 for LTV > 75%	6	680 for LTV > 75%	2	
2-Units		Purchase Rate/Term Refi ¹⁰	2-\$702,000	85%	680 for LTV > 75%	6	700 for LTV > 75%	6
					640 for LTV ≤ 75%		660 for LTV ≤ 75%	
								680 for LTV > 75%
3-4 Units	Purchase Rate/Term Refi ¹⁰		3-\$848,500 4-\$1,054,500	75%	≥ 660	6	≥ 680	6
								≥ 660
SFR/PUD/Condo 1 Unit			Cash-out Refi ¹	\$548,250	80%	680 for LTV > 75%	0	700 for LTV > 75%
		660 for LTV ≤ 75%				680 for LTV ≤ 75%		
		660 for LTV > 75%				6	680 for LTV > 75%	2
640 for LTV ≤ 75%		660 for LTV ≤ 75%						
2-4 Units	Cash-out Refi ¹	2-\$702,000 3-\$848,500 4-\$1,054,500		75%	≥ 680	2	≥ 700	6
								≥ 680

See [Manual Underwriting](#) section for more details



CONFORMING FIXED AND ARMS

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CONFORMING FIXED AND ARMS			
PRODUCT ELIGIBILITY	<ul style="list-style-type: none"> • Purchase • Rate/Term Refinance • Cash-out Refinance 		
TEXAS REFINANCE	<ul style="list-style-type: none"> • All Texas Refinance transactions are limited to a maximum 80% LTV/CLTV 		
FREDDIE MAC RATE/TERM REFINANCE	<p>Freddie Mac ONLY</p> <p>A rate/term (no cash out) refinance may be used to "pay down" any junior liens that are secured by the subject property and were used in their entirety to acquire the subject property.</p>		
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • 1-4 Unit • SFR • PUD • Condos • Manufactured Home 		
INVESTMENT PROPERTY	<ul style="list-style-type: none"> • At least one borrower must have owned or currently own a property. • First Time Homebuyers ineligible to purchase investment property and use rents for qualifying. • Rental Income cannot be used for qualifying purposes unless the borrower(s) currently own a primary residence or have a primary housing expense. 		
ELIGIBLE STATES	Eligible State Matrix		
NON OCCUPANT CO-BORROWER	<ul style="list-style-type: none"> • When allowed, the non-occupant co-borrower need not be a family member. There should be, however, an established relationship and motivation not including equity participation for profit. • MWF will follow DU/LP Findings regarding non-occupant co-borrowers but generally DU analyzes the risk factors in the loan case file without the benefit of the non-occupant co-borrower's income or liabilities. • Non Occupant Co-Borrower not allowed with LTVs > 95%. 		
DACA (DU ONLY)	<table border="0"> <tr> <td style="vertical-align: top;"> <p><u>DACA/ITIN Borrowers (No SSN)</u></p> <ul style="list-style-type: none"> • Owner-occupied Conventional Conforming • Max LTV/CLTV 80%. • Must be registered and locked under the CF30D program. • Subject to manual underwriting acceptable non-traditional credit </td> <td style="vertical-align: top;"> <p><u>DACA with SSN</u></p> <ul style="list-style-type: none"> • DACA Borrowers with both SSN and appropriate borrower eligibility documentation are eligible under standard LTVs for conforming fixed rate loans </td> </tr> </table>	<p><u>DACA/ITIN Borrowers (No SSN)</u></p> <ul style="list-style-type: none"> • Owner-occupied Conventional Conforming • Max LTV/CLTV 80%. • Must be registered and locked under the CF30D program. • Subject to manual underwriting acceptable non-traditional credit 	<p><u>DACA with SSN</u></p> <ul style="list-style-type: none"> • DACA Borrowers with both SSN and appropriate borrower eligibility documentation are eligible under standard LTVs for conforming fixed rate loans
<p><u>DACA/ITIN Borrowers (No SSN)</u></p> <ul style="list-style-type: none"> • Owner-occupied Conventional Conforming • Max LTV/CLTV 80%. • Must be registered and locked under the CF30D program. • Subject to manual underwriting acceptable non-traditional credit 	<p><u>DACA with SSN</u></p> <ul style="list-style-type: none"> • DACA Borrowers with both SSN and appropriate borrower eligibility documentation are eligible under standard LTVs for conforming fixed rate loans 		



CONFORMING FIXED AND ARMS (CONT)

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CONFORMING FIXED AND ARMS (CONT)	
HOMEBUYER EDUCATION	<p>Homeownership Education requires at least one borrower to complete the homebuyer education for the following transactions:</p> <ul style="list-style-type: none"> • If all borrowers on the loan are relying solely on non-traditional credit to qualify, regardless of the loan product or whether the borrowers are first time homebuyers. • HomeReady purchase transaction when all occupying borrowers are first time homebuyers, regardless of the LTV ratio, or, • Purchase transaction with LTV/CLTV or HCLTV ratios greater than 95% when all borrowers are first time homebuyers
TEMPORARY BUYDOWNS	Not Allowed
MCC'S	Allowed
INTEREST ONLY	Not Allowed
WITHHOLDS	Allowed, see UW Guideline for details
CREDIT	Refer to matrix on 1 st page for minimum FICO requirements. Non-Traditional – Not Allowed
Foreclosure Bankruptcy Short Sale Deed-in-Lieu	See Waiting Period Section of the Conventional Underwriting Manual.
RATIOS	<ul style="list-style-type: none"> • Determined by AUS • 50% Maximum • Cash out refinances with DTI exceeding 45% must have at least six (6) months of reserves



CONFORMING FIXED AND ARMS (CONT)

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CONFORMING FIXED AND ARMS (CONT)			
ASSETS/RESERVES	Residency Primary	1-4 Financed Properties Per DU	5-10 Financed Properties Per DU
	Second Home 1 Unit	Subject per AUS, 2 Months each additional 2 nd home or investment	Subject per AUS, 6 Months each additional 2 nd home or investment
	Investment 1-4 Units	Subject per AUS, 2 Months each additional 2 nd home or investment	Subject per AUS, 6 Months each additional 2 nd home or investment
Cash out refinances with DTI exceeding 45% must have at least six (6) months of reserves.			
MANUAL UNDERWRITING REQUIREMENTS	Eligible Products		Special Feature Code
	<ul style="list-style-type: none"> • 30 & 15 Year Fixed Only • DU only • Cash Out Refinances with a DTI exceeding 45% must have at least six (6) months reserves. • Cash out proceeds cannot be used for reserves 		<ul style="list-style-type: none"> • Special Feature Code 343 must be used.
	Eligible Scenarios		DU Waivers are not allowed
	<ul style="list-style-type: none"> • Erroneous Credit (substantially documented) • AUS not recognizing loan parameters • Disputed tradelines 		Loan file must contain the following: <ul style="list-style-type: none"> • 2 Month Assets • 2 Years complete Income (W2s & Tax Returns for Self Employed borrower) • PIW/AW Appraisal Waiver Not Allowed • VOM/VOR
	Ineligible Scenarios		Minimum Trade Line Requirements
	<ul style="list-style-type: none"> • Manufactured Homes • Non-Traditional Credit Profiles • Authorized user accounts are not acceptable 		<ul style="list-style-type: none"> • Borrower must meet standard credit reference guidelines. No thin credit or non-traditional credit allowed.



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CONVERSION OF PRINCIPAL RESIDENCE	Additional reserves (in addition to those required by DU or the Product Matrix):		
	<p><u>Conversion to 2nd Home</u></p> <ul style="list-style-type: none"> • 2 Months on Subject • 2 Months on current principal residence <p>Both PITI payments in ratios</p>	<p><u>Conversion to Investment</u></p> <ul style="list-style-type: none"> • 2 Months on Subject • 2 Months on current principal residence <p>75% Gross Rental income can be used.</p> <p>- LP: - if only a lease agreement is used to determine rental income, borrower(s) must have a 2 year history of managing rental properties as evidenced by federal tax returns and a fully executed copy of the lease agreement, along with receipt of security deposit).</p>	<p><u>Pending Sale</u></p> <ul style="list-style-type: none"> • 2 Months on Subject • 2 Months on current principal residence <p>Both PITI payments in ratios</p>
GIFT FUNDS	<p>Are Allowed See Gift Section of the Conventional Underwriting Manual.</p>		
INTERESTED PARTY CONTRIBUTIONS	<u>Residency</u>	<u>LTV</u>	<u>Maximum Contribution</u>
	<p>Primary Residence & Second Homes</p> <p>Investment</p>	<p>> 90%</p> <p>> 75 ≤ 90%</p> <p>≤ 75%</p> <p>ALL LTV</p>	<p>3%</p> <p>6%</p> <p>9%</p> <p>2%</p>



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MORTGAGE INSURANCE	Borrower Paid, Lender Paid and Split Premium MI are Available <ul style="list-style-type: none"> • Required for all loans exceeding 80% LTV. • If mortgage insurance is required, use the lesser of the sales price or appraised value to determine the appropriate coverage. • Currently MWF does <u>not</u> offer Financed Split Premium Coverage. • MWF only utilizes approved MI Companies and approved MI forms/endorsements. 		
	<u>LTV</u>	<u>Coverage for ≤ 20 Years</u>	<u>Coverage for > 20 Years</u>
	80.01% - 85.00%	6%	12%
	85.01% - 90.00%	12%	25%
	90.01% - 95.00%	25%	30%
	95.01% - 97.00%	NA	35%
Acceptable MI Companies	<ul style="list-style-type: none"> • Radian • MGIC • Genworth 		
MAXIMUM NUMBER OF FINANCED PROPERTIES	MWF limits the maximum number of MWF loans to one borrower to 6 loans or \$4 million.		
5-10 FINANCED PROPERTIES (DU ONLY)	The maximum number of financed properties the borrower can have is ten when financing a second home or investment property. One to Six financed properties follow standard Fannie Mae eligibility. 720 FICO score required for 7-10 financed properties. Regardless of who is making the mortgage payment, the mortgaged property must still be included in the borrower’s multiple financed property count and the unpaid principal balance for the mortgage must still be included in the calculation of reserves for multiple financed properties.		



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CONFORMING FIXED AND ARMS (CONT)	
FINANCED PROPERTIES (LPA ONLY)	<ul style="list-style-type: none"> • For second home and investment property mortgages (1 - 4 units) transactions, and the borrower owns 1 - 6 (1 - 4 unit) financed properties, Freddie Mac conforming guidelines apply. • For second home and investment property mortgages (1 - 4 units) transactions, and the borrower owns 7 - 10 (1 - 4 unit) financed properties, the following guides apply: <ul style="list-style-type: none"> ○ Must receive a Risk Class of Accept from LPA ○ Credit Score of 720 ○ Reserves of 8 months of the monthly payment on each additional second home and/or 1 - 4 unit Investment property is required.
Reserves	<p>AUS determines additional reserves must be calculated and documented for financed properties other than the subject property and the borrower's principal residence. The other financed properties reserves amount must be determined by applying a specific percentage to the aggregate of the outstanding unpaid principal balance (UPB) for mortgages and HELOCs on these other financed properties. The percentages are based on the number of financed properties:</p> <ul style="list-style-type: none"> • 2% of the aggregate UPB if the borrower has one to four financed properties • 4% of the aggregate UPB if the borrower has five to six financed properties • 6% of the aggregate UPB if the borrower has seven to ten financed properties. <p>The aggregate UPB calculation does not include the mortgages and HELOCs that are on</p> <ul style="list-style-type: none"> • the subject property • the borrower's principal residence <p>properties that are sold or pending sale, and accounts that will be paid by closing (or omitted in DU on the online loan application).</p>



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Special Feature Code	Mortgage loans secured by second homes or investment properties that meet the five to ten financed property requirements must be delivered with SFC 150.	
CASH-OUT IN 6 MONTHS	Follow standard Cash Out eligibility if the subject property has been owned ≥ 6 months. Follow Delayed Financing eligibility if the subject property has been owned ≤ 6 months.	
NON-ARMS LENGTH TRANSACTIONS	Identity of Interest Transactions includes both Non-Arm's Length and At-Interest transactions.	
Second Home and Investment Properties	For properties that include Non-Arm's Length, At-Interest or Identity of Interest characteristics:	
	<table border="1"> <tr> <td>1-4 Unit Second Homes and Investment Properties</td> <td>May be priced under standard product.</td> </tr> </table>	1-4 Unit Second Homes and Investment Properties
1-4 Unit Second Homes and Investment Properties	May be priced under standard product.	
Primary Occupancy	On a case-by-case basis, Non-Arm's Length, At-Interest or Identity of Interest transactions may be considered when the borrower is purchasing the property as a primary residence (additional requirements apply, see Underwriting Guidelines).	
ESCROW/IMPOUND ROLLOVER	Allowed	
Link to Conventional Underwriting Manual		