

ditech BUSINESS LENDING FREDDIE MAC ELIGIBLE FIXED RATE PRODUCT

	LOAN PRODUCT ADVISOR	DESKTOP UNDERWRITER
1. PRODUCT DESCRIPTION	<ul style="list-style-type: none"> Conventional Conforming fixed rate mortgage Servicing retained 10 to 30-year term in annual increments Fully amortizing Qualified Mortgage (QM) Safe Harbor loans are permitted Qualified Mortgage (QM) Rebuttable Presumption loans are permitted –see the Qualified Mortgage (QM) Rebuttable Presumption section for requirements. 	<ul style="list-style-type: none"> Conventional Conforming fixed rate mortgage Servicing retained 10 to 30-year term in annual increments Fully amortizing Qualified Mortgage (QM) Safe Harbor loans are permitted Qualified Mortgage (QM) Rebuttable Presumption loans are permitted –see the Qualified Mortgage (QM) Rebuttable Presumption section for requirements.
2. PRODUCT CODES	<ul style="list-style-type: none"> W91 10 Yr Freddie Mac Eligible Fixed 347 15 Yr Freddie Mac Eligible Fixed W79 20 Yr Freddie Mac Eligible Fixed 348 30 Yr Freddie Mac Eligible Fixed 	
3. INDEX	N/A	
4. MARGIN	N/A	
5. ANNUAL ADJUSTMENT CAP	N/A	
6. LIFE CAP	N/A	
7. RATE AT ADJUSTMENT	N/A	
8. TEMPORARY BUYDOWNS	Not permitted	
9. QUALIFYING RATE AND RATIOS	<p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify using the note rate <p>Ratios</p> <ul style="list-style-type: none"> LPA Accept – Follow LPA 	<p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify using the note rate <p>Ratios</p> <ul style="list-style-type: none"> DU Approve/Eligible – 50% DTI
10. TYPES OF FINANCING	<p>Purchase Mortgage Rate & Term Refinance (Limited Cash-Out Refinance)</p> <ul style="list-style-type: none"> Loan amount may include <ul style="list-style-type: none"> Pay off the outstanding principal balance of existing first loan (including existing HELOC in first lien position) plus any required per diem interest Pay off of the outstanding principal balance of any existing subordinate liens that were used in whole to acquire the subject property. See Conforming chapter of the Client Guide for acceptable documentation to verify the use of the subordinate lien Closing costs and prepaids Prepayment penalties associated with the existing mortgage Cash-out limited to the lesser of 2% of the principal amount of the new loan or \$2000 	

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- The subject loan is considered a cash-out refinance if the existing first mortgage transaction combined a first and non-purchase money subordinate lien into a new first within the last six months (note date to note date). A subsequent refinance of that lien within six months (note date to note date) is also considered a cash-out refinance. Provide Closing Disclosure from prior transaction.
 - Delinquent real estate taxes may not be included in the loan amount. See the Conforming chapter of the Client Guide for complete requirements.
 - See the Conforming chapter of the Client Guide for Continuity of Obligation definition and guideline requirements (LPA only)
 - Properties currently listed for sale (DU loans only)
 - Property must be taken off the market before the Note date
 - Borrower provides written confirmation of intent to occupy if a primary residence
- Cash-Out Refinance**
- Power of Attorney
 - DU: not permitted, unless required by state law.
 - LPA: permitted
 - Ownership
 - One borrower must have held title to the subject property for at least 6 months, measured from previous note date to subject note date, with the following exceptions
 - Delayed Financing
 - Borrower legally awarded the property (divorce, separation, dissolution of a domestic partnership)
 - Inherited property
 - See Conforming chapter of the Client Guide for details
 - For a manufactured home, one borrower must have held title to both the manufactured home and land for at least 12 months, preceding the date of the loan application. No exceptions.
 - See the Conforming chapter of the Client Guide for Continuity of Obligation definition and guideline requirements (LPA only)
 - Properties currently listed for sale are eligible if the property has been taken off the market prior to the Note date (DU only)
- Owner Occupied Properties Located In Texas**
- A copy of the current mortgage or note is required to determine whether the terms are subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust).
 - An existing Texas Section 50(a)(6) loan (either first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(a)(4) loan secured by a lien against the homestead if the following conditions are met:
 - 12-month seasoning for any Texas Section 50(a)(6) loan (first or second).
 - No cash back is permitted
 - Maximum LTV/CLTV 80%
 - Borrower must receive the Exception Notice – Important Notice Concerning Refinancing a home Equity Loan” within three business days of the LE application and at least 12 days prior to closing.
 - Refer to the [Texas Home Equity Refinance Eligibility Matrix](#) to determine product eligibility.
- Single-Close Modification of Note**
- Not permitted

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11. LOAN AMOUNT

MAXIMUM LOAN AMOUNT		
UNITS	CONTINENTAL US	ALASKA & HAWAII
1	\$484,350	\$726,525
2	\$620,200	\$930,300
3	\$749,650	\$1,124,475
4	\$931,600	\$1,397,400
No minimum loan amount		

12. LTV/CLTV LIMITATIONS

LPA ACCEPT			DU APPROVE ELIGIBLE		
Units	LTV/CLTV/HCLTV	Credit Score	Units	LTV/CLTV/HCLTV	Credit Score
PRIMARY RESIDENCE					
Purchase and Rate & Term Refinance					
1	95.01-97% ¹	LPA determines	1	95%	620
1	95%	LPA determines			
2	85%	LPA determines	2	85%	620
3-4	80%	LPA determines	3-4	75%	620
Cash-Out Refinance					
1	80%	LPA determines	1	80%	620
2-4	75%	LPA determines	2-4	75%	620
SECOND HOMES					
Purchase and Rate & Term Refinance					
1	90%	LPA determines	1	90%	620
Cash-Out Refinance					
1	75%	LPA determines	1	75%	620
INVESTMENT PROPERTIES					
Purchase					
1	85%	LPA determines	1	85%	620
2-4	75%	LPA determines	2-4	75%	620
Rate and Term Refinance					
1	85%	LPA determines	1	75%	620
2-4	75%	LPA determines	2-4	75%	620
Cash-Out Refinance					
1	75%	LPA determines	1	75%	620
2-4	70%	LPA determines	2-4	70%	620

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LPA

¹ LTV/CLTV/HCLTV >95%

- At least one borrower must have a credit score
- All borrowers must occupy the subject property
 - Purchase
 - At least one borrower must be a first-time home buyer (must not have owned any residential property in the past three years)
 - When all borrowers are first-time homebuyers, at least one borrower must participate in homeownership education
 - Homeownership Education
 - Must be completed prior to the Note date
 - Must not be provided by an interested party to the transaction, the Client or Ditech.
 - Homeownership Education Certification/documentation or Credit Smart-Steps to Homeownership certificate of completion must be in the loan file.
 - The following types of homeownership education are acceptable:
 - Programs developed by HUD approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs)
 - Homeownership education programs developed by mortgage insurance companies or other providers programs that meet the standards of the [National Industry Standards for Homeownership Education and Counseling](#)
 - Freddie Mac's free financial literacy curriculum, CreditSmart, meets the homeownership education requirements, provided:
 - The borrower completes the on-line [Credit Smart Steps to Homeownership Tutorial](#) which includes modules 1, 2, 7, 11, and 12.
 - CreditSmart is not provided by an interested party to the transaction, the Client or Ditech.
- Rate & Term Refinance
 - Existing loan being refinanced must be owned by Freddie Mac. Documentation may come from one of the following and must be retained in the loan file:
 - [Freddie Mac's Loan Look Up Tool](#)
 - Servicing System
 - The current servicer (if the lender is not the servicer)

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13. LTV/CLTV LIMITATIONS MANUFACTURED HOUSING	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">MANUFACTURED HOMES</th> </tr> <tr> <th colspan="3" style="text-align: center;">LPA ACCEPT</th> </tr> <tr> <th style="text-align: center;">Units</th> <th style="text-align: center;">LTV/CLTV/HCLTV</th> <th style="text-align: center;">Credit Score</th> </tr> </thead> <tbody> <tr> <th colspan="3" style="text-align: center;">PRIMARY RESIDENCE</th> </tr> <tr> <th colspan="3" style="text-align: center;">Purchase and Rate & Term Refinance</th> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">95%</td> <td style="text-align: center;">LPA determines</td> </tr> <tr> <th colspan="3" style="text-align: center;">Cash-Out Refinance¹</th> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">65%</td> <td style="text-align: center;">LPA determines</td> </tr> <tr> <th colspan="3" style="text-align: center;">SECOND HOMES</th> </tr> <tr> <th colspan="3" style="text-align: center;">Purchase and Rate & Term Refinance</th> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">85%</td> <td style="text-align: center;">LPA determines</td> </tr> <tr> <td colspan="3"> <ul style="list-style-type: none"> • ¹Term <=20 years for cash-out refinance </td> </tr> </tbody> </table>	MANUFACTURED HOMES			LPA ACCEPT			Units	LTV/CLTV/HCLTV	Credit Score	PRIMARY RESIDENCE			Purchase and Rate & Term Refinance			1	95%	LPA determines	Cash-Out Refinance ¹			1	65%	LPA determines	SECOND HOMES			Purchase and Rate & Term Refinance			1	85%	LPA determines	<ul style="list-style-type: none"> • ¹Term <=20 years for cash-out refinance 			N/A
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14. SECONDARY FINANCING	<ul style="list-style-type: none"> • Down Payment Assistance Programs (DPA) that create a lien are not eligible. • Community Seconds and Affordable Seconds are not permitted. 																																					
15. PROPERTY TYPES	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1-4 units • Condo (LPA only) <ul style="list-style-type: none"> • See the Conforming chapter of the Client Guide and Freddie Mac Condo-PUD Matrices for <ul style="list-style-type: none"> • Appraisal and warranty requirements • LTV/CLTV for Streamlined Review established attached condos • Nevada <ul style="list-style-type: none"> • HOA dues for the subject unit must be current prior to closing • HOA may not be seller of the subject unit • Leasehold Estates • Manufactured Homes (LPA only) <ul style="list-style-type: none"> • Primary residence and second homes • Properties located in Rhode Island are not eligible • Properties on a leasehold are not eligible • Singlewide manufactured homes must be in a Fannie Mae PERS approved condo or PUD project • Proceeds may not be used to pay off a balance under a land contract or contract for deed • The borrower must have owned both the manufactured home and land for at least 12 months preceding the date of the loan application for cash-out refinance transactions. • The manufactured home must be classified and titled as real property. • ALTA 7 or state specific equivalent Title Endorsement is required. • Properties permanently installed on a site for less than 12 months are eligible only if borrower is the second purchaser of the property and the 																																					

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	<p>seller is not the builder-contractor or manufactured housing dealer who installed MH unit on site.</p> <ul style="list-style-type: none"> • See the Conforming chapter of the Client Guide for complete LTV/CLTV calculations and other manufactured housing requirements. • Off-frame Modular Housing, • On-frame Modular Housing (LPA only) • Precut, Panelized Housing • PUD <ul style="list-style-type: none"> • Nevada <ul style="list-style-type: none"> • HOA dues for the subject unit must be current prior to closing • HOA may not be seller of the subject unit <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Condo Hotel • Co-op • On-frame Modular Housing (DU only) <p>See the Conforming chapter of the Client Guide for eligibility guidelines</p>	
16. OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence • Second Homes • Investment Properties 	
17. GEOGRAPHIC LOCATIONS/ RESTRICTIONS	<p>Ineligible States</p> <ul style="list-style-type: none"> • New York <ul style="list-style-type: none"> • Permitted only for Delegated Clients and Conditional Delegated Clients who underwrite and close loans in their own name. See Approval Authority section for limited eligibility • West Virginia 	
18. ASSUMPTIONS	Not permitted	
19. ESCROW WAIVERS	<ul style="list-style-type: none"> • See the Client Guide for escrow waiver eligibility • Higher Priced Mortgage Loans (HPML) : Primary residence loans must maintain an escrow account for a minimum of 5 years. 	
20. PREPAYMENT PENALTY	None	

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21. APPROVAL AUTHORITY

Approval Authority		
Delegated	Conditional Delegated	Non-Delegated and Broker
<p>Client has the following limited underwriting authority</p> <ul style="list-style-type: none"> • Individual loan amount <= \$1 million eligible • ditech first and second liens: combined loan amount <= \$1 million eligible • ditech first and other lender second liens: combined loan amount <= \$1.25 million eligible • ditech total overall exposure with a borrower <= \$1.5 million. Total overall exposure includes all ditech liens on all properties owned by the borrower • When a borrower has more than one pending transaction, all files must be underwritten together in order to consider the overall risk(s) and qualifying of the transactions. • New York <ul style="list-style-type: none"> • Individual loan amount <= \$1 million eligible if Client is underwriting the loan. • Individual loan amount > \$1 million and all loans submitted to ditech for underwriting are ineligible 	<p>Client has the following limited underwriting authority</p> <ul style="list-style-type: none"> • LPA Accept or DU Approve required • Individual loan amount <=\$650,000 eligible with the following exceptions <ul style="list-style-type: none"> • High-Balance/Super Conforming loan products not eligible • ditech first and second liens: combined loan amount <=\$650,000 eligible • ditech first and other lender second liens: combined loan amount <= \$1 million eligible • ditech total overall exposure with a borrower <= \$1 million. Total overall exposure includes all ditech liens on all properties owned by the borrower • When a borrower has more than one pending transaction, all files must be underwritten together in order to consider the overall risk(s) and qualifying of the transactions. • New York <ul style="list-style-type: none"> • Individual loan amount <= \$650,000 eligible if Client is underwriting the loan. • Individual loan amount > \$650,000 and all loans submitted to ditech for underwriting are ineligible 	<ul style="list-style-type: none"> • All loans must be submitted to ditech • New York ineligible

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22. UNDERWRITING/AUS DECISIONS	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">All loans must be submitted to LPA/DU</th> </tr> <tr> <th style="text-align: center;">Acceptable</th> <th style="text-align: center;">Unacceptable</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: middle;"> LPA Accept DU Approve/Eligible </td> <td style="text-align: center; vertical-align: middle;"> LPA Caution Refer with Caution DU Approve/Ineligible Manual Underwriting Out of Scope </td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> Manufactured homes must receive LP Accept. DU not permitted. DU Validation Services: Transactions are eligible with Approve/Eligible. See the Conforming Chapter of the Client Guide for details. </td> </tr> </tbody> </table>		All loans must be submitted to LPA/DU		Acceptable	Unacceptable	LPA Accept DU Approve/Eligible	LPA Caution Refer with Caution DU Approve/Ineligible Manual Underwriting Out of Scope	<ul style="list-style-type: none"> Manufactured homes must receive LP Accept. DU not permitted. DU Validation Services: Transactions are eligible with Approve/Eligible. See the Conforming Chapter of the Client Guide for details. 	
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23. DOCUMENTATION TYPE	Standard									
24. BORROWER ELIGIBILITY	<p>Eligible Borrowers</p> <ul style="list-style-type: none"> Permanent Resident Non-Permanent Resident Trusts <p>Ineligible Borrowers</p> <ul style="list-style-type: none"> Foreign Nationals 									
25. CO-BORROWERS	<ul style="list-style-type: none"> LPA Accept <ul style="list-style-type: none"> LTV >95%: all borrowers must occupy the subject property LTV <=95%: co-borrower does not have to occupy the subject property DU Approve/Eligible <ul style="list-style-type: none"> Co-borrower does not have to occupy the subject property 									

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26. CREDIT

Credit Score Requirements

- LPA Accept and DU Approve/Eligible – See the LTV/CLTV Limitations section for minimum credit score requirements

Underwriting Borrowers without Traditional Credit (Freddie Mac only)

- LPA Accept
 - LPA will underwrite loans for the following:
 - No borrower has a credit score
 - At least one borrower has no credit score and another borrower has a credit score
 - Follow LPA Feedback Certificate for LPA Accept

Housing (Mortgage/Rental) Payment History (PITIA)

- Inclusive of all liens regardless of position
- Applies to all mortgages on all financed properties
- LPA Accept and DU Approve/Eligible– Evaluated by LPA/DU

Significant Derogatory Credit

- See the Conforming chapter of the Client Guide for
 - Bankruptcy
 - Foreclosure
 - Preforeclosure
 - Deed-in-lieu
 - Short Payoff

27. ASSETS

Borrower Investment						
	Primary Residence		Second Home		Investment Properties	
	≤80%LTV/ CLTV/HCLTV	>80%LTV/ CLTV/HCLTV	≤80%LTV/ CLTV/HCLTV	>80%LTV/ CLTV/HCLTV	≤80% LTV/ CLTV/HCLTV	>80%LTV/ CLTV/HCLTV
Minimum Investment from Borrower's Own Funds	None	LPA: None DU 1-unit: None DU 2-4 unit: 5%	None	5%	Entire down payment	
Gifts Permitted	Yes	Yes	Yes	Yes	No	
Down payment assistance in the form of a gift or grant is permitted. See the Conforming chapter of the Client Guide.						

Seller Contributions

- Primary Residence and Second Homes
 - 3% for LTV/ CLTV > 90%
 - 6% for LTV/ CLTV > 75% ≤ 90%
 - 9% for LTV/CLTV ≤ 75%
- Investment Properties

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- 2%

28. RESERVE REQUIREMENTS

Subject Property Reserves

Loan Product Advisor

- Follow LPA
- Rate & Term Refinance and Cash-Out Refinance – The cash out may not be used to meet the reserve requirements

Desktop Underwriter

- Follow DU
- Cash-Out Refinance – The cash out may not be used to meet the reserve requirements

Subject Property PLUS Multiple Financed Properties Reserves

If the subject property is a second home or investment property and the borrower owns other financed properties, additional reserves must be calculated and documented plus those required for the subject property. The required reserves for a financed property are based on the PITIA of each individual financed property,

Maximum 10 financed properties, including the subject property and primary residence.

- The following reserve requirements will be calculated by LPA
 - Second Home or Investment Property
 - Subject Property Reserve Requirements **PLUS**
 - 2 months PITIA if borrower has 1-6 financed properties
 - Second Home or Investment Property
 - Subject Property Reserve Requirements **PLUS**
 - 8 months PITIA if the borrower has 7-10 financed properties.
 - Minimum credit score 720

Maximum 6 financed properties, including the subject property and primary residence.

- The following reserve requirements will be calculated by DU
 - Second Home or Investment Property
 - Subject Property Reserve Requirements **PLUS**
 - 2% of the aggregate UPB if borrower has 1-4 financed properties
 - 4% of the aggregate UPB if the borrower has 5-6 financed properties
 - The aggregate of the UPB does not include the mortgages and HELOCs that are on:
 - The subject property
 - Primary residence
 - Properties that are sold or pending sale
 - Accounts that will be paid by closing

29. EMPLOYMENT/ INCOME

- Follow LPA/DU for income documentation
- See the Conforming chapter of the Client Guide

Form 4506-T

- Prior to Underwriting (for loans underwritten by ditech only)
 - 4506-T must be signed for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, income earned from commission, etc.).
- At Closing (for all loans)
 - 4506-T for each borrower whose income is used to qualify (regardless of income type) must be signed at closing even if DU Validation Service

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	<p>w waives the requirement.</p> <ul style="list-style-type: none"> • 4506 –T for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification even if DU Validation Service w waives the requirement. • See the Conforming chapter of the Client Guide for complete guidelines. 	
30. LIMITATIONS ON OTHER R.E OWNED	<p>Multiple Loans to the Same Borrower</p> <ul style="list-style-type: none"> • LPA Accept <ul style="list-style-type: none"> • New multiple loans must be underwritten simultaneously. See the Approval Authority section. • See the Conforming chapter of the Client Guide for eligibility guidelines • Primary Residence – No limitation on number of financed properties • Second Home & Investment Properties -See Reserve Requirements section 	<p>Multiple Loans to the Same Borrower</p> <ul style="list-style-type: none"> • DU Approve <ul style="list-style-type: none"> • New multiple loans must be underwritten simultaneously. See the Approval Authority section. • See the Conforming chapter of the Client Guide for eligibility guidelines • Primary Residence – No limitation on number of financed properties • Second Home & Investment Properties -See Reserve Requirements section
31. FREDDIE MAC REO	<p>Resale Restrictions</p> <ul style="list-style-type: none"> • Freddie Mac REO resale restriction (property resold within 3 months of purchase) is eligible. An exception must be submitted with the loan file for delivery purposes. 	
32. APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> • LPA Accept – Follow LPA <ul style="list-style-type: none"> • Automated Collateral Evaluation (ACE) <ul style="list-style-type: none"> • Must be dated within 120 days from the LPA offer date to the note date • Not permitted if an appraisal has already been obtained. • DU Approve/Eligible <ul style="list-style-type: none"> • An Interior and Exterior Appraisal Report (Form 1004) is required • Condition rating C5 not permitted • See the Conforming chapter of the Client Guide for complete eligibility requirements 	
33. MORTGAGE INSURANCE	<p>Mortgage insurance is required for all loans over 80% LTV</p> <ul style="list-style-type: none"> • Refer to the MI company requirements for additional eligibility guidelines • Eligible MI companies must be acceptable to Freddie Mac and Fannie Mae • Discounted coverage requiring additional premium per AUS is not eligible • Include the calculation and rate factor used to determine mortgage insurance premium disclosed to the borrower on the initial application. Including the MI rate card with the factor will allow ditech to direct the loan to the appropriate MI partner • Financed MI is permitted for 1-unit primary residence and second home purchase and rate & term refinance transactions <ul style="list-style-type: none"> • The mortgage amount and LTV including the financed premium may not exceed the limitation set forth in the program guidelines • Mortgage insurance coverage is based on LTV excluding the financed premium. Rate lock pricing is based on mortgage amount including financed premium • NY State –Use the appraised value to determine if mortgage insurance is required. If Mortgage Insurance is required, use the lesser of the sales price or appraised value to determine the appropriate coverage. • See Chapter 12 Prefund Diligence Mortgage Insurance Section of the Client Guide for acceptable MI providers. 	

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ditech BUSINESS LENDING FREDDIE MAC ELIGIBLE FIXED RATE PRODUCT

LOAN PRODUCT ADVISOR

DESKTOP UNDERWRITER

Mortgage Insurance Options	
Borrower Paid Mortgage Insurance (BPMI)	Lender Paid Single Premium
<ul style="list-style-type: none"> Monthly and Zero Monthly Level Annual Standard Annual Split Premium (with or without options) Single Premium Financed MI - see above details 	<ul style="list-style-type: none"> Correspondent only Must be paid to MI company prior to purchase by ditech
Coverage	
≤20 Years	Coverage
80.01% - 85%	6%
85.01% - 90%	12%
90.01% - 95%	25%
95.01% - 97%	35%
>20 Years	Coverage
80.01% - 85%	12%
85.01% - 90%	25%
90.01% - 95%	30%
95.01% - 97%	35%
Manufactured Homes Coverage	
80.01% - 85%	12%
85.01% - 90%	25%
90.01% - 95%	30%

34. OVERLAYS

The following LPA Accept loans are **NOT** eligible in the Freddie Mac Eligible product

- Manual underwriting
- Affordable Housing mortgage

The following DU Approve/Eligible loans are **NOT** eligible in the Freddie Mac Eligible product

- DU decision other than Approve/Eligible
- Manual underwriting

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Product Matrices contain eligibility guidelines only. Consult the Client Guide for full details.

ditech BUSINESS LENDING FREDDIE MAC ELIGIBLE FIXED RATE PRODUCT

	LOAN PRODUCT ADVISOR	DESKTOP UNDERWRITER
	<ul style="list-style-type: none"> DTI >50% Community Second mortgages Fannie Mae is the property seller and one or more of the following exists <ul style="list-style-type: none"> Primary residence >90% LTV with seller concessions >3%, or Resale restriction in the first three months where the property cannot be resold for >120% of the original sales price Property inspection that is not an Interior and Exterior Appraisal Report Condition rating C5 Manufactured homes Condominium projects Borrower with more than 6 financed properties if subject is a second home or investment property Cash-out refinance with a power of attorney Student Loan Cash-Out Refinance 	
35. QUALIFIED MORTGAGE (QM) REBUTTABLE PRESUMPTION	<ul style="list-style-type: none"> A transaction is classified as Qualified Mortgage (QM) Rebuttable Presumption when the APR is greater than Average Prime Offer Rate (APOR) + 1.5%, which can be categorized as Higher Priced Covered Transaction (HPCT) Ditech employees refer to the Compliance Manual for a full description of QM Rebuttable Presumption See the Escrow Waiver section above for Escrow Waiver Restrictions Residual income and corresponding reserve requirement must be documented based on the table below. 	
	RESIDUAL INCOME	
	Residual income is the qualified gross monthly income less the gross monthly debt. The debt and income used to calculate the DTI ratio should be used for the residual income evaluation per the base product guidelines.	
	Primary Residence	
	If monthly residual income is	Then, the minimum reserves required are ...
	\$2500 or greater	No minimum reserves, comply with minimum reserves requirement for the base loan program.
	>= \$800 < \$2500	The greater of: <ul style="list-style-type: none"> Three months liquid reserves OR Minimum reserve for base loan program
	<\$800	Not Eligible
	Second Home and Investment Property	
	\$2500 or greater	No minimum reserves, comply with minimum reserves requirement for the base loan program.
	< \$2500	Not eligible
36. SPECIAL REQUIREMENTS/ RESTRICTIONS	None	

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