

## ditech BUSINESS LENDING HOME READY HIGH BALANCE FIXED RATE MORTGAGE PRODUCT

1. PRODUCT DESCRIPTION	<ul style="list-style-type: none"> <li>Conventional Conforming fixed rate mortgage with High Balance loan limits</li> <li>Servicing retained</li> <li>10-30 year term in annual increments</li> <li>Fully amortizing</li> <li>Qualified Mortgage (QM) Safe Harbor loans are permitted</li> <li>Qualified Mortgage (QM) Rebuttable Presumption loans are permitted –See the Qualified Mortgage (QM) Rebuttable Presumption section for requirements.</li> </ul>
2. PRODUCT CODES	<ul style="list-style-type: none"> <li>KK3 Home Ready 30 Year High Balance Fixed</li> </ul>
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	Qualify using the note rate
10. QUALIFYING RATIOS	<b>Ratios</b> <ul style="list-style-type: none"> <li>DU Approve/Eligible – Follow DU</li> </ul>
11. TYPES OF FINANCING	<p><b>Purchase Mortgage Rate &amp; Term Refinance (Limited Cash-Out Refinance)</b></p> <ul style="list-style-type: none"> <li>Loan amount may include: <ul style="list-style-type: none"> <li>Pay off the outstanding principal balance of existing first loan (including existing HELOC in first lien position), plus any required per diem interest</li> <li>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</li> <li>Closing costs and prepaids</li> <li>Prepayment penalties associated with the existing mortgage</li> <li>Cash-out limited to the lesser of 2% of the principal amount of the new loan or \$2000</li> </ul> </li> <li>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.</li> <li>Delinquent real estate taxes may not be included in the loan amount. See the Conforming chapter of the Client Guide for complete requirements</li> <li>See the Conforming chapter of the Client Guide for Continuity of Obligation definition and guideline requirements</li> <li>Properties currently listed for sale <ul style="list-style-type: none"> <li>Property must be taken off the market before the Note date</li> <li>Borrower provides written confirmation of intent to occupy if a primary residence</li> </ul> </li> </ul> <p><b>Owner Occupied Properties Located In Texas</b></p>

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- 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).
  - If the first or second Texas Section 50(6) loan is being paid off, see the [Texas Home Equity Refinance Eligibility Matrix](#) to determine product eligibility.
- Single-Close Modification of Note**
- Not permitted

<b>12. LOAN AMOUNT</b>	<b>CONTINENTAL US</b>		<b>ALASKA &amp; HAWAII</b>
	<b>UNITS</b>	<b>Minimum Loan Amount</b>	<b>Permanent High Cost</b>
	1	\$484,351	\$726,525
	2	\$620,201	\$930,300
	3	\$749,651	\$1,124,475
	4	\$931,601	\$1,397,400
There are no properties in AK and HI with loan limits higher than the applicable base conforming limits.			
These are the maximum loan amounts that may apply; the limit may be lower for a specific high-cost area. See Loan Limit Look Up Table for <a href="#">High-Balance Loan Amounts</a> .			

<b>13. LTV/CLTV LIMITATIONS</b>	<b>DU APPROVE/ELIGIBLE</b>		
	<b>PRIMARY RESIDENCE</b>		
	<b>Units</b>	<b>LTV/CLTV</b>	<b>Credit Score</b>
	<b>Purchase and Rate &amp; Term Refinance</b>		
	1	95%	620
	2	85%	620
	3-4	75%	620

<b>14. LTV/CLTV LIMITATIONS MANUFACTURED HOUSING</b>	<b>MANUFACTURED HOMES</b>		
	<b>DU APPROVE/ELIGIBLE</b>		
	<b>PRIMARY RESIDENCE</b>		
	<b>Units</b>	<b>LTV/CLTV</b>	<b>Credit Score</b>
	<b>Purchase and Rate &amp; Term Refinance</b>		
	1	95%	620
	• Maximum loan amount on High Balance - <b>\$726,525</b>		

- 15. SECONDARY FINANCING**
- Down Payment Assistance Programs (DPA) that create a lien are not eligible.
  - Community Seconds are not permitted.

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	<ul style="list-style-type: none"> <li>• Seller seconds are not permitted</li> <li>• Closed end second mortgage loans only. HELOCs are not permitted</li> </ul>
<b>16. PROPERTY TYPES</b>	<p><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• Condo             <ul style="list-style-type: none"> <li>• See the Conforming chapter of the Client Guide and Condo-PUD Matrices for                 <ul style="list-style-type: none"> <li>• Appraisal and warranty requirements</li> <li>• LTV/CLTV for Limited Review established attached condos</li> </ul> </li> <li>• Nevada                 <ul style="list-style-type: none"> <li>• HOA dues for the subject unit must be current prior to closing</li> <li>• HOA may not be seller of the subject unit</li> </ul> </li> </ul> </li> <li>• Leasehold Estates</li> <li>• Manufactured Homes             <ul style="list-style-type: none"> <li>• Max 95% LTV/CLTV</li> <li>• Maximum loan amount on High Balance - <b>\$726,525</b></li> <li>• Properties on a leasehold are not eligible</li> </ul> </li> <li>• Multi-wide manufactured homes may be located in a condo or PUD project, subdivision or on an individual lot             <ul style="list-style-type: none"> <li>• Manufactured homes condo units must be in a Fannie Mae PERS approved condo project</li> </ul> </li> <li>• Single-wide manufactured homes must be in a Fannie Mae PERS approved condo project or Fannie Mae PERS approved PUD project             <ul style="list-style-type: none"> <li>• The manufactured home must be classified and titled as real property.</li> <li>• ALTA 7 or state specific equivalent Title Endorsement is required.</li> <li>• 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 seller is not the builder-contractor or manufactured housing dealer who installed MH unit on site.</li> <li>• See the Conforming chapter of the Client Guide for complete LTV/CLTV calculations and other manufactured housing requirements</li> </ul> </li> <li>• Off-frame Modular Housing</li> <li>• Precut, Panelized Housing</li> <li>• PUD             <ul style="list-style-type: none"> <li>• Nevada                 <ul style="list-style-type: none"> <li>• HOA dues for the subject unit must be current prior to closing</li> <li>• HOA may not be seller of the subject unit</li> </ul> </li> </ul> </li> </ul> <p><b>Ineligible Property Types</b></p> <ul style="list-style-type: none"> <li>• Condo Hotel</li> <li>• Co-op</li> <li>• On-frame Modular Housing</li> </ul> <p>See the Conforming chapter of the Client Guide for eligibility guidelines</p>
<b>17. OCCUPANCY</b>	Primary Residence
<b>18. GEOGRAPHIC LOCATIONS/</b>	<b>Ineligible States</b>

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<b>RESTRICTIONS</b>	<ul style="list-style-type: none"> <li>• New York                             <ul style="list-style-type: none"> <li>• Permitted only for Delegated Clients who underwrite and close loans in their own name. See Approval Authority section for limited eligibility</li> </ul> </li> <li>• West Virginia</li> </ul>									
<b>19. ASSUMPTIONS</b>	Not permitted									
<b>20. ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>• See the Client Guide for escrow waiver eligibility</li> <li>• Higher Priced Mortgage Loans (HPML): Primary residence loans must maintain an escrow account for a minimum of 5 years</li> </ul>									
<b>21. PREPAYMENT PENALTY</b>	None									
<b>22. APPROVAL AUTHORITY</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Approval Authority</th> </tr> <tr> <th style="width: 33%;">Delegated</th> <th style="width: 33%;">Conditional Delegated</th> <th style="width: 33%;">Non-Delegated and Broker</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">                     Client has the following limited underwriting authority                     <ul style="list-style-type: none"> <li>• Individual loan amount &lt;= \$1 million eligible</li> <li>• ditech first and second liens: combined loan amount &lt;= \$1 million eligible</li> <li>• ditech first and other lender second liens: combined loan amount &lt;= \$1.25 million eligible</li> <li>• ditech total overall exposure with a borrower &lt;= \$1.5 million. Total overall exposure includes all ditech liens on all properties owned by the borrower</li> <li>• New York                             <ul style="list-style-type: none"> <li>• Individual loan amount &lt;= \$1 million eligible if Client is underwriting the loan.</li> <li>• Individual loan amount &gt; \$1 million and all loans submitted to ditech for underwriting are ineligible</li> </ul> </li> </ul> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• All loans must be submitted to ditech</li> <li>• New York-Ineligible</li> </ul> </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>• All loans must be submitted to ditech</li> <li>• New York -Ineligible</li> </ul> </td> </tr> </tbody> </table>	Approval Authority			Delegated	Conditional Delegated	Non-Delegated and Broker	Client has the following limited underwriting authority <ul style="list-style-type: none"> <li>• Individual loan amount &lt;= \$1 million eligible</li> <li>• ditech first and second liens: combined loan amount &lt;= \$1 million eligible</li> <li>• ditech first and other lender second liens: combined loan amount &lt;= \$1.25 million eligible</li> <li>• ditech total overall exposure with a borrower &lt;= \$1.5 million. Total overall exposure includes all ditech liens on all properties owned by the borrower</li> <li>• New York                             <ul style="list-style-type: none"> <li>• Individual loan amount &lt;= \$1 million eligible if Client is underwriting the loan.</li> <li>• Individual loan amount &gt; \$1 million and all loans submitted to ditech for underwriting are ineligible</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• All loans must be submitted to ditech</li> <li>• New York-Ineligible</li> </ul>	<ul style="list-style-type: none"> <li>• All loans must be submitted to ditech</li> <li>• New York -Ineligible</li> </ul>
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<b>23. UNDERWRITING / AUS DECISIONS</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"><b>All loans must be submitted to DU</b></td> </tr> <tr> <td style="width: 50%; text-align: center;"><b>Acceptable</b></td> <td style="width: 50%; text-align: center;"><b>Unacceptable</b></td> </tr> </table>	<b>All loans must be submitted to DU</b>		<b>Acceptable</b>	<b>Unacceptable</b>					
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		DU Approve/Eligible	DU Approve/Ineligible Manual Underwrite Out of Scope	
		<ul style="list-style-type: none"> <li>Maximum 4 borrowers for DU transactions.</li> <li>DU Validation Service: Transactions are eligible with Approve/Eligible. See the Conforming Chapter of the Client Guide for details.</li> </ul>		
		<ul style="list-style-type: none"> <li>Enter loans into DU using the “Additional Data” screen; select “HomeReady Mortgage” to obtain DU decision indicating eligibility for HomeReady Mortgage program</li> <li>DU findings must state that the loan casefile is eligible for delivery as a HomeReady mortgage loan.</li> </ul>		
<b>24. DOCUMENTATION TYPE</b>	Standard			
<b>25. BORROWER ELIGIBILITY</b>	<p><b>Income Requirements</b></p> <ul style="list-style-type: none"> <li>Qualifying income from all borrowers who will be on the note must be included</li> <li>Only the income used to qualify the borrowers must be included in the income limits</li> </ul> <p><b>Income Limits</b></p> <ul style="list-style-type: none"> <li>No income limits for properties located in low-income census tracts, or</li> <li>100% of area median income (AMI)</li> <li>See <a href="#">Income Eligibility by Census Tract Lookup</a> to determine eligibility</li> </ul> <p><b>Eligible Borrowers</b></p> <ul style="list-style-type: none"> <li>Permanent Resident</li> <li>Non-Permanent Resident</li> <li>Trusts</li> </ul> <p><b>Ineligible Borrower</b></p> <ul style="list-style-type: none"> <li>Foreign Nationals</li> <li>Not permitted</li> </ul>			

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<b>26. HOMEOWNERSHIP EDUCATION AND HOUSING COUNSELING</b>		<b>Homeownership Education</b>	<b>Housing Counseling</b>	
	<b>Definitions</b>	<p>Education with an established curriculum and instructional goals, provided in a group or classroom setting, online, or other formats, that cover homeownership topics as:</p> <ul style="list-style-type: none"> <li>the home-buying process</li> <li>how to maintain a home</li> <li>budgeting</li> <li>the importance of good credit</li> </ul>	<p>One-on-one assistance provided in person, telephone or video conferencing per HUD standards, that addresses unique financial circumstances and housing issues, and focuses on overcoming specific obstacles to achieve housing goals such as:</p> <ul style="list-style-type: none"> <li>repairing credit</li> <li>locating cash for a down payment</li> <li>recognizing predatory lending practices</li> <li>understanding fair lending and fair housing requirements</li> <li>avoiding foreclosure</li> <li>resolving a financial crisis</li> </ul>	
	<b>Requirements</b>	<ul style="list-style-type: none"> <li>Required for purchase transactions</li> <li>At least one borrower must complete homeownership education using Framework Homeownership, LLC (Framework®) online education program unless an alternative provided below better meets the needs of the borrower and homeownership education requirements.</li> </ul> <p><b>Alternatives</b></p> <ul style="list-style-type: none"> <li>Framework online education not appropriate or accessible to borrower (e.g., lack of Internet access, disability)                             <ul style="list-style-type: none"> <li>Direct borrowers to Framework's toll-free customer service line, where they can be directed to a <u>HUD-approved counseling agency</u>. The counseling agency must provide a certificate of completion to the borrower and a copy must be in the loan file.</li> </ul> </li> <li>Housing counseling was completed prior to execution of the sales contract.</li> </ul>		
	<b>Completion Date</b>	Prior to note date	Prior to execution of the sales contract	
	<b>Documentation</b>	<ul style="list-style-type: none"> <li>Certificate of Course Completion from Framework (or alternate provider based on Framework referral, if applicable); or</li> <li>Certificate of completion from provider.</li> </ul>	<ul style="list-style-type: none"> <li>Certificate of Completion of Housing Counseling (Fannie Mae <u>Form 1017</u>), signed by both the counseling recipient and the HUD counselor</li> </ul>	
<b>27. CO-BORROWERS</b>	<p><b>Non-Occupant Co-Borrower</b></p> <ul style="list-style-type: none"> <li>DU Approve/Eligible –Maximum 95% LTV</li> <li>The income and liabilities of all borrowers must be used when determining the DTI ratio used for qualifying</li> </ul>			
<b>28. CREDIT</b>	<p><b>Credit Score Requirements</b></p> <ul style="list-style-type: none"> <li>All borrowers must have a credit score</li> <li>See the LTV/CLTV Limitations section for minimum credit score requirements</li> </ul>			

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**Housing (Mortgage/Rental) Payment History (PITIA)**

- Inclusive of all liens regardless of position
- DU Approve/Eligible – Evaluated by DU

**Significant Derogatory Credit**

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

**29. ASSET/RESERVES**

- Sweat Equity-not permitted

Minimum Borrower Investment				
	1-unit		2-4 unit	
	≤80% LTV/CLTV	>80% LTV/CLTV	≤80% LTV/CLTV	>80% LTV/CLTV
<b>Minimum Investment from Borrower's Own Funds</b>	None	None	None	3%
<b>Gifts Permitted</b>	Yes	Yes	Yes	Yes
Minimum borrower investment from own funds must be met before other sources are permitted				

• **Cash on Hand**

- Cash on hand may be used for the down payment and closing costs if the following is met:
  - One-unit primary residence
  - The borrower customarily uses cash for expenses and the amount of funds saved is consistent with the borrower's previous payment practices. An example for determining the reasonableness of the amount of funds saved would be through the use of an income and expense budget.
  - The borrower's credit report and other verifications indicate limited use of credit, or no depository relationship exists between the borrower and a financial institution.
  - The borrower must provide a written and signed statement that discloses the source of funds and states that the funds have not been borrowed.
  - Sufficient funds for down payment and closing costs must be deposited into a financial institution or an acceptable escrow account at time of application or no less than 30 days prior to closing.
  - The amount of cash on hand must be entered as "Cash on Hand" in the Assets section (Section VI) on the online loan application.
  - DU will use the "Cash on Hand" amount to calculate the available funds to close.

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	<ul style="list-style-type: none"> <li>• Cash on hand funds will not be used to calculate reserves.</li> </ul> <p><b>Seller Contributions</b></p> <ul style="list-style-type: none"> <li>• 3% for LTV/CLTV &gt; 90%             <ul style="list-style-type: none"> <li>• See the Fannie Mae REO section for LTV/CLTV &gt;90%</li> </ul> </li> <li>• 6% for LTV/CLTV &gt; 75% &lt;= 90%</li> <li>• 9% for LTV/CLTV &lt;= 75%</li> </ul> <p><b>Reserves</b></p> <ul style="list-style-type: none"> <li>• DU Approve/Eligible: Follow DU</li> <li>• Gift funds may be used to meet reserve requirements</li> </ul>
<b>30. EMPLOYMENT/ INCOME</b>	<ul style="list-style-type: none"> <li>• DU Approve/Eligible: Follow DU</li> </ul> <p><b>Rental Income from Boarder</b></p> <ul style="list-style-type: none"> <li>• Income from a boarder (related or non-related) can be included in the calculation of the borrower's stable monthly income if the following are met:             <ul style="list-style-type: none"> <li>• One unit</li> <li>• The boarder must have resided with (and paid rent to) the borrower for the last 12 months.</li> <li>• Provide documentation to evidence residency with the borrower (i.e. copy of driver's license, monthly bills, bank statement that shows the boarder's address as being the same as the borrower's address)</li> <li>• Provide evidence of payment of rental payments (such as cancelled checks) to borrower for:                 <ul style="list-style-type: none"> <li>• last 12 months or</li> <li>• at least 9 of the most recent 12 months provided the rental income is averaged over a 12 month period</li> </ul> </li> <li>• Payment of rent by the boarder directly to a third party is not acceptable</li> <li>• The boarder will continue to reside with the borrower in the new residence</li> <li>• The amount of rental income may not exceed 30% of the total qualifying income for the mortgage—(if rental income exceeds 30%, reduce the amount of income to not more than 30% and use that figure for qualifying income and AMI limitations)</li> </ul> </li> </ul> <p><b>Rental Income from Accessory Unit</b></p> <ul style="list-style-type: none"> <li>• One-unit primary residence</li> <li>• Purchase: Single Family Rent Schedule (Fannie Mae Form 1007) required</li> <li>• Refinance:             <ul style="list-style-type: none"> <li>• Single Family Rent Schedule (Fannie Mae Form 1007) required</li> <li>• Lease agreement</li> <li>• Explanation for why the lease agreement is being used in lieu of Schedule E</li> </ul> </li> <li>• See the Conforming chapter of the Client Guide for rental income guidelines.</li> </ul> <p><b>Form 4506-T</b></p> <ul style="list-style-type: none"> <li>• Prior to Underwriting (loans underwritten by ditech only)             <ul style="list-style-type: none"> <li>• 4506-T must be signed for each borrower whose income must be documented with tax returns and used for qualification (self-employment,</li> </ul> </li> </ul>

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	<p>rental income, income earned from commission, etc.).</p> <ul style="list-style-type: none"> <li>At Closing (all loans) <ul style="list-style-type: none"> <li>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 waives the requirement.</li> <li>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 waives the requirement.</li> </ul> </li> <li>See the Conforming chapter of the Client Guide for complete guidelines</li> </ul>
<b>31. LIMITATIONS ON OTHER R.E. OWNED</b>	<b>Multiple Loans to the Same Borrower</b> <ul style="list-style-type: none"> <li>DU Approve <ul style="list-style-type: none"> <li>New multiple loans must be underwritten simultaneously. See Approval Authority section.</li> <li>No limitation on number of financed properties</li> </ul> </li> </ul>
<b>32. FANNIE MAE REO</b>	<p>When the transaction is Fannie Mae REO using one of the following enhancements, the file must be clearly marked as Fannie Mae REO and an approved exception must be in the loan file for delivery purposes.</p> <ul style="list-style-type: none"> <li>LTV/CLTV &gt;90% may have Seller Contributions up to 6% (rather than the 3%), and</li> <li>Resale Restrictions <ul style="list-style-type: none"> <li>Fannie Mae REO resale restriction (property resold within 3 months of purchase) are eligible</li> </ul> </li> </ul>
<b>33. APPRAISAL REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>DU Approve/Eligible – Follow DU <ul style="list-style-type: none"> <li>Appraisal Waiver <ul style="list-style-type: none"> <li>Must be dated within four months from the DU offer date to the note date</li> <li>An Appraisal Waiver offer may not be exercised if an appraisal has already been obtained.</li> </ul> </li> </ul> </li> <li>See the Conforming chapter of the Client Guide for complete eligibility requirements</li> </ul>
<b>34. MORTGAGE INSURANCE</b>	<p>Mortgage insurance is required for all loans over 80% LTV</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px 0;"> <b>Mortgage Insurance Options</b> </div> <ul style="list-style-type: none"> <li>Refer to the MI company requirements for additional eligibility guidelines</li> <li>Eligible MI companies must be acceptable to Fannie Mae</li> <li>Discounted coverage requiring additional premium per AUS is not eligible</li> <li>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</li> <li>Financed MI is permitted for 1-unit primary residence purchase and rate &amp; term refinance transactions <ul style="list-style-type: none"> <li>The mortgage amount and LTV including the financed premium may not exceed the limitation set forth in the program guidelines</li> <li>Mortgage insurance coverage is based on LTV excluding the financed premium. Rate lock pricing is based on mortgage amount including financed premium</li> </ul> </li> <li><b>NY State</b> –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.</li> <li>See Chapter 12 Prudent Diligence Mortgage Insurance Section of the Client Guide for acceptable MI providers.</li> </ul>

Please note that this is not a client offer or solicitation for all loan products listed. All loans submitted for purchase by ditech must be eligible for purchase by ditech and be in full compliance with the ditech Loan Product Matrix and ditech Client Contract for each approved client.

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

## ditech BUSINESS LENDING HOME READY HIGH BALANCE FIXED RATE MORTGAGE PRODUCT

	<b>Borrower Paid Mortgage Insurance (BPMI)</b>	<b>Lender Paid Single Premium</b>	
	<ul style="list-style-type: none"> <li>Monthly and Zero Monthly</li> <li>Level Annual</li> <li>Standard Annual</li> <li>Split Premium (with or without options)</li> <li>Single Premium</li> <li>Financed MI - see above details</li> </ul>	<ul style="list-style-type: none"> <li>Correspondent only</li> <li>Must be paid to MI company prior to purchase by ditech</li> </ul>	

Coverage			
Transaction Type	80.01-85.00%	85.01-90.00%	90.01-95.00%
Fixed Rate term <= 20 years (excluding manufactured homes)	6%	12%	25%
Fixed Rate term > 20 years and manufactured homes	12%	25%	25%

<b>35. QUALIFIED MORTGAGE (QM) REBUTTABLE PRESUMPTION</b>	<ul style="list-style-type: none"> <li>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)</li> <li>Ditech employees refer to the Compliance Manual for a full description of Qualified Mortgage (QM) Rebuttable Presumption</li> <li>Residual income and corresponding reserve requirement must be documented based on the table below.</li> </ul>														
	<table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th colspan="2" style="background-color: #e0e0e0;">RESIDUAL INCOME</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;">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.</td> </tr> <tr> <th colspan="2" style="background-color: #e0e0e0;">Primary Residence</th> </tr> <tr> <th style="background-color: #e0e0e0;">If monthly residual income is</th> <th style="background-color: #e0e0e0;">Then, the minimum reserves required are ...</th> </tr> <tr> <td>\$2500 or greater</td> <td>No minimum reserves, comply with minimum reserves requirement for the base loan program.</td> </tr> <tr> <td>&gt;= \$800 &lt; \$2500</td> <td>The greater of:                             <ul style="list-style-type: none"> <li>Three months liquid reserves OR</li> <li>Minimum reserve for base loan program</li> </ul> </td> </tr> <tr> <td>&lt;\$800</td> <td>Not Eligible</td> </tr> </tbody> </table>	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"> <li>Three months liquid reserves OR</li> <li>Minimum reserve for base loan program</li> </ul>	<\$800	Not Eligible
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**ditech BUSINESS LENDING HOMEReady HIGH BALANCE FIXED RATE MORTGAGE PRODUCT**

**36. SPECIAL  
REQUIREMENTS/  
RESTRICTIONS**

None

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