

**BUSINESS LENDING FIXED RATE AND ARM PRODUCT
FANNIE MAE AND FREDDIE MAC CONFORMING
TEXAS 50(A)(6) HOME EQUITY PRODUCT**

PRODUCT MATRICES CONTAIN A SUMMARY OF ELIGIBILITY GUIDELINES. CONSULT CLIENT GUIDE FOR COMPLETE GUIDELINES.

	FANNIE MAE	FREDDIE MAC
1. Loan Term	Fixed Rate: 10 to 30-year terms in annual increments ARM: 30-year term	
2. Fixed Rate Product Codes	X35 10 Yr Fannie/Freddie Fixed Texas Home Equity 471 15 Yr Fannie/Freddie Fixed Texas Home Equity X45 20 Yr Fannie/Freddie Fixed Texas Home Equity 472 30 Yr Fannie/Freddie Fixed Texas Home Equity	FF4 10 Yr Freddie Mac Eligible Fixed Texas Home Equity FF5 15 Yr Freddie Mac Eligible Fixed Texas Home Equity FF6 20 Yr Freddie Mac Eligible Fixed Texas Home Equity FF7 30 Yr Freddie Mac Eligible Fixed Texas Home Equity
3. ARM Product Codes	Z92 Fannie 5/1 Texas Equity Refinance 2/2/5 Cap Z79 Fannie 5/1 Texas Equity Refinance 5/2/5 Cap Y06 Fannie 7/1 Texas Equity Refinance 5/2/5 Cap Y07 Fannie 10/1 Texas Equity Refinance 5/2/5 Cap	N/A
4. ARM Margin	2.250%, 2.375%, 2.500%	N/A
5. Rate at Adjustment	<ul style="list-style-type: none"> 2/2/5 Cap: Initial note rate is in effect for the fixed term, the first interest adjustment is up to 2%, thereafter, a 2% annual adjustment cap begins with the second adjustment 5/2/5 Cap: Initial note rate is in effect for the fixed term, the first interest adjustment is up to 5%, thereafter, a 2% annual adjustment cap begins with the second adjustment Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life caps 	N/A
6. Temporary Buydown	Not permitted	
7. QM Rebuttable Presumption	<ul style="list-style-type: none"> QM Rebuttable Presumption exists when the APR is greater than the Average Prime Offer Rate (APOR) + 1.5%, which can be categorized as Higher Priced Covered Transaction (HPCT) Residual income and reserves must be documented based on the table below HPML: Primary residence transactions must maintain an escrow account for a minimum of 5 years 5/1 ARMs not permitted 	
8. Rebuttable Presumption Residual Income Requirements	Residual income is the qualified gross monthly incomes less the gross monthly debt. The income and debt used to calculate the DTI ratio should be used for the residual income evaluation per product guidelines	
	Occupancy	If the monthly residual income is...
	Primary Residence	Then the minimum reserves are...
		\$2500 or greater
		Minimum reserves per product
		≥ \$800 < \$2500
		The greater of: • Three months liquid reserves, or • Minimum reserves per product
		<\$800
		Not eligible

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 Client Contract for each approved client.

**BUSINESS LENDING FIXED RATE AND ARM PRODUCT
FANNIE MAE AND FREDDIE MAC CONFORMING
TEXAS 50(A)(6) HOME EQUITY PRODUCT**

PRODUCT MATRICES CONTAIN A SUMMARY OF ELIGIBILITY GUIDELINES. CONSULT CLIENT GUIDE FOR COMPLETE GUIDELINES.

9. AUS LTV/CLTV		Units	FANNIE MAE DU APPROVE				FREDDIE MAC LPA ACCEPT				
			Fixed Rate		ARM		Fixed Rate		ARM		
			LTV/CLTV				LTV/CLTV				
	Rate & Term and Cash-Out Refinance	1	80%		80%		80%		N/A		
Submit ARMs to DU only											
10. AUS Manufactured Homes LTV/CLTV	FANNIE MAE DU APPROVE MANUFACTURED HOMES										
		Units	Fixed Rate				ARM				
			LTV/CLTV								
	Rate & Term Refinance	1	80%				80%				
	Cash-Out Refinance		65%				NA				
<ul style="list-style-type: none"> LTV includes LTV/CLTV Maximum 20-year term for Fixed Rate cash-out refinance Not permitted <ul style="list-style-type: none"> LPA Accept <ul style="list-style-type: none"> 5/1 ARMs Manual underwrite 											
11. Manual Underwrite LTV/CLTV	FANNIE MAE MANUAL UNDERWRITE										
		Units	LTV	Fixed Rate				ARM			
				DTI <=36%		DTI >36% <=45%		DTI <=36%		DTI >36% <=45%	
				Credit Score		Reserves		Credit Score		Reserves	
	Rate & Term Refi	1	80%	680	0	700	0	680	0	700	0
			80%	660	6	680	2	660	6	680	2
			75%	620	0	640	0	640	0	640	0
				620	2						
	Cash-Out Refi	1	80%	680	0	700	0	680	0	700	0
			80%	660	6	680	2	660	6	680	2
75%			660	0	680	0	660	0	680	0	
75%			640	6	660	2	640	6	660	2	
<ul style="list-style-type: none"> LTV includes LTV/CLTV Manufactured homes not permitted 											
12. Loan Amount	Maximum \$484,350										
13. Doc Type	Standard										
14. Power of Attorney	Not permitted										
15. Eligible AUS Decisions	DU Approve/Eligible per Fannie Mae guidelines					LPA Accept per Freddie Mac guidelines					

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 Client Contract for each approved client.

**BUSINESS LENDING FIXED RATE AND ARM PRODUCT
FANNIE MAE AND FREDDIE MAC CONFORMING
TEXAS 50(A)(6) HOME EQUITY PRODUCT**

PRODUCT MATRICES CONTAIN A SUMMARY OF ELIGIBILITY GUIDELINES. CONSULT CLIENT GUIDE FOR COMPLETE GUIDELINES.

	FANNIE MAE	FREDDIE MAC
16. Ineligible AUS Decisions	<ul style="list-style-type: none"> • DU Approve/Ineligible • DU Refer with Caution 	LPA Caution
17. Manual Underwrite	All manually underwritten loans will be underwritten in accordance with Fannie Mae guidelines, regardless of which AUS was run. For example, if you receive an LPA Caution, the LPA Feedback Certificate is no longer valid and the loan will be underwritten in accordance with Fannie Mae manual underwrite guidelines. Must be in a Fannie Mae product code.	
18. Qualifying Rate	Fixed Rate: Note rate ARM <ul style="list-style-type: none"> • 5/1 ARM: Greater of fully indexed rate or note rate+2% • 7/1 and 10/1 ARM: Greater of the fully indexed rate or note rate 	Fixed Rate: Note rate
19. Ratios	<ul style="list-style-type: none"> • Follow DU Approve/Eligible • Manual Underwrite: See Manual Underwrite LTV/CLTV section 	Max 50.00% DTI
20. Types of Financing	<ul style="list-style-type: none"> • Rate & Term Refinance (Limited Cash-Out Refinance) • Cash-Out Refinance 	<ul style="list-style-type: none"> • Rate & Term Refinance (No Cash-Out Refinance) • Cash-Out Refinance
21. Texas Home Equity Restrictions	<ul style="list-style-type: none"> • A copy of the current mortgage or note is required to determine whether the terms are subject to Texas Section 50(a)(6) (aka Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust) • Payoff of an existing Texas Section 50(a)(6) loan (first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(a)(4) loan if there is no cash out from the first mortgage transaction and the LTV/CLTV does not exceed 80%. Refer to the Texas Home Equity Refinance Eligibility Matrix to determine product eligibility • There can only be one outstanding Texas Section 50(a)(6) loan on a property at any given time <ul style="list-style-type: none"> • If the borrower has an existing Texas Section 50(a)(6) second lien and is getting cash out from the first mortgage, that lien must be paid off • 12-month seasoning for any Texas Section 50(a)(6) loan (first or second mortgage) • Total fees paid by the borrower (excluding prepaids) cannot exceed 2% of the loan amount. The 2% cap includes fees paid to the lender, broker or any third party, excluding appraisal, property survey, title insurance premiums, and title examination. If closing costs are greater than 2%, reduce fees prior to closing. Refunds to the borrower are permitted • Premium pricing is permitted if disclosed to the borrower at time of initial application 	
22. Properties Listed for Sale	<ul style="list-style-type: none"> • Property must be taken off the market before the note date • Borrower provides written confirmation of intent to occupy if primary residence 	NA
23. Eligible Subordinate Financing	Existing subordinate financing not subject to Texas 50(a)(6)	
24. Ineligible Subordinate Financing	<ul style="list-style-type: none"> • New subordinate financing • HELOC • Third liens 	
25. Occupancy	Primary Residence	
26. Acreage Requirements	<ul style="list-style-type: none"> • Acreage requirements <ul style="list-style-type: none"> • If adjacent property is owned, the file must show that the subject property is a separate parcel and does not include the additional lot • <u>Urban Property</u> <ul style="list-style-type: none"> • Maximum 10 acres, and • The municipality provides police and fire protection (paid or volunteer) and 3 of the following services <ul style="list-style-type: none"> • Electric 	

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 Client Contract for each approved client.

**BUSINESS LENDING FIXED RATE AND ARM PRODUCT
FANNIE MAE AND FREDDIE MAC CONFORMING
TEXAS 50(A)(6) HOME EQUITY PRODUCT**

PRODUCT MATRICES CONTAIN A SUMMARY OF ELIGIBILITY GUIDELINES. CONSULT CLIENT GUIDE FOR COMPLETE GUIDELINES.

	FANNIE MAE	FREDDIE MAC
	<ul style="list-style-type: none"> Natural gas Sewer Storm sewer Water <u>Rural Property</u> <ul style="list-style-type: none"> Property is considered rural if the municipality does not provide police and fire protection or any of the above services Rural property for a single borrower: 100 acres or less Rural property for a family: 200 acres or less If the definition of a rural property cannot be met and there is an excess of 10 acres, all acreage exceeding 10 acres must be subdivided or the loan is ineligible 	
27. Eligible Property Types	<ul style="list-style-type: none"> 1-unit Condos Leasehold estates Manufactured homes Modular homes PUDs 	<ul style="list-style-type: none"> 1-unit Condos Leasehold estates Modular homes PUDs
28. Ineligible Property Types	<ul style="list-style-type: none"> 2-4 units Agricultural zoning Condo hotels Co-ops 	<ul style="list-style-type: none"> 2-4 units Agricultural zoning Condo hotels Co-ops Manufactured homes
29. Eligible Borrowers	<ul style="list-style-type: none"> US citizens Permanent resident alien Non-permanent resident alien 	
30. Non-Occupant Co-Borrower	All borrowers must occupy subject property	
31. AUS Credit Score	Follow DU Approve/Eligible	Minimum 620
32. Manual Underwrite Credit Score	See Manual Underwrite LTV/CLTV section	
33. Nontraditional Credit (DU & LPA)	<ul style="list-style-type: none"> DU will underwrite the following: <ul style="list-style-type: none"> No borrower has a credit score <ul style="list-style-type: none"> ARMs not permitted At least one borrower has no credit score one borrower has a credit score Follow DU Approve/Eligible 	Not permitted

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 Client Contract for each approved client.

**BUSINESS LENDING FIXED RATE AND ARM PRODUCT
FANNIE MAE AND FREDDIE MAC CONFORMING
TEXAS 50(A)(6) HOME EQUITY PRODUCT**

PRODUCT MATRICES CONTAIN A SUMMARY OF ELIGIBILITY GUIDELINES. CONSULT CLIENT GUIDE FOR COMPLETE GUIDELINES.

	FANNIE MAE	FREDDIE MAC
34. Nontraditional Credit (Manual Underwrite)	<ul style="list-style-type: none"> Manual Underwrite Comply with the following when using non-traditional credit (or if one borrower has credit scores and other borrowers do not): <ul style="list-style-type: none"> 1-unit primary residence Rate & Term Refinance Max 36% DTI If at least one borrower can document a rental payment history there is no reserve requirement. If not, 12 months reserves required Minimum four nontraditional credit sources for each borrower without a credit score Homeownership education required when no borrower has a score 	Not permitted
35. Housing Payment History	<ul style="list-style-type: none"> Inclusive of all liens regardless of position Applies to all mortgages on all financed properties Follow DU Approve/Eligible Manual Underwrite 0x60 in the last 12 months 	<ul style="list-style-type: none"> Inclusive of all liens regardless of position Applies to all mortgages on all financed properties Follow LPA Accept
36. Reserves	<ul style="list-style-type: none"> Follow DU Approve/Eligible Manual Underwrite: See Manual Underwrite LTV/CLTV section Cash-Out Refinance: Cash out may not be used to meet the reserve requirements 	<ul style="list-style-type: none"> Follow LPA Accept Rate & Term and Cash-Out Refinance: Cash out may not be used to meet the reserve requirements
37. IRS Form 4506-T	<ul style="list-style-type: none"> Prior to Underwriting (ditech underwritten loans) <ul style="list-style-type: none"> Signed 4506-T 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 (all loans) <ul style="list-style-type: none"> 4506-T for each borrower whose income is used to qualify (regardless of income type) signed at closing even if DU Validation Service waives the requirement 4506-T for the business tax return transcript(s) signed at closing when the business returns are used for qualification even if DU Validation Service waives the requirement 	
38. Maximum Financed Properties	<ul style="list-style-type: none"> Primary Residence: No limitation New multiple loans must be underwritten simultaneously 	
39. Appraisal	<ul style="list-style-type: none"> Interior and Exterior Appraisal Report required Re-use of an appraisal report not permitted 	

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 Client Contract for each approved client.