

ditech BUSINESS LENDING CONFORMING TEXAS 50(A)(6) HOME EQUITY PRODUCT
(FANNIE MAE ELIGIBLE)

	FIXED RATE	5/1 ARM	7/1 ARM	10/1 ARM
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 five year/one year adjustable rate mortgage Servicing retained 30-year term Fully amortizing Non-convertible ARM Plan ID <ul style="list-style-type: none"> U/W: FM Generic, 5 Year Delivery: 30Y <ul style="list-style-type: none"> #2725 for 2/2/5 Cap #2737 for 5/2/5 Cap Manufactured homes not eligible Qualified Mortgage (QM) Safe Harbor loans are permitted Qualified Mortgage (QM) Rebuttable Presumption loans are not permitted. 	<ul style="list-style-type: none"> Conventional Conforming seven year/one year adjustable rate mortgage Servicing retained 30-year term Fully amortizing Non-convertible ARM Plan ID <ul style="list-style-type: none"> U/W: FM Generic, 7 Year Delivery: 30Y #2727 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 ten year/ one year adjustable rate mortgage Servicing retained 30-year term Fully amortizing Non-convertible ARM Plan ID3 <ul style="list-style-type: none"> U/W: FM Generic, 10 Year Delivery: 30Y #2729 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.
Product is specific to single-family primary residences located in Texas subject to the provisions of Texas Section 50(a)(6), Article XVI of the Texas Constitution				
2. PRODUCT CODES	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Z92 Fannie 5/1 Texas Equity Refinance 2/2/5 Cap Z79 Fannie 5/1 Texas Equity Refinance 5/2/5 Cap 	<ul style="list-style-type: none"> Y06 Fannie 7/1 Texas Equity Refinance 5/2/5 Cap 	<ul style="list-style-type: none"> Y07 Fannie 10/1 Texas Equity Refinance 5/2/5 Cap
3. INDEX	N/A	London interbank offered rate for 12-month United States dollar-denominated deposits, as published in the Wall Street Journal (LIBOR)		
4. MARGIN	N/A	<ul style="list-style-type: none"> 2/2/5 Cap - 2.250%, 2.375% or 2.500% 5/2/5 Cap - 2.250%, 2.375% or 2.500% 	<ul style="list-style-type: none"> 5/2/5 Cap-2.250%, 2.375%, or 2.500% 	

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5. ANNUAL ADJUSTMENT CAP	N/A	2%		
6. LIFE CAP	N/A	5%		
7. RATE AT ADJUSTMENT	N/A	<ul style="list-style-type: none"> 2/2/5Cap - 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 	<ul style="list-style-type: none"> 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 	
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"> DU Approve/Eligible – Follow DU LPA Accept - 50.00% DTI Out of Scope and Manually Underwritten loans – See LTV/CLTV Limitations 	<p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify using the greater of the fully indexed, fully amortizing rate or note rate + 2.00% <p>Ratios</p> <ul style="list-style-type: none"> DU Approve/Eligible – Follow DU Out of Scope and Manually Underwritten loans – See LTV/CLTV Limitations 	<p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify using the greater of the fully indexed, fully amortized rate or note rate <p>Ratios</p> <ul style="list-style-type: none"> DU Approve/Eligible – Follow DU Out of Scope and Manually Underwritten loans – See LTV/CLTV Limitations 	
10. 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) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust) Payoff of an existing Texas 50(a)(6) loan (either 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. 			

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	<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). 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. See the Compliance chapter of the Client Guide for guidance. Refunds to the borrower are permitted. See the Compliance chapter of the Client Guide for guidance. Premium pricing is permitted if disclosed to the borrower at time of initial application. Power of Attorney not permitted, unless required by state law. 			
11. TYPES OF FINANCING	<p>Rate & Term Refinance</p> <ul style="list-style-type: none"> Loan amount may include <ul style="list-style-type: none"> Payoff of the outstanding principal balance of existing first loan subject to Texas Section 50(a)(6) plus any required per diem interest. Pay off of the outstanding principal balance of an existing subordinate lien, not subject to Texas Section 50(a)(6), that was used in whole to acquire the subject property. Closing costs, prepaid costs and discount points Delinquent taxes/escrow shortage and late fees cannot be included in the loan amount; borrower must pay using own funds Cash-out limited to the lesser of 2% of the principal amount of the new loan or \$2,000. 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. Properties currently listed for sale (DU only) <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 See Conforming chapter of the Client Guide for Continuity of Obligation definition and guideline requirements (LPA only) <p>Cash-Out Requirements</p> <ul style="list-style-type: none"> Ownership <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Delayed Financing Borrower legally awarded the property (divorce, separation, dissolution of a domestic partnership) Inherited Property See the 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) 			

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	<ul style="list-style-type: none"> • Properties currently listed for sale are eligible if the property has been taken off the market prior to the Note date (DU loans only) • Unsecured Correspondent lender affiliated debt may not be paid off at closing with loan proceeds unless borrower request is documented. • Student Loan Cash-Out Refinance (DU Approve Eligible only) <ul style="list-style-type: none"> • Debt eligible for payoff: <ul style="list-style-type: none"> • 1st mortgage • Purchase money second (if applicable) • Student loan debt: <ul style="list-style-type: none"> • At least one student loan must be paid off. Loan proceeds must be paid directly to the student loan servicer at closing • At least one borrower must be obligated on the student loans being paid off • Student loan debt must be paid in full with the proceeds; partial payments are not permitted • No other debt permitted to be paid off • 80% LTV/CLTV • Cash-out limited to lesser of 2% or \$2000 over and above the student loan payoff • Property cannot be listed for sale at time of disbursement <p>Single-Close Modification of Note</p> <ul style="list-style-type: none"> • Not permitted 			
12. LOAN AMOUNT	Maximum loan amount: \$484,350			

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13. LTV/CLTV LIMITATIONS – FIXED RATE	FIXED RATE								
	DU APPROVE/ELIGIBLE AND LPA ACCEPT			FANNIE MAE MANUALLY UNDERWRITTEN LOANS¹					
	Units	LTV/CLTV	Credit Score	Units	LTV/CLTV				
				DTI <=36%		DTI >36% <=45%			
				Credit Score	Reserves	Credit Score	Reserves		
	PRIMARY RESIDENCE			PRIMARY RESIDENCE					
	Rate & Term Refinance & Cash Out			Rate & Term Refinance					
	1	80%	620	1	80%	680	0	700	0
					80%	660	6	680	2
					75%	620	0	640	0
								620	2
				Cash-Out Refinance					
				1	80%	680	0	700	0
					80%	660	6	680	2
					75%	660	0	680	0
			75%		640	6	660	2	
¹ Manufactured Homes not permitted									

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14. LTV/CLTV LIMITATIONS – ARM	ARM								
	DU APPROVE/ELIGIBLE			FANNIE MAE MANUALLY UNDERWRITTEN LOANS¹					
	Units	LTV/CLTV	Credit Score	Units	LTV/CLTV	DTI <=36%		DTI >36% <=45%	
						Credit Score	Reserves	Credit Score	Reserves
	PRIMARY RESIDENCE			PRIMARY RESIDENCE					
	Rate & Term Refinance			Rate & Term Refinance					
	1	80%	620	1	80%	680	0	700	0
	Cash-Out Refinance				80%	660	6	680	2
	1	80%	620		75%	640	0	640	0
				Cash-Out Refinance					
				1	80%	680	0	700	0
					80%	660	6	680	2
					75%	660	0	680	0
	75%	640	6		660	2			
¹ Manufactured Homes not permitted									

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15. LTV/CLTV LIMITATIONS MANUFACTURED HOUSING	MANUFACTURED HOMES³					
	DU APPROVE/ELIGIBLE					
	FIXED RATE			ARM¹		
	Units	LTV/CLTV	Credit Score	Units	LTV/CLTV	Credit Score
	PRIMARY RESIDENCE					
	Rate & Term Refinance					
	1	80%	620	1	80%	620
	Cash-Out Refinance²					
	1	65%	620	N/A	N/A	N/A
	¹ 5/1 ARM product ineligible for Manufactured Homes ² Fixed Rate-Term <=20 years for cash-out refinance. ARMs not permitted ³ Manual Underwrite not permitted					
16. SECONDARY FINANCING	<ul style="list-style-type: none"> Existing subordinate financing not subject to Texas Section 50(a)(6) may be subordinated. See the Types of Financing section for second lien requirements subject to Texas Section 50(a)(6). See the LTV/CLTV Limitations section 					
	Ineligible Secondary Financing <ul style="list-style-type: none"> HELOC New secondary financing Third liens 					
17. PROPERTY TYPES	Eligible Property Types					
	<ul style="list-style-type: none"> 1-unit 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 Natural gas Sewer Storm sewer Water <u>Rural Property</u> 					

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	<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 • Condos <ul style="list-style-type: none"> • See the Conforming chapter of the Client Guide and Fannie Mae or Freddie Mac Condo-PUD Matrices for <ul style="list-style-type: none"> • Appraisal and warranty requirements • LTV/CLTV for Fannie Mae DU Limited Review established attached condos. • LPA loans eligible with the following LPA condo warranty project review s: <ul style="list-style-type: none"> • Streamlined Review • Detached review • Established Condo Project review • New Condo Project review • Streamlined review • Leasehold Estates • Manufactured Homes (DU only) <ul style="list-style-type: none"> • Primary residence only • Properties on a leasehold are not eligible • Single-wide manufactured homes must be in a Fannie Mae PERS approved condo or PUD project • 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 seller is not the builder-contractor or manufactured housing dealer who installed MH unit on site. • See the Conforming chapter of the Client Guide for complete LTV/CLTV calculations and other manufactured housing requirements. • Off-frame Modular Housing • Precut, Panelized Housing • PUD <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • 2-4 units • Agricultural zoning • Condo Hotel • Co-op 			

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	<ul style="list-style-type: none"> On-frame Modular Housing <p>See the Conforming chapter of the Client Guide for eligibility guidelines</p>			
18. OCCUPANCY	Primary Residence			
19. GEOGRAPHIC LOCATIONS/ RESTRICTIONS	Texas			
20. ASSUMPTIONS	Not permitted			
21. ESCROW WAIVERS	<ul style="list-style-type: none"> See 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. 			
22. PREPAYMENT PENALTY	None			
23. APPROVAL AUTHORITY	Approval Authority			
	Delegated	Conditional Delegated	Non-Delegated and Broker	
	Client has the following limited underwriting authority <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 	Client has the following limited underwriting authority <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 	All loans must be submitted to ditech	

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		<ul style="list-style-type: none"> 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 		
24. UNDERWRITING /AUS DECISIONS				

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	<table border="1"> <thead> <tr> <th colspan="2">All loans must be submitted to Desktop Underwriter or Loan Product Advisor Manually underwritten loans are underwritten per Fannie Mae guidelines</th> </tr> <tr> <th>Acceptable</th> <th>Unacceptable</th> </tr> </thead> <tbody> <tr> <td> DU Approve/Eligible DU Out of Scope Manual Underwriting¹ LPA Accept (Fixed Rate only) </td> <td> DU Approve/Ineligible DU Refer with Caution¹ LPA Caution LPA Accept (ARM only) </td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> May follow DU/LPA decision however, loans must be manually reviewed to determine Texas eligibility. DU/LPA does not differentiate between Texas and other state requirements ¹Manual Underwriting <ul style="list-style-type: none"> If a loan receives a Refer with Caution due to substantial inaccurate credit data or documented extenuating circumstances, the loan may be manually underwritten and the initial DU report must be included in the file. See the Conforming chapter of the Client Guide when a borrower does not have a usable credit score. If a loan receives a Refer with Caution decision that is not due to inaccurate credit data or extenuating circumstances, the loan may be manually underwritten. The loan must be underwritten in compliance with the product matrix and all underwriting guidelines contained in the Client Guide, including guidance for Trade Lines. Manufactured homes must receive DU Approve/Eligible. Manual Underwriting and LPA not permitted ARM loans must be submitted to DU only DU - Maximum 4 borrowers for DU transactions. Any loan with more than 4 borrowers must be manually underwritten. LPA – Maximum 5 borrowers for LPA transactions. Any loan with more than 5 borrowers must be manually underwritten. 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 Desktop Underwriter or Loan Product Advisor Manually underwritten loans are underwritten per Fannie Mae guidelines		Acceptable	Unacceptable	DU Approve/Eligible DU Out of Scope Manual Underwriting ¹ LPA Accept (Fixed Rate only)	DU Approve/Ineligible DU Refer with Caution ¹ LPA Caution LPA Accept (ARM only)	<ul style="list-style-type: none"> May follow DU/LPA decision however, loans must be manually reviewed to determine Texas eligibility. DU/LPA does not differentiate between Texas and other state requirements ¹ Manual Underwriting <ul style="list-style-type: none"> If a loan receives a Refer with Caution due to substantial inaccurate credit data or documented extenuating circumstances, the loan may be manually underwritten and the initial DU report must be included in the file. See the Conforming chapter of the Client Guide when a borrower does not have a usable credit score. If a loan receives a Refer with Caution decision that is not due to inaccurate credit data or extenuating circumstances, the loan may be manually underwritten. The loan must be underwritten in compliance with the product matrix and all underwriting guidelines contained in the Client Guide, including guidance for Trade Lines. Manufactured homes must receive DU Approve/Eligible. Manual Underwriting and LPA not permitted ARM loans must be submitted to DU only DU - Maximum 4 borrowers for DU transactions. Any loan with more than 4 borrowers must be manually underwritten. LPA – Maximum 5 borrowers for LPA transactions. Any loan with more than 5 borrowers must be manually underwritten. DU Validation Services: Transactions are eligible with Approve/Eligible. See the Conforming Chapter of the Client Guide for details. 	
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25. DOCUMENTATION TYPES	Standard											
26. BORROWER ELIGIBILITY	Eligible Borrowers <ul style="list-style-type: none"> Permanent Resident Non-Permanent Resident Ineligible Borrowers <ul style="list-style-type: none"> Foreign Nationals Trusts 											
27. CO-BORROWERS	All borrowers must occupy subject property											
28. CREDIT	Credit Score Requirements <ul style="list-style-type: none"> DU Approve/Eligible or LPA Accept – See the LTV/CLTV Limitations section for minimum credit score requirements 											

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	FIXED RATE	5/1 ARM	7/1 ARM	10/1 ARM
	<ul style="list-style-type: none"> • Out of Scope and Manually Underwritten Loans (Fannie Mae only) <ul style="list-style-type: none"> • See the LTV/CLTV Limitations section for minimum credit score requirements <p>Underwriting Borrowers without Traditional Credit (Fannie Mae only)</p> <ul style="list-style-type: none"> • DU Approve/Eligible (Fixed Rate) <ul style="list-style-type: none"> • DU will underwrite loans for the following: <ul style="list-style-type: none"> • No borrower has a credit score • At least one borrower has no credit score and another borrower has a credit score • Follow DU findings for Approve/Eligible • DU Approve/Eligible (ARM) <ul style="list-style-type: none"> • DU will underwrite loans for the following: <ul style="list-style-type: none"> • At least one borrower has no credit score and another borrower has a credit score • Follow DU findings for Approve/Eligible • Manual Underwrite <ul style="list-style-type: none"> • Minimum credit score does not apply to loans with non-traditional credit. When relying on non-traditional credit (or if one borrower has credit scores and other borrowers do not), the following must be met <ul style="list-style-type: none"> • 1-unit primary residence • Rate & term refinance • Maximum 36% DTI • There is no minimum reserve requirement if at least one borrower can document a rental payment history as one source of nontraditional credit. Otherwise, a minimum of 12 months reserves is required. <ul style="list-style-type: none"> • A minimum of four sources of nontraditional credit for each borrower without a credit score is required. • See the Conforming chapter of the Client Guide for complete non-traditional credit requirements which also includes Homebuyer Education. <p>Housing (Mortgage/Rental) Payment History (PITIA)</p> <ul style="list-style-type: none"> • Inclusive of all liens regardless of position • Applies to all mortgages on all financed properties • DU Approve/Eligible or LPA Accept – Evaluated by DU/LPA • Out of Scope and Manually Underwritten loans – 0x60 in the last 12 months <p>Significant Derogatory Credit</p> <ul style="list-style-type: none"> • See the Conforming chapter of the Client Guide for <ul style="list-style-type: none"> • Bankruptcy • Foreclosure • Preforeclosure • Deed-in-lieu 			

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ditech BUSINESS LENDING CONFORMING TEXAS 50(A)(6) HOME EQUITY PRODUCT
(FANNIE MAE ELIGIBLE)

	FIXED RATE	5/1 ARM	7/1 ARM	10/1 ARM
	<ul style="list-style-type: none"> Short Payoff 			
29. ASSET/ RESERVES	<p>Borrower Investment</p> <ul style="list-style-type: none"> N/A <p>Seller Contributions</p> <ul style="list-style-type: none"> N/A <p>Gifts</p> <ul style="list-style-type: none"> N/A <p>Reserves</p> <ul style="list-style-type: none"> DU Approve/Eligible– Follow DU. Out of Scope and Manual Underwrite – See LTV/CLTV Limitations section <ul style="list-style-type: none"> Cash-Out Refinance – The cash out may not be used to meet the reserve requirements LPA Accept-Follow LPA <ul style="list-style-type: none"> Rate &Term Refinance and Cash-Out Refinance – The cash out may not be used to meet the reserve requirements 			
30. EMPLOYMENT/ INCOME	<ul style="list-style-type: none"> Follow DU/LPA for income documentation See the Conforming chapter of the Client Guide <p>Form 4506-T</p> <ul style="list-style-type: none"> Prior to Underwriting (loans underwritten by ditech only) <ul style="list-style-type: none"> 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(all loans) <ul style="list-style-type: none"> 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. 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. See the Conforming chapter of the Client Guide for complete guidelines. 			
31. LIMITATIONS ON OTHER R.E OWNED	<p>Multiple Loans to the Same Borrower</p> <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 			
32. APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> An Interior and Exterior Appraisal Report (Form 1004 or 1073) is required Re-use of an appraisal report is not permitted 			
33. MORTGAGE INSURANCE	N/A			

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(FANNIE MAE ELIGIBLE)

	FIXED RATE	5/1 ARM	7/1 ARM	10/1 ARM														
34. OVERLAYS	<p>The following LPA Accept loans are NOT eligible in the Fannie Mae Eligible product</p> <ul style="list-style-type: none"> LPA decision other than Accept Manual underwriting DTI > 50.00% Manufactured homes Property inspection that is not an Interior and Exterior Appraisal Report Re-use of an Appraisal Report On-frame Modular Housing 																	
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 Qualified Mortgage (QM) Rebuttable Presumption 5/1 ARM not eligible See the Escrow Waiver section above for Escrow Waiver Restrictions Residual income and corresponding reserve requirement must be documented based on the table below. <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th colspan="2" style="text-align: center;">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="text-align: center;">Primary Residence</th> </tr> <tr> <th style="text-align: center;">If monthly residual income is</th> <th style="text-align: center;">Then, the minimum reserves required are ...</th> </tr> <tr> <td style="text-align: center;">\$2500 or greater</td> <td>No minimum reserves, comply with minimum reserves requirement for the base loan program.</td> </tr> <tr> <td style="text-align: center;">>= \$800 < \$2500</td> <td>The greater of: <ul style="list-style-type: none"> Three months liquid reserves OR Minimum reserve for base loan program </td> </tr> <tr> <td style="text-align: center;"><\$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"> Three months liquid reserves OR Minimum reserve for base loan program 	<\$800	Not eligible
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<\$800	Not eligible																	
36. SPECIAL REQUIREMENTS/ RESTRICTIONS	<ul style="list-style-type: none"> Loan may not close until 12 days after the later of <ul style="list-style-type: none"> Receipt by the originator of a signed and dated loan application, OR Receipt by the customer of the <u>Notice Concerning Extension of Credit</u> (12-Day Notice) – No Exceptions ditech defines receipt as the date the borrower signs the document Borrower must sign <u>Borrower's Certification of Settlement Statement and Accuracy Thereof</u> at closing. Both spouses must execute the mortgage. However, both spouses are not required to be parties to the promissory note. All individuals on title and their spouses (including non-titled spouses) must sign the Security Instrument, Loan Estimate (TIL), Right of Rescission, if applicable, and the <u>Texas Notice Regarding Extension of Credit</u>. 																	

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(FANNIE MAE ELIGIBLE)

	FIXED RATE	5/1 ARM	7/1 ARM	10/1 ARM
	<ul style="list-style-type: none"> • Borrower must be provided a copy of all documents at closing and sign the <u>Acknowledgement of Receipt of Copies</u>. The documents may not contain any blank spaces. • All loans must contain a Texas Attorney Representation letter as evidence that the closing documents were prepared or reviewed by a licensed Texas attorney prior to closing. • Loan must be closed only at the office of the lender, an attorney or title company. All borrowers must attend the closing and execute the documentation person at the closing location. No closing by mail or phone. Power of Attorney not permitted • The following forms must be executed and included in the final funding package: <ul style="list-style-type: none"> • Texas Home Equity Affidavit Agreement (Form #3185) • Texas Home Equity Discount Point Acknowledgment, if applicable • Federal Notice of Right to Rescind • In addition to the borrower, the Lender must sign the <u>Acknowledgment of Fair Market Value of Homestead Property</u> at closing with an appraisal attached to the Acknowledgment. • Notice of No Oral Agreements signed by Lender and borrower • Use the following forms at closing: <ul style="list-style-type: none"> • Texas Home Equity Security Instrument (Form #3044.1) • Texas Home Equity Note (Fixed Rate-First Lien) (Form #3244.1) • Texas Home Equity Fixed/Adjustable Rate Note (Form #3528-44) • Texas Home Equity Condo Rider, if applicable (Form #3140.44) • Texas Home Equity PUD Rider, if applicable (Form #3150.44) • Title Policy must include T42 and T42.1 			

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