

# FHLMC CONVENTIONAL MATRIX

PURCHASE and RATE & TERM / ARM REFINANCES										
Occupancy		Max Loan Amount	Maximum LTV	Maximum TLTV/HTLTV	Min FICO	Max Ratios	Minimum Cash Investments	Mortgage/ Rental History	Reserves	
<b>OWNER OCCUPIED</b>	1 Unit - Fixed & ARMs		\$417,000	95% <sup>1</sup>	95%	620*	LP Accept	Minimum borrower contribution from borrower's own funds of 5% is required	Evaluated by LP	Evaluated by LP
	2 Units - Fixed & ARMS		\$533,850	80% <sup>2</sup>	80%	620*	LP Accept	No minimum down payment required by borrower	Evaluated by LP	Evaluated by LP
	3-4 Units - Fixed & ARMS		3 Unit - \$645,300 4 Unit - \$801,950	80% <sup>2</sup>	80%	620*	LP Accept	No minimum down payment required by borrower	Evaluated by LP	Evaluated by LP
<b>SECOND HOME</b>	1 Unit - Fixed & ARMs		\$417,000	85% <sup>3</sup>	85%	620*	LP Accept	Minimum borrower contribution from borrower's own funds of 5% is required	Evaluated by LP	Evaluated by LP
<b>NON-OWNER</b>	Purchase	1 Unit - Fixed & ARMS	\$417,000	85% <sup>4</sup>	85%	620*	LP Accept	100% of borrowers own funds required	Evaluated by LP	Evaluated by LP
	Purchase	2-4 Unit Fixed & ARMS	2 Unit - \$533,850 3 Unit - \$645,300 4 Unit - \$801,950	75% <sup>4</sup>	75%	620*	LP Accept	100% of borrowers own funds required	Evaluated by LP	Evaluated by LP
	Refinance	1-4 Units - Fixed & ARMS	\$417,000	75% <sup>4</sup>	75%	620*	LP Accept	100% of borrowers own funds required	Evaluated by LP	Evaluated by LP

<sup>1</sup> For 1-unit Primary Residence, max 90% LTV w/sec financing

<sup>2</sup> For 2-4 unit Primary Residence the max LTV is 75% w/sec financing

<sup>3</sup> For Second Home max LTV is 80% w/sec financing

<sup>4</sup> For Investment Properties max LTV is 70% w/sec financing

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CASH OUT REFINANCE									
Occupancy		Max Loan Amount	Maximum LTV	Maximum TLTV/HTLTV	Min FICO	Max Ratios	Minimum Cash Investments	Mortgage/ Rental History	Reserves
<b>PRIMARY</b>	1 Unit - Fixed & ARMs	\$417,000	80% 75% w/sec fin	80%	620*	LP Accept	Evaluated by LP	Evaluated by LP	Evaluated by LP
	2-4 Units - Fixed & ARMs	2 Unit - \$533,850 3 Unit - \$645,300 4 Unit - \$801,950	75% 70% w/sec fin	75%	620*	LP Accept	Evaluated by LP	Per LP/Additional reserves required if borrower owns other financed properties	Evaluated by LP
<b>SECOND HOME</b>	1 Unit - Fixed & ARMS	\$417,000	75% 70% w/sec fin	75%	620*	LP Accept	Evaluated by LP	Evaluated by LP	Evaluated by LP
<b>NON-OWNER</b>	1 Unit - Fixed & ARMS	\$417,000	75% 70% w/sec fin	75%	620*	LP Accept	Evaluated by LP	6 Mos. PITI reserves required for other financed properties	Evaluated by LP
	2-4 Units - Fixed & ARMS	2 Unit - \$533,850 3 Unit - \$645,300 4 Unit - \$801,950	70% 65% w/sec fin	70%	620*	LP Accept	Evaluated by LP	6 Mos. PITI reserves required for other financed properties	Evaluated by LP
HIGH BALANCE - PURCHASE and RATE & TERM REFINANCE									
Occupancy		Max Loan Amount	Maximum LTV	Maximum TLTV/HTLTV	Min FICO	Max Ratios	Minimum Cash Investments	Mortgage/ Rental History	Reserves
<b>PRIMARY</b>	1 Unit - Fixed	\$625,500	90% 85% w/sec fin	90%	620*	LP Accept	Minimum borrower contribution from borrower's own funds of 5% is required	Evaluated by LP	Evaluated by LP
	2-4 Units - Fixed	2 Unit - \$800,775 3 Unit - \$967,950 4 Unit - \$1,000,000	75% 70% w/sec fin	75%	620*	LP Accept	No minimum down payment required by borrower	Evaluated by LP	Evaluated by LP
<b>SECOND HOME</b>	1 Unit - Fixed	\$625,500	80% 75% w/sec fin	80%	620*	LP Accept	No minimum down payment	Evaluated by LP	Evaluated by LP
<b>NON-OWNER</b>	1-unit Fixed 2-4 Units - Fixed	Purchase 1-unit - \$625,500	80% 75% w/sec fin	80%	620*	LP Accept	100% of borrowers own funds required	Evaluated by LP	Evaluated by LP
		No Cash-Out Refi 1-unit - \$625,500	75% 70% w/sec fin	75%	620*	LP Accept	100% of borrowers own funds required	Evaluated by LP	Evaluated by LP
		2 Unit - \$800,775 3 Unit - \$967,950 4 Unit - \$1,000,000	70% 65% w/sec fin	70%	620*	LP Accept	100% of borrowers own funds required	Evaluated by LP	Evaluated by LP

# FHLMC CONVENTIONAL MATRIX

HIGH BALANCE - CASH OUT REFINANCE									
Occupancy		Max Loan Amount	Maximum LTV	Maximum TLTV/HTLV	Min FICO	Max Ratios	Minimum Cash Investments	Mortgage/ Rental History	Reserves
<b>PRIMARY</b>	1 Unit -Fixed	\$625,500	75% 70% w/sec fin	75%	620*	LP Accept	Evaluated by LP	Evaluated by LP	Evaluated by LP
	2-4 Units - Fixed	2-units- \$800,775 3-units -\$967,950 4-units - \$1,000,000	65% 60% w/sec fin	65%	620*	LP Accept	Evaluated by LP	Evaluated by LP	Evaluated by LP
<b>SECOND HOME</b>	1-Unit Fixed	\$625,500	65% 60% w/sec fin	65%	620*	LP Accept	Evaluated by LP	Evaluated by LP	Evaluated by LP
<b>NON-OWNER</b>	1-4 Units Fixed	1-unit - \$625,500 2-units- \$800,775 3-units -\$967,950 4-units - \$1,000,000	65% 60% w/sec fin	65%	620*	LP Accept	Evaluated by LP	Evaluated by LP	Evaluated by LP
Age of Documents		Must be < 120 days old at time of closing, including the appraisal.							
AUS Recommendation Allowed		LP Accept. Manual underwriting is not allowed. A- Minus loans are not allowed. Standard and Streamline Documentation is allowed.							
Borrower eligibility		Permanent and Non-Permanent Resident Aliens Allowed with supporting documentation. Foreign Nationals not permitted. All borrowers must have valid social security numbers.							
Cash-out Refinance		At least one Borrower must have been on title to the subject property for at least six months prior to the Note Date except as follows: 1) Property was purchased in cash. Title must reflect the Borrower as the owner of the subject property and must reflect that there are no liens on the property. 3) The source of funds used to purchase the subject property must be fully documented. 4) If funds were borrowed to purchase the subject property, those funds must be repaid and reflected on the HUD-1. 5) The amount of the cash-out refinance Mortgage must not exceed the sum of the original purchase price and related Closing Costs, Financing Costs and Prepays/Escrows as documented by the HUD-1 for the purchase transaction. 6) there must have been no affiliation or relationship between the buyer and seller of the purchase transaction. 7) The cash-out refinance Mortgage must comply with the applicable LTV/TLTV/HTLTV ratio limits.							
Co-Borrowers		Loan Prospector can not evaluate more than five borrowers on a single transaction. LP will accept the non-occupant borrower's income, liabilities, assets etc. Blended ratios are acceptable.							
Guidelines		You may access FHLMC Program Guidelines by going to their website as shown below: click on Underwrite and Process Loans, under the section called Resources for Seller/Serviceers, then click on "The Guide and Forms", under Single-Family Section. Click on AllRegs under the section called Access the Guide (middle of the page). Click on "Single-Family Seller/Serviceer Guide, Volume 1." <a href="http://www.freddiemac.com/">http://www.freddiemac.com/</a>							
Loan Terms Available		30, 20, 10, 15 year and 25 Fixed and 3/1, 5/1 and 7/1 and 10/1 ARMs. 15, 20 and 30 Lender paid and monthly paid MI. <b>Note:</b> ARMs not allowed on Super Conforming (High-Balance).							
Manual Underwriting		Manual underwriting is not allowed. All loans must receive a LP Risk Class of Accept (with documentation of Streamlined Accept or Standard Documentation). A-Minus Mortgages are not allowed.							
Minimum Loan Size		\$70,000							
Maximum Number of Properties		No limitation on the number of properties owned if the property is the borrower's principal residence. Second Home and investment property is limited to one to four financed properties.							
Properties in the state of Texas		Cash-out Refinance transactions are not allowed 50(a)6. Note: Once a cash-out transaction, always a cash-out. Underwriters must review title history, to verify property has never been a cash out transaction. Title to provide Survey. Zero cash back to borrower.							
Property Listed for Sale		Properties listed for sale must have been taken off the market at least one day prior to the date of the loan application.							

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Refinance Transactions	When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met: 1) At least one Borrower on the refinance Mortgage was a Borrower on the Mortgage being refinanced; or 2) At least one Borrower on the refinance Mortgage held title to and resided in the Mortgaged Premises as a Primary Residence for the most recent 12 month period and the Mortgage file contains documentation evidencing that the Borrower, either: 1) Has been making timely Mortgage payments including the payments for any secondary financing, for the most recent 12-month period; or 2) Is a Related Person to a Borrower on the Mortgage being refinanced; or At least one Borrower on the refinance Mortgage inherited or was legally awarded the Mortgaged Premises by a court in the case of divorce, separation or dissolution of a domestic partnership.
Resubmission to Loan Prospector After the Note Date:	Resubmission to Loan Prospector After the Note Date is NOT ALLOWED FOR THE FOLLOWING: 1) The Note Date was more than 120 days prior to the resubmission; or 2) Resubmission is after the Loan Prospector Assessment Expiration Date displayed on the Feedback Certificate; 3) A borrower is being added or deleted, or a change is being made to a Borrower's last name or Social Security Number; or 4) A new credit report is required; 5) The single or joint merged credit report indicator changes; or 6) The order of Borrowers changes on a joint merged credit request; or 7) The merged credit report number does not match the merged credit report number from the most recent complete transaction. If any of the above apply, then the loan must be re-approved by the underwriter, LP re-run, and Loan Documents redrawn.
Qualifying Fixed Products	Qualify at Note Rate
<b>CREDIT</b>	
Bankruptcy	Chapter 7 or 11: 4 years from discharge date; Chapter 13: 2 years from discharge date or 4 years from dismissal date. Note: More than one (1) BK filing within 7 years requires 5 years waiting period.
Bonus, Overtime, and Commission Income	Borrower must have a two-year consecutive history of receiving bonus/overtime/commission, and the income must be likely to continue.
Bankruptcy, Chapter 7 or 11	Four (4) years from discharge date. Less than four (4) years regardless if due to extenuating circumstances requires a manual underwrite. Manual underwrite not allowed at this time per RB's policy. Loan must receive an LP Accept.
Bankruptcy, Chapter 13	Two (2) years from discharge date. Four (4) years from dismissal date. Loan is subject to LP Accept.
Charge-Off or Collections	Subject to LP Finding. Charge-Offs and/or collections are not required to be paid off with a LP "Accept". No payment is required unless borrower is in a current repayment plan, then the payment must be included in the total DTI ratio.
Multiple Bankruptcy Filings	Five (5) years waiting period is required. Less than five (5) years requires a manual underwrite. Manual underwrite not allowed at this time per RB's policy.
Car Lease Payments	The lease payment must be included in the DTI regardless of the remaining number of payments.
30-Day Charge Accounts	Borrower must have sufficient funds to cover the unpaid balance of all unpaid 30-day charge accounts (e.g., American Express).
Contingent Liability (Co-Signed Loans)	The borrower and the individual making the payments must both be liable for the debt repayment. To exclude the payment from the DTI ratio, 12 months canceled checks or bank statements are required as evidence of timely payment by the other co-obligator on the note/loan. The person making the payments must be a co-obligator on the loan.
Debts/Minimum Payment	The greater of \$10 or 5% of balance for revolving/installment accounts if payment not reporting. Include all revolving payments regardless of the number of payments remaining. HELOC: If not shown on the credit report, payments on a HELOC with an outstanding balance may be calculated at 1% of the outstanding balance or use billing statement.
Disputed Trades	LP will only allow one Disputed Account to be considered in the Decision feedback. Any other disputed accounts must be removed from the credit report and LP re-run. Follow LP Feedback certificate.
Foreclosure	Must be > seven (7) years. LP is subject to LP "Accept".
Inquiries	Credit inquiries within last 120 days require written explanation.
Judgments/Liens	Judgments, garnishments, and liens must be paid off at or prior to closing. Documentation of the satisfaction must be provided.
Min Trades/Auth User Accounts	Authorized user accounts must be removed from the credit report the LP reran unless one of the following applies: 1) Another Borrower on the Mortgage owns the Tradeline in question. 2) The Tradeline is owned by the Borrower's spouse, or 3) The Borrower has been making the payments on the account for the last 12 months.
Mortgage History	Per LP.

# FHLMC CONVENTIONAL MATRIX

Payoff of Revolving Debt & installment Loans	In order to qualify without the monthly payment on the current balance, a revolving account must be paid off (FHLMC does not require the account to be closed). Evidence the account is paid off is required.
Prior Restructure Reflected in credit history	At least two (2) years has elapsed since completion date with re-established acceptable credit for subject property.
Short Sale/ Pre-Foreclosure/ Foreclosure /Deed in Lieu of	At least four (4) years since completion date of short sale, Deed-in-Lieu of Foreclosure/Charge-off and re-established acceptable credit score.
Student Loans	When the payment on the student loan are not on the credit report or are listed as deferred, the underwriter must obtain documentation to support the payment amount included in the DTI. If payments are currently deferred, the payment amount that will be required once the deferment or forbearance period has ended as stated in a copy of a financial institution's student loan certification or the installment loan agreement is required.
<b>COLLATERAL</b>	
Additions/Alterations	<p>Additions or alterations were made without required permits, the appraisal report should comment on the quality and appearance of the work. In addition, the appraiser should note special energy-efficient items and adverse environmental conditions.</p> <p>1) If the property has been modified to accommodate mixed-use, the appraiser should address whether the modifications affect the property's marketability as a residence and whether the cost to restore the property to solely residential use will affect its value.</p> <p>2) An unusual floor plan, such as a home with tandem bedrooms or a bathroom off the kitchen, does not make a property ineligible for financing. The appraiser should address whether an unusual floor plan or similar obsolescence is also found in other properties in the neighborhood, and to the extent possible, comparables used should also have similar obsolescence in order to demonstrate marketability and support value.</p> <p>3) The appraisal report must contain an accurate description of the improvements and any factors that may affect the market value or marketability of the subject property.</p>
Appraisal	Full Appraisal Required, interior & exterior inspection. 1004 for SFR, 1025 for 2-4 Units. 1007 Single Family Comparable Rent Schedule required for rental 1 unit investment properties. Transferred appraisals require AIR Certification and TIL from previous lender.
Condominiums (Detached)	Comprised solely of detached, 1-unit dwellings.
Condominiums (Established Projects)	Project (all units, common elements, and amenities) and related facilities owned by a Master Association are complete and not subject to any additional phasing. At least 90% of the total units have been conveyed to the unit purchasers other than the developer; and The unit owners control the homeowners association (HOA). No manufactured homes in the project. If the borrower occupies the unit as a primary residence or second home, there is no owner-occupancy requirement for the condominium project. If used as an investment property, at least 51% percent of the total number of condominium units must have been conveyed to purchasers (other than the developer or a successor to the developer) who occupy their unit as a primary residence or second home. Operating budget is required. No more than 15% total units can be 30 or more days delinquent on the HOA dues.
Condominiums (FNMA Approved)	FHLMC will accept projects approved by FNMA Project Eligibility Review Department (PERS) for 1-unit residential dwellings and for projects that have received the project acceptance certification through Condominium Project Manager (CPM). The underwriter must verify the project still meets FNMA eligibility requirements. The terms and conditions for acceptance have not expired and have not been rescinded or modified in any way. Mortgages approved through CPM and secured by condominium units located in attached Established condominium Projects in Florida are subject to: The LTV/TLTV/HTLTV ratio 75% primary residence; 70% for second homes; investment properties not allowed.
Condominium (Ineligible Projects)	Ineligible Projects: A project required to be registered with a federal or state securities agency; Hotel/Resort projects; Project with multi-dwelling units; project with non-incident commercial space; Tenancy-in-Common apartment project; Timeshare project or project with segmented ownership; Houseboat project; Project that is a legal nonconforming use; Project in litigation arbitration, mediation, or other dispute; Project with excessive Seller contributions; project sold with excessive single investor concentration; Continuing Care Retirement Community; Fannie Mae Ineligible projects; No Manufactured homes, New condominium projects in Florida (Exception: FHLMC will allow new condominium project in Florida if approved by FNMA (PERS)).
Condominiums (New Construction)	All units, common elements and amenities and related facilities owned by any Master Association are not complete, or subject to additional phasing. Fewer than 90% of the total units in the project have been conveyed to the unit purchasers other than the developer; or the developer has not turned control of the HOA over to the unit owners. At least 70% of the units have been conveyed or are under contract to purchasers (other than the developer or a successor to the developer) who occupy or who will occupy their units as a primary residence or second home. The project's budget, or its projected budget is required. No more than 15% of total units can be 30 or more days delinquent on HOA dues.

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Condominiums (Streamline Review)	Streamline Review: Unit must be an established condominium Project. The unit must secure a mortgage that is originated on a spot loan basis. The mortgage must meet the required LTV/TLTV/HTLTV ratios for the occupancy type. Investment property or manufacture home not allowed. LTV/TLTV/HTLTV (properties not located in Florida) - Primary Residence LP Accept 90%; Second Home 75%; Investment Properties are not eligible. Streamline process for condominiums located in Florida: LP Accept, Primary Residence 75% LTV/TLTV/HTLTV; LP Accept Second Home 70%; Investment properties are not acceptable.
Rent Loss Insurance	Required for 2-4 unit primary properties and all 1-4 unit investment properties when rental income from the subject property is used to qualify borrower.
Subordinate Financing	The HLTV must be calculated using amount designated on the recorded Mtg/Trust Deed and not based on any modified amount designated in writing.
Transferred Appraisals	Transferred appraisal are allowed if the appraisal is dated within 30 days of loan submission.
<b>CONTRIBUTIONS</b>	
Buyer Contribution	Investment from borrowers own funds: N/O/O = Full Down Payment. Primary 1 unit at 80% LTV no minimum borrower investment required.
Seller Contribution	Principal Residence and Second Home Transactions - LTV/CTLV: > 90% = 3%; 75.01% - 90% = 6%; 75% or less = 9%. Investment Properties: All LTV/TLTV/HTLV = 2%
<b>HIGH-BALANCE</b>	
ARMS	Not Allowed.
Loan Terms Available	15, 20, and 30-year fixed rate mortgages, fully amortizing. ARM loans are not acceptable.
Maximum loan limits	See Matrix: Note: The matrix reflects potential loan limits for designated high-cost areas. Actual loan limits are established for each county (or equivalent) and the loan limits for specific high-cost areas <b>may be lower</b> . The original principal balance of a mortgage must not exceed the maximum loan limit for the specific area in which the property is located. <b>Note:</b> The maximum loan amount for LP Accept loans is \$1,000,000.
Collateral Assessment	An appraisal with an interior and exterior inspection that meets Freddie Mac requirements. If an appraisal review is required by the underwriter, the lower of the opinion of market value from the appraisal field review report or sale price must be used to calculate the LTV/TLTV/HTLTV ratio. In addition to meeting the requirements of Guide Chapter 42, special Requirements for Condominiums, when the subject property is an attached condominium, the appraiser must provide at least two comparable sales from outside the subject project and outside the influence of the developer, builder or property seller.
<b>INCOME/ASSETS</b>	
Amended Tax Returns	Original filed returns and the amended return are required. Tax returns must have been amended prior to the application date and execution of the purchase contract. CANNOT BE AMENDED TO QUALIFY.
Assets / Reserves	Primary Residence 1-unit, no reserves are required. Primary Residence 2-4 units, 6 months PITI reserves are required. Second Home - Two months for the subject property, and Two months for each additional second home and/or 1-4 unit Investment Property that is financed. Investment Property: Six months for the subject property, and Two months for each additional second home and/or 1-4 unit Investment Property. Must be borrower's own funds. Gift funds are <b>not</b> allowed for reserves.
Bonus, Overtime, and Commission Income	Borrower must have a two-year consecutive history of receiving bonus/overtime/commission, and the income must be likely to continue.
Current Primary Pending Sale (not closing prior)	Payment for both properties must be used to qualify the borrower with 6 months PITI in reserves after closing for both properties. Six months PITI reserves for primary and 6 months PITI reserves the current primary residence pending sale. With 30% equity in departure property as supported by a new appraisal (at least an exterior-only inspection) the required reserves can be reduced to two monthly payments of PITI for the new Primary Residence and two monthly payments of PITI for the property pending sale. We do not need to include both PITI payments on both property if the following applies: 1)The Borrower executed non-contingent sales contract for the previous residence, and a lender's commitment to the buyer of the previous residence (if the executed sales contract includes a financing contingency), and Borrower has reserves equal to six months PITI for both mortgages or two months PITI for both mortgages if the LTV/TLTV/HTLTV ratio for the current primary residence is less than or equal to 70% as evidenced by at least an exterior-only inspection, dated no more than 60 days prior to the Note Date.
Current Primary converted to Second Home	The amounts of both housing payments of the residence being converted to a second home and the subject mortgage must be included in the DTI ratio. Borrower must have reserves equal to six monthly payments of PITI for the new primary residence and six monthly payments of PITI for the property being converted. The required reserves can be reduced to two monthly payments of PITI for the new Primary Residence and two monthly payments of the property being converted if the following applies: A new appraisal with at least an exterior-only inspection no more than 60 days prior to the Note Date is obtained and the LTV/TLTV/HTLTV ratio for the property being converted is less than or equal to 70%.

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Departure Property - Converting Current Res to Investment with 30% equity	Rental income can be used to qualify the Borrower, provided that: 1) The LTV/TLTV/HTLTV ratio for property being converted must be less than or equal to 70%. 2) Borrower's federal income tax returns must reflect a two-year history of managing investment properties when a signed lease is used to determine net rental income. 3) The rental income must be documented with a copy of the fully executed lease agreement and copy of receipt of the security deposit from the tenant and proof of deposit into borrower's account is required. 4) Six months payment of PITI for the new Primary Residence and six monthly payments of PITI for the property being converted is verified. The required reserves can be reduced to two months for the subject property and two months for the property being converted, documented by a drive-by-appraisal supporting a LTV/TLTV/HTLTV less than or equal to 70%.
Departure Property - Converting Current Res to Investment without required 30% equity	Payment for both properties must be used to qualify the borrower(s) and six (6) months PITI reserves are required for both properties
Employed by Family Member	Streamline Accept Documentation: One of the following: YTD paystub or salary voucher documenting at least 30 days of income, most recent W-2 and verbal VOE obtained either no more than 10 Business Days prior to the Note Date. Complete federal tax returns for the most recent year. 2) Written VOE covering the most recent one year, a verbal VOE obtained either no more than 10 Business Days prior to the Note Date and complete federal tax return for the most recent year.
Employment Gaps	Follow LP Findings report including income documentation requirements.
Gifts	A gift letter signed by the donor is required. Gift letter must state the donor's name and that the funds are given by a related person; include the donor's mailing address and telephone number, identify the Mortgaged Premises; state the amount of the gift; state the gift does not have to be repaid. If the verifications provided in the Mortgage file do not show evidence that the gift funds have been deposited into the Borrower's account, the Borrower must provide evidence of the transfer of funds from the donor to the Borrower. Not allowed on investment properties. Borrower must have five (5%) percent of own funds for all LTV's greater than 80%. 1) When a mortgage includes a non-occupying Borrower, and the loan-to-value (LTV) is greater than 80%, the occupant Borrower must make the first 5% down payment from the occupant Borrower funds (i.e., no gift funds included in borrower's own funds). Funds that are owned jointly by the occupant Borrower and the non-occupying Borrower are considered the funds of the occupant Borrower.
Gift Equity	A gift letter signed by the donor is required. Gift letter must state the donor's name and that the funds are given by a related person; include the donor's mailing address and telephone number, identify the Mortgaged Premises; state the amount of the gift; state the gift does not have to be repaid. The gift of equity must be reflected on the HUD-1.
Income Documentation	Follow LP. Additional documentation at Underwriter discretion
Joint Accounts	If an account is held jointly a letter will be required from the joint account holder to verify our borrower has 100% access to those funds. This is required regardless of the relationship.
Large Deposits	• Large Deposits are defined as a single deposit that exceeds 50% of the total monthly income for the loan. <b>Note:</b> If the deposits exceed 100% of borrower's total income, the underwriter may require an LOE and source of the funds. If bank statements reflect automatic deposits of all income and additional deposits are reflected outside of borrower's monthly income, the underwriter may request an LOE and source of substantial deposits outside of borrower's total income.
Multiple Properties to the Same Borrower	No limitation on the number of properties owned if the property is the borrower's principal residence. Second Home and investment property is limited to one to four financed properties.
Rental Income	Follow LP.

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Self-Employed Borrowers	Document a two-year history of self-employment (in most instances) to ensure that income is stable. If the self-employment history is less than two years, the underwriter must consider the acceptance of the company's service or products in the marketplace and document a two-year history of receipt of income at the same or greater level in the same or similar occupation. The underwriter must indicate the borrower is self-employed in LP if meets the definition of self-employment, regardless if using the self-employed income to qualify the borrower. LP Documentation: LP issues a Streamline Accept decision. Streamline Accept- Sole Proprietor: All of the following are required: Complete signed individual federal tax returns for the most recent year. The individual federal income tax returns must reflect at least 12 months of self-employed income. Verification of existence of the business through a third party source obtained no more than 30 calendar days prior to Note Date. Income Analysis Form 91, Income Analysis form, or comparable form must be completed. Streamline Accept - S-Corporation and Partnership: All of the following are required: Complete individual federal and business tax returns, including K-1's for the most recent year. The federal income tax returns must reflect at least 12 months of self-employed income. Verification of existence of the business through a third party source obtained either no more than 30 calendar days prior to the Note Date. Income Analysis Form 91 or comparable form. Streamline Documentation - Corporation: All of the following is required: Completed individual federal and business tax returns, including W-2's for the most recent year. The individual federal tax returns must reflect at least 12 months of self-employed income. Verification of existence of the business through a third party source obtained no more than 30 calendar days prior to the Note date. Income Analysis Form 91 or comparable form. Standard Documentation: Follow LP Findings report.		
<b>Mortgage Insurance (MI)</b>			
Tax Returns:	Borrower's individual federal tax returns are required for certain types of income if using the income to qualify the borrower: These include: Commission income, income reported on a 1099; income from independent contracting; income from employment on a contract basis. Two years tax returns signed and dated by the borrower or two years IRS tax transcripts can be used		
Mortgage Insurance (MI)	Mortgage Insurance coverage is required for loans with LTV ratios greater than 80%. Refer to table below. Mortgage Insurance types: borrower paid monthly mortgage insurance and lender single paid and monthly paid mortgage insurance.		
<b>LTV Range</b>			
Transaction Type	80.01 - 85.00%	85.01 - 90.00%	90.01 - 95.00%
<b>Fixed-rate, term ≤ 20 years</b>	6%	12%	25%
<b>Fixed-rate, term &gt; 20 years</b>	12%	25%	30%

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