



## AGENCY 3/1, 5/1, 7/1 & 10/1 ARM'S

PRIMARY RESIDENCE		PURCHASE AND RATE/TERM REFINANCE		
Property Type	Maximum LTV	Maximum CLTV*/HCLTV	Underwriting Required Responses	Minimum Credit Score
1 Unit Warrantable Condo PUD	95%	95%	LP Accept Freddie Mac only	620
	90%	90%	DU Approved Eligible LP Accept	620
	80%	80%	DU Approved Eligible LP Accept	620
2 units	75%	75%	DU Approved Eligible LP Accept	660
			DU Approved Eligible Fannie Mae ONLY	640
3-4 units	65%	65%	DU Approved Eligible LP Accept	660
			DU Approved Eligible Fannie Mae ONLY	640

PRIMARY RESIDENCE		CASH-OUT REFINANCE		
Property Type	Maximum LTV	Maximum CLTV */HCLTV	Underwriting Required Response	Minimum Credit Score
1 unit Warrantable Condo PUD	75%	75%	DU Approved Eligible LP Accept	680
			DU Approved Eligible Fannie Mae ONLY	640
2-4 units	65%	65%	DU approved Eligible LP Accept	680
			DU Approved Eligible Fannie Mae ONLY	640



SECOND HOME		PURCHASE & RATE/TERM REFINANCE		
Property Type	Maximum LTV	Maximum CLTV */HCLTV	Underwriting Required Response	Minimum Credit Score
1 Unit Warrantable Condo PUD	80%	80%	DU Approve/Eligible LP Accept	660
			DU Approve/Eligible Fannie Mae ONLY	640

SECOND HOME		CASH-OUT REFINANCE		
Property Type	Maximum LTV	Maximum CLTV */HCLTV	Underwriting Required Response	Minimum Credit Score
1 Unit Warrantable Condo PUD	65%	65%	DU Approved/Eligible LP Accept	680

INVESTMENT PROPERTY		PURCHASE		
Property Type	Maximum LTV	Maximum CLTV */ HCLTV	Underwriting Required Response	Minimum Credit Score
1 Unit Warrantable Condo PUD	75%	75%	DU Approved/Eligible LP Accept	660
			DU Approved/Eligible Fannie Mae ONLY	640
2-4 Unit	65%	65%	DU Approved/Eligible LP Accept	660
			DU Approved/Eligible Fannie Mae ONLY	640



INVESTMENT PROPERTY		RATE/TERM REFINANCE		
Property Type	Maximum LTV	Maximum CLTV */HCLTV	Underwriting Required Response	Minimum Credit Score
1-4 Unit Warrantable Condo PUD	65%	65%	DU Approved/Eligible LP Accept	660
			DU Approved/Eligible Fannie Mae ONLY	640

INVESTMENT PROPERTY		CASH-OUT REFINANCE		
Property Type	Maximum LTV	Maximum CLTV */HCLTV	Underwriting Required Response	Minimum Credit Score
1 Unit Warrantable Condo PUD	65%	65%	DU Approve/Eligible LP Accept	680
2 to 4 Unit	60%	60%		

\* Maximum CLTV refers to the maximum combined loan-to-value of drawn and outstanding liens secured by the subject property. Maximum HELOC CLTV refers to the maximum potential combined loan-to-value of all liens using full amount of the line of credit. All loans must meet the LTV, CLTV and HELOC CLTV criteria.

**PROGRAM SUMMARY**

This is an intermediate term adjustable rate mortgage loan with the initial fixed rate period of 3, 5, 7, 10 years depending on the product selected. Upon the expiration of the fixed-rate term the program allows for increases or decreases to the interest rate on an annual basis.

**PRODUCT OFFERING**

Product Name	Term
Agency 3/1 Libor Arm (standard 2/2/6 caps)	30 year
Agency Fannie 5/1 Libor Arm (5/2/5 caps)	
Agency Freddie 5/1 Libor Arm (2/2/6 caps)	
Agency 5/1 Libor Arm (2/2/5 caps)	
Agency 7/1 Libor Arm ( Standard 5/2/5 caps)	
Agency 10/1 Libor Arm (Standard 5/2/5 caps)	



## **LOAN AMOUNTS**

### Maximum

Maximum standard conforming limits for 1-4 unit property.

### Minimum

\$20,000

## **ELIGIBLE PROPERTY TYPES**

- 1 to 4 unit properties.
- Fannie Mae/Freddie Mac warrantable condominiums.
- Planned Unit Developments (PUD's).
- Modular homes.

## **INELIGIBLE PROPERTY TYPES**

- Non Fannie Mae/Freddie Mac warrantable condominiums.
- Cooperative properties.
- Manufacture homes.

## **QUALIFYING RATE**

- 3/1 and 5/1 ARMS- Greater of the fully-indexed or Note rate plus 2%
- 7/1 and 10/1 ARMS- Greater of fully-indexed or Note rate

## **QUALIFYING RATIOS**

Ratios are determined by Desktop Underwriter (DU) or Loan Prospector (LP). Refer to mortgage insurance companies for additional restrictions.

## **RESERVES**

Reserves are determined by DU/LP

## **INTERESTED PARTY CONTRIBUTIONS**

Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, mortgage lender, or any other party with an interest in the real estate transaction. Interested party contributions may be used exclusively to cover closing cost and prepaid expenses.



**CONTRIBUTION LIMITS**

CLTV	UP to 75%	75.01 to 90%	90.01 to 95%
Primary Residence	Maximum 9%	Maximum 6%	Maximum 3%
Second Home			N/A
Investment Property	Maximum 2%	Maximum 2%	

**MORTGAGE INSURANCE**

Mortgage insurance providers may have additional restrictions not listed within this document. Please refer to each mortgage insurance company’s website for complete details.

Standard Mortgage Insurance guidelines

All loans above 80% LTV require mortgage insurance coverage according to the following guidelines:

LTV	Coverage
90.01 to 95%	30%
85.01 to 90%	25%
80.01 to 85%	12%

**PREPAYMENT PENALTY**

NONE

**ADJUSTABLE RATE DETAILS**

Interest Rate Adjustment Caps	3/1 Arm Initial- 2% up/down; subsequent- 2% up/down; Lifetime- 6%
	5/1 ARM’s Fannie Mae- Initial-5% up/down; Subsequent- 2% up/down; Lifetime-5% up Freddie Mac-Initial-2% up/down; Subsequent- 2% up/down; Lifetime- 6% up Agency- Initial 2% up/down; Subsequent- 2% up/down; Lifetime- 5% up
	7/1 and 10/1 ARMs Agency- Initial-2% up/down; Subsequent- 2% up/down; Lifetime- 5% up
	Margin See Price Indicator Sheet
Index	1 year LIBOR ( London Interbank Offer Rate)
Interest Rate Floor	The interest rate floor is equal to the margin
Change Dates **	3/1- The first change date is the 36 <sup>th</sup> payment due date.
	5/1- The first change date is the 60 <sup>th</sup> payment due date.
	7/1- The first change date is the 84 <sup>th</sup> payment due date.
	10/1- The first change date is the 120 <sup>th</sup> payment due date.
Conversion Option	NONE
Negative Amortization	NONE

\*\* There is a new change date every twelve (12) months thereafter the initial change date for 3, 5, 7, and 10/1 ARM loans.



## **CLOSING DOCUMENTATION**

### ALL LOANS

- Fannie Mae/Freddie Mac Uniform Security Instrument
- Standard title commitment with all applicable endorsements, including the variable-rate endorsement

### 3/1LIBOR ARMS

- Fannie Mae multi-state Adjustable Rate Note
- Fannie Mae multi-state Adjustable Rate Rider
- Freddie Mac multi-state Adjustable Rate Note
- Freddie Mac multi-state Adjustable Rate Rider

### 5/1, 7/1, 10/1 LIBOR ARMS

- Fannie Mae multi-state Adjustable Rate Note
- Fannie Mae multi-state Adjustable Rate Rider
- Freddie Mac multi-state Adjustable Rate Note
- Freddie Mac multi-state Adjustable Rate Rider

### IF APPLICABLE

- Fannie Mae/Freddie Mac multi-state Condo Rider
- Fannie Mae/Freddie Mac multi-state PUD Rider
- Fannie Mae/ Freddie Mac multi-state 1-4 family Rider, (for 2-4 unit primary residence and ALL investment property mortgages)
- Fannie Mae/Freddie Mac multi-state Second Home Rider