

ORIGINATION AND UNDERWRITING REQUIREMENTS

Note: DU must be run to be eligible for this program. Loan must comply with current DU findings pulled.

Eligible Property Types	<ul style="list-style-type: none"> ▪ 1 to 4-unit residence, including condos and PUD’s ▪ Second home * ▪ Investment Property * * Max 4 property owned policy waived for DU Refi Plus only.
Eligible Mortgages	<ul style="list-style-type: none"> ▪ DU Approved Eligible ▪ Prior Streamline Loans ▪ Prior MCM loans. ▪ High Balance (Over 417k) loan limits allowed in select counties. ▪ TX Home Equity – Fixed Rate Products only <ul style="list-style-type: none"> ▪ All standard TX Home Equity guidelines apply ▪ Single Family Owner Occupied only ▪ 80% max LTV ▪ Min. 12 mos seasoning ▪ Full appraisal required – Form 1004 MC ▪ SFC 304 + 147 required
Ineligible New Mortgages	<ul style="list-style-type: none"> ▪ DU Refer, Ineligible, or Expanded recommendations through DU. ▪ FHA/VA Mortgages on existing loan ▪ Mortgages secured by manufactured homes ▪ HomeStyle renovation mortgages ▪ Jumbo loans exceeding conforming high balance limits ▪ Max LTV/CLTV 125% for Single Family, Owner Occupied Properties.
Maximum LTV/CLTV for New Mortgage and Subordinate Liens	<ul style="list-style-type: none"> ▪ Max. LTV 105% / Max CLTV 110% for all Second Homes, Investment & 2-4 Family Dwellings. ▪ No New Subordinate Financing allowed ▪ Existing Subordinate Financing must Resubordinate
Borrower Eligibility Requirements	<p>If an original borrower is removed, the remaining borrower must prove that he/she has made the payments from his/her own funds for the last 12 months. The borrower(s) being removed from the loan must also be removed from the deed. Removals as the result of death, the 12-month pay history and removal from the deed is not required.</p> <ul style="list-style-type: none"> ▪ LCOR Only ▪ Minimum FICO 620 on primary, 680 on second homes and investment. DU finding of Approved eligible only. ▪ Mortgage must be current and 0X60 last 12 months. ▪ 0X30 if payment (PI) is increasing. ▪ No seasoning required except prior loan date must be before 3/1/09. ▪ Max cashout of \$250 on LCOR effective with applications dated 07/01/09. ▪ Max DTI ratio is 55%. Ineligible findings due to DTI are not eligible for program. ▪ Mortgage payment history may be obtained from LSAMS or the CB ▪ Must show benefit of reduced payment or ARM to Fixed product to qualify. ▪ Cash Out Refinances are Not Allowed ▪ Existing purchase money second mortgages may not be satisfied with loan proceeds ▪ Appraisal Requirements per DU findings.
Closing Costs, Financing Costs & Prepays/Escrows	<ul style="list-style-type: none"> ▪ Closing costs up to 5% of the loan amount may be rolled into the new loan.
MI	<ul style="list-style-type: none"> ▪ None required if existing loan does not have MI. ▪ Existing Loans with MI Do Not Qualify unless Nationstar is the current servicer.
Special Underwriting Requirements	<ul style="list-style-type: none"> ▪ Underwriting based off new application. ▪ Income Documentation required per DU. ▪ Stated Employment. Verbal verification of employment required within 7 days of closing ▪ CH 7 or 11 Bankruptcy > 48 months from discharge or dismissal date. Foreclosure >84 months. ▪ CH 13: > 24 mos from discharge, > 48 mos from dismissal date. ▪ IRS form 4506T must be executed on all loans prior to closing. ▪ Assets and Reserves must be verified to the extent of DU findings report
Collateral Assessment	<ul style="list-style-type: none"> ▪ Must follow appraisal requirements per DU ▪ If DU waives appraisal SFC 807 is required in TMO
Delivery Requirements – Special Feature Codes	<ul style="list-style-type: none"> ▪ SFC 147 for “DU Refi Plus” Fannie Mae loans. 304 if TX Home Equity. ▪ Do not use FLEX SFC if LTV > 95% ▪ SFC 807 required if DU property field work waiver is exercised ▪ SFC 808 required if >\$417,000 loan amount
TMO Product Codes	<ul style="list-style-type: none"> ▪ Fixed Rate ≤ 105% LTV: 10 yr. (821); 15 yr. (806); 20 yr. (807); 25 yr. (808); 30 yr. (809); 40 yr. (822) ▪ Fixed Rate > 105% LTV: Not available ▪ Fixed Rate High Balance > \$417,000: 30yr. (831) ▪ ARM product ≤ 105% LTV: 5/1 (823); 7/1 (824); 10/1 (825) ▪ ARM product > 105% LTV: Not available ▪ ARM High Balance >\$417,000: 5/1 (830)
SERVICING REQUIREMENTS	
<p>The Lender originating the “DU Refi Plus” mortgage does not have to be the servicer on the existing mortgage unless existing mortgage has MI.</p>	