*This matrix includes overlays which may be **more restrictive** than Freddie Mac's requirements. Where this matrix is silent, Freddie Mac guidelines apply.*

***IMPORTANT NOTE**: Broker provided credit reports cannot be used. A new credit report pulled by Impac is required subsequent to the loan being submitted by the broker to Impac. LPA must be run by Impac using the Impac pulled credit report.*

Eligibility Matrix

Transaction Type	Units	Minimum FICO	Maximum DTI	Maximum LTV/TLTV/HTLTV
Primary Residence				
Purchase & No Cash-Out Refinance	1	620	Per LPA	95%
	2			85%
	3-4			75%
Cash-Out Refinance	1			80%
	2-4			75%
Second Home				
Purchase & No Cash-Out Refinance	1	620	Per LPA	90%
Cash-Out Refinance				75%
Investment Property[1]				
Purchase	1	680	Per LPA	80%
	2-4			75%
No Cash-Out Refinance	1-4			75%
Cash-Out Refinance	1			75%
	2-4			70%

Footnote

1. Investment property eligible for 30 year fixed only and requires a full appraisal (i.e. appraisal waiver not eligible).

Maximum Loan Amount

2021 Conforming Maximum Loan Amounts		
Units	**Contiguous States and D.C.**	**Alaska & Hawaii**
1	$548,250	$822,375
2	$702,000	$1,053,000
3	$848,500	$1,272,750
4	$1,054,500	$1,581,750

2021 High Balance Maximum Loan Amounts (for High Cost Areas)			
	Contiguous States and D.C.		**Alaska and Hawaii**
Units	**Minimum Loan**	**Maximum Loan**	**Maximum Loan**
1	$548,251	$822,375	Not Applicable (refer to Conforming Maximum Loan Amounts shown above for Alaska & Hawaii)
2	$702,001	$1,053,000	
3	$848,501	$1,272,750	
4	$1,054,501	$1,581,750	

Permanent High Cost area the maximum 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 may be lower. The original balance of a Mortgage must not exceed the maximum loan limit for the specific areas in which the mortgage premises is located. For specific loan limits for each high cost area, as released by the Federal Housing Finance Agency visit http://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx

Product Codes

Conforming Loan Amounts

Years	Product Code
15 Year	CF15FH Conv FRM15 Freddie Mac
20 Year	CF20FH Conv FRM 20 Freddie Mac
30 Year	CF30FH Conv FRM 30 Freddie Mac

Super Conforming Loan Amounts

Years	Product Code
15 Year	CF15SC Conv FRM15 Super Conforming
30 Year	CF30SC Conv FRM30 Super Conforming

Conforming Loan Amounts with LPMI

Years	Product Code
15 Year	CF15FHLM Conv FRM15 Freddie Mac LPMI
20 Year	CF20FHLM Conv FRM20 Freddie Mac LPMI
30 Year	CF30FHLM Conv FRM30 Freddie Mac LPMI

Super Conforming Loan Amounts with LPMI

Years	Product Code
15 Year	CF15SCLM Conv FRM15 Super Conforming Lender Paid MI
30 Year	CF30SCLM Conv FRM30 Super Conforming Lender Paid MI

Underwriting Guidelines

Age of Documentation	Credit Report: Must be not more than 120 days old on the Note Date. Income and Asset Documentation: Must be no more than 120 days old on the Note Date. When consecutive income/asset documents are in the loan file, the most recent document is used to determine whether it meets the age requirement. For example, when two consecutive monthly bank statements are used to verify a depository asset, the date of the most recent statement must be no more than 60 days old on the note date Appraisal: When an appraisal is obtained, the property must be appraised within 12 months that precede the date of the note and mortgage. When an appraisal report will be more than four months old on the date of the note and mortgage, regardless of whether the property was appraised as proposed or existing construction, the appraiser must inspect the exterior of the property and review current market data to determine whether the property has declined in value since the date of the original appraisal. This inspection and results of the analysis must be reported on the Appraisal Update and/or Completion Report (Form 1004D). • If the appraiser indicates on the Form 1004D that the property value has declined, then the lender must obtain a new appraisal for the property. • If the appraiser indicates on the Form 1004D that the property value has not declined, then the lender may proceed with the loan in process without requiring any additional fieldwork. Note: The appraisal update must occur within the four months that precede the date of the note and mortgage. The original appraiser should complete the appraisal update, however lenders may use substitute appraisers. When updates are completed by substitute appraisers, the substitute appraiser must review the original appraisal and express an opinion about whether the original appraiser's opinion of market value was reasonable on the date of the original appraisal report. The lender must note in the file why the original appraiser was not used.
Appraisal	Required Fieldwork Loan Product Advistor (LPA) will determine level of fieldwork required. Appraisals must be ordered through an AMC. If allowed by LPA, appraisal waivers are allowed (final LPA cert must reflect the appraisal waiver) with the following exceptions: 1) Not eligible in Kansas (interior/exterior appraisal required), 2) Not eligible for Texas 50(a)(6) transactions (interior/exterior appraisal required), and 3) Not eligible for investment properties (interior/exterior appraisal required). For the aforementioned exceptions, a full appraisal (interior/exterior) is required regardless of the level of fieldwork allowed by LPA. Whenever LPA does not allow for an appraisal waiver, an interior/exterior appraisal is required with one exception. For purchase transactions where the subject property is a primary residence, a desktop appraisal may be obtained in lieu of an interior/exterior appraisal for loan applications taken on or before May 31, 2021. For loan applications taken on or after June 1, 2021, standard Freddie Mac appraisal requirements apply. Appraisal Review On CU scores > 2.5, it is required that underwriters run CU on that appraisal and determine if the data from that report can be used to offset the warnings. Additional steps may be necessary to clear the warnings. Desk review or field review may be required as determined by UW Management. Property Condition Properties with a Condition Rating of C5 or C6 are not eligible. Note: The ECOA Valuations Rule requires copies of appraisals and other written valuations be delivered to borrower promptly upon completion, or three (3) business days before consummation, whichever is earlier
Assets	Cryptocurrency (e.g. Bitcoin and Ehtereum) may NOT be used for funds to close. Any reserves requirement is determined by DU.

Borrower Eligibility	Eligible
	• US Citizen
	• Permanent resident alien
	• Non-permanent resident alien. Acceptable visa types and required documentation below:
	  ○ Visa Only: H-1B, H-1B1, H-1B2, H-1B3, H-1C, L-1A, L-1B, O-1A/B, O-2, P-1A
	  ○ Visa and EAD: E-1/E1-D, E-2/E-2D, E-3/E-3D, H-4, I, K-1, K-3, L-2, TN, V-1, V-2, V-3
	• Inter Vivos Revocable Trust
	  ○ Note: A Power of Attorney is not allowed on properties held in a trust
	Ineligible
	• Foreign Nationals

	• Deferred Action for Childhood Arrivals (DACA) • Borrower must have SSN, ITIN is not allowed Maximum number of borrowers and co-borrowers: 4
COVID-19 Attestation	All borrowers must sign and date Impac's COVID-19 Attestation with regard to forbearance and the borrower's ability to repay the loan.

Credit	***IMPORTANT NOTE**: Broker provided credit reports cannot be used. A new credit report pulled by Impac is required subsequent to the loan being submitted by the broker to Impac. LPA must be run by Impac using the Impac pulled credit report.*
	
	Loan Product Advisor (LPA) Accept is required. For Accept mortgages, LPA has determined that a borrower's credit reputation is acceptable with the following overlays:
	• Updated mortgage ratings on all mortgages through the current month are required.
	
	Forbearance (COVID-19): Lenders must continue to review the borrower's credit report to determine the status of all mortgage loans. In addition to reviewing the credit report, the lender must also apply due diligence for each mortgage loan on which the borrower is obligated, including co-signed mortgage loans and mortgage loans not related to the subject transaction, to determine whether the payments are current as of the note date of the new transaction. For the purposes of these requirements, "current" means the borrower has made all mortgage payments due in the month prior to the note date of the new loan transaction by no later than the last business day of that month. Examples of acceptable additional due diligence methods to document the loan file include:
	
	• A loan payment history from the servicer or third-party verification service
	• A payoff statement (for mortgages being refinanced),
	• The latest mortgage account statement from the borrower, and
	• A verification of mortgage.
	
	A borrower who is not current and has missed payments on any mortgage loan is eligible for a new mortgage loan if those missed payments were resolved in accordance with the requirements below:
	
	• Reinstatement: If the borrower resolved missed payments through a reinstatement, they are eligible for a new mortgage loan. The lender must document the source of funds in accordance with eligible sources of funds in FNMA's Selling Guide if the reinstatement was completed after the application date of the new transaction. Proceeds from a refinance may not be used to reinstate any mortgage loan.
	
	• Loss Mitigation Solution: If outstanding payments will be or have been resolved through a loss mitigation solution, the borrower is eligible for a new mortgage loan if they have made at least three timely payments as of the note date of the new transaction as follows:
	    • For a repayment plan, the borrower must have made either three payments under the repayment plan or completed the repayment plan, whichever occurs first. Note that there is no requirement that the repayment plan be completed.
	    • For a payment deferral, the borrower must have made three consecutive timely payments following the effective date of the payment deferral agreement.
	    • For a modification, the borrower must have completed the three-month trial payment period.
	    • For any other loss mitigation solution not listed above, the borrower must have successfully completed the program, or made three consecutive full payments in accordance with the program.
	    Verification that the borrower has made the required three timely payments may include:
	    • A loan payment history from the servicer or third party verification service,
	    • The latest mortgage account statement from the borrower, and
	    • A verification of mortgage
	• If these requirements are met on an existing mortgage loan being refinanced, the new loan amount can include the full amount required to satisfy the existing mortgage.
	
	Non-traditional credit is not allowed. Each borrower must generate at least one traditional credit score. For borrowers with frozen credit, no more than one of the national credit repositories can have frozen credit information.

Disaster Area Protocol	Whenever FEMA declares properties located in zip codes and counties to be eligible for individual assistance, a re-inspection is required if the effective date of the appraisal is dated on or before the incident period end date. At a minimum, an exterior inspection is required. If the disaster is flood, hurricane or otherwise water-related, an interior inspection is also required. All property inspection products must affirmatively indicate there is no adverse impact to value, condition, or marketability as a result of the disaster and must be dated after the incident end date. If the subject property is a condominium, the property inspection must also assess the condition of the building in which the unit is located and assess any damage to the condo project's common elements.

	For loans with appraisal waivers, an interior/exterior appraisal is not required provided the final DU cert allows for an appraisal waiver. However, a re-inspection as described above is required prior to loan closing. If the appraisal waiver language is lost on the final DU cert, an interior/exterior appraisal dated after the incident end date is required.
Escrow Waivers	The following are requirements as it relates to escrow accounts: • Property tax and insurance escrows may be waived for LTV ≤ 80% unless individual state laws supersede this requirement and allow for more or less restrictive requirements. • When a property requires flood insurance, an escrow account must be established (i.e. waiver not permitted). • For individual condo units, escrow accounts for property and/or flood insurance are not required provided the unit is covered by a blanket insurance policy purchased by the HOA.

Financing Types	<u>Purchase Transactions</u>:
	• Assigned purchase contracts are not eligible
	• Use lesser of appraised value or sales price for LTV purposes.
	
	<u>Refinance Transactions (all)</u>:
	For all refinance transactions (cash-out and no cash-out) ,one of the following requirements must be met:
	• At least one borrower on the refinance loan was a borrower on the loan being refinanced; or
	• At least one borrower on the refinance loan 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 that the borrower, either:
	  • Has been making timely mortgage payments, including the payments for any secondary financing, for the most recent 12-month period; or
	  • Is a related person to a borrower on the mortgage being refinanced; or
	• At least one borrower on the refinance loan inherited or was legally awarded the mortgaged premises (for example, in the case of divorce, separation or dissolution of a domestic partnership).
	
	<u>No Cash-Out Refinance Transactions</u>:
	Proceeds may be used only to:
	• Pay off the first mortgage, regardless of its age.
	• Pay off or pay down any junior liens secured by the mortgaged premises, that were used in their entirety to acquire the subject property
	• Pay related closing costs
	• Disburse cash out to the borrower (or any other payee) not to exceed the greater of 1% of the new refinance mortgage or $2,000
	• Pay off the outstanding balance of a land contract or contract for deed if the requirements of Selling Guide section 4404.1 are met
	• Pay off a Property Assessed Clean Energy (PACE) or PACE-like obligation
	• If there are excess proceeds:
	  o The mortgage amount must be reduced: or
	  o The excess must be applied as a principal curtailment to the new refinance mortgage at closing and must be clearly reflected on the Settlement/Closing Disclosure Statement.
	• Under no circumstances may cash disbursed to the borrower (or any other payee) exceed the maximum permitted for “no cash-out” refinance mortgages.
	
	NOTE: The loan being paid off as part of the new no cash-out refinance must have a Note Date no less than 30 days prior to the Note Date of the new transaction. Otherwise, the new loan is ineligible.
	
	<u>Cash-Out Refinance Transactions</u>:
	• A cash-out refinance loan is a loan in which the use of the loan amount is not limited to specific purposes.
	• A mortgage placed on a property previously owned free and clear by the borrower is always considered a cash-out mortgage.
	• At least one borrower must have been on the title to the property for at least six months prior to the Note Date except as specified below in the fourth bullet point.
	  o For cases in which title to the property is held by a limited liability company (LLC) or limited partnership (LP), the time the property was titled in the name of the LLC or LP may be included in the six-month requirement provided:
	    ▪ At least one Borrower must have been the majority owner or had control of the LLC or LP since the date the property was acquired by the LLC or LP, <u>and</u>
	    ▪ Title must be transferred from the LLC or LP into the Borrower's name prior to the Note Date.
	• If none of the borrowers have been on the title to the subject property for at least six months prior to the Note Date of the cash-out refinance mortgage, the following requirements must be met:
	  o At least one borrower on the refinance mortgage inherited or was legally awarded the subject property (for example, in the case of divorce, separation or dissolution of a domestic partnership)
	  <u>**OR**</u>, all of the following:
	  o Primary residence only

	○ The Settlement/Closing Disclosure Statement from the purchase transaction must reflect that no financing secured by the subject property was used to purchase the subject property. A recorded trustee's deed or equivalent documentation may be used when a Settlement/Closing Disclosure Statement was not used for the purchase transaction. ○ The preliminary title report for the refinance transaction must reflect the borrower as the owner of the subject property and must reflect that there are no liens on the property ○ The source of funds used to purchase the subject property must be fully documented ○ If funds were borrowed to purchase the subject property, those funds must be repaid and reflected on the Settlement/Closing Disclosure Statement for the refinance transaction ○ 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 prepaids/escrows as documented by the Settlement/Closing Disclosure Statement for the purchase transaction, **less any gift funds used to purchase the subject property**. A recorded trustee's deed or equivalent documentation may be used when a Settlement/Closing Disclosure Statement was not used for the purchase transaction. ○ There must have been no affiliation or relationship between the buyer and seller of the purchase transaction ○ The cash-out mortgage must meet all other Freddie Mac requirements. <u>Texas Equity Section 50 (a)(6) Mortgages</u> Freddie Mac's classification of mortgage transactions as "cash-out refinance" or "limited cash-cash-out refinance" differs from the way mortgages are classified under Texas law. Texas law determines whether or not a mortgage is a Texas 50 (a)(6) mortgage, and Freddie Mac's policy determines whether the mortgage must be delivered as a cash-out refinance transaction or as a limited cash-out refinance transaction. All Texas 50 (a)(6) loans must comply with the following requirements: • Fixed rate Mortgages • Must be a cash-out refinance mortgage, or a "no cash-out" refinance mortgage, depending on the applicable facts. • May not be a special purpose cash-out refinance mortgage • 1 unit Primary Residence Homestead • Maximum allowable LTV is 70%
Fraud Report	Required
Geographic Restrictions	<u>Hawaii</u>: Lava zones 1 and 2 <u>not</u> eligible. <u>Ineligible States:</u> DE, MA, ME, MO and WY
High-Cost Mortgage Loans	Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32)
Income	<u>Income Documentation</u>: Income documentation requirements are determined by LPA but generally include the following: • <u>Employment Income</u>: Current paystub + prior 2 years W2's • <u>Self-Employment Income</u>: Most recent 2 year's personal (and business if applicable) tax returns <u>Ineligible income types</u>: • Employment offers and contracts • Future/projected income • Income commencing after note date <u>Employment Income</u>: Refer to FHLMC's Selling Guide Chapter 5303 for requirements. <u>Other Income</u>: Refer to FHLMC's Selling Guide Chapter 5305 for requirements. <u>Rental Income</u> Refer to FHLMC's Selling Guide Chapter 5306 for requirements. If a departure residence situation, an executed lease + a security deposit is required. Otherwise, the borrower must qualify with the full PITIA. <u>Self-Employment Income</u>: The mortgage file must include a written analysis of the self-employed income amount and justification of the determination that the income used to qualify the Borrower is stable. At a minimum, the following additional documentation must be obtained: • An audited or unaudited year-to-date (YTD) profit and loss statement that is signed by the Borrower and reports business revenue (i.e. gross receipts or sales), expenses and net income. The information in the YTD profit and loss statement must cover the most recent month preceding the Application Received Date and be dated no more than 60 calendar days prior to the Note Date, and • Three months business account statements no older than the latest three months represented on the YTD profit and loss statement ○ For example, if the YTD profit and loss statement is through May 31, 2020, the business account statements can be no older than for March, April and May

	- Personal asset account statement evidencing business deposits and expenses may be used when the Borrower is an owner of a small business and does not have a separate business account <u>Reviewing YTD profit & loss statements, business account statements and other relevant documentation</u> - The seller must determine if the business revenue documented in the YTD profit and loss statement supports the level of revenue documented on the business account statements - If the business revenue on the YTD profit and loss statement is not supported by the revenue documented on the business account statements, additional documentation (e.g., month to month or quarterly trending YTD profit and loss, additional months and/or more recent bank statements) must be obtained to support the business revenue and resolve the discrepancy. - If the business revenue reported on the YTD profit and loss statement cannot be supported by business account statements and/or other documentation, the self-employment income is not eligible for use in qualifying - If the business revenue reported on the YTD profit and loss statement is supported, proceed to determining the current level of stable monthly income as outlined below <u>Establishing stable monthly income</u> - The seller must review the YTD profit and loss statement (unaudited or audited), business account statements, and all other relevant factors. - The Seller must establish the current level of stable monthly self-employment income using details from the YTD profit and loss statement, business account statements, and supplemental documentation, as applicable. - The Seller must determine whether the income level has declined by comparing the information on the YTD profit and loss statement to the business revenue (i.e., gross receipts or sales) and expenses reported on the most recent year's business tax return(s), and the net montly income as calculated in accordance with requirements and guidance in Chapter 5304, including use of Guide Form 91, Income Calculations, or a similar alternative form. If the income level has not changed or has increased, use the qualifying income calculated following FHLMC's standard requirements. A YTD P&L (audited or unaudited) cannot be used to support a higher level of income than the amount derived from Form 91. If the income level has declined: - Determine if the income has stabilized. The Seller may need to obtain additional documentation to supplement the YTD profit and loss statement (e.g., a month-to-month income trending analysis, additional months and/or more recent business account statements) to make this determination. - If the income has stabilized: - Use no more than the current level of stable monthly self-employment income using details from the YTD profit and loss statement, business account statements, and supplemental documentation, as applicable - Adjustments (e.g., depreciation) to the YTD profit and loss net income may be made in accordance with the requirements and guidance in Guide Section 5304.1(d) and Form 91, and in alignment with the adjustments based on the tax returns, as appropriate - If the income is declining and has not stabilized, then the income is not eligible for qualifying Refer to <u>FHLMC Bulletin 2020-44</u> for more details regarding temporary requirements and guidance for borrowers with qualifying income derived from self-employment. Standard self-employment guidelines are found in <u>FHLMC's Selling Guide Chapter 5304</u>. <u>4506-C / Tax Transcripts</u>: Tax, W2 and/or 1099 transcripts are required to validate qualifying income. If a self-employed borrower is using income to qualify from business tax returns, tax transcripts for that business are not required. However, a signed 4506-C for that business is required. <u>Verbal Verification of Employment (VVOE)</u>: - <u>Salaried</u>: Must be dated within 10 calendar days prior to funding. A VVOE cannot be obtained on the actual Note Date. - <u>Self-employed</u>: Must be dated within 20 calendar days prior to funding. A VVOE cannot be obtained on the actual Note Date. Examples include: - Evidence of current work (e.g., executed contracts or signed invoices that indicate the business is operating on the day the Seller verifies self-employment) - Evidence of current business receipts within 20 calendar days prior to funding (e.g., payment for services performed) - Lender certification the business is open and operating (e.g., the lender confirmed through a phone call or other means) - Business website demonstrating activity supporting current business operations (e.g., timely appointments for estimates or service can be scheduled) As a reminder, Impac does NOT allow a VVOE (or alternative documentation detailed herein) to be obtained post-closing. Further, a VVOE cannot be obtained on the actual Note Date.

Liabilities

Alimony With More Than 10 Months Payments Remaining:
In lieu of including these payments in the DTI, the payments must be deducted from the borrower's stable monthly income. The reduced stable monthly income must be used to qualify the Borrower.

Contingent Liabilities:
A contingent liability may be excluded from the monthly debt payment-to-income ratio when meeting the requirements below:

Debt Type	Eligibility and documentation requirements
Installment (not including Mortgages) Revolving Monthly lease payment	Documentation in the Mortgage file must indicate the following: • A party other than the Borrower has been making timely payments for the most recent 12 months (regardless of whether the party is obligated on the debt) • The party making the payments is not an interested party to the subject real estate or Mortgage transaction
Mortgage	Documentation in the Mortgage file must indicate the following: • A party other than the Borrower has been making timely payments for the most recent 12 months • The party making the payments is obligated on the Note for the Mortgage that is being excluded • The party making the payments is not an interested party to the subject real estate or Mortgage transaction

Monthly payments on revolving or open-end accounts:
Regardless of the balance, in the absence of a monthly payment on the credit report, and if there is no documentation in the Mortgage file indicating the monthly payment amount, 5% of the outstanding balance will be considered to be the required monthly payment amount. Monthly payments on open-end accounts (accounts which require the balance to be paid in full monthly) are not required to be included in the monthly debt payment if the borrower has sufficient verified funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the borrower for the mortgage transaction.

Real Estate Taxes:

- The real estate tax amount included in the monthly housing expense must be based on the value of the improvements plus the value of the land
- When the Mortgaged Premises is located in a jurisdiction where transfer of ownership causes or results in a recalculation of the amount of real estate tax, the monthly housing expense must include an estimate of the recalculated real estate tax amount
- When there is a tax abatement on the property, the Seller may use the reduced real estate tax amount in the monthly housing expense calculation, provided that the Mortgage file contains evidence of the tax abatement and the documentation shows that the tax abatement will remain in place for at least five years after the Note Date

Rental Housing Payments:
For mortgages with a non-occupying borrower and mortgages secured by second homes and investment properties, when the Borrower does not own, but rents their primary residence, the monthly rental housing payment for that primary residence must be included in the calculation of the monthly housing expense-to-income ratio. The rental housing payment included in the monthly housing expense-to-income ratio must be documented as follows:

- Direct verification of rent from a management company, or
- Direct verification of rent from an individual landlord (supported by two months of canceled checks or other evidence of two months' payments), or
- A copy of the current, fully-executed lease agreement (supported by two months of canceled checks or other evidence of two months' payments), or
- Six months of canceled checks or bank statements supporting consistent payments in the amount used in qualifying

Self-employed Borrower's debt paid by the Borrower's business:
When a self-employed borrower is obligated on a debt that has been paid by the borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the DTI if the following requirements are met:

- The Mortgage file contains evidence that the debt has been paid timely by the Borrower's business for no less than the most recent 12 months, and
- The tax returns evidence that business expenses associated with the debt (e.g., interest, lease payments, taxes, insurance) have been reported and support that the debt has been paid by the business

Solar Panels, PPA or similar type of agreement:
Lease payments for solar panels may be excluded from the monthly debt payment-to-income ratio if the lease:

- Provides for delivery of a specific amount of energy for an agreed upon payment during a given period; and

	• Includes a production guarantee under which the Borrower is compensated on a prorated basis when the energy produced by the solar panels is less than the level required in the lease agreement
	Payments for solar panels subject to a PPA or similar type of agreement may be excluded from the DTI if the payment is calculated based only on the generated energy. The Mortgage file must contain a copy of the lease agreement, PPA or similar type of agreement, as applicable.
	
	Student Loans:
	• For student loans in repayment, deferment or forbearance:
	  ○ If the monthly payment amount is greater than zero, use the monthly payment amount reported on the credit report or other file documentation, or
	  ○ If the monthly payment amount reported on the credit report is zero, use 0.5% of the outstanding loan balance, as reported on the credit report
	• The student loan payment may be excluded from the DTI provided the mortgage file contains documentation that indicates the following:
	  ○ The student loan has 10 or less monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, or
	  ○ The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period
	AND
	  ○ The Borrower is eligible or approved, as applicable, for the student loan forgiveness, cancelation, discharge or employment-contingent repayment program, and the Seller is not aware of any circumstances that will make the Borrower ineligible in the future. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable.

Limitations on Other Real Estate Owned	Primary Residence:
	• Borrower may have an unlimited number of financed properties
	
	Second Home:
	• Each borrower individually and all borrowers collectively must not **be obligated on** (e.g., notes, land contracts and/or any other debt or obligation) more than ten (10) 1- to 4-unit financed properties, including the subject property and the borrower's primary residence. When the number of financed properties is greater than six (6), the mortgage must:
	  ○ Be a Loan Product Advisor (LPA) mortgage with a Risk Class of Accept
	  ○ Have a minimum FICO of 720
	• Examples of financed properties that do not have to be counted in this limitation include:
	  ○ Commercial real estate
	  ○ Multifamily (five or more units) real estate
	  ○ Timeshares
	  ○ Undeveloped land
	  ○ Manufactured homes not titled as real property (chattel lien), unless the property is situated on the land that is titled as real property
	  ○ Property titled in the name of the borrower's business provided that the borrower, in his or her individual capacity, is not obligated on the property
	  ○ Property titled in the name of a trust where the borrower is a trustee, provided that the borrower in his or her individual capacity, is not obligated on the property
	• Reserves Requirements:
	  ○ Borrowers are collectively obligated on 1-6 financed properties, including the subject property and the borrower's primary residence = 2 months PITIA required on each additional second home and/or investment property that is financed and on which the borrower is obligated.
	  ○ Borrowers are collectively obligated on 7-10 financed properties, including the subject property and the borrower's primary residence = 8 months PITIA required on each additional second home and/or investment property that is financed and on which the borrower is obligated.

Loan Amount	Minimum Conforming Loan Amount: $100,000
Mortgage Insurance	Mortgage insurance is required for LTV > 80%. The following supersedes all other guidelines for > 80% LTV with MI availability • All loans must be submitted to DU Approval/Eligible • Reserve requirement by mortgage insurers prevail Eligible MI companies: • Arch MI • MGIC • National MI • Radian

	Eligible MI certificates are as follows:
	• Borrower Paid Mortgage Insurance (BPMI) paid monthly and must be ordered as non-refundable, constant renewal, deferred payment (initial premium is paid with the first monthly loan payment)
	• Lender Paid Single Premium MI
	  ○ Premiums for all lender-paid MI plans must be shown on the HUD as being paid to the MI company by Lender
	
	Requirements for loans on properties in the state of New York:
	• The appraised value is used to calculate the LTV ratio to determine whether mortgage insurance is required, and
	• The lesser of the appraised value or sales price is used to calculate the LTV used to determine the level of mortgage insurance coverage that is required.
	
	Ineligible MI:
	• Financed MI
	• Single Premium paid by borrower or seller of the property
	• Split Premium – upfront portion paid by borrower or seller of the property
	• Prepaid Mortgage Insurance
	• Lender Paid Monthly
	• Lender Paid Annual
	• Borrower Paid Annual
	• Lender paid pool coverage (referred to as GSE pool insurance)
	• Investor – paid pool coverage
	• Loans covered by recourse and/or indemnification agreements
	• Secondary market coverage agreements
	
	Coverage Requirements:
	• Loan Term ≤ 20 years:
	  ○ 6% if LTV 80.01%-85%
	  ○ 12% if LTV 85.01%-90%
	  ○ 25% if LTV 90.01%-95%
	• Loan Term > 20 years:
	  ○ 12% if LTV 80.01%-85%
	  ○ 25% if LTV 85.01%-90%
	  ○ 30% if LTV 90.01%-95%
	
	Reduced MI coverage amounts provided by agency and AUS decisions are ineligible.

Program Restrictions	Ineligible: • HARP Products • ChoiceRenovation • HomeOne • FHMLC HomeSteps • FHLMC Renovation Loans • ChoiceRenovation • Permanent buydowns • Affordable Housing/HFA Preferred • Energy Efficient Mortgages • PACE loans • One Time Close (OTC) • Enhanced Relief Refinance • Down Payment Assistance Programs
Property Types	Eligible: • 1-unit attached or detached SFR, PUD or condo • 2-4 unit Ineligible: • Assisted living or board and care facilities • Bed and breakfast (or tourist houses), boarding houses, commercial enterprises fraternity or sorority houses, or non-real property such as houseboats, mobile homes, private clubs • Commercial properties • Co-ops • Exotic or non-traditional types of structures such as dome homes, berm homes or log homes • Fee simple land within the bounds of Indian reservation land or under jurisdiction of tribal council or laws • Ineligible Condominiums • Land Loans (unimproved properties or vacant land) • Land trusts (including Illinois land trusts) • Life Estate • Manufactured homes (whether or not built to MHCSS standards), Manufactured condos (FHA MHCP program), On-frame modular homes

<table>
<tr><td></td><td>

Native American Indian Trust Lands
Properties with PACE obligations or PACE-like clean energy program assessments
Proposed, under construction (construction take-out financing is allowed on eligible property types if there is a new Loan with a new Note and new qualification, and the property is complete)
Resale restrictions unless for age, property is 1-unit, owner-occupied and otherwise meets FHLMC guidelines
Timeshares
Unexpired redemption rights
Working farms or ranches.
Zoning violations

<u>Condominiums</u>:
Projects must be warrantable to FHLMC guidelines. Project types are either Established or New as indicated below:

<u>Established</u>:

The Condominium Project (all Condominium Units, Common Elements and Amenities) and related facilities owned by any Master Association are complete and not subject to any additional phasing
At least 75% of the total units in the project have been conveyed to the unit purchasers, <u>and</u>
The unit owners control the homeowners association

<u>New</u>:

The Condominium Project (all Condominium Units, Common Elements and Amenities) and related facilities owned by any Master Association are not complete, or are subject to additional phasing
Fewer than 75% of the total number of units in the project must have been conveyed to the unit purchasers, OR
The developer has not turned control of the homeowners association over to the unit owners

Regardless of the project Review Type required, the project must not be an ineligible project (unless a 2- to 4-Unit project or a Detached Condominium unit – which are exempt from project review).
Florida Condos: 1) Established projects only, and 2) Investment property not allowed
Condo units located in an Established Project are eligible for Streamlined Review as follows:
<table>
<tr><th rowspan="2">Occupancy Type</th><th colspan="2">Maximum LTV/TLTV/HTLTV</th></tr>
<tr><th>Projects not located in Florida</th><th>Projects located in Florida</th></tr>
<tr><td>Primary Residence</td><td>90%</td><td>75% / 90% / 90%</td></tr>
<tr><td>Second Home</td><td rowspan="2">75%</td><td>70% / 75% / 75%</td></tr>
<tr><td>Investment Property</td><td>N/A</td></tr>
</table>
If not eligible for a Streamlined Review or if located in a New Project, a Full Review is required.
</td></tr>
<tr><td>Subordinate Financing</td><td>
Subordinate financing is allowed in accordance with Freddie Mac guidelines with the exception of PACE or HERO loans and Affordable/Community Seconds. These loan types are ineligible for subordinate financing. A copy of the second lien note and executed subordination agreement is required.
For HELOC's, the entire credit line limit is used to calculate the HCLTV. If a credit line is reduced without a permanent modification of the original Note, then the entire original line limit must be used to calculate the HCLTV.
</td></tr>
<tr><td>Underwriting</td><td>
All loans must be submitted and evaluated by Loan Product Advisor with a risk class of Accept (with a documentation level of Streamlined Accept or Standard Documentation).
<u>Ineligible</u>:
Manual underwriting
</td></tr>
</table>