



# Finance of America Mortgage Jumbo Premier (Wholesale)

## Fixed Rate

September 22, 2015

**Program Codes**

**30 YR. Fixed= 3900, 15 YR. Fixed = 3905**

<b>OWNER OCCUPIED</b>							
Loan Purpose	Property Type	DTI	Minimum Fico	LTV/CLTV	Max Cash out	Maximum Loan Amount <sup>3</sup>	Reserves <sup>1</sup>
Primary Residence Purchase	1 Unit, PUD, Warrantable Condo, 2 Unit	40%	760	85% (No MI)	/	\$2,000,000	36
			740	85% (No MI)		\$1,500,000	24
				85% (No MI)		\$1,000,000	18
		41% <sup>2</sup>	740	80%		\$2,000,000	12
			720	80%		\$1,500,000	9
				75%		\$2,000,000	12
			700	75%		\$1,000,000	12
				70%		\$2,500,000	18
			720	65%		\$3,000,000	24
Primary Residence Rate & Term	1 Unit, PUD, Warrantable Condo, 2 Unit	41% <sup>2</sup>	740	80%	/	\$1,500,000	9
			720	80%		\$1,000,000	9
				75%		\$1,500,000	12
			700	75%		\$1,000,000	12
				70%		\$2,000,000	12
			720	60%		\$2,500,000	18
Primary Residence Cash Out Refinance	1 Unit, PUD, Warrantable Condo, 2 Unit	41% <sup>2</sup>	740	75%	\$250K	\$1,000,000	9
			720	65%	\$350K	\$1,500,000	12
				60%	\$400K	\$2,000,000	12
				55%	\$500K	\$2,000,000	18
				50%	\$1,000,000	\$2,500,000	18
<b>SECOND HOME</b>							
Second Home Purchase / Rate & Term Refinance	1 Unit, PUD, Warrantable Condo	41% <sup>2</sup>	740	80%	/	\$1,000,000	12
			720	75%		\$1,500,000	9
				65%		\$2,000,000	18
				50%		\$2,500,000	18
Cash Out Refinance		40%	740	70%	\$250K	\$1,000,000	12

<sup>1</sup>All financed properties, other than the subject property, require an additional six (6) months PITI in reserves for each property

<sup>2</sup>Maximum DTI may go to 43% with Second Signature from Underwriting Manager

<sup>3</sup>Maximum loan amount for 15-year fixed is \$2,000,000

\*No new subordinate financing allowed

\*All appraisals will require 3rd party reviews prior to loan docs being drawn. (See appraisal requirements section for details)

\*The refinancing of non purchase money closed end and HELOC 2nd liens will be considered a rate/term refinance if they are seasoned ≥ 12mos and there are no draws on the HELOC within the last 12 months.

\* > 80% LTV/CLTV - No gift funds allowed and no adverse credit in last 36 months.

\* **Florida:** Condos are not eligible



## Finance of America Mortgage Jumbo Premier Guidelines (Wholesale)

<b>Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed : 30 &amp; 15 Year</li> </ul>
<b>Minimum Loan Amount</b>	<ul style="list-style-type: none"> <li>\$417,001 (1 unit) and \$533,851 ( 2 units)</li> </ul>
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>\$3,000,000 (First TD Lien)</li> <li>*Note: New subordinate financing is not eligible</li> </ul>
<b>Locking/Pricing</b>	<ul style="list-style-type: none"> <li>Loans must be locked prior to 3rd party appraisal reviews being requested. (See appraisal requirement guideline)</li> </ul>
<b>Ineligible Property &amp; Transaction Types</b>	<ul style="list-style-type: none"> <li>3-4 Unit Primary Residences, 2-4 Unit Second Homes, Condo Project ≤ 4 units, Modular/Manufactured, Co-ops, Mixed Use, Timeshares, Construction to Perm, Condotel, Log Homes, Unique Properties, Hobby Farms, Agricultural Zoned, Sq. footage less than 600 is not eligible</li> <li>Non-Warrantable Fannie Mae Condo's, Deed restricted properties, MCC's, Leasehold Estates, Florida Condos, Properties with more than 20 acres, Title held in a business name, New Subordinate financing, Investment Properties and Texas Cash out</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>U.S Citizens &amp; Permanent Resident Aliens are eligible</li> <li><u>Ineligible Borrowers are:</u>            Non- Permanent Resident Aliens, Foreign Nationals, Irrevocable Trusts, Blind Trusts, Borrower taking title in a Limited partnerships, General partnership , Corporation, <b>Loans with more than 4 borrowers</b></li> </ul>
<b>Underwriting Method</b>	<ul style="list-style-type: none"> <li>Manual Underwrites only (All loans must be manually underwritten and fully documented submitted through Fannie Mae Desktop Underwriter (DU) and have received an Approved/ Ineligible Non- conforming Loan Amount. DU Finding must be included in the loan file. No documentation waivers based on Agency AUS recommendations are permitted.</li> <li>Finance of America Mortgage management second signature is required on all transactions</li> </ul>
<b>Max Ratios</b>	<ul style="list-style-type: none"> <li>Maximum DTI is 41% (May go to 43% with Second Signature from Underwriting Manager)</li> <li>Maximum DTI is 40% on (1) Primary Residence ( LTV- up to 85%) or (2) Second Home transactions with Cash out</li> </ul>
<b>Payment Shock</b>	<ul style="list-style-type: none"> <li>Payment shock that exceeds 250% of the borrower(s) current housing expense requires significant compensating factors.</li> </ul>
<b>Housing Payment History</b>	<ul style="list-style-type: none"> <li>Housing payment (Mortgage or Rent) must be provided on the 1003 and verified covering a minimum 24 months (with no late payments). Private Party Mortgages and Landlord Ratings are not acceptable unless evidence of 24 months cancelled checks is provided along with a completed VOR/VOM <b>and copy of lease ( if applicable)</b>. VOR's from a Property management company are accepted in a credit supplement form.</li> <li>If 24 month housing history is not available due to borrowers owning their current residence Free and Clear, proof of Taxes and Insurance ( and HOA - if applicable) can be provided in lieu of mortgage history.</li> </ul>
<b>First Time Homebuyer</b>	<ul style="list-style-type: none"> <li>First Time Homebuyer are eligible (A first time homebuyer is an individual that has not had a mortgage or owned a home in the past 3 years)</li> <li>FTHB, must have satisfactory VOR for 24 months and in addition on the minimum trade lines, 1 of the trade lines must be an installment line.</li> <li>First Time Homebuyer- Max 80% LTV to \$1 million with 740 FICO minimum reserves of 12 mos and max payment shock of 200% (no gift funds/ <b>no IPC</b> allowed)</li> <li>First Time Homebuyer- Max 75% LTV to \$1.5 million with 720 FICO minimum reserves of 12 months and max payment shock of 200% (gift funds allowed)</li> <li>First Time Homebuyer- Max 70% LTV to \$2 million with 760 FICO minimum reserves of 18 months and max payment shock of 200% (gift funds allowed)</li> <li><b>Note: Non- Occupant Co-Borrowers are not eligible on First Time Homebuyer transactions.</b></li> </ul>
<b>Non-Arm's Length Transactions</b>	<ul style="list-style-type: none"> <li>Transactions that are Non-Arm's length</li> <li><b>Note:</b>Non-Arm's length transactions are those in which there is a relationship/business affiliation between the buyer &amp; seller, builder, or developer of the property</li> </ul>
<b>Non-Occupant Borrowers</b>	<ul style="list-style-type: none"> <li>Non- occupant borrower is allowed if Occupying borrower must qualify with a max DTI of 50% and the max combined DTI cannot exceed 40% (occupying borrower must independently meet tradeline requirements). <b>Maximum LTV/CLTV/ HCLTV is 80%. Occupying borrower must contribute a minimum of 10% own funds FTHB is not eligible.</b></li> </ul>
<b>Maximum Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>The maximum number of financed properties is <b>5 per loan</b> (This includes total of all borrower's principal residence and the subject property, Commercial properties, properties held in an LLC, Trust or Partnership, Properties held in a Corp or S corp, total or Partial ownership of a property that is held in the name of a LLC or Partnership (regardless of the % of ownership)</li> <li>All financed properties, in addition to the subject property required reserves, require an additional six month reserves for each property</li> </ul>
<b>Number of Properties Finance of America Mortgage will Finance</b>	<ul style="list-style-type: none"> <li>Finance of America Mortgage may finance up to Four (4) properties (include joint or total ownership)</li> </ul>
<b>Age of Credit Documents</b>	<ul style="list-style-type: none"> <li>Credit documents cannot be older than 90 days from the Note date. These documents include credit report, employment, income, and asset. Prelim is good for 90 days. Appraisals are good for 120 days (Note: Re-Certifications of value are not eligible)</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li><b>Credit reports will be run by Finance of America Mortgage (Broker credit reports must be provided with submission package, however can not be used on this product)</b></li> <li><b>Credit Inquiries:</b> The report must list all credit inquiries that were made in the previous 120 days.</li> <li><b>Representative Score:</b> The score for each borrower is the median of the three scores (or lesser of 2 if only 2 scores returned)</li> <li><b>Minimum Trade lines:</b> A minimum of 3 open tradelines with a 24 month history (1 of the tradelines must be open &amp; active for two (2) years; with at least 1 of the required 3 trade lines must be an installment or mortgage account; <b>and</b> remaining trade lines must be rated for 12 months).</li> <li>* Two (2) open trade lines are acceptable for purchase transactions in which the borrower(s) have a 2 year mortgage history within the past 5 years.</li> <li>* An exception to the minimum trade line requirement will be made if the borrower's credit history meets all of the following:           <ul style="list-style-type: none"> <li>*No fewer than ten (10) trade lines are reporting, one(1) of which must be a mortgage; <b>and</b></li> <li>*At least one (1) trade line has been open and reporting for a minimum of twelve (12 months); <b>and</b></li> <li>*The borrower has established a credit history of at least ten (10 years)</li> </ul> </li> <li>Note: Borrowers not contributing income for qualifying are not subject to the minimum trade line requirement.</li> <li><b>Authorized Signers:</b> Will not be considered as acceptable tradelines</li> <li><b>Non-Traditional credit:</b> Will not be considered as acceptable tradelines</li> <li><b>Mortgage/Rental History:</b> 0x30 in the past 24 months ( 24 Month housing history required on <u>all</u> loans) ** <b>See Housing Payment History section above**</b></li> <li><b>Credit History :</b> A maximum of one 30 day (1 X 30) late payment allowed on revolving or installment (non-mortgage related) accounts in the last 24 months. Borrower must provide a satisfactory letter of explanation for late payment on any revolving or installment account within the past 24 months.</li> <li><b>Public Records, Judgments, Collections, Liens and Charge Offs</b> <ul style="list-style-type: none"> <li>No public records within the past 24 months.</li> <li>All Judgments, Liens, Garnishments, Collections/ Charge offs must be paid off at or prior to closing</li> </ul> </li> <li><b>Disputes:</b> If disputes are present the following guideline must be met:           <ul style="list-style-type: none"> <li>Disputed accounts must <b>reflect resolved</b> and \$0 balance prior to closing</li> <li>Disputed accounts with any adverse payment history may not have been in active dispute within the last 24 months</li> <li>Disputed mortgages are <b>not</b> acceptable ( no history of dispute during the life of any mortgage loan)</li> <li>Loan file must include a LOE for dispute</li> </ul> </li> <li><b>Past Due Accounts:</b> All past due accounts must be brought current prior to closing</li> <li><b>Pre-close Credit reports:</b> Required to be run on all transactions within 30 days of the note date. Should the pre-close/ soft credit report reflect any derogatory credit or additional credit an updated report with a FICO score will be required</li> </ul>



## Finance of America Mortgage Jumbo Premier Guidelines (Wholesale)

<b>Monthly Debt Obligations</b>	<ul style="list-style-type: none"> <li>· <b>HELOC Payment:</b> <ul style="list-style-type: none"> <li>- If the borrower has a home equity line of credit, the payment is to be applied using 1% of the line limit. <i>See detailed guides for additional information</i></li> </ul> </li> <li>· <b>Installment Debts:</b> <ul style="list-style-type: none"> <li>- Payments on installment debts with more than 10 months of remaining payment must be included in the DTI.</li> <li>- Installment debts may <b>not</b> be paid down to 10 or fewer monthly payments for qualifying.</li> </ul> </li> <li>· <b>Deferred Installment Debts:</b> <p>Deferred Installment debts must be included in Debt Ratios as follows:</p> <ul style="list-style-type: none"> <li>- <b>For deferred installment debt, other than Student loans</b>, if minimum payment is not shown on credit report, then use:               <ul style="list-style-type: none"> <li>- a copy of the payment letter; or</li> <li>- forbearance agreement that reflects a future monthly payment</li> </ul> </li> <li>- <b>For Student Loan Deferment</b> - Use the <b>greater of</b> the following:               <ul style="list-style-type: none"> <li>- 1% of the outstanding balance; or</li> <li>- the actual documented payment</li> </ul> </li> </ul> </li> <li>· <b>Lease Payments:</b> The lease payment must be included in the DTI regardless of the remaining number of payments.</li> <li>· <b>Co-signed Debts:</b> <ul style="list-style-type: none"> <li>- Evidence the primary obligor has made payments as agreed for the last 12 months (Provide copies of 12 month canceled checks)</li> <li>- No history of delinquencies in the last 12 months</li> <li>- Copy of the note, agreement, or any document to evidence the borrower is the co-signer, not the primary obligor.</li> </ul> </li> <li>· <b>Debts paid by Business for Self-employed borrowers:</b> <p>Debts paid by business for self employed borrowers may be excluded from the monthly obligation when all of the following requirements are met.</p> <ul style="list-style-type: none"> <li>- No late payments in the last 12 months and no more than 1x30 in the last 24 month period.</li> <li>- Evidence, such as 12 months canceled checks, that the debt has been paid out of company funds</li> <li>- The underwriter may condition for CPA or borrower to prepare P&amp;L (Cash Flow Analysis) that the business took the payment of the debt into consideration.</li> </ul> </li> <li>· <b>Loans secured by the borrower's assets:</b> The payment amount and terms of the loan must be factored into the DTI ratio.</li> <li>· <b>30 Day Accounts:</b> <ul style="list-style-type: none"> <li>- Must verify additional liquid assets to cover the entire balance.</li> <li>- <b>Note:</b> The liquid assets being applied to cover the 30- day account balance must be deducted from the total liquid assets balance being applied to reserves.</li> </ul> </li> <li>· <b>Revolving Accounts:</b> <ul style="list-style-type: none"> <li>- Use the monthly payment shown on the credit report. If not available, use the greater of \$10 or 5% of the outstanding balance.</li> </ul> </li> <li>· <b>Payoff of Revolving Accounts:</b> Revolving credit accounts that are being paid off to qualify must be paid in full and closed.</li> <li>· <b>Cash out Proceeds:</b> May not use proceeds to pay off debt to qualify for the loan</li> </ul>
<b>Bankruptcy and/or Credit Counseling</b>	<ul style="list-style-type: none"> <li>· None Allowed</li> </ul>
<b>Foreclosure/Deed in Lieu or Short Sale/Loan Modifications</b>	<ul style="list-style-type: none"> <li>· None allowed</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>· Under QM, Appendix Q- If rental properties are generating income or losses that are impacting the borrowers qualifying DTI, a current lease is required for all properties.</li> <li>· <b>Full Income Documentation is required. (Underwrite according to QM/ATR and Appendix Q regulations)</b></li> <li>· Any gaps in employment greater than 1 month must be explained and documented by the Borrower in writing.</li> <li>· <b>Salaried Borrowers:</b> Current 30 day paystub and most recent 2 years W2's</li> <li>· <b>Hourly &amp; Variable Income:</b> Current 30 day paystubs, W-2 forms and personal tax returns, including all schedules for prior two (2) years</li> <li>· <b>Self-employed Borrower:</b> <ul style="list-style-type: none"> <li>- Most recent two years individual signed tax returns (and business returns if applicable) with all schedules</li> <li>- A borrower <b>signed</b> YTD P &amp; L and Balance sheet is required for the most recent quarter on all businesses owned.</li> </ul> </li> <li>· <b>4506-T and Tax Transcripts:</b> <ul style="list-style-type: none"> <li>- A signed 4506-T will be processed for all income types (Note: Transcripts will be in addition to the signed tax returns and may not replace signed returns)</li> <li>- * This includes personal and corporate *</li> </ul> </li> <li>· *See detailed guidelines for specific income types</li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>· Under QM, Appendix Q- If rental properties are generating income or losses that are impacting the borrowers qualifying DTI, a current lease is required for all properties.</li> <li>· In order to use rental income, the following requirements apply.       <ul style="list-style-type: none"> <li>* <b>Primary Residence converting to Investment Property:</b> <ul style="list-style-type: none"> <li>- Current leases are required on all properties (residential &amp; commercial) where rental income is being utilized in the income calculation</li> <li>- <b>Note: In lieu of leases, rent rolls from a professional management company will be accepted on commercial properties</b></li> <li>- 1004 (dated within the last 3 months) or 2055 (current) Appraisal to document at least 30% equity.</li> <li>- Provide appraisal form 1025 (2-4 units) OR 1007 (1 unit)</li> <li>- Copy of fully executed lease agreement with a minimum of 1 year term</li> <li>- <b>Note: Leases that have expired but are automatically converted to month-to-month can be accepted with an attestation from the borrower that the same tenants are still residing at the property.</b></li> <li>- Receipt of a security deposit from the tenant and deposit into the borrower's account</li> <li>- Rental income from a family member or an individual with an established relationship to the borrower is not allowed.</li> <li>- 75% of the verified rental income can be used to offset housing expenses.</li> </ul> </li> <li>* Note: if a borrower does not have 2 year landlord history, no rental income allowed regardless of equity on property.</li> <li>* Owner Occupied 2- unit subject property rent loss insurance must be provided sufficient to cover (6) months required.</li> <li>* <b>Rental Income from a Commercial Property</b> <ul style="list-style-type: none"> <li>- Acceptable if documented by the most recent two years tax returns evidencing a 2 year history of receipt of rental income on Schedule E</li> </ul> </li> </ul> </li> </ul>
<b>Verbal Verification of Employment</b>	<ul style="list-style-type: none"> <li>· Verbal Verification of Employment is required for all borrowers:       <ul style="list-style-type: none"> <li>- Salaried and commission income - Verbal VOE within 10 days prior to the Note date</li> <li>- Self-employed income - Within 30 days prior to the Note date, a verbal VOE should include verification of a phone listing &amp; address for the borrower's business AND verification through a 3rd party such as a CPA, regulatory agency or licensing bureau.</li> <li>- If a borrower is in the military, a military Leave of Earnings Statement dated within 30 days of Note date is acceptable.</li> </ul> </li> </ul>



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<b>Assets</b>	<ul style="list-style-type: none"> <li>Require 2 most recent, consecutive months' bank statements (all pages) dated within 90 days of note date. (VOD's are not acceptable) (All large deposits must be sourced and explained)</li> <li><b>*See detailed guidelines for a list of acceptable and unacceptable funds</b></li> </ul>										
<b>Reserves</b>	<ul style="list-style-type: none"> <li><b>Required Reserves "Primary Residence"</b> <ul style="list-style-type: none"> <li>** Refer to Eligibility Matrix for reserve requirement (determined by LTV/ FICO)</li> </ul> </li> <li><b>Required Reserves "Second Homes"</b> <ul style="list-style-type: none"> <li>** Refer to Eligibility Matrix for reserve requirement (determined by LTV/ FICO)</li> </ul> </li> <li><b>Required Reserves when a borrower has additional financed properties</b> <ul style="list-style-type: none"> <li>*All financed properties, other than the subject property, require an additional six month reserve for each property</li> <li>If funds are needed to close, verification that all funds have been liquidated and paper trailed are required</li> </ul> </li> <li><b>Retirement accounts</b> <ul style="list-style-type: none"> <li>Documentation with most recent account statement(s) covering a minimum two (2) month period.</li> <li>* Stocks/Bonds and Mutual Funds-70% may be used for reserves</li> <li>* Vested Retirement Account Funds (IRA, 401K..etc) 60% may be considered for reserves (Verify terms of liquidation)</li> <li>* <b>Note:</b> Non vested accounts or Retirement accounts that do not allow any type of withdrawal are ineligible for use as reserves.</li> </ul> </li> <li><b>Ineligible assets for reserves</b> <ul style="list-style-type: none"> <li>Gift funds or borrowed funds</li> <li>Grant Funds, Pooled Funds, Builder Profits and Employer assistance assets</li> <li>Proceeds from the sale of assets other than the sale of a residence</li> <li>Proceeds from a cash out refinance transaction</li> </ul> </li> </ul>										
<b>Business Funds</b>	<ul style="list-style-type: none"> <li><b>Not eligible</b></li> </ul>										
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>5% of borrowers own contribution required (regardless of gift %)</li> <li>Allowed on Primary Residence purchase transactions only.</li> <li>Gift donor must be blood or legal relative, domestic partner, or fiancé.</li> <li>Gift letter must contain the amount of the gift, donor's name, address, phone number and relationship.</li> <li>The donor should state that repayment is not expected.</li> <li>Donor's ability and paper trail of transfer of funds are required.</li> <li>Note: Grant Funds, Pooled Funds, Builder Profits and Employer Assistance assets are In-Eligible</li> <li>&gt; 80% LTV/CLTV - <b>no gift funds allowed</b> and no adverse credit in last 36 months</li> </ul>										
<b>Gift of Equity</b>	<ul style="list-style-type: none"> <li><b>Not allowed</b></li> </ul>										
<b>Interested Party Contribution (IPC)</b>	<ul style="list-style-type: none"> <li>Maximum allowable contributions from seller, builder, realtor, broker, or an affiliate who may benefit from the sale of the property:           <ul style="list-style-type: none"> <li><b>Amounts contributed may only be used for closing costs or prepaid items.</b></li> </ul> </li> </ul> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>CLTV/ HCLTV</th> <th>LIMIT</th> </tr> </thead> <tbody> <tr> <td>&gt; 80%</td> <td>Not eligible</td> </tr> <tr> <td>&gt;75% FTHB</td> <td>Not eligible</td> </tr> <tr> <td>75.01%-80%</td> <td>3%</td> </tr> <tr> <td>≤75%</td> <td>6%</td> </tr> </tbody> </table> <p>* Amounts in excess of the limits set by Fannie Mae or additional cash back to the borrower for any contributions that exceed the actual amount of closing costs are considered to be sales concessions and must be treated as such (i.e.- deducted from the sales price when determining the LTV) *</p> <p><b>Note: IPC's are not allowed on transactions with First Time Homebuyers</b></p>	CLTV/ HCLTV	LIMIT	> 80%	Not eligible	>75% FTHB	Not eligible	75.01%-80%	3%	≤75%	6%
CLTV/ HCLTV	LIMIT										
> 80%	Not eligible										
>75% FTHB	Not eligible										
75.01%-80%	3%										
≤75%	6%										
<b>Property Listed for Sale</b>	<ul style="list-style-type: none"> <li><b>Rate / Term Refinances:</b> Properties listed for sale within 6 months of the dated loan application are ineligible</li> <li><b>Cash Out Refinances:</b> Properties listed for sale within 12 months of the date of loan application are ineligible.</li> <li><b>Note:</b> If property had been listed for sale, an LOE from borrower (s) on why they are retaining the property is required</li> </ul>										
<b>Condo Project</b>	<ul style="list-style-type: none"> <li>Fannie Mae warrantable Condos with a Full Review are required on ALL transactions (Limited reviews are in-eligible)</li> <li>Warrantable Types S, T or U</li> <li>*2-4 Unit Condo's are ineligible</li> <li>Click on the hyperlink for full review requirements as per FNMA <a href="https://www.fanniemae.com/singlefamily/project-eligibility?from=hp">https://www.fanniemae.com/singlefamily/project-eligibility?from=hp</a></li> <li>HOA Cert: Required on all transactions (A sample is on our website at <a href="http://www.Finance of America Mortgage Wholesale.com">www.Finance of America Mortgage Wholesale.com</a>) and must confirm at minimum:           <ul style="list-style-type: none"> <li><b>Full Review:</b> If the property will be used as an Investment Property, at least 50% of the total number of the project must have been conveyed to purchasers who occupy their unit as a primary residence or second home.</li> <li>*Delinquencies for HOA dues may not exceed 15% (total unit dues cannot be more than 60 days delinquent)</li> <li>*No single entity may own more than 10% of the total units</li> <li>*No more than 25% commercial usage</li> <li>*Cannot have any pending or current litigation,</li> <li>*At least 90% of the total units in the project have been conveyed to the unit purchasers,</li> <li>*The project is 100% complete (including all units and common elements),</li> <li>*The project is not subject to phasing or annexation</li> <li>*Control of the homeowners association has been turned over to the unit owners..etc..</li> <li>* Private transfer fees are <b>not allowed</b> unless established prior to 02/08/11 or if provides direct benefit and is paid to HOA.</li> </ul> </li> <li><b>Limited Reviews are not eligible on any Condos</b></li> <li><b>Insurance:</b> Copy of the Master/Blanket Hazard Policy is required (To include fidelity coverage). If the blanket policy does not provide "walls in" coverage (aka- HO6 coverage), the borrower will need to obtain it separately.</li> </ul>										
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>Transferred appraisals are <b>not</b> permitted.</li> <li>Loans must be Finance of America Mortgage approved prior to ordering the appraisal</li> <li>Two full appraisals are required for ALL loan amounts exceeding \$1,500,000</li> <li>Appraisals may be ordered by any Finance of America Mortgage approved AMC (Note- if a 2nd appraisal is required, it must be ordered by another Finance of America Mortgage approved AMC )</li> <li>All appraisers must have a certified general license</li> <li>Lower of the two appraisal values will be used to calculate the LTV <b>and is the one to be sent for third party review.</b> Any final inspection and/or recertification of value needed must be for the appraisal with the lower value. <b>See detailed guides for variance tolerances.</b></li> <li><b>A 3rd party review of all appraisals is required prior to loan docs being drawn. (The review requests will be sent AFTER the loan is locked)</b></li> <li><b>*Note: If the review of the appraised value determines a variance higher than the allowed %- the appraisal may be deemed unacceptable</b></li> </ul>										
<b>Properties with Solar Panels</b>	<p><b>FNMA guidelines are to be followed with the addition of the below:</b></p> <ul style="list-style-type: none"> <li>Any lien must be subordinated to the subject loan and included in CLTV/ HCLTV (if applicable)</li> <li>Property must be comp-ed to like properties and appraiser must address any effect on marketability due to the service being transferred to the new owner.</li> <li>If the property owner is the <b>owner</b> of the solar panels, <b>standard eligibility</b> requirements apply (for example, appraisal, insurance, and title).</li> <li>If the property owner <b>leases</b> the solar panels from a third party- additional requirements apply (<b>see detailed guidelines for specifics</b>)</li> </ul>										
<b>Non-Permitted Additions and Garage Conversions</b>	<ul style="list-style-type: none"> <li>Appraiser to comment that the addition or conversion was completed in a workmanlike manner</li> <li>Appraiser to comment if there are any health and safety issues</li> <li>Appraiser to comment that the addition conforms to the homes structure</li> <li>Appraiser to comment if there is a second kitchen ( If there is an illegal 2nd kitchen, loan must meet all of the accessory unit guidelines below)</li> <li>Hazard Insurance policy must include the total square footage of the property (Including any unpermitted areas)</li> </ul>										



## Finance of America Mortgage Jumbo Premier Guidelines (Wholesale)

<b>Accessory Unit (Unpermitted illegal units)</b>	<ul style="list-style-type: none"> <li>· The illegal unit (addition) conforms to the subject neighborhood and to the market</li> <li>· Property must be appraised based on its current use and must report that the improvements represent illegal use</li> <li>· Borrower cannot use rental income to qualify from the illegal 2nd unit</li> <li>· Appraiser to comment that the improvements are typical for the market area by supporting this with "3"comparable properties that have the same illegal use</li> <li>· Hazard insurance policy must include the total square footage of the property (including the illegal unit)</li> </ul>								
<b>Primary Residence Conversions to Second Homes, a Pending Sale, or Conversion to Investment Property</b>	<ul style="list-style-type: none"> <li>· The following requirements must be met:</li> <li style="padding-left: 20px;">Note: If converting a primary residence to an Investment property and not using rents to qualify, then a 2055 is not required.</li> <li style="padding-left: 20px;">If the 30% equity is not met, the retained PITIA must be counted in the borrowers ratios and reserves</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 30%;">Conversion to 2nd Home</th> <th style="width: 30%;">Primary Residence is a pending sale</th> <th style="width: 25%;">Conversion to Investment Property</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top; padding: 5px;"><b>At least 30% Equity on Current Home</b></td> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>· Standard program reserves required</li> <li>· Both current and proposed PITI must be used for qualifying.</li> </ul> </td> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>· Standard program reserves required</li> <li>· Both current and proposed PITI must be used for qualifying.</li> </ul> </td> <td style="padding: 5px;"> <ul style="list-style-type: none"> <li>· A 2055 Ext or FNMA 1004 dated within 60 days of the Note date must be provided to document at least 30% equity to use rental income.</li> <li><b>Note:</b> Form 1007 is required</li> <li>· Net rental income is 75% of the gross rent</li> <li>· Fully executed lease agreement with a minimum of 1 year term.</li> <li>· Proof the security deposit was received from tenant and deposited into borrower's account.</li> <li>· Standard program reserves required</li> </ul> </td> </tr> </tbody> </table>		Conversion to 2nd Home	Primary Residence is a pending sale	Conversion to Investment Property	<b>At least 30% Equity on Current Home</b>	<ul style="list-style-type: none"> <li>· Standard program reserves required</li> <li>· Both current and proposed PITI must be used for qualifying.</li> </ul>	<ul style="list-style-type: none"> <li>· Standard program reserves required</li> <li>· Both current and proposed PITI must be used for qualifying.</li> </ul>	<ul style="list-style-type: none"> <li>· A 2055 Ext or FNMA 1004 dated within 60 days of the Note date must be provided to document at least 30% equity to use rental income.</li> <li><b>Note:</b> Form 1007 is required</li> <li>· Net rental income is 75% of the gross rent</li> <li>· Fully executed lease agreement with a minimum of 1 year term.</li> <li>· Proof the security deposit was received from tenant and deposited into borrower's account.</li> <li>· Standard program reserves required</li> </ul>
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<b>Property Resale less than 90 days</b>	<ul style="list-style-type: none"> <li>· For properties purchased by the seller of the property within 90 days of the fully executed purchase contract, additional requirements apply:               <ul style="list-style-type: none"> <li>· Second Appraisal required</li> <li>· Property seller on the purchase contract is the owner of record</li> <li>· Increases in value should be documented with commentary from the appraiser and recent paired sales.</li> <li>· Non- Arm's length transactions are not eligible.</li> </ul> </li> </ul>								
<b>Rate &amp; Term Refinance</b>	<ul style="list-style-type: none"> <li>· No seasoning required.</li> <li>· If the first mortgage being paid off with this transaction was used to payoff any subordinate financing that was not used to acquire the property and that mortgage has not been seasoned for at least 12 months prior to the date of the application, the loan is ineligible for Rate &amp; Term Refinance.</li> <li>· Existing subordination is acceptable (The subordinate lien must be subordinated to the new first mortgage loan)</li> <li>· Maximum Cash to borrower is limited to 1% of the principal amount of the new mortgage.</li> <li>· A third refinance in 12 months is not eligible on subject property</li> <li>· Any first lien mortgage that is being financed may not have provided cash out to borrower within 12 months of the application</li> <li>· Inherited properties may not be refinanced prior to 12 months ownership</li> <li>· <b>The LTV calculation for a Rate and Term Refinance:</b></li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 30%;">Purchase Date</th> <th style="width: 70%;">LTV Calculation</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Within 12 months</td> <td style="padding: 2px;">· Use lesser of original purchase price or new appraised value</td> </tr> <tr> <td style="padding: 2px;">More than 12 months</td> <td style="padding: 2px;">· Use the current appraised value</td> </tr> </tbody> </table>	Purchase Date	LTV Calculation	Within 12 months	· Use lesser of original purchase price or new appraised value	More than 12 months	· Use the current appraised value		
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<b>Cash Out</b>	<ul style="list-style-type: none"> <li>· Max Cash -Out: See LTV Matrix</li> <li>· The loan being paid off must be seasoned for at least 6 months (Note- if the property was purchased by the borrower within 6 months preceding the application for new financing, the borrower is in-eligible for a cash-out refinance).</li> <li>· May not use cash out to pay down debt to qualify</li> <li>· Texas Home Equity Loans (Texas A (50) (6) cash out is ineligible.</li> <li>· Existing subordination is acceptable (The subordinate lien must be subordinated to the new first mortgage loan)</li> <li>· A third refinance in 12 months is not eligible on subject property</li> <li>· Inherited properties may not be refinanced prior to twelve (12) months ownership</li> <li>· <b>The LTV calculation for a Cash Out Refinance:</b></li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 30%;">Purchase Date</th> <th style="width: 70%;">LTV Calculation</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Within 12 months</td> <td style="padding: 2px;">· Use lesser of original purchase price or new appraised value</td> </tr> <tr> <td style="padding: 2px;">More than 12 months</td> <td style="padding: 2px;">· Use the current appraised value</td> </tr> </tbody> </table>	Purchase Date	LTV Calculation	Within 12 months	· Use lesser of original purchase price or new appraised value	More than 12 months	· Use the current appraised value		
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## Finance of America Mortgage Jumbo Premier Guidelines (Wholesale)

<b>Escrow / Impound Waivers</b>	<ul style="list-style-type: none"> <li>- <u>California</u>: Escrow / impounds may be waived for loans with the LTV less than 85%</li> <li>- <u>States other than California</u>: Escrow / impounds may be waived for loans with the LTV less than 80%</li> </ul>
<b>Escrow Holdbacks</b>	<ul style="list-style-type: none"> <li>- * Escrow hold backs are in-eligible in all states</li> </ul>
<b>Power of Attorney</b>	<ul style="list-style-type: none"> <li>- A power of attorney is acceptable provided it is "specific" and meets the following:               <ul style="list-style-type: none"> <li>* Reference the subject property address (in addition to a legal description)</li> <li>* Authorize the attorney-in-fact to enter into a real estate transaction and indicates that the mortgagor specifically appoints that specific person</li> <li>* Match the legal name(s) on POA to the typed name(s) &amp; signature(s) for the borrower. If legal signature is different from typed, a notarized name affidavit required</li> <li>* Borrowers must sign and date the POA and it must be notarized</li> <li>* Must be recorded prior to, or concurrent with, the date of the security instrument</li> <li>* Must not contain any blank fields and is approved by the title company</li> </ul> </li> <li>- On ALL transactions, the initial application must contain signatures of all borrowers (Not the POA) to the transaction</li> </ul>
<b>Funding into the Month</b>	<ul style="list-style-type: none"> <li>- Allowed through the 5th calendar day of the following month.</li> </ul>
<b>Approved States</b>	<p>AL, AR, AZ, CA, CO, CT, DC, DE, FL<sup>3</sup>, GA, IA, IL, IN, KS, KY, LA, MA, ME, MD, MI<sup>2</sup>, MN, MO, NC, NH, NJ, NM, NY, OH, OK, OR, PA, RI, SC, TN, TX<sup>1</sup>, UT, VA, VT, WA, WI, WV</p> <p><sup>1</sup><u>Texas</u>: Cash out is not eligible  <sup>2</sup><u>Michigan</u>: The Minimum loan amount allowed is \$10,000  <sup>3</sup><u>Florida Condominiums</u> are not eligible</p>