

Correspondent Lending Freddie Mac Standard Fixed Rate and ARM Product Profile

Excludes: Relief Refinance and Super Conforming

Most recent updates in red font

Agency	ELIGIBILITY MATRIX & SUMMARY GUIDELINES								
Products	10, 15, 20, 25 & 30 YR Fixed Rates 5/6 [1], 7/6 and 10/6 ARM Loan Product Advisor Accept			10, 15, 20, 25 & 30 YR Fixed Rates 5/6 [1], 7/6 and 10/6 ARM Loan Product Advisor Accept			10, 15, 20, 25 & 30 YR Fixed Rates 5/6 [1], 7/6 and 10/6 ARM Loan Product Advisor Accept		
Purpose	PURCHASE								
Occupancy	Primary Residence			Second Home			Investment Property		
	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score
	1 Unit	95%	620	1 Unit	90%	620	1 Unit	85%	620
	2 Unit	85%	620	2 Unit	N/A	N/A	2 Unit	75%	620
	3-4 Units	80%	620	3-4 Units	N/A	N/A	3-4 Units	75%	620
Purpose	RATE & TERM / NO CASH OUT REFINANCE								
Occupancy	Primary Residence			Second Home			Investment Property		
	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score
	1 Unit	95%	620	1 Unit	90%	620	1 Unit	85%	620
	2 Unit	85%	620	2 Unit	N/A	N/A	2 Unit	75%	620
	3-4 Units	80%	620	3-4 Units	N/A	N/A	3-4 Units	75%	620
Purpose	CASH OUT REFINANCE								
Occupancy	Primary Residence			Second Home			Investment Property		
	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score
	1 Unit	80%	620	1 Unit	75%	620	1 Unit	75%	620
	2 Unit	75%	620	2 Unit	N/A	N/A	2 Unit	70%	620
	3-4 Units	75%	620	3-4 Units	N/A	N/A	3-4 Units	70%	620
Footnotes	[1] 5/6 ARM is not available if borrower owns more than one (1) financed investment property								
Agency	MANUFACTURED HOMES ELIGIBILITY MATRIX & SUMMARY GUIDELINES								
Products	10, 15, 20, 25 & 30 YR Fixed Rates 7/6 and 10/6 ARM Loan Product Advisor Accept			10, 15, 20, 25 & 30 YR Fixed Rates 7/6 and 10/6 ARM Loan Product Advisor Accept			Not Available		
Purpose	PURCHASE								
Occupancy	Primary Residence			Second Home			Investment Property		
	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score
	1 Unit	95%	620	1 Unit	85%	620	1 Unit	n/a	n/a
Purpose	RATE & TERM / NO CASH OUT REFINANCE								
Occupancy	Primary Residence			Second Home			Investment Property		
	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score
	1 Unit	95%	620	1 Unit	85%	620	1 Unit	n/a	n/a
Purpose	CASH OUT REFINANCE								
Occupancy	Primary Residence [1]			Second Home			Investment Property		
	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score	Property Type	Max LTV / TLTV / HLTIV	Min Credit Score
	1 Unit	65%	620	1 Unit	n/a	n/a	1 Unit	n/a	n/a
Footnotes	[1] Primary cash out refinance limited to max term of 20 Years								

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Eligibility Requirements*

Age of Documents	<ul style="list-style-type: none"> • Credit documents must be no more than 120 days old on the date the note is signed for all mortgage loans (existing and new construction) • Preliminary Title Policies must be no more than 120 days old on the date the note is signed • Appraisal must be dated within 120 days of note date • Flood Hazard Determination Certification must be dated within 180 days of note date
Appraisals	<ul style="list-style-type: none"> • Determined by Loan Product Advisor • SSR Report must include the Collateral Underwriter (CU) risk score, flags and messaging. In order for Computershare Loan Services to access the information in CU, Sellers must select Computershare Loan Services from the aggregator drop down list in UCDP which permits sharing of data. <p><u>Computershare Loan Services will purchase loans secured by properties with "unpermitted" structural additions under the following conditions:</u></p> <ul style="list-style-type: none"> • <u>The subject addition complies with all investor guidelines</u> • <u>The quality of the work is described in the appraisal and deemed acceptable ("workmanlike quality") by the appraiser</u> • <u>The addition does not result in a change in the number of units comprising the subject property (e.g. a 1 unit converted into a 2 unit)</u> • <u>If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance by the use of comparable sales with similar additions and state the following in the appraisal:</u> <ul style="list-style-type: none"> ▪ <u>Appraiser must comment on the quality and appearance of the work and its impact, if any, on the market value of the subject property</u> ▪ <u>Appraiser comments and photos should validate the addition was completed in a workmanlike manner and conforms to the rest of the property</u> ▪ <u>The impact, if any, to the local zoning must be reviewed to ensure the property meets guidelines</u> ▪ <u>ACE+PDR not permitted, a full appraisal must be obtained</u>
Assets	<ul style="list-style-type: none"> • Follow Freddie Mac guidelines relative to funds to close • <u>Custodial accounts are an ineligible asset source</u> • Gift funds are allowed in accordance with Freddie Mac guidelines • Except as stated below, the Seller is not required to document the sources of unverified deposits for purchase or refinance transactions. However, when qualifying the Borrower, the Lender must consider any liabilities resulting from all borrowed funds <ul style="list-style-type: none"> ▪ For purchase transactions, the Seller must document the source of funds for any large deposit. <ul style="list-style-type: none"> • A large deposit is any single deposit exceeding 50% of the sum of <ul style="list-style-type: none"> • The total monthly qualifying income for the Mortgage and • The amount derived from the asset calculation for establishing the debt-to-income ratio in accordance with agency requirements. ▪ When a large deposit is not documented and is not needed for Borrower Funds and/or required reserves, the Lender must reduce the funds used for qualifying purposes by the amount of the unverified deposit. For Loan Prospector Mortgages, the Seller must enter the reduced amount of the asset into Loan Prospector ▪ When a single deposit consists of both verified and unverified portions, the Seller may use just the unverified portion when determining whether the deposit exceeds the 50% requirement ▪ When the source of funds can be clearly identified from the deposit information on the account statement (e.g., direct payroll deposits) or other documented income or asset source in the Mortgage file (e.g. tax refund amounts appearing on the tax returns in the file), the Seller is not required to obtain additional documentation ▪ The Seller must document the source of a deposit of any amount regardless of the transaction type if the Seller has any indication that the funds are borrowed or are not from an eligible source • When using a direct account verification (i.e., verification of deposit [VOD]), the Seller must include documentation of the source of funds when an account is opened within 90 days of verification and/or when the current balance in an account is significantly greater than the average balance • <u>Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</u>
Assignment of Mortgages	<ul style="list-style-type: none"> • <u>All loans must be registered with MERS at time of delivery to Computershare Loan Services and a MERS transfer of beneficial rights and transfer of servicing right must be initiated by the Seller, to Computershare Loan Services (MERS ORG ID # 1010320), within 24-hours of purchase</u>
AUS & Underwriting Method	<ul style="list-style-type: none"> • <u>Loan Product Advisor with an "Accept" Risk Class and an "Freddie Mac Eligible" Purchase Eligibility is required</u> <ul style="list-style-type: none"> ▪ <u>Any other recommendation, including Loan Product Advisor A minus, is not acceptable</u> • <u>Manual underwriting is not permitted</u>
Borrowers: Eligible	<ul style="list-style-type: none"> • U.S. Citizens • Permanent resident aliens, with proof of lawful residence • Non Permanent Resident Alien immigrants, with proof of lawful nonpermanent residence • Refer to 'Borrower Eligibility' and 'Citizenship, Residency and Immigration Status' sections of the Seller Guide regarding requirements for each Borrower's citizenship, residency and immigration status; including documentation necessary for lawful proof of residency • <u>Inter Vivos Revocable Trust: Refer to Seller Guide for eligibility requirements</u>

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Condominiums / PUDs	<ul style="list-style-type: none"> • Must follow Freddie Mac published Condominium Eligibility Guidelines - See Resources below for a link to guidelines • <u>Computershare Loan Services only accepts Streamlined Condo reviews conducted in accordance with Freddie Mac Guidelines</u> • <u>Computershare Loan Services does not accept project reviews other than Streamlined reviews unless Correspondent is granted specific approval from Computershare Loan Services to conduct other types of reviews</u> • Streamlined review for attached Condominium Units in Established Condominium Projects not located in Florida: <ul style="list-style-type: none"> ▪ Primary Residence up to 90% LTV/TLTV/HTLTV ▪ Second Home up to 75% LTV/TLTV/HTLTV ▪ Investment Property not eligible • Computershare Loan Services will allow a project (condo or PUD) in litigation, arbitration, mediation or other dispute in accordance with the following: A project for which the Homeowners Association, or developer if the project has not been turned over to the unit owners, is a party to current litigation, arbitration, mediation or other dispute resolution process and the reason for the dispute involves the safety, structural soundness or habitability of the project except for instances where: <ul style="list-style-type: none"> ▪ The litigation amount is known, the insurance company has committed to providing defense and the litigation amount is covered by the insurance policy ▪ The matters involve non-monetary neighbor disputes regarding rights of enjoyment, or ▪ The Homeowners Association is the plaintiff in the litigation and the Seller has determined that the matter is minor with insignificant impact to the financial status of the Condominium Project • Florida Condos are allowed in accordance with Freddie Mac requirements with the exception of newly converted condo projects (see ineligible section): <ul style="list-style-type: none"> ▪ Streamline Review: <ul style="list-style-type: none"> – Primary Residence up to 75% LTV/TLTV/HTLTV – Second Homes up to 70% LTV/TLTV/HTLTV – Investment Property not eligible
Continuity of Obligation	<p>All loans must meet continuity of obligation requirements</p> <p>When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met:</p> <ul style="list-style-type: none"> • At least one Borrower on the refinance Mortgage was a Borrower on the Mortgage being refinanced; or • 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: <ul style="list-style-type: none"> ▪ 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
Credit	<ul style="list-style-type: none"> • <u>All borrowers must have a minimum of one credit score to be eligible</u> • Borrower letter of explanation is required for recent credit report inquiries made within in the previous 90 days • Correspondents are responsible for determining that all debts incurred or closed by the borrower, up to and concurrent with settlement on the subject mortgage loan, are disclosed on the final loan application that is signed by the borrower at closing. These debts must be evaluated and included in the qualification for the subject mortgage loan; pursuant to Freddie Mac requirements • Computershare Loan Services adopted all revisions to FHLMC's rental income with no prior landlord experience calculations as detailed in Bulletin 2017-12 effective August 9, 2017. • Gap Report is required within 7 business days of mortgage Note date; prior to closing/funding of the transaction <ul style="list-style-type: none"> ▪ New debts, liabilities, inquiries and/or public records must be addressed pursuant to Freddie Mac requirements ▪ Material discrepancies from the prior credit report must be addressed pursuant to Freddie Mac requirements ▪ Note: A Gap Report is also known as a LQI Report, Undisclosed Debt Monitoring Report or Credit Refresh Report). It is intended to identify any changes in a borrower's credit report (excluding credit scores) between original credit report pull date and pre-funding. It is not intended to pull new credit scores
Derogatory Credit	<ul style="list-style-type: none"> • All transactions require a Loan Product Advisor Accept decision. Regardless of the Loan Product Advisor Accept decision, if there is any evidence of a Short Sale disclosed on the credit report or contained elsewhere in the mortgage file, refer to the Freddie Mac Seller Guide to for seasoning requirements
Disaster Policy	<ul style="list-style-type: none"> • <u>See Computershare Loan Services Disaster Policy in Seller Guide for details</u> • <u>Computershare Loan Services adopt flexibilities for loans impacted by disaster as outlined in FHLMC Bulletin 2017-16.</u>

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Documentation Type, Tax Transcripts & 4506-T	<ul style="list-style-type: none"> Determined by Loan Product Advisor - Follow Freddie Mac guidelines and Loan Product Advisor guidance <u>Tax Transcripts are required when 1040 income tax returns are used to document the borrower's qualifying income</u> <ul style="list-style-type: none"> Required for each borrower whose income is utilized as a source of repayment Must be provided for the number of years of income used to qualify the borrower Required to support the income used to qualify the borrower Not required if W-2 income is used to qualify the borrower Tax transcripts should match the tax returns provided. If transcripts are not available (due to a recent filing) a copy of the IRS notice showing "No record of return filed" is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received) from the IRS and the previous 2 years tax transcripts A 4506-T, signed at application and closing is required for all transactions
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Down Payment	<ul style="list-style-type: none"> Follow Freddie Mac's guidelines
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Down Payment Assistance	<ul style="list-style-type: none"> Down Payment Assistance is allowed as long as the assistance is provided by a government entity. Evidence of the terms and provider must be included in the loan file and must meet Freddie Mac requirements Employer assistance is acceptable in accordance with Freddie Mac guidelines
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Eligible Mortgage Products	<p>Computershare Loan Services will purchase the following products*:</p> <ul style="list-style-type: none"> Agency Fixed Rate 10, 15, 20, 25 and 30 yr. 5/6, 7/6 and 10/6 SOFR Indexed ARMs <p><i>*Subject to availability of pricing the day the loan is locked with Computershare Loan Services</i></p>
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ARM Information	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">ARM Type</th> <th style="text-align: left;">Caps</th> <th style="text-align: left;">Conversion Feature</th> <th style="text-align: left;">Index</th> <th style="text-align: left;">Look Back Period</th> <th style="text-align: left;">Floor</th> </tr> </thead> <tbody> <tr> <td>5/6 SOFR</td> <td>First Change: 2% Subsequent Change: 1% Life Cap: 5%</td> <td>None</td> <td>30-day Avg SOFR</td> <td>45 days</td> <td>Margin - 2.75%</td> </tr> <tr> <td>7/6 SOFR</td> <td>5% First Change: 5% Subsequent Change: 1% Life Cap: 5%</td> <td>None</td> <td>30-day Avg SOFR</td> <td>45 days</td> <td>Margin - 2.75%</td> </tr> <tr> <td>10/6 SOFR</td> <td>5% First Change: 5% Subsequent Change: 1% Life Cap: 5%</td> <td>None</td> <td>30-day Avg SOFR</td> <td>45 days</td> <td>Margin - 2.75%</td> </tr> </tbody> </table>	ARM Type	Caps	Conversion Feature	Index	Look Back Period	Floor	5/6 SOFR	First Change: 2% Subsequent Change: 1% Life Cap: 5%	None	30-day Avg SOFR	45 days	Margin - 2.75%	7/6 SOFR	5% First Change: 5% Subsequent Change: 1% Life Cap: 5%	None	30-day Avg SOFR	45 days	Margin - 2.75%	10/6 SOFR	5% First Change: 5% Subsequent Change: 1% Life Cap: 5%	None	30-day Avg SOFR	45 days	Margin - 2.75%
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10/6 SOFR	5% First Change: 5% Subsequent Change: 1% Life Cap: 5%	None	30-day Avg SOFR	45 days	Margin - 2.75%																				

Ineligible Mortgage Products and Features	<ul style="list-style-type: none"> Loans with PACE or PACE-like assessments
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Employment / Income Documentation	<p>Employment and income documentation must comply with the requirements of Loan Prospector or the Freddie Mac Seller Guide if not addressed by Loan Product Advisor:</p> <ul style="list-style-type: none"> • For salaried employees the 10-day pre-closing verification of employment must be completed within 10 business days prior to the note date. Business days do not include Saturday, Sundays, or Federal holidays when obtaining the VVOE. • For self-employed borrowers third party verification such as CPA, regulatory agency or applicable licensing bureau or verifying a phone listing and address for the borrower's business using a telephone book, the Internet or directory assistance -must-be completed within 120 days prior to the note date. Lender must document the source of the information obtained and the name and title of the employee who obtained the information. • For borrowers in the military, a military Leave and Earnings Statement dated within 30 days prior to the note date is acceptable in lieu of a 10-day pre-closing verification of employment • Provide a written analysis of the income used to qualify the borrower on the Transmittal Summary or like document(s) in the file. An Income Analysis must be completed for self-employed borrowers • Assets as a basis of qualification is acceptable in accordance with Freddie Mac • Allimony or maintenance payments with more than 10 months remaining must be deducted from borrower's gross month income. The reduced monthly income should be used to qualify the borrower. Child support will continue to be treated as a debt when calculating the monthly debt payment- to -income. <p>See 'Documentation Type, Tax Transcripts & 4506-T' section of this Product Profile for additional requirements.</p>
Escrow Holdbacks (Postponed Repairs / Improvements)	<ul style="list-style-type: none"> • Escrow holdbacks are allowed in accordance with Freddie Mac guidelines including, but not limited to the following requirements/restrictions: <ul style="list-style-type: none"> ▪ <u>Holdbacks permitted for weather related reasons only during inclement weather season (November through March)</u> ▪ <u>Holdbacks permitted for external repairs/improvements only</u> ▪ <u>Must hold back a minimum of 120% of cost of repairs/improvements</u> ▪ <u>Cost of improvements or repairs may not exceed \$15,000 or 10% of 'as completed' appraised value, whichever is less.</u> ▪ <u>Improvements or repairs must be completed within 60 days of the note unless it is during inclement weather season. Inclement weather repairs must be completed by April 30 or 60 days from the note, whichever is further out.</u> ▪ Repairs/improvements may not affect safety, soundness, habitability and structural integrity of subject property. Unacceptable repairs/improvements include but are not limited to the following: <ul style="list-style-type: none"> – Plumbing, electrical, septic, or HVAC systems not fully functional – Kitchen not fully functional – Partially completed addition or renovation – Roofing issues, including coupling /curling shingles and leaks, past or present ,unless certified as having been repaired – Foundation cracks or settling including leaks past or present unless certified as having been repaired – Water seepage, including water in basement – Siding or fascia along eaves that is missing or has significant damage – Mold of any significance • A post funding stipulation for a copy of a 1004D confirming completion will be placed on loans where the appraisal is "subject to" improvements • A post funding stipulation for a final title policy endorsement that ensures the priority of the first lien will be required on any loan where the appraisal is "subject to" improvements. Holdbacks may not adversely affect title. Clear title required • A copy of the escrow agreement will be required that states how the escrow account will be managed and how the funds will be disbursed
Financing Concessions	<ul style="list-style-type: none"> • Financing concessions for Primary Residences and Second Homes must be within the following allowable percentages: <ul style="list-style-type: none"> ▪ 9% of value with LTV/TLTV/HTLTV ratios less than or equal to 75% ▪ 6% of value with LTV/TLTV/HTLTV ratios greater than 75% up to and including 90% ▪ 3% of value with LTV/TLTV/HTLTV ratios greater than 90% • The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio • Value is the lesser of the sales price or appraised value • Property seller cannot pay for future HOA dues

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High Cost / Higher Priced Mortgage Loans	<ul style="list-style-type: none"> • <u>Computershare Loan Services will not purchase High Cost Loans</u> • Computershare Loan Services will purchase Higher Priced Mortgage Loans (HPML) that comply with all state and federal laws, including Regulation Z and Home Mortgage Disclosure Act (HMDA) amendments, as well as underwriting and consumer protection requirements. Additional requirements are as follows: <ul style="list-style-type: none"> ▪ Submission of the rate spread (difference) as required by Regulation Z, HMDA, and any other local or state statutes. This may be evidenced by a providing a screenshot of the results from the Federal Financial Institutions Examination Council's FFIEC Rate Spread Calculator or results from Mavent, ComplianceEase or similar compliance testing software for the rate spread, ▪ The loan must be a Qualified Mortgage ▪ An escrow account must be established for taxes and insurance premiums (including flood insurance) on any transaction secured by a principal residence <ul style="list-style-type: none"> ○ Escrow account must be established for a minimum of 60 months ○ Note: For condominium loans, if the Homeowners' Association (HOA) maintains a master policy insuring the unit (meeting Computershare Loan Services Credit Policy requirements), only the tax portion is required to be escrowed ▪ A full internal/external appraisal is required ▪ A second appraisal is required if the property was: <ul style="list-style-type: none"> ○ Acquired by the seller 90 or fewer days prior to the consumer's agreement to purchase the property and price has increased by more than 10% . See Property Flipping Policy section of this document for additional information ○ Acquired by the seller between 91 and 180 prior to the consumer's agreement to purchase the property, and price has increased by more than 20% ▪ No waiver of appraisal waiting periods prior to closing is permitted ▪ Prepayment Penalty is not permitted (Note that Computershare Loan Services does not purchase loans with Prepayment Penalties regardless of HPML status) ▪ <u>Loan must receive Loan Product Advisor Accept /Eligible</u> ▪ Borrower must meet minimum Residual Income requirements that mirror VA requirements ▪ PITI reserves as required by product guideline and/or AUS findings ▪ Follow Agency requirements for qualification of ARMs
Identity of Interest and Non- ARM's Length Transactions	<ul style="list-style-type: none"> • <u>The mortgage loan must contain a payment history for all mortgages on the subject property (i.e. verification of the property seller's payment history). The mortgage loan(s) must be current and show no 60 day delinquencies.</u>
Loan Purpose	<ul style="list-style-type: none"> • Purchase <ul style="list-style-type: none"> ▪ <u>Assignment of purchase contract to someone onther that the property seller or buyer named on the contract is not permitted</u> • No Cash Out Refinance <ul style="list-style-type: none"> ▪ Proceeds can be used to pay off a first mortgage regardless of age ▪ Proceeds can be used to pay off any junior liens related to the purchase of the subject property ▪ Pay related Closing Costs and Prepaid items ▪ Follow FHLMC guidelines for max imum cash disbursement to borrower ▪ See <u>Seasoning section</u> below for additional requirements • Cash Out Refinance <ul style="list-style-type: none"> ▪ 1003 must clearly document purpose of Cash Out (i.e., home improvement, debt consolidation, etc.) under "Purpose of Refinance" section. ▪ 6 months seasoning required; measured from settlement date to the disbursement date of the new loan, unless delayed financing is met. ▪ <u>Pay off of a PACE financing will be treated and priced as a cash out refinance transaction</u> • See <u>Seasoning section</u> below for additional requirements
Loan Amount Limits	<ul style="list-style-type: none"> • Maximum loan limits are set periodically by Freddie Mac and can be found on their website - See Resources below for link to website • <u>Minimum loan amount is \$10,000</u>
Modular Home Definition	<p>The property must meet all the of the following criteria to be a modular home:</p> <ul style="list-style-type: none"> • Modular homes are built in sections at a factory • Modular homes are built to conform to all state, local or regional building codes at their destinations • Sections are transported to the building site on truck beds, then joined together by local contractors • Local building inspectors check to make sure a modular home's structure meets requirements and that all finish work is done properly • These structures are not titled until installed onsite and become part of the real property • Taxed as real estate (not taxed as personal property)

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Mortgage Insurance	<ul style="list-style-type: none"> Standard Coverage required Lender paid single premium and borrower paid single premium MI is acceptable <ul style="list-style-type: none"> The closed loan must include copy of the LPMI disclosure and paid receipt evidencing proof of payment of LPMI policy . The correspondent is responsible for pricing loan with sufficient premium pricing to cover the cost of the single premium LPMI The gross LTV cannot exceed Computershare Loan Services's program maximum <u>Split Premium MI is Ineligible</u> <u>Financed MI is ineligible</u> <u>Reduced or Custom MI are ineligible</u> A Mortgage that includes a Borrower-paid mortgage insurance premium in the Note Rate is not eligible
Occupancy	<ul style="list-style-type: none"> Primary Residence; 1-4 units Second Homes; 1-unit only Investment Properties; 1-4 units
Power of Attorney (POA)	<ul style="list-style-type: none"> <u>Not Permitted effective with loan applications dated on/after 3/31/2021</u>
Points and Fees	<ul style="list-style-type: none"> Lenders may not charge borrowers points and fees (whether or not financed) in an amount that exceeds the greater of (i) 5% of the principal amount of the mortgage loan, or (ii) \$1,000. Points and fees must be adequately disclosed in accordance with applicable law and regulation
Principal Reductions (Curtailments)	<ul style="list-style-type: none"> Principal reductions permitted in accordance with applicable Agency guidelines
Property: Eligible Property Types	<ul style="list-style-type: none"> Single Family Detached Single Unit Single Family Attached Single Unit 2-4 Unit Attached/Detached PUDs Low-rise and High-rise Condominiums (must be Freddie Mac eligible) Rural Properties (in accordance with agency Guidelines, loans must be residential in nature) Modular Homes (see definition in this document) Manufactured Homes (except in a condominium project) - <u>Homes cannot be a single-wide property . All manufactured homes must be permanently affixed to a foundation, been de-titled/converted to real property and must assume the characteristics of a site-built home. The wheels, axles and trailer hitches must be have been removed. All foundations, both perimeter and piers, must have footing that are located below the frost line. If state law requires anchors, they must be provided.</u> See Freddie Mac guidelines for more details - http://www.freddiemac.com/singlefamily/expmkts/mhle.html Log Homes Hobby Farms, subject to the following: <ul style="list-style-type: none"> Tax returns required to verify no or very minimal revenue reported from property use Appraisal must support no significant commercial activity Property cannot contain large commercial type structures. Barns and/or outbuildings are acceptable but improvements cannot be commercial in nature
Property: Eligible Title to Property and Estate Type & Resale Deed Restrictions	<ul style="list-style-type: none"> <u>Title to property must be held in Fee Simple only</u> <u>Other forms of property ownership, including but not limited to Life Estates, Leasehold Estates, Fee Tail Estates, Cooperatives, etc. are not eligible for sale to Computershare Loan Services</u> Resale Deed Restrictions: <ul style="list-style-type: none"> <u>Comptershare Loan Services does not purchase Mortgage Loans subject to resale deed restrictions, other than an acceptable Age Deed Restriction on a one-unit property for Borrower's principal residence that meets Freddie Mac guidelines. Refer to Seller Guide for additional information regarding Resale Deed Restrictions</u>

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Property: Ineligible Property Types	<ul style="list-style-type: none"> • Bed and breakfast properties • Boarding houses • Condition Rating of C5/C6 or a Quality Rating of Q6 • Condominium Conversions that were converted within the last three years • Units in condo or co-op hotels • Cooperatives • Condo/Co-Op Projects in need of "Critical Repairs" or "Material Deficiencies" • Geodesic Domes • Homes being purchased using HomeStyle Financing • Hawaii properties in lava zones 1 and 2 • Hotel Condominiums • Land Trusts, including Illinois Land Trusts • Leaseholds • Property currently in litigation (for condominiums, refer to Condominium Litigation section of Computershare Loan Services Seller Guide for allowances and restrictions) • Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same • Properties that are not readily accessible by roads that meet local standards • Properties that are not suitable for year round occupancy regardless of location • Timeshares • Unimproved Land • Vacant land or land development projects • Agricultural properties such as working farms and ranches • Single-wide Manufactured Homes . See Property: Eligible Property Types for additional requirements.
Property: Maximum Number of Financed Properties	<ul style="list-style-type: none"> • The loan must comply with Freddie Mac's limitations on the maximum number of financed properties, including ownership interest in financed properties.: <ul style="list-style-type: none"> ▪ Primary Residence - unlimited ▪ Second Home - six ▪ Investment Property - six
Property Flipping Policy	<ul style="list-style-type: none"> • <u>Flip or Rapid Resale of Property within 90 days after Prior Sale Date</u> <ul style="list-style-type: none"> ▪ <u>If subject property had a prior sale within 90 days previous to the purchase contract date of the subject transaction, then the Mortgage Loan is not eligible for sale to Computershare Loan Services unless:</u> <ul style="list-style-type: none"> ○ <u>Property was acquired by a relocation agency in connection with the relocation of an employee, and then resold to someone who is not an employee or affiliate of the original employee's company, or</u> ○ <u>Resale by a lender when property is obtained through foreclosure or deed in lieu of foreclosure, or</u> ○ <u>Resale of a property obtained through an inheritance or as part of the property settlement in a divorce agreement , or</u> ○ <u>Any increase in value is substantiated/supported by bona fide and verified improvements ; or</u> ○ <u>Sale of property that the property seller acquired at below market value after purchasing as a result of a distress sale (i.e. REO sale, short sale, tax lien sale, bankruptcy trustee's sale, etc.), where any increase in the sales price over the property seller's acquisition cost can be clearly shown to be a result of the difference (if any) in the market's reaction to distress sales and typical arms-length market sales</u> • <u>Properties that involve a re-sale occurring within the last 180 days and have a non-arms length relationship between the buyer and seller are prohibited.</u> The time frame is established by seller's date of acquisition as the date of settlement on the seller's purchase of that property and the execution of a sales contract to another party • Lenders must pay particular attention and institute extra due diligence for those loans in which the appraised value is believed to be excessive or where the value of the property has experienced significant appreciation in a short time period since the prior sale. Computershare Loan Services believes that one of the best ways lenders can reduce the risk associated with excessive values and/or rapid appreciation is by receiving accurate appraisals from knowledgeable, experienced appraisers • Computershare Loan Services recommends an additional value product to support the subject appraised value in instances of greater than 20% appreciation • Refer to Flip or Rapid Resale of Property between 91 and 180 Days after Prior Sale Date section of Computershare Loan Services Seller Guide for additional requirements/restrictions
Ratios / DTI	<ul style="list-style-type: none"> • Determined by Loan Product Advisor
Recently Listed Properties	<ul style="list-style-type: none"> • <u>For a No Cash-Out Refinance:</u> <ul style="list-style-type: none"> ▪ <u>The subject property must not be currently listed for sale. It must be taken off the market on or before the disbursement date of the new mortgage loan. Borrowers must confirm their intent to occupy the subject property (for principal residence transactions)</u> • <u>For a Cash-Out Refinance:</u> <ul style="list-style-type: none"> ▪ <u>Properties that were listed for sale must be taken off the market on or before the disbursement date of the new mortgage loan</u>

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1031 Exchange	<ul style="list-style-type: none"> The intermediary handling the transaction must provide written certification that the transaction is in compliance with the IRS code 1031.
Rental Income and Rental Housing Payments	<ul style="list-style-type: none"> Follow Freddie Mac guidelines relative to rental income calculation <u>Loan applications dated on/after 1/9/12019 must follow Freddie Mac rental income guidelines per Freddie Mac Bulletin 2018-19.</u> <ul style="list-style-type: none"> Borrower must own a primary residence and use rental income to qualify when purchasing a new rental property; Whether purchasing a new rental property or converting a primary to a rental, if the borrower does not have a minimum of one-year investment property management experience <ul style="list-style-type: none"> Rental income can only offset the PITI of the rental property Rental income exceeding the PITI cannot be added to the borrower's gross monthly income to qualify Borrower's most recent tax returns are required in lieu of the most recent 2 year tax returns. <u>Effective with loans underwritten on/after 9/20/2020, CLS will follow Freddie Mac's changes to documentaiton requirements as per FHLMC bulleiin 2020-31 and recapped below:</u> <ul style="list-style-type: none"> For mortgages secured by a second home or investment property and for mortgages with a non-occupying borrower, when a borrower rents their principal residence, the monthly rental housing payment must be included in the calculations of the DTI. The rental housing payment included in the DTI must be documented as follows. <ul style="list-style-type: none"> Direct verification of rent from a management company; or Direct verification of rent from an individual landlord supported by 2-months of cancelled rent checks or other evidence of 2-months payments; or A copy of the current, fully executed lease agreement supported by 2-months of cancelled rent checks or other evidence of 2-months payments; or
Reserves	<ul style="list-style-type: none"> Reserves must be based upon the full monthly payment amount for the property. Monthly payment amount is defined as the sum of the following monthly charges: <ul style="list-style-type: none"> Principal and interest payments on the Mortgage Property hazard insurance premiums Real estate taxes When applicable: <ul style="list-style-type: none"> Mortgage insurance premiums Homeowners association dues (excluding unit utility charges) Payments on secondary financing <u>Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</u>
Seasoning	<ul style="list-style-type: none"> Cash Out Refinance <ul style="list-style-type: none"> The borrower must have owned the property at least 6 months to be eligible for a Cash Out refinance unless at least one borrower on the Cash Out refinance either inherited or was legally awarded the subject property
State Restrictions	<ul style="list-style-type: none"> <u>Illinois Land Trust vestings - not eligible</u> <u>US Territories and Possessions, including but not limited to American Samoa, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands - not eligible</u>
Temporary Buydowns	<ul style="list-style-type: none"> <u>Not permitted</u>
New York CEMA	<ul style="list-style-type: none"> Computershare Loan Services permits Refinance and Purchase Consolidation and Extension Modification Agreement (CEMA) loans Refer to Computershare Loan Services Correspondent Seller Guide for requirements and applicable fees
Texas 50(a)(6) Requirements	<ul style="list-style-type: none"> Correspondents must obtain specific Seller approval from Computershare Loan Services to deliver Texas 50(a)(6) transactions Refer to Texas Section 50(a)(6) Refinance Eligibility Matrix and Summary Guidelines for loan eligibility requirements LTV/TLTV/HTLTV must not exceed 80% Eligible Products <ul style="list-style-type: none"> Fixed Rate <ul style="list-style-type: none"> 15 Yr FHLMC TXHE50a6 20 Yr FHLMC TXHE50a6 30 Yr FHLMC TXHE50a6 ARMS - not permitted
Title	<ul style="list-style-type: none"> Attorney title opinion letters are not permitted, lender's title insurance policy to be obtained.

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**** Seller shall deliver loans originated in accordance with Freddie Mac Single Seller Guidelines unless otherwise noted in the Computershare Loan Services Product Profile or Seller Guide. Product Profile is as an aid to help determine whether a Mortgage Loan qualifies for certain financing. It is not intended as a replacement for Freddie Mac guidelines. Overlays to Freddie Mac guidelines are underlined.***

**** In the event that Computershare Loan Services Product Profile is silent on an issue affecting the qualifications or eligibility of a borrower or property, or underwriting of a loan, agency guidelines should be consulted and adhered to.***

Resources

Freddie Mac - Home	<i>Link to website</i>	http://www.freddiemac.com/
Freddie Mac Single Family Selling Guide	<i>Link to website</i>	http://www.freddiemac.com/singlefamily/guide/
Freddie Mac Loan Limits	<i>Link to website</i>	https://sf.freddiemac.com/articles/news/loan-limits-for-2020-are-increasing