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PURCHASE/RATE & TERM REFINANCE					
Primary Residence					
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves
1 - 4 Units	\$2,000,000	89.99/89.99% *	680	50%	AUS
	\$2,000,000	80%/80%	660	50%	AUS
	\$3,000,000	80%/80%	700	50%	AUS
	\$3,500,000	80%/80%	740	50%	AUS
Second/Vacation Home					
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves
1 Unit	\$2,000,000	89.99/89.99% *	680	50%	AUS
	\$2,000,000	80%/80%	660	50%	AUS
	\$3,000,000	80%/80%	700	50%	AUS
	\$3,500,000	80%/80%	740	50%	AUS
Investment					
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves
1 Unit	\$2,000,000	80%/80%	680	50%	AUS
	\$2,000,000	70%/70%	660	50%	AUS
	\$3,000,000	75%/75%	720	50%	AUS
2 - 4 Units	\$2,000,000	75%/75%	680	50%	AUS
	\$2,000,000	70%/70%	660	50%	AUS
	\$3,000,000	75%/75%	720	50%	AUS

*30 year fixed rate only for LTV/CLTV greater than 80%.

PURCHASE/RATE & TERM REFINANCE – INTEREST ONLY**					
Primary Residence					
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves
1 - 4 Units	\$2,000,000	80%/80%	680	50%	AUS
	\$2,000,000	75%/75%	660	50%	AUS
	\$3,000,000	75%/75%	700	50%	AUS
	\$3,500,000	75%/75%	740	50%	AUS
Second/Vacation Home					
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves
1 Unit	\$2,000,000	80%/80%	680	50%	AUS
	\$2,000,000	75%/75%	660	50%	AUS
	\$3,000,000	75%/75%	700	50%	AUS
	\$3,500,000	75%/75%	740	50%	AUS

**Fixed Rate 30-year term (10Year I/O, qualified using payment based on 20-year amortization including the principal component of the payment). Not allowed for First-Time Homebuyers.

CASH-OUT REFINANCE						
Primary Residence						
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves	Max. Cash-out
1 Unit	\$2,000,000	80%/80%	680	50%	AUS	AUS
	\$3,000,000	80%/80%	740	50%	AUS	AUS
2 - 4 Units	\$2,000,000	75%/75%	680	50%	AUS	AUS
	\$3,000,000	75%/75%	740	50%	AUS	AUS
Second/Vacation Home						
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves	Max. Cash-out
1 Unit	\$2,000,000	75%/75%	680	50%	AUS	AUS
	\$3,000,000	75%/75%	740	50%	AUS	AUS
Investment						
Number of Units	Max. Loan Amount	Max. LTV/CLTV	Min. FICO	Max. DTI	Min. Reserves	Max. Cash-out
1 Unit	\$2,000,000	75%/75%	680	50%	AUS	AUS
	\$3,000,000	70%/70%	740	50%	AUS	AUS
2- 4 Units	\$2,000,000	70%/70%	680	50%	AUS	AUS
	\$3,000,000	70%/70%	740	50%	AUS	AUS

- **Underwriting:** AUS findings required Approve/Accept Ineligible due only to loan amount exceeding the Agency loan limit for the subject property county and number of units.
- **Minimum Loan Amount:** Must be \$1 over the current one-unit conforming loan limit regardless of the subject property county or number of units.
- **Fee Threshold (APR/APOR):** All loans must be Safe Harbor QM (APR/APOR spread not equal to or greater than 1.5%) except interest only loans.

1. BORROWER ELIGIBILITY

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

- A comprehensive fraud report (FraudGuard or similar) must be included in each file. The report should provide loan-level information on valuation, fraud detection and include a comparison of all participant names against industry watch and exclusionary lists such as OFAC. All red flags on the report must be addressed and cleared.
- A first-time homebuyer is defined as a borrower who has not had ownership interest in a property within the last three (3) years from the application date. EMET does not allow the use of verification of asset reports to identify recurring rent payments to potentially enhance the AUS credit assessment.
 - Owner-occupied only.
 - Maximum 80% LTV/CLTV.
 - Maximum loan amount \$2,000,000.
 - Interest only not allowed.
- The following borrowers are not eligible.
 - Borrowers with only an ITIN
 - Irrevocable trusts
 - Borrowers who are party to a lawsuit
 - Borrowers with diplomatic immunity
 - Foreign Nationals
- Ownership must be fee simple only and must be in the name of the individual Borrower(s) or Trust.
- Borrower(s) may hold title as follows:
 - Individual
 - Joint Tenants

2. OCCUPANCY

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

- For cash-out refinance transactions of an investment property a borrower signed Business Purpose & Occupancy Affidavit indicating the loan purpose is for the improvement or maintenance of a rental property is required. See Appendix A for form of Affidavit. Loans delivered without the affidavit will be subject to TILA compliance.
- Cash out loan proceeds used for any personal use are not eligible as a Business Purpose loan and will be subject to TILA compliance.

3. ELIGIBLE TRANSACTION TYPES

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

- Shared appreciation loans not allowed.
- The assignment of a purchase contract is not eligible unless the transferor is a family member and there is no change to the purchase price.
- Texas 50(a)(6) loans are not eligible.
- Single-Closing Construction-to-Permanent financing is not eligible.

- To be eligible for purchase, the period between the closing date and the lock date cannot exceed 90 days.

4. CREDIT DOCUMENTATION REQUIREMENTS

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

4.1 Credit Score

- The representative credit score for qualification purposes for an individual borrower is the middle score of the three (3) scores reported. If two (2) scores are reported the representative credit score is the lower of the two scores. Credit scores from all three repositories must be requested (Equifax, Experian and TransUnion). Averaging of credit scores to determine eligibility is not allowed.
- For multiple borrowers the credit score is the lowest of all representative credit scores.
- If only one credit score or no credit score is reported borrower is not eligible. A minimum of two credit scores is required.
- Credit rescues are not permitted unless the rescore is correcting erroneous line items or disputed accounts.

4.2 Mortgage/Rental History

- A minimum of twenty-four (24) months verified housing history is required with 0x30x12 and 0x60x24 payment history.
- A minimum of twelve (12) months verified rental history is required with 0X30X12 payment history. For rental verification, a standard VOR completed by a professional management company or 12 months bank statements/canceled checks and a lease agreement to document the term and payment are required.
- Borrowers with no mortgage/rental history due to a residence scenario requiring no mortgage or rental payments are eligible with a satisfactory letter of explanation.
- If the housing history reflects a forbearance arrangement, the payment history must reflect 0x30X12 and 0X60X24 in the most recent 24 months since exiting forbearance. The payment history must be provided by the lender/servicer.

4.3 Liens, Judgments and Collections

- Satisfactory explanation for any delinquent credit from the borrower is required.
- Borrower must pay off all delinquent credit that has the potential to impact lien position.
- Collection accounts or charged-off accounts do not need to be paid off if the balance of an individual account is less than \$1000 or if there are multiple accounts the total balance of all accounts cannot exceed \$2,500.

4.4 Foreclosure, Deed-In-Lieu of Foreclosure, Bankruptcy, Short Sales and Modifications

- At least seven (7) years must have elapsed since bankruptcy discharge or dismissal, foreclosure, notice of default (NOD), short sale or deed-in-lieu measured from the date of completion to the date of application.
- Modifications that were not the result of a distress situation are not subject to the waiting period.

5. EMPLOYMENT AND INCOME

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

- Commission/Bonus income must be documented with a written VOE breaking down the bonus or commission income for the past 2 years or a year-to-date paystub and W-2's supporting the income. Commission/Bonus income with less than a 2 year history may not be used for qualification.
- Tax transcripts are required to be obtained from the IRS only for income for years being used for qualification. Wage transcripts are acceptable for W-2 borrowers and 1099 transcripts are acceptable for 1099 borrowers. Tax transcripts are not required for newly received income such as retirement, social security and trust income that would not appear on the prior year tax returns. Borrower pulled transcripts are not acceptable. The IRS transcripts and the supporting income documentation provided by the lender must be consistent.
- Income produced or in relation to federally prohibited activities is not eligible.

6. DEBTS AND LIABILITIES

Follow the AUS and applicable current Agency selling guide requirements.

7. ASSETS AND SOURCE OF FUNDS

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

- Business assets used must be accompanied by a CPA letter confirming that the withdrawal of the funds from the business will not harm the financial strength of the business.
- Gifts of equity are not allowed.
- Equity lines of credit, gift funds, business assets and cash out from the subject property on refinance transactions are not acceptable sources to meet the reserve requirement.

8. PROPERTY

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

8.1 Eligible Property Types

- Maximum lot size 20 acres. Properties with greater than 10 acres must have three comparable sales with similar acreage.

8.2 Ineligible Property Types

- Manufactured Homes
- Co-ops
- Factory built housing
- Geodesic/Dome homes.
- Properties held as leasehold
- Condo hotel units
- Log homes
- Unwarrantable condominiums
- Timeshare units
- Unique properties
- Mixed use properties
- Commercially zoned properties.
- Agriculturally zoned properties (agricultural/residential eligible)
- Rural zoned properties
- Properties with an oil and gas lease
- Properties with more than 20 acres
- Working/Hobby farms
- Properties located in Puerto Rico, Guam, and US Virgin Islands.

8.3 Declining Markets

Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as reported by appraiser.

8.4 Appraisal Requirements

- All appraisals must be completed on the most current Agency appraisal forms as stipulated in the Seller's Guide and conform to Agency appraisal practices.

- All loans require a full interior/exterior appraisal. Properties with a C5 property condition rating are not allowed. Escrow holdbacks are not allowed. All appraisal deficiencies must be resolved prior to closing with a 1004D including photos to evidence completion.
- Two (2) full appraisals are required for loan amounts >\$2,000,000. LTV/CLTV will be based on the lower of the two values. All inconsistencies between the two appraisals must be addressed and reconciled.
- Appraisals transferred or assigned from another lender are not acceptable.

8.5 Third Party Appraisal Review

- The seller must order a desk review with or without MLS Collateral Desktop Analysis (CDA) from Clear Capital for each DU loan with a Collateral Underwriter (CU) or LPA loan with a Loan Collateral Advisor (LCA) score greater than 2.5 or no score. A desk review is not required for loans with two appraisals, regardless of the CU or LPA score.
- A copy of the appraisal desk review should be submitted in the loan file. The review must not be over 120 days old from the date of the Note.
- All discrepancies between the appraisal and the desk review must be reconciled. If the desk review produces a value in excess of a 10% negative variance to the appraised value, the loan is not eligible for purchase; provided, the seller has the option to order a Field Review to support the appraised value. If the field review also produces a value in excess of a 10% negative variance to the appraised value, then the loan will remain ineligible for purchase.
- All appraisals are reviewed for eligibility as well as value support. However, the use of a desk review does not relieve the seller of its representations and warranties relating to the property and the appraisal including the underwriting thereof.

8.6 Properties Located in a Disaster Area

The following is required for properties located in a FEMA declared disaster zone to be eligible for purchase:

- If the property is in a zone where a Disaster End Date has been declared by FEMA will order a post disaster inspection prior to loan purchase to confirm the property value has not been impacted by the disaster.
- If the property is in a zone where a Disaster End Date has not been declared by FEMA, in addition to the above inspection requirement, a date and time stamped area map from a state or county agency or similar, showing the subject property in relation to the disaster area is required to evidence that the property is outside of current known fire boundaries.
- For scenarios not addressed in this section please contact your sales representative, transaction manager or underwriting.

9. ADDITIONAL LOAN ATTRIBUTES AND POLICIES

Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.

9.1 Subordinate Financing

- Shared appreciation loans not allowed.
- The CLTV should be calculated using the unpaid principal balance on all closed-end subordinate financing and the full amount of any HELOCs (whether or not funds have been drawn).

9.2 Recasting/Re-amortizing

Recasting or re-amortized transactions are not eligible.

9.3 Temporary Buydown

Temporary buydown mortgage loans are not eligible.

9.4 Prepayment Penalty

Mortgage loans with prepayment penalties are not eligible.

9.5 HERO/PACE/Solar Panels

- Any item that that will include a UCC associated with the property and/or will create an easement on title is ineligible.
- Payoff of a HERO lien is considered cash-out.

10. TITLE

Title insurance must meet Agency requirements and be written on the 2006 American Land Title ALTA form providing gap coverage or the ALTA short form. Other state forms may be used in states in which standard ALTA forms of coverage are not used or in which the 2006 ALTA forms have not been adopted. If alternative forms are used, the lender must ensure that those amendments provide the same coverage.

- The title policy should include all applicable endorsements issued by a title insurer qualified to do business in the jurisdiction in which the mortgage insured property is located, including the endorsements for Condominiums, PUDs, and ARM loan types.
- The title insurance coverage must include an environmental protection lien endorsement (ALTA 8.1-06 or equivalent state form).
- The title insurance policy must ensure the mortgagee and its successors and assigns as to the first priority lien of the loan amount at least equal to the outstanding principal balance of the loan.
- A statement by the title insurance company or closing attorney on such binder or commitment that the priority of the lien of the related Mortgage during the period between the date of the funding of the related Mortgage Loan and the date of the related title policy (which title policy shall be dated the date of recording of the related Mortgage) is insured.
- Any existing tax or mechanic's liens must be paid in full through escrow.

Appendix A - Business Purpose & Occupancy Affidavit (the “Affidavit”)

LOAN NO: _____ (the “Loan”)

BORROWER(S) NAME: _____

BORROWER(S) ADDRESS: _____

PROPERTY ADDRESS: _____ (the “Property”)

I, the undersigned borrower(s), hereby declare that the following is true and correct:

1. **I have applied for this Loan and am seeking financing for the Property, subject to the terms and conditions of certain documentation related to the Loan (the “Loan Documents”), for business purposes only.** I do not intend to use the proceeds of the Loan for personal, family, or household purposes.
2. **The proceeds of the Loan will be used to purchase, improve, or maintain the Property.** If I have not executed a lease with a tenant (or tenants) at or before closing of the Loan, I intend to, and will use commercially reasonable methods and effort to obtain a tenant (or tenants) for the Property following closing of the Loan.
3. **Neither I nor any family member intend or expect to occupy the Property at any time. I will not, under any circumstances, occupy the Property at any time while the Loan remains outstanding.** In addition, I will not claim the Property as my primary or secondary residence for any purposes for the duration of my Loan. I now reside, and for the duration of my Loan will continue to reside, elsewhere.
4. **I understand that Lender originating the Loan in reliance upon this Affidavit.** If this Affidavit is not true and correct, and in consideration of Lender making the Loan, I agree to indemnify Lender and its agents, affiliates, subsidiaries, parent companies, successors and assigns and hold them harmless from and against any and all loss, damage, liability or expense, including costs and reasonable attorneys’ fees, which they may incur as a result of or in connection with my misrepresentation. I further understand that any misrepresentation in this Affidavit will constitute an event of default under the terms of this Loan and the related Loan Documents, and may result in the immediate acceleration of my debt and the institution of foreclosure proceedings, eviction, and any other remedies allowable by law.
5. **I understand that the agreements and covenants contained herein shall survive the closing of the Loan.**
6. **I understand that, based on the contents of this Affidavit, the Loan is a business-purpose loan secured by non- owner-occupied real property.** I understand that this means that the Loan may not be subject to the requirements of certain federal and state consumer protection, mortgage lending, or other laws, including but not limited to the provisions of the Truth in Lending Act (15 U.S.C. § 1601 et seq.), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.), Gramm-Leach Bliley Act (15 U.S.C. §§ 6802-6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 et seq.), and Homeowners Protection Act (12 U.S.C. § 4901 et seq.), and that my ability to avail myself of protections offered under federal and state laws for consumer-purpose residential mortgage loans may be limited.

7. I understand that any false statements, misrepresentations, or material omissions I make in this Affidavit may result in civil and criminal penalties.

Initial(s):	The Property is not and will not be occupied by me or any family member, or if Borrower is an entity, any member or owner of the Borrower entity.

Borrower(s) / Borrowing Entity Members:

[_____]

By:

Name:

Title:

Date:

[_____]

By:

Name:

Title:

Date:

ACKNOWLEDGMENT

State of _____)

County of _____)

On _____ before me, _____ (insert name and title of the officer) personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)