

Guidelines – Correspondent

Loan Program:

**15-Year Fixed Jumbo
30 Year Fixed Jumbo**

**(215)
(230)**

LTV Limits:

PURCHASE AND "LIMITED CASH-OUT" REFINANCE MORTGAGES							
Occupancy	Property Type ^①	Max LTV	Max TLTV	Max HTLTV	Loan Limits ^④	FICO Score	DTI
Primary Residence	1 Unit	Loan amounts ≤ \$548,250 refer to the respective product: 15 Year Fixed Rate Fannie Mae, Product (615) 30 Year Fixed Rate Fannie Mae, Product (630)					
		90%	Secondary financing is not permitted		\$850,000	720	45
		80%	90%	90%	\$850,000	N/A	
		85%	90%	90%	\$1,000,000	720	
	85%	85%	85%	\$1,500,000	720		
2 – 4 Units	Ineligible						
Second Home	1 Unit	75%	75%	75%	\$850,000	720	45
		70%	70%	70%	\$1,250,000		
2 – 4 Units	Ineligible						
Investment & Non-Owner Occupied	1 - 4 Units	Ineligible					

^① Refer to the property section for limitations on the types of property permitted.

^④ Dollar Bank does not follow the guidelines for high-balance conforming loan amounts for properties located in high-cost areas as defined by the FHFA. We default to the standard maximum conforming loan amount, regardless of the location of the property.

CASH-OUT REFINANCE MORTGAGES							
Occupancy	Property Type ^①	Max LTV	Max TLTV	Max HTLTV	Loan Limits ^④	FICO Score	DTI
Primary Residence	1 Unit	Loan amounts ≤ \$548,250 refer to the respective product: 15 Year Fixed Rate Fannie Mae, Product (615) 30 Year Fixed Rate Fannie Mae, Product (630)					
		70%	70%	70%	\$850,000	720	45
2 - 4 Units	Ineligible						
Second Homes, Investment & Non-Owner Occupied	1 - 4 Units	Ineligible					

MAXIMUM CASH-OUT		
Occupancy	LTV	Maximum Cash-Out Permitted ^③
Primary Residence	≤ 60%	\$500,000
	> 60% ≤ 70%	\$300,000

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- ③ Maximum Cash-Out Permitted cannot exceed the amount defined in the matrix above in the following calculation: (New Loan Amount) – (Total Amount of Existing Liens secured by the subject property)

Follow Fannie Mae guidelines to determine if a loan is a Limited Cash-out or a Cash-out Refinance.

Refer to the [Refinance Characteristics Section](#) later in this document.

Underwriting Guidelines:

All loans require a manual underwrite by a Dollar Bank underwriter using full documentation.

Eligible Properties:

- Single family, attached/detached
- 1-unit properties only
- Second Homes
- PUDs

Condominiums, Investment Properties and Manufactured Homes are not permitted.

Seller Contributions:

- May be used toward prepays and/or closing costs.
- Seller Contributions are based on the lesser of property's sale price or appraised value.

Occupancy	Seller Contribution	LTV / TLTV
Primary Residence	3%	≤ 90%
Second Home	Not Permitted	
Investment & Non-Owner Occupied	Ineligible Purpose	

Appraisals:

Each lender that sells loans to Dollar Bank must ensure that its origination appraisal practices conform to the requirements of Fannie Mae, Freddie Mac and comply with the revision to Regulation Z, the Appraisal Rule (published in the Federal Register on October 28, 2010) and the revised Interagency Appraisal and Evaluation Guidelines (published in the Federal Register on December 10, 2010) that were added as part of the Dodd-Frank Financial Reform Legislation.

Warehouse or Self-Funding Clients:

Limitation on the use of a single appraisal company. We will require the use of multiple appraisal companies. You may not submit loans appraised by any single appraisal company that exceeds 30% of your total production of loans submitted to Dollar Bank for underwriting. This will be closely monitored. When the amount exceeds 30%, the loan will be pended and a request for a new appraisal utilizing a different appraisal company will be made.

Units	Loan Type/Amount	Appraisal
1	Loans > \$548,250 ≤ \$1,500,000	One Full Appraisal
	Loans > \$1,000,000 and requiring MI	One full appraisal and an appraiser provided field review supporting its value.
2 – 4	Ineligible	

Down Payment Requirements and Gifts/Grants:

- Gifts/grants from an allowable source as specified by GSE regulations are allowed on primary residences.
- **Minimum borrower contribution requirements on Jumbo Loans:**
 - The Maximum LTV permitted on loans with gifts is 75%
 - Gifts cannot be used to cover reserve requirements

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Subordinate Financing:

Loan to Value	LTV Calculation with Subordinate Financing
Total LTV (TLTV) Includes the sum of:	<ul style="list-style-type: none"> Unpaid principal balance of the first mortgage Unpaid principal balances of all traditional subordinate financing, if any Drawn-upon balance of a home equity line of credit from which the borrower has withdrawn funds
Home Equity Total LTV (HTLTV)	<ul style="list-style-type: none"> Includes the Un-drawn balance of a home equity line of credit

Private Mortgage Insurers:

Upon approval of your lock-in, Dollar Bank will assign the mortgage insurance company we will accept as insurer on your loan by writing the mortgage insurance company's name on the confirmation lock-in form. The correspondent/wholesale client will still obtain the mortgage insurance coverage.

Mortgage Insurance Coverage:

LTV	20 Year Term	25 & 30 Year Terms
> 80 ≤ 85%	6	12
> 85 ≤ 90%	12	25

Debt Ratio:

45% DTI

FICO:

Refer to [purpose, LTV and loan amount matrices](#)

Reserves:

Loans > \$548,250	Reserves
Primary Residence	6 months PITI for loan amounts up to \$750,000 12 months PITI for loan amounts > \$750,000 ≤ \$1,500,000
Second Home	12 months PITI
Investor & Non-Owner Occupied	Ineligible Purpose

Amortization Term:

10 to 15 years: 15 Year Fixed Rate Jumbo, Product (215)
16 to 30 years: 30 Year Fixed Rate Jumbo, Product (230)

Credit Underwriting:

All loans require a manual underwrite by a Dollar Bank underwriter using full documentation.

Escrow Waiver:

The waiver of an escrow/impound account must be approved by the Underwriting Department. (Please see rate sheet for the corresponding adjustment.)	
Primary Residence	<ul style="list-style-type: none"> Maximum LTV / TLTV of 80%
Second Home	<ul style="list-style-type: none"> Refer to purpose, LTV and loan amount matrices
Investment Property / Non-Owner Occupied	<ul style="list-style-type: none"> Ineligible Purpose

Refinance Characteristics:

Description	Limited Cash-Out Refinance	Cash-Out Refinance
Maximum Cash Back	2% or \$2,000, whichever is less	Refer to Maximum Cash Out Matrix on Page 2.
Items that can be financed with new loan	Closing costs, financing costs and prepays.	Closing costs, financing costs and prepays.

**Refinance
Characteristics:**

Description	Limited Cash-Out Refinance	Cash-Out Refinance
<p style="text-align: center;">Seasoning of Existing Mortgage</p>	<ul style="list-style-type: none"> • Transaction must pay off an existing lien on the subject property • Only subordinate liens used to purchase the property may be paid off with the new mortgage • Property can't be currently listed for sale. It must be taken off the market and borrowers must confirm their intent to occupy the subject property • Cash back can't exceed the lesser of 2% or \$2,000. <p>Payoff of a Refinance Mortgage: Refinances of liens that received cash-out and are less than 6 months prior to the date of application will be treated as cash out refinances and priced accordingly.</p>	<ul style="list-style-type: none"> • Transaction must pay off existing liens or be a new mortgage on a property with no liens showing on title • Properties that were listed for sale must have been taken off the market on or before the disbursement date of the new mortgage loan. • The property must have been purchased at least 6 months prior to the disbursement date of the new mortgage. This can be waived for a borrower who inherits or was legally awarded (by divorce, separation or dissolution of a domestic partnership) the subject property or if all the delayed financing requirements defined below are met. <p>Delayed financing requirements to be met are as follows if less than 6 months ownership:</p> <ul style="list-style-type: none"> • Original purchase was an arms-length transaction • Receipt of the settlement statement or title report verifying no mortgage on the property • The source of funds used to purchase the property are documented • If the source of funds was an unsecured loan or a loan secured by another asset, the new settlement statement must reflect that all cash out proceeds be used to pay off or pay down the loan used to purchase the property • The new loan amount can be no more than the actual documented amount in purchasing the property plus the closing costs, prepaid fees and points on the new loan. • Cash-out refinance must comply with the applicable LTV/TLTV/HTLV and all other requirements.

Refinance Characteristics:

Description	Limited Cash-Out Refinance	Cash-Out Refinance
Payoff of Subordinate/Junior Liens with Proceeds of New Loan	If the junior lien was used in its entirety to acquire the subject property and it can be documented in the mortgage file, it can be paid off from proceeds of the new loan.	Can be paid off from proceeds of new loan, regardless of seasoning
Remaining Subordinate/Junior Liens	Must be subordinated and Secondary Financing Requirements must be met.	Must be subordinated and Secondary Financing Requirements must be met.

Property recently listed for sale:

- Property currently listed for sale: Ineligible for Limited Cash Out or Cash-out Refinance
- Property listed for sale within the last 90 days: Limited Cash Out Refinance Only
- Properties listed for sale within six months of application are limited to cash out up to 60% LTV/TLTV/HCLTV for loan amounts up to \$750,000. Higher loan amounts are not permitted. [Refer to the cash out matrix.](#)

Eligible Borrower Types:

- U.S. Citizens
- Permanent Resident Aliens
- Non-permanent Resident Aliens
- Non-Occupant Co-Borrowers are not permitted.

Limitations on Borrowers:

Primary Residence: No Limitations
 Second Home: No more than 4 financed properties. Borrowers owning 4 properties or less must have 2 months PITI reserves for each property owned.
 Borrowers owning 5 or more properties must have 6 months reserves for each property owned in addition to the requirements needed in the reserve requirements section for the subject property.
 Investment Properties: Ineligible.

Income:

Must be verified according to Agency Guidelines.

Documents:

Note: FNMA Standard Fixed Rate Note 3200. (State specific documents must be used where applicable, ME, NH, VT, VA, WV, WI.)
MERS documents are Permitted. Dollar Bank will accept loans with the security instrument naming MERS as the Original Mortgagee (MOM) and Nominee for the Lender, its successors and assigns. The security instrument is required to be registered on the MERS System as a MOM loan and the Mortgage Identification Number (MIN) that is generated to be listed on the security instrument.
 If the security instrument instead names the Correspondent Lender as the Mortgagee, we will either accept an Assignment that assigns the loan from the Correspondent Lender to Dollar Bank or an Assignment that assigns the loan from the Correspondent Lender to MERS with the Mortgage Identification Number (MIN) listed. Loans that are assigned to MERS must be registered in the MERS System as a Non-MOM loan.
 Once the loan has been purchased by Dollar Bank, the Investor and Servicer are required to be transferred in the MERS System to Dollar Bank using our MERS Organization ID 1015033. When the transfer is complete, please send an email to correspondentlending@dollarbank.com with the batch number so we may confirm the transfer.