

Correspondent Guidelines

Loan Program:	30-Year Fixed Fannie Mae	(630c)
	20-Year Fixed Fannie Mae	(620c)
	15-Year Fixed Fannie Mae	(615c)

LTV Limits:

PURCHASE MORTGAGES						
Occupancy	Property Type ^②	Max LTV	Max TLTV	Max HTLTV	Loan Limits ^{①, ③}	FICO Score
Primary Residence	1 Unit	>80 ≤ 90%	90%	90%	\$832,750	620
		80%	90%	90%		620
	2 - 4 Units	Ineligible				
Second Home	1 Unit	75%	75%	75%	\$832,750	620
	2 - 4 Units	Ineligible				
Investment & Non-Owner Occupied	1 –4 Units	Ineligible				

- ① All conforming loan amounts must receive a DU[®] Approve. Loans receiving a Refer with Caution recommendation are ineligible.
- ② Refer to the [condominium section](#) for limitations on condominiums.
- ③ 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.

“LIMITED CASH-OUT” REFINANCE MORTGAGES						
Occupancy	Property Type ^②	Max LTV	Max TLTV	Max HTLTV	Loan Limits ^{①, ③}	FICO Score
Primary Residence	1 Unit	>80 ≤ 90%	90%	90%	\$832,750	620
		80%	90%	90%		620
	2 – 4 Units	Ineligible				
Second Home	1 Unit	75%	75%	75%	\$832,750	620
	2 – 4 Units	Ineligible				
Investment & Non-Owner Occupied	1 –4 Units	Ineligible				

CASH-OUT REFINANCE MORTGAGES (Less than 5 Financed Properties)						
Occupancy	Property Type ^②	Max LTV	Max TLTV	Max HTLTV	Loan Limits ^{①, ③}	FICO Score
Primary Residence	1 Unit	75%	75%	75%	\$832,750	720
	2 – 4 Units	Ineligible				
Second Homes, Investment & Non-Owner Occupied	1 – 4 Units	Ineligible				

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Underwriting Guidelines:

Fannie Mae Desktop Underwriter® Approve/Eligible Rating Only.

Dollar Bank is a sponsoring lender on Fannie Mae's Desktop Underwriter®. All conforming fixed rate loans must be assigned to Dollar Bank when submitting the file for underwriting.

Eligible Properties:

- Single family, attached/detached
- 1-unit property
- Second Homes
- Warrantable Condos: Refer to condominium section below for unit / development characteristics, FICO Score requirement and limitations on LTV and TLTV.
- PUDs
- 55+ Deed restricted properties – all other deed restricted and resale restricted properties are prohibited.

Ineligible Properties:

- 2-4 Unit Properties
- Investment Properties
- Manufactured Homes
- Properties Zoned Commercial, Agricultural or Mixed Use
- Deed-restricted and resale-restricted Properties
- Leasehold Properties, Log Homes, Condotels, Land Trusts or Hobby Farms
- Properties containing Solar Panels with UCC filing on the property or which will create an easement on the Title.
- Properties located in communities that do not participate in the National Flood Insurance Program (NFIP) or properties located in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA) even though there may be private flood insurance available.

Please note: Properties located in a flood zone, resort area, coastal area, or containing significant acreage and/or out buildings will be evaluated by Dollar Bank Correspondent Lending on a case by case basis for eligibility.

Condominium Guidelines:

Maximum loan amount permitted is the agency conforming maximum, which is currently \$832,750.

Condominium properties must meet the criteria for Fannie Mae's **limited review**. Refer to Section B4-2.2 of the Fannie Mae Seller Guide to determine eligibility. Each correspondent/wholesale client is responsible for making these representations and warrants.

Condominium projects only meeting criteria for Fannie Mae's full review are ineligible for sale to Dollar Bank.

Condominium projects in which the entire development has between 2 to 4 units are ineligible for sale to Dollar Bank.

	Limited Review
Property Type	• Primary Residence • Second Home
Project Review Type	Established Condominium • At least 90% of the total units in the project have been conveyed to the unit purchasers • The project is 100% complete, including all units and common elements. • The project is not subject to additional phasing or annexation • Control of the homeowner's association has been turned over to the unit owners.

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Condominium Guidelines (continued):

Warrantability	Client must warrant that the condominium development meets the requirements for a FNMA limited review. A certificate or affidavit from a third-party source or and underwriting level person for each client warranting project eligibility must be in each loan file.	InterIsland Mortgage Corp. is a third-party source that can be used. To establish an account with InterIsland Mortgage Corp, phone 941-748-3087.
Occupancy Type	Maximum LTV / TLTV / HTLTV	
Primary Residence	80% Purchase 80% Limited Cash Out Refinance 75% Cash Out Refinance	
Second Home	75% Purchase 75% Limited Cash Out Refinance Cash Out Refinance – Not permitted	
Investment Property	Ineligible	

Interested Party Contributions:

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

Occupancy	Interested Party Contribution	LTV / TLTV
Primary Residence and Second Home	6%	>75% & ≤ 90%
	9%	≤ 75%
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.

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 Amount	Loan Purpose	Appraisal
1	≤ \$832,750	All purposes	One full interior/exterior appraisal is required. Reduced requirements including a property inspection waiver (PIW) from Desktop Underwriter [®] feedback is not permitted.

- ❶ Desktop Appraisals are not permitted on any refinance.

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AUS Property Inspection Waivers are not permitted.

Down Payment Requirements and Gifts/Grants:

- Gifts/grants from an allowable Fannie Mae source are allowed on primary residences and second homes. Gifts may fund all or part of the down payment, closing costs, or financial reserves subject to minimum borrower requirements below.
- Acceptable Donors:
 - A relative, defined as the borrower's spouse, child or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption or legal guardianship or a fiancé, fiancée or domestic partner.
 - The donor may not have any affiliation with the builder, developer, real estate agent or any other interested party to the transaction.

LTV/TLTV/HTLTV	Property Type	Minimum Borrower Contribution Requirement
≤80%	1 Unit Primary Residence	A minimum contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from an allowable gift.

Subordinate Financing:

Loan to Value	LTV Calculation with Subordinate Financing
Total LTV (TLTV) Includes the sum of:	• 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)	• Includes the Un-drawn balance of a home equity line of credit

Private Mortgage Insurers

Eligible mortgage insurers are MGIC, Enact, Arch, National MI and Essent. The correspondent client will 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:

Loans ≤\$832,750	DTI Restriction
> 80% LTV	Dictated by MI guidelines
≤ 80% LTV	No restrictions with Approve/Eligible DU® findings

FICO:

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

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Reserves:

Loans ≤ \$832,750	Reserves
Primary Residence	Dictated by Desktop Underwriter® Guidelines
Second Home	6 months PITI and on all other properties the following is required: *Other financed properties 1. 2% of the aggregate UPB of total financed properties less than 4 properties 2. 4% of the aggregate UPB of total financed properties greater than 4 to 6. 3. 6% of the aggregate UPB of total financed properties greater than 6 to 10 *Can't have more than 10 financed properties Also refer to the section: Limitations on Borrowers – Number of Financed/Owned Properties for Conforming loans when the subject is a second home.
Investor & Non-Owner Occupied	Ineligible Purpose

Amortization Term:	21 to 30 years	Fixed 30 FNMA (Product 630c)
	16 to 20 years	Fixed 20 FNMA (Product 620c)
	10 to 15 years	Fixed 15 FNMA (Product 615c)

Credit Underwriting:

Conforming Loan Amounts

- Desktop Underwriter® must return a risk class of Approve/Eligible for this product.
- Loan cannot be manually underwritten.

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 and Second Home	• Maximum TLTV of 80% • Must verify 2 months of reserves regardless of transaction type and DU feedback.
Investment Property / Non-Owner Occupied	• Ineligible Purpose

Refinance Characteristics:

Description	No Cash-Out Refinance	Cash-Out Refinance	
Maximum Cash Back	The greater of 1% of the unpaid balance of the new mortgage or \$2,000.	Loans not requiring MI	No limit.
		Loans requiring MI	Not permitted.
Items that can be financed with new loan	Closing costs, financing costs and prepays.	Closing costs, financing costs and prepays.	

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Refinance Characteristics:

Description	No Cash-Out Refinance	Cash-Out Refinance
Seasoning of Existing Mortgage	- 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 - The greater of 1% of the unpaid balance of the new mortgage or \$2,000. 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.	- Transaction must pay off existing liens or be a new mortgage on a property with no liens showing on title - 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. Delayed financing requirements to be met are as follows if less than 6 months ownership: - 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.
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.

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Property recently listed for sale:

All dates referenced below are as of the date of the loan application.		
Days elapsed since the property has been removed from the market/multi list	Limited Cash Out Refinance	Cash Out Refinance
Zero days or currently listed for sale	Ineligible	Ineligible
> 0 days ≤ 90 days	Eligible	Ineligible
> 90 days ≤ 180 days	Eligible	Eligible but with the following limitations: Conforming Loans: 70% LTV/TLTV/HTLTV (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 – Number of Financed/Owned Properties:

Primary Residence: No Limitations

Second Home: No more than 10 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 Fannie Mae Guidelines. Manual Underwrite requires full documentation.

Documents:

Note: FNMA 32xx. (State specific documents must be used where applicable.)

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.