

CONVENTIONAL - DU FANNIE MAE

PRODUCT DESCRIPTION (Updated 03/16/2015)	<ul style="list-style-type: none"> * Fully-Amortized Fixed Rate and ARMs * DU Approve/Eligible required. No manual underwriting * Minimum Credit Score is 620 * Electronic Fraud Detection required
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GEOGRAPHIC RESTRICTION	* CA and CO
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LTV/(H)CLTV MATRICES (a) (b)		Purpose	Conforming or High Balance	Units	Fixed Rate LTV/(H)CLTV	ARM LTV/(H)CLTV
		PRIMARY RESIDENCE	Purchase, R/T Refinance	Conforming		1
2	85%					75%
3-4	75%					65%
High Bal	1			90%	75%	
	2-4			75%	65%	
Cashout	Conforming			1	80% (d)	75%
				2-4	75%	65%
	High Bal			1	60%	60%
				2-4	N/A	N/A
SECOND HOME	Purchase, R/T Refinance	Conforming			90%	80%
				Cashout		75%
	Purchase, R/T Refinance	High Bal			65%	65%
				Cashout		N/A
INVESTMENT PROPERTY	Purchase	Conforming		1	85%	75%
				2-4	75%	65%
				1-4	75%	65%
				1	75%	65%
	R/T Refinance			2-4	70%	60%
	Cashout	High Bal		1	65%	65%
				2-4	65%	65%
				1	65%	65%
				2-4	65%	65%
Purchase			1-4	65%	65%	
R/T Refinance			2-4	65%	65%	
Cashout			1-4	N/A	N/A	

(a) Minimum credit score is determined by DU
 (b) LTV/CLTV and credit score restrictions may apply if the borrower owns 5-10 financed properties. Refer to Multiple Financed Properties section
 (c) See LTV >95% to 97% for eligibility requirements
 (d) Refer to Cashout Refinance section below

1031 TAX DEFERRED EXCHANGE	<ul style="list-style-type: none"> * Allowed on Second Home and Investment Property purchases only * The equity from the 1031 Exchange may be used for all or part of the down payment * Reverse exchanges are not allowed because the borrower is not on title to the property at the time of closing * No seller provided secondary financing * The loan closing must be handled by a qualified intermediary * File must contain copies of all closing documents and the Purchase Agreement on the relinquished property must be obtained. Required documentation includes: <ul style="list-style-type: none"> - 1031 Exchange Agreement - Settlement Statement (HUD-1) - Title Transfer * The Purchase Agreement for both properties must contain appropriate language to identify the 1031 exchange
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APPRAISAL	* All files must include an acknowledgement signed by the borrower regarding receipt of appraisal prior to closing or waiver of the right to receive the appraisal
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APPRAISAL FORMS	* Follow DU requirements with the following exception: Property Inspection Waiver (PIW) is not allowed
ARM CLOSING DOCUMENTS	* Note: Fannie Mae Form 3528 or state specific version * Rider: Fannie Mae Form 3187 - Non-Convertible Fully Amortizing 5/1, 7/1 and 10/1 LIBOR Adjustable Rate Rider * Acceptable ARM disclosure
AUTHORIZED USER ACCOUNTS	* When the repository file used to create the credit report contains any authorized user accounts, the Desktop Underwriter (DU) decision is considered valid if the loan file includes documentation to evidence that at least one of the following for each authorized user account: <ul style="list-style-type: none"> - Another borrower on the loan owns the tradeline in question, - The account belongs to the borrower's spouse, or - The borrower has been making the payments on the account for the last 12 months * If at least one of the above requirements is not documented for each authorized user account, the DU decision may be considered valid and the loan may be underwritten as a DU approved loan only if it is determined that the authorized user accounts have an insignificant impact on the borrower's overall credit history and the information on the credit report is representative of the borrower's own credit reputation * This determination must be based on the number of the borrower's own tradelines, as well as their age, type, size and the payment history, as compared to the authorized user accounts * The determination must be documented on the 1008, Uniform Underwriting and Transmittal Summary, or another document in the loan file * If it is determined that the authorized user tradelines are not an accurate reflection of the borrower's credit history and that the loan would not receive a DU approval without the authorized user accounts, the loan is not eligible
AUTO ALLOWANCE	- If the borrower reports auto allowances on Employee Business Expense (Form 2106), or IRS Form 1040, Schedule C: <ul style="list-style-type: none"> + Funds in excess of the borrower's monthly expenditures are added to the borrower's monthly income, or + Expenses in excess of the monthly allowance are included in the borrower's total monthly obligations - If the borrower used Form 2106 and recognized "actual expenses" instead of the "standard mileage rate", the "actual expenses" must be used to identify the borrower's actual lease payments and make appropriate adjustments
BORROWERS IN CONSTRUCTION INDUSTRY	* When the borrower is acting as his/her own builder and his/her primary occupation is in the construction industry, the following restrictions apply: <ul style="list-style-type: none"> - Primary Residence only - Acquisition cost must be documented - LTV/(H)CLTV is based on the lower of documented acquisition cost or appraised value - Borrower may not receive any cash back at closing that is not a verifiable reimbursement
BORROWERS WITHOUT A USEABLE CREDIT SCORE	* The following requirements apply when one or more borrowers do not have a usable credit score: <ul style="list-style-type: none"> - At least one borrower on the transaction must have a usable credit score, as determined by DU - The transaction must be a Purchase or Rate/Term Refinance - Subject is a one unit Primary Residence - All borrowers must occupy the property as a Primary Residence - Borrower with a usable credit score must contribute more than 50% of the total monthly qualifying income - Income from self-employment from any borrower is not permitted - For all borrowers without a credit score, any debt that is not reported must be verified to have a satisfactory payment history and the payment must be included in the DTI ratio - Loan will be priced assuming a minimum 620 score
BUSINESS ACCOUNTS	* Business assets may be used for down payment, closing costs, financing costs, prepaids/ escrows, and/or reserves provided: <ul style="list-style-type: none"> - Assets must be verified per DU documentation requirements - Assets must be related to a documented borrower-owned business - The borrower must be listed as an owner of The business account - A cash flow analysis for the borrower's business must be documented using individual and/or business tax returns, as applicable - The cash flow analysis may be in any format that allows the underwriter to determine that the withdrawal of the funds will not have a detrimental effect on the business - The cash flow analysis must be included in The loan file
BUSINESS DEBT IN BORROWER'S NAME	* Debt that appears on the borrower's credit report but is paid by the borrower's company may be excluded from DTI ratios subject to the following: <ul style="list-style-type: none"> - The account does not have a history of delinquency, and - The business provides acceptable evidence that the obligation was paid out of company funds (such as 12 months canceled checks), and - The cash flow analysis of the business took the payment into consideration * If the debt is included in the DTI ratios, the net income of the business should be adjusted by the amount of interest, taxes, or insurance expense, if any, that relates to the account in order to avoid counting the debt twice

CASHOUT REFINANCE	<ul style="list-style-type: none"> * Effective with loans approved through DU Version 9.2: <ul style="list-style-type: none"> - The maximum LTV/CLTV for a conforming one unit Primary Residence cash-out transaction has been reduced from 85% to 80%
COMMISSION INCOME	<ul style="list-style-type: none"> * Commission income received less than 2 years will not be considered as qualifying income
CONDOMINIUM	<ul style="list-style-type: none"> * Excelerate Capital allows Condominium Approval based upon the applicable GSE (Fannie Mae/Freddie Mac) for the subject loan and Condominium Type
CONTINGENT LIABILITY	<ul style="list-style-type: none"> * If the borrower is a Co-signor or Guarantor on any debt (including mortgage debt), the payment must be included in the monthly debt-to-income ratio, unless: <ul style="list-style-type: none"> - Documentation is provided to show that the other party is making timely payments on the debt. Twelve months cancelled checks or a statement from the creditor must be provided to show that the other party is making the payments - Evidence of timely payments may be provided through verification on the credit report or direct verification with the creditor - If evidence of payments by another party obligated on the debt cannot be provided, or if the payments have not been made in a timely manner over the most recent 12 months, the debt must be included - If the borrower is listed as the borrower on a mortgage that has been assumed by another party, the file must include documents transferring the property and any assumption agreement by the transferee. As long as the borrower no longer owns the property, the contingent liability may be disregarded, without documenting the most recent 12 month payment history * The underwriter may consider a payment history less than 12 months on a case by case basis
CONTINUITY OF OBLIGATION	<ul style="list-style-type: none"> * Allows transfer from borrower's LLC to borrower * Fannie also allows exceptions to Continuity of Interest if certain parameters are met
COURT ORDERED ASSIGNMENT OF DEBT	<ul style="list-style-type: none"> * The contingent liability on a secured debt or Mortgage may be disregarded and the documentation of the most recent 12 month's payment history is not required, if the obligation to make the payments on a debt of the borrower: <ul style="list-style-type: none"> - Has been assigned to another party by court order, such as a divorce decree, and - The assignment of debt is documented with applicable pages of the divorce decree or legal separation agreement
CREDIT CHARGES FOR LOAN FEES	<ul style="list-style-type: none"> * Credit card may be used to pay for upfront loan fees up to 2% of the loan amount
DEBT TO INCOME	<ul style="list-style-type: none"> * Determined by DU (50%) * LTV >80%: Must meet MI provider requirements
DEFERRED PAYMENTS	<ul style="list-style-type: none"> * Deferred installment debts, such as deferred student loans, must be included as part of the borrower's monthly debt obligations * For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the monthly payment must be determined as follows: <ul style="list-style-type: none"> - Use the greater of 1% of the outstanding balance or the actual documented payment (documented in the credit report, or documentation obtained from the lender or borrower) - If a payment amount cannot be documented, use 1% of the outstanding balance - If the actual documented payment is less than 1% of the outstanding balance and it will fully-amortize the loan with no payment adjustments, the lower, fully amortized payment may be used to qualify * The guidelines addressed above apply to all deferred student loans, including income based loans
EMPLOYED BY A FAMILY MEMBER	<ul style="list-style-type: none"> * If the borrower is employed by a relative, a closely held family business, the property seller, or any party to the transaction, the following documentation is required: <ul style="list-style-type: none"> - Borrower's signed and completed personal federal tax returns for the most recent two years - Written Verification of Employment, and - W-2s for the most recent two years * Current income reported on the VOE or paystub may be used if it is consistent with W-2 earnings reports on the tax returns. If the income is not reflected on the tax returns or the reported income is substantially lower than the income reflected on the VOE or paystubs, further investigation is needed to determine whether the income is stable
EMPLOYMENT OFFERS OR CONTRACTS	<ul style="list-style-type: none"> * If the borrower is scheduled to begin employment after the loan closes, the borrower's offer letter or contract for employment may be used to underwrite and close the loan. The start of employment and the receipt of the income must be documented prior to the delivery of the loan <ul style="list-style-type: none"> - The borrower's employment and income history must be documented per the DU Findings - The file must include a copy of the signed offer or contract for future employment and anticipated income - Loan must be run through DU
ESCROW HOLDBACKS	<ul style="list-style-type: none"> * Allowed for repairs that do not affect the livability, safety or structural integrity of the property or affect the ability to obtain a Certificate of Occupancy on new or proposed construction
ESCROW WAIVERS	<ul style="list-style-type: none"> * Partial escrow waivers are not permitted (except on an exception basis and subject to full waiver pricing)

FLIP PROPERTIES	<p>All transactions must be thoroughly reviewed for red flags that may indicate the subject property is a flip and to determine whether a transaction is acceptable. If any characteristics and /or red flags exist that may be indicative of a potentially ineligible flip transaction, the following analysis is required:</p> <ul style="list-style-type: none"> * A Desk Review/Collateral Desktop Analysis is required when the seller has owned the property for less than or equal to 180 days or when the property has transferred more than two times within the most recent 12-month period. The Desk Review/Collateral Desktop Analysis must represent the appraised value within a tolerance not to exceed 10% * Increases in property value, in whole or part, must be supported by the appraisal, explained, documented, and analyzed as follows: <ul style="list-style-type: none"> - The appraisal must identify, in detail, any changes made and include photographs of the rehabilitation or renovation - Improvements and renovations must be documented and substantiated with receipts, contractor invoices, and building permits * Documentation must indicate that improvements were completed after the property seller acquired the property * Confirm that the property seller is the owner of the subject property * Ensure that appraisal sufficiently analyzes and provides detail on all pertinent offerings or listings, includes sufficient analysis of the contract of sale, and adequate justification of any significant increase in sales price/value over the seller's acquisition costs. The analysis must be detailed enough to clearly explain the methodology and rationale used to justify the appraiser's conclusions on this issue * Ensure all property flipping impacts as identified in the fraud detection report are satisfactorily resolved
FOREIGN INCOME	<ul style="list-style-type: none"> * Borrowers who are employed by a foreign corporation or foreign government and are paid in foreign income or foreign currency are eligible subject to the following: <ul style="list-style-type: none"> - The file must include signed copies of the borrower's federal tax returns for the most recent two years and the foreign income must be reflected on the returns - Income must be documented per standard income documentation requirements - All income must be translated into U.S. dollars - Loan must be run through DU
GIFT OR GRANT FROM AGENCY	<ul style="list-style-type: none"> * Permitted if primary residence
INCOME CALCULATIONS FOR SELF-EMPLOYED BORROWERS	<ul style="list-style-type: none"> * If the P&L statement shows an income stream greater than what is supported by the tax returns, and the higher income is used in the income calculation, the borrower must provide an audited P&L statement
INELIGIBLE PROPERTIES	<ul style="list-style-type: none"> * Manufactured/ mobile homes * Cooperative properties * Non-Warrantable Condos
LARGE DEPOSITS	<p><u>Refinance Transactions:</u></p> <ul style="list-style-type: none"> * Documentation or explanation for large deposits is not required * However, if the funds were borrowed funds, any related liability must be considered. When appropriate, evidence that no new liability has been created may be required <p><u>Purchase Transactions:</u></p> <ul style="list-style-type: none"> * Single deposits exceeding 50% of the total monthly qualifying income for the loan must be documented * If the funds are to be used for down payment, closing costs, or reserves, document that the funds are from an acceptable source * If the borrower does not have all of the documentation required to confirm the source of a deposit, use reasonable judgment based on the available documentation as well as the borrower's debt-to-income ratio and overall income and credit profile * Examples of acceptable documentation include the borrower's written explanation, proof of ownership of an asset that was sold, or a copy of a wedding invitation to support receipt of gift funds * Written documentation of the rationale for using the funds must be included in the loan file * Verified funds must be reduced by the amount (or portion) of any undocumented large deposit (as defined above), and the remaining funds must be sufficient for the down payment, closing costs, and reserves. When a reduced amount (net of the undocumented large deposit) is used, the reduced amount must be used for underwriting purposes * When a deposit has both sourced and unsourced portions, only the unsourced portion must be used to calculate whether or not it must be considered a large deposit
LEASEHOLDS	<ul style="list-style-type: none"> * Leaseholds must comply with Fannie Mae policies
MINIMUM CONTRIBUTION	<ul style="list-style-type: none"> * None if 1 unit conforming balance and primary residence * 5% all others if primary residence or second home * The entire down payment must be from the borrower's own funds if investment property
MIXED USE	<ul style="list-style-type: none"> * Permitted if 1 unit primary residence and the square footage of the property devoted to commercial use does not exceed 20%. * <u>Exception:</u> Square footage that exceeds 20% of the subject property is permitted when the primary use of the property is residential

LOAN LIMITS	Units	Maximum and Minimum Loan Amounts															
		Maximum		Minimum													
		Conforming	High Balance	Conforming	High Balance												
	1	\$ 417,000	\$ 625,500	\$ 50,000	\$ 417,001												
	2	\$ 533,850	\$ 800,775	\$ 50,000	\$ 533,851												
	3	\$ 645,300	\$ 967,950	\$ 50,000	\$ 645,301												
	4	\$ 801,950	\$ 1,202,925	\$ 50,000	\$ 801,951												
	* Note: For ARM Rate, Maximum \$1,000,000 loan amount																
LTV >95% to 97%	<p>* Eligible effective with the December 13, 2014 DU Version release.</p> <p>* Allowed only on:</p> <ul style="list-style-type: none"> - DU Approve/Eligible - Fannie Mae only - One unit Primary Residence - Conforming loan amounts <p>Purchase Transactions:</p> <ul style="list-style-type: none"> - Maximum 97% LTV/(H)CLTV - At least one borrower must be a first-time home buyer, as indicated on the loan application (Form 1003) in Section VIII., when at least one borrower responds “No” to question M regarding ownership interest in a property in the last three years <p>Rate/Term Refinance Transactions:</p> <ul style="list-style-type: none"> - The existing loan must be owned by Fannie Mae. The Fannie Mae loan Look-Up Table may be used to determine if Fannie Mae owns The loan. A screen print of The results must be included in The loan file - When submitting the loan to DU, “Fannie Mae” must be entered in the “Owner of Existing Mortgage” field in DU <p>Mortgage Insurance:</p> <ul style="list-style-type: none"> - 35% MI coverage is required - Refer to the MI Matrix or MI provider website as some MI providers have credit score overlays for 97% LTV loans 																
MORTGAGE INSURANCE	<p>* When LTV exceeds 80%, MI must be obtained through (Arch if Delegated), Essent, Radian, Genworth, United Guaranty, MGIC, or National</p> <p>* Loans must comply with all MI provider guidelines</p> <p>* No reduced cost or lower cost MI permitted</p> <p>* No financed MI permitted</p> <p>* On Split MI, the upfront MI premium must be paid in whole by borrower, seller or lender (upfront portion may not be split between parties)</p> <p>* LPMI is permitted. A single premium is paid to the Mortgage Insurance provider by ARCH or United Guaranty</p> <ul style="list-style-type: none"> - The file must contain evidence that the premium was remitted to the MI provider prior to delivery of the loan to Excelerate Capital - The Underwriting transmittal (1008) must indicate SFC 019 if Fannie Only Program <p>* LPMI is not allowed on Investment Properties and Fannie Mae >95% to 97% LTV</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">LTV</th> <th style="width: 25%;">≤20 Year Fixed Rate</th> <th style="width: 50%;">>20 Year Fixed Rate All ARMs</th> </tr> </thead> <tbody> <tr> <td>>90% to 95%</td> <td>25%</td> <td>30%</td> </tr> <tr> <td>>85% to 90%</td> <td>12%</td> <td>25%</td> </tr> <tr> <td>>80% to 85%</td> <td>6%</td> <td>12%</td> </tr> </tbody> </table>					LTV	≤20 Year Fixed Rate	>20 Year Fixed Rate All ARMs	>90% to 95%	25%	30%	>85% to 90%	12%	25%	>80% to 85%	6%	12%
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NON-ARM'S LENGTH TRANSACTION	<p>* Not permitted if new construction and occupancy is Second Home or Investment property</p> <p>* Not permitted on delayed financing</p>																
NON-OCCUPYING CO-BORROWER	<p>* Income from a non-occupying co-borrower may NOT be used as qualifying income</p>																
MULTIPLE FINANCED PROPERTIES	<p>* If the subject loan is for a Primary Residence, there is no limitation on the number of properties that the borrower can currently be financing</p> <p>* If the subject loan is for a Second Home or Investment Property, the borrower may own or be obligated on up to 10 financed properties, subject to the following:</p> <ul style="list-style-type: none"> - DU is not able to determine the number of financed properties that the borrower owns or is obligated on, but does issue a message on Second Home and Investment Property transactions when the borrower appears to have other financed properties. The eligibility and underwriting requirements must be applied manually to each loan - Fixed Rate only - Minimum 720 credit score - Six months of reserves required for each additional Second Home or Investment Property owned 																

MULTIPLE FINANCED PROPERTIES (Cont.)	LTV/CLTV Limits (a)					
	Subject	Purpose	Fixed Rate		ARM	
			Conforming	High Balance	Conforming	High Balance
	Second Home or One Unit Investment Property	Purchase, R/T Refinance	75%	65%	65%	65%
		Cashout (Allowed under Delayed Financing ONLY)	70%	Not Allowed	60%	Not Allowed
	2-4 Unit Investment Property (a)	Purchase, R/T Refinance	70%	65%	60%	60%
		Cashout (Allowed under Delayed Financing ONLY)	65%	Not Allowed	60%	Not Allowed
(a) Cashout Refinance (>6 months since purchase): Not eligible						
OPEN ENDED ACCOUNTS	<ul style="list-style-type: none"> * Will not require open 30-day accounts to be included in DTI ratios * For open 30-day accounts that do not reflect a monthly payment on the credit report, or 30-day accounts that reflect a monthly payment that is identical to the account balance, sufficient funds to cover the account balance must be verified. The verified funds must be in addition to any required funds needed for the loan transaction * The DU findings will include the balance of the 30-day account on the loan application in the Reserves Required to be Verified amount. However, for transactions that do not require the verification of reserves, the balance of 30-day account(s) in the Reserves Required to be Verified amount will be reduced by any cash out the borrower will receive through the transaction * If the borrower paid off the account balance prior to closing, proof of the pay-off may be provided in lieu of verifying sufficient funds to pay-off the account 					
PRIMARY RESIDENCE	<ul style="list-style-type: none"> * The following scenarios may also be treated as a Primary Residence even though the borrower will not occupy the property: <ul style="list-style-type: none"> - Parents wanting to provide housing for their physically handicapped or developmentally disabled adult child. If the child is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the parent is considered the owner/occupant - Children wanting to provide housing for elderly parents. If the parent is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the child is considered the owner/occupant 					
PRINCIPAL CURTAILMENT	<ul style="list-style-type: none"> * Maximum is the lower of \$2,500 or 2% of the loan amount * Curtailment must be applied prior to closing * Principal reduction must be corrected prior to delivery 					
PROPERTY LISTED FOR SALE	<ul style="list-style-type: none"> * Properties listed for sale are eligible for refinancing subject to the following: <ul style="list-style-type: none"> - The listing must have been cancelled at least one day prior to the disbursement date of the new loan. A copy of the MLS cancellation meeting this requirement must be included in the loan file - A signed letter of explanation from the borrower explaining why property was listed for sale and removed, and if Primary Residence, statement of intent to continue to occupy the property - A final appraised value lower than lowest previously listed sale price <u>Additional Requirements for Cash-Out Refinance Transactions:</u> * A property that was listed for sale within the six months prior to the disbursement date of the new loan is limited to the lower of 70% LTV/CLTV/H(CLTV) or the maximum allowed for the transaction 					
QUALIFYING RATE	<ul style="list-style-type: none"> * Fixed Rate: Qualify at note rate * 5/1 ARM: Qualify at the greater of the note rate plus 2% or the fully indexed rate * 7/1 ARM: <ul style="list-style-type: none"> - DU Version 9.1: Qualify at the greater of the note rate or the fully indexed rate 					
RATE/TERM LIEN SEASONING	<ul style="list-style-type: none"> * No minimum seasoning requirement if purchase money being paid off 					
RE-ENTERING THE WORKFORCE	<ul style="list-style-type: none"> * NOT Eligible 					
REFINANCE	<ul style="list-style-type: none"> * Excelebrate Capital does not allow delinquent taxes or taxes that were due 60 days prior to closing to be added to the loan amount on refinance transactions * All loans must provide a Net Tangible Benefit to the borrower 					
REFINANCE OF SECOND HOME WITH RENTAL INCOME	<ul style="list-style-type: none"> * NOT Eligible 					
REFINANCE TO BUY OUT A CO-OWNER	<ul style="list-style-type: none"> * Code and price loan as rate/term refinance 					
RENT CREDITS	<ul style="list-style-type: none"> * No min contribution required * File must contain 12 months cancelled rent checks 					
RENT LOSS INSURANCE	<ul style="list-style-type: none"> * NOT Required 					

RESALE RESTRICTED PROPERTIES	* NOT Eligible																								
RESTRUCTURED /MODIFIED MORTGAGES	* Refinance of a Restructured Mortgage: Allowed with DU approval and 24 months paid as agreed under the new terms * Other Restructured Mortgage: Allowed with DU approval and 0 x 60, 90, 120 or 150 in last 12 months * Modified: Allowed with DU approval and 0 x 60, 90, 120 or 150 in last 12 months																								
RETIREMENT FUNDS FOR ASSETS	* The value of stock, bonds or mutual funds that have been discounted at least 40% (30% if 59.5 years old) may be used for cash reserves																								
RETIREMENT, GOVERNMENT ANNUITY AND PENSION INCOME	* If the retirement income is paid in the form of a distribution from a 401(k), IRA, or Keogh retirement account, determine whether the income is likely to continue for 3 years. In addition: - The borrower must have unrestricted access without penalty to the accounts, and - If the assets are in the form of stocks, bonds, or mutual funds, 100% of the value (remaining after any applicable costs for the subject transaction) must be used to determine the number of distributions remaining * EXCEPTION: If the assets are in the form of stocks, bonds, or mutual funds, 70% of the value (remaining after any applicable costs for the subject transaction) must be used to determine the number of distributions remaining																								
REVOLVING DEBT	* If no payment disclosed on the initial application, use 5% of outstanding balance * Revolving debt may be paid off to qualify if the loan is closed																								
SELF-EMPLOYED INCOME FROM CO-BORROWER	* When a salaried borrower and a self-employed co-borrower jointly apply for a mortgage, and the self-employed co-borrower's income will not be used for qualifying, the self-employed co-borrower may provide a copy of the first page of his or her latest individual federal income tax return. This documentation will be used to determine whether there was a meaningful business loss. The underwriter may request additional information about the co-borrower's business income in order to reach a final underwriting decision																								
TRUST	* Title may not be taken in the name of a Trust																								
VERIFICATION OF ASSETS FOR NON-US CITIZEN	* Funds that a non-U.S. Citizen recently deposited in a U.S. depository institution are acceptable subject to the following: - Documented evidence of funds transfer from the country from which the borrower immigrated, and - Documentation to evidence that the funds belonged to the borrower before the date of the transfer, and - The source(s) of all funds used for closing can be verified just as they would for a U.S. Citizen																								
PRODUCT CODES	<table border="1"> <thead> <tr> <th>PRODUCT</th> <th>Conforming</th> <th>High Balance</th> </tr> </thead> <tbody> <tr> <td>10 Year Fixed Rate</td> <td>FNMA 10</td> <td>FNMA 10 HB</td> </tr> <tr> <td>15 Year Fixed Rate</td> <td>FNMA 15</td> <td>FNMA 15 HB</td> </tr> <tr> <td>20 Year Fixed Rate</td> <td>FNMA 20</td> <td>FNMA 20 HB</td> </tr> <tr> <td>25 Year Fixed Rate</td> <td>FNMA 25</td> <td>FNMA 25 HB</td> </tr> <tr> <td>30 Year Fixed Rate</td> <td>FNMA 30</td> <td>FNMA 30 HB</td> </tr> <tr> <td>5/1 ARM (2/2/5)</td> <td>FNMA51L</td> <td>FNMA51LHB</td> </tr> <tr> <td>7/1 ARM (5/2/5)</td> <td>FNMA71L</td> <td>FNMA71LHB</td> </tr> </tbody> </table>	PRODUCT	Conforming	High Balance	10 Year Fixed Rate	FNMA 10	FNMA 10 HB	15 Year Fixed Rate	FNMA 15	FNMA 15 HB	20 Year Fixed Rate	FNMA 20	FNMA 20 HB	25 Year Fixed Rate	FNMA 25	FNMA 25 HB	30 Year Fixed Rate	FNMA 30	FNMA 30 HB	5/1 ARM (2/2/5)	FNMA51L	FNMA51LHB	7/1 ARM (5/2/5)	FNMA71L	FNMA71LHB
PRODUCT	Conforming	High Balance																							
10 Year Fixed Rate	FNMA 10	FNMA 10 HB																							
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30 Year Fixed Rate	FNMA 30	FNMA 30 HB																							
5/1 ARM (2/2/5)	FNMA51L	FNMA51LHB																							
7/1 ARM (5/2/5)	FNMA71L	FNMA71LHB																							
SUBORDINATION	* Must be prior-approved by Excelerate Capital																								

RESERVED FOR FUTURE USE