

# MFG 500 Series Refi Plus Conforming & Jumbo Conforming Program Wholesale

<b>Disclaimer</b>	The guidelines contained herein are intended to give an overview of Manhattan Financial Group's general underwriting policies. They are <b>not</b> all inclusive in that scenarios not depicted here may arise, in which case additional restrictions may apply. MFG reserves the right to update our guidelines periodically without notice.
<b>Program Description</b>	Rate / term refinance only is allowed. Max cash to borrower \$250. Owner occupied only. SFR, Condo, PUD & 2- 4 unit acceptable. 15-, 20- & 30-year fixed are available. Full doc only. Must have DU Approve / Eligible for Refi Plus. The following message must be present on the D.U. findings: "This loan casefile was underwritten according to the DU Refi Plus expanded eligibility guidelines offered on certain limited cash out refinance loan casefiles where the borrower's existing loan is identified by D.U. as a Fannie Mae loan". The loan being refinanced must have been delivered to FNMA prior to March 1, 2009. Please check website <a href="http://www.fanniemae.com/loanlookup/">http://www.fanniemae.com/loanlookup/</a> Please see LTV / CLTV restrictions on back page.
<b>FICO Restrictions</b>	There is no minimum credit score.
<b>Program Numbers</b>	15-year fixed: #584 20-year fixed: #585 30-year fixed: #586
<b>Loan Size</b>	<p>On this program, conforming loan amounts, and loan amounts which are applicable to high cost areas only as determined by the Federal Housing Finance Agency (FHFA) are allowed. The loan amounts may not exceed the High Cost Loan Limit established by FHFA. Currently, the maximum loan amount available (subject to county eligibility) ranges between \$417,001 and \$729,750 for SFR.</p> <p>Refer to the following link to determine maximum loan amount and county eligibility: <a href="https://entp.hud.gov/idapp/html/hicostlook.cfm">https://entp.hud.gov/idapp/html/hicostlook.cfm</a></p> <p><i>Note: in order to obtain the correct loan limits for this program, select "Fannie/Freddie" from the &lt;Limit Type&gt; field, and "CY2010" in the &lt;Limit Year&gt; field.</i></p>
<b>Eligible Borrowers</b>	MFG will only extend loans to individual applicants. Title may be vested in a trust, subject to underwriting manager review. Borrowers must be natural persons only – no corporations, estates, partnerships, etc. U.S. citizens, permanent and non-permanent resident aliens are eligible. Additional restrictions apply for non-permanent resident aliens: Must be a legal resident of the United States, have a valid social security number, and work in the United States.
<b>Co-borrower</b>	A new borrower may be added to the loan, provided the existing borrower is retained.
<b>Non-Arms Length Transactions</b>	Non-arms length transactions are not applicable.

<b>Property Type Restrictions</b>	Condo / Attached PUD must be warrantable per FNMA warranty & insurance guidelines. Condos require two additional comps from proximate competing projects. Units require appraiser to complete FNMA Form 216.
<b>Maximum Fees</b>	Loan below \$500k = 4% including YSP. Loans \$500k and over = 2% including YSP. ARMS = max 2% YSP. Fixed = max 3% YSP.
<b>Debt Ratios</b>	Is determined by DU
<b>Qualifying Rate</b>	Note rate
<b>Debts Counted</b>	Installment debts with monthly payments that extend beyond 10 months must be included in the debt ratio for qualification purposes. Installment debt with 10 or less payments should also be considered if it significantly affects the borrower's ability to meet his/her credit obligations. Deferred debt is not allowed. If no payment is indicated on the credit report, qualify with payment based on 2% of the original loan amount. Lease payments must always be included in debt ratio. For revolving debt, \$10 or 5% of the current balance, whichever is greater, will be used to qualify if no payment is stated on the credit report. 30 day (Amex type) charge accounts are required to be paid off unless borrower has sufficient funds to pay the unpaid balance. Revolving debt must be included in debt ratio unless account is paid in full and closed. Co-signed debt may be omitted from debt ratio with copies most recent 12 months cancelled checks. The party making the payment must have a signed obligation to make the payment (he/she signed the note or contract), or it must be included in borrower's debts. HELOC 2 <sup>nd</sup> may be qualified with actual payment shown on credit report.
<b>Credit</b>	Non-traditional credit is not allowed. No 1X30 mortgage lates allowed within the past 12 months. If mortgage or rental payment history is not reported on the credit report, direct verification of payment history for past 12 months is required. Private party VOM / VOR must be accompanied by canceled checks for a consecutive 12 months. Minimum 48 months since BK discharge and minimum 60 months since Foreclosure discharge required. Deed in lieu of Foreclosure: LTV > 80%, none in past 48 mo, LTV > 90% none in past 84 mo. All require satisfactory re-established credit history. Minimum two FICOs required for all borrowers. Credit report must be dated within 90 days of funding.
<b>Credit Inquiries</b>	All inquiries in past 90 days require an explanation, and borrowers must certify no new credit has been established, and / or if new credit has been established require proof of payment and balance. If borrower(s) have more than three inquiries in past 90 days we will require a letter from borrowers stating that all loan applications were withdrawn, or declined and why. In addition they must execute Manhattan Financial Group's "Undisclosed Debt Acknowledgement" form
<b>First-Time Homebuyers</b>	A first-time homebuyer is defined as a borrower that does not have a minimum 12-month mortgage payment history within the past three years.
<b>Max Financed Properties</b>	No limit. We may lend up to a maximum of \$1,000,000 per borrower on this product.
<b>Employment</b>	DU will assess employment history and determine the extent of documentation required to verify income. Additional documentation may be required at underwriter's discretion. Typically, a 2-year history of employment in the same line of work and / or self-employment is required. Self employed borrowers may be qualified with most recent 1 year 1040 with DU approval. Minimum 2-year history of secondary employment is required; 1-year history may be considered on a case-by-case basis, provided secondary employment is directly related to primary employment. 1003 must report a full 2-year employment history (if available). Any employment gap exceeding 30 days requires written explanation. All employment income must be derived from current employment in the United States.

<b>Other Income Types</b>	DU will assess income type and set documentation requirements. Other non-employed income may be used to qualify, provided the borrower can evidence a history of receiving said income regularly. In order to use rental income for any property, that property must appear on borrowers most recent 2 years filed tax returns as a rental. Typically, a minimum 2 years history (12 months for Alimony / Child Support) of receiving other income and minimum 3 years continuance of receipt is required.
<b>Assets</b>	DU will set all reserve and documentation requirements. Business funds from a sole proprietorship, Schedule C, are acceptable, provided a satisfactory third party (CPA, etc.) can verify that withdrawal of funds will not adversely affect ongoing viability of business. All funds must be verified by all pages of most recent two months bank statements.
<b>Gift Funds</b>	Are not applicable.
<b>Subordinate Financing</b>	All existing subordinate financing must be re-subordinated. New subordinate financing not allowed. Require copy fully executed Subordination Agreement, Note, and Deed of Trust on 2 <sup>nd</sup> mortgage. Ineligible subordinate financing are: has interest rate buydown plan, neg am, wraparound terms, community 2 <sup>nd</sup> , tax and judgment liens, prepayment penalty, maturity date less than 5 years (unless fully amortized). Scheduled payments must be on a regular basis; no less than semi-annually. If employer 2 <sup>nd</sup> must: be fully amortizing, or deferred for a period of time then fully amortizing, deferred over the entire term, forgiveness of debt over time. If a variable rate (other than HELOC), the monthly payment must remain constant for 12 months, change of the payment at the end of each 12-month period cannot exceed 1%. HELOC 2 <sup>nd</sup> may be qualified with actual payment shown on credit report.
<b>Rate / Term only allowed</b>	Payoff of existing first lien. Cash to borrower may not exceed \$250.00
<b>Net Tangible Benefit</b>	This refinance transaction MUST result in a net tangible benefit to the borrower, as evidenced by a completed Net Tangible Benefit Worksheet (doc #3920), and must reflect one of the following net benefits: Interest rate reduction, reduced term, replacing an ARM or balloon with a fixed rate, and / or lowered monthly payment.
<b>Title</b>	Full ALTA title insurance report covering the face value of the mortgage, with plat map or survey, is required. All borrowers must be on title prior to application date. 24-month chain of title required. Judgments or any other adverse credit affecting title must be paid prior to or at close. Child support / alimony orders must subordinate to subject loan. Properties with multiple parcels must be adjoining; only one parcel may contain a residential dwelling. Title must be dated within 60 days of funding.
<b>Power Of Attorney</b>	Permitted case-by-case. All POAs must be transaction-specific and more than one borrower must be on the subject loan. Initial credit documents, application and purchase contract must be signed by all parties. LOE from borrower required why using POA.
<b>Mortgage Insurance</b>	Mortgage Insurance MAY or MAY NOT be required when LTV exceeds 80%. At loan registration "M.I. not required" must be selected when LTV exceeds 80% and D.U. does not require M.I. Mortgage insurance is not required if existing loan does not have mortgage insurance in force, regardless of LTV. Loans requiring mortgage insurance are only eligible if the present loan is with the same investor / servicer. Mortgage insurance must be obtained from M.I. provider on existing loan, and must be at the same coverage on existing and new loan. The amount of allowed increase in unpaid principal balance (increase only allowed to cover principal, interest, and closing costs) is the lesser of 4% or \$5,000.
<b>Hazard / Flood Insurance</b>	Hazard insurance coverage equivalent to the greater of the loan amount or cost new is required <u>or</u> policy to reflect 100% guaranteed replacement cost. Maximum deductible is \$1,000 or 1% of the dwelling coverage. Premium amount listed must be paid current, or provide proof paid at closing. If flood insurance is applicable, all above requirements apply. For Condo projects, if master hazard policy does not provide coverage of the interior of the subject unit an HO-6 (AKA "Walls-In") policy must be provided, showing minimum coverage of 20% of the appraised value.

<b>Value Determination</b>	The value is the appraised value. If property was purchased within the past 12 months, any significant increase in value must be addressed in the appraisal.
<b>Property Flipping</b>	Property flipping is not applicable to this program.
<b>Special Notes</b>	Notary may not be associated with the broker or the lender.
<b>Appraisal</b>	Full URAR required on all loans, to be ordered by MFG. Must be completed by state licensed or certified appraiser – appraiser trainees not acceptable. If value exceeds \$1,000,000 appraisal must be completed by a state certified appraiser. Field review required if loan amount is greater than \$625,500 and CLTV is greater than 80%, OR if appraised value is equal to or greater than \$1,000,000 and LTV and / or CLTV is greater than 75 percent. Currently listed properties are not eligible for refinance. Condos require appraiser to provide two additional comps from proximate competing projects. Properties with unpermitted additions / conversions require appraiser to provide proximate comps with similar unpermitted additions / conversions in order to be acceptable. Commercially or agriculturally zoned properties are not allowed. Appraisal must be dated within 90 days of funding – no exceptions. Recert of value not permitted.

Primary Residence only  
Rate / Term Refinance only

Property Type	Minimum LTV <sup>(1)</sup>	Maximum LTV	Maximum CLTV <sup>(2)</sup>	Minimum Credit Score
1-4 Unit PUD Condo	90.01%	105%	None	None

<sup>1</sup> See mortgage insurance section page 3; may or may not be required.

<sup>2</sup> All existing subordinate financing must be re-subordinated. New subordinate financing not allowed. See subordinate financing section page 3.

