

Trust One Mortgage – 1700 Series JUMBO

Product Type & Program Numbers:

- 1700J/1715J: 30 & 15-year JUMBO Fixed
- 1700JIO: 30-year JUMBO Fixed Interest Only; the initial interest only period is 10 years.
- 1750J/1770J/1710J – 30-year 5/1, 7/1, 10/1 JUMBO LIBOR ARM
- 1750JIO/1770JIO/1710JIO – 30-year 5/1, 7/1, 10/1 JUMBO LIBOR ARM Interest Only; the initial interest only period is 10 years

Declining Markets: See Chapter 7 of the Program Summary Guide, or Declining Market 1700 on the website, for all requirements regarding properties located in declining markets.

Fixed Jumbo: 1700J/1715J

Primary Residence						
Type ¹	Units	LTV	CLTV	HCLTV	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1-2	80%	90%	90%	\$500,000	N/A
		80%	90%	90%	\$1,000,000	
		75%	75%	75%	\$1,500,000	
		75%	75%	75%	\$2,000,000	
	3-4	80%	80%	80%	\$700,000	N/A
Cash Out Refinance	1-2	80%	80%	80%	\$500,000	\$500,000
		70%	70%	70%	\$700,000	\$700,000
		65%	65%	65%	\$1,000,000	\$700,000
		50%	50%	50%	\$1,500,000	\$700,000
Second Home						
Type	Units	LTV	CLTV	HCLTV	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1	80%	90%	90%	\$500,000	N/A
		80%	85%	85%	\$700,000	
		70%	75%	75%	\$1,000,000	
		65%	65%	65%	\$1,500,000	
Cash Out Refinance	Not Allowed					
¹ If the borrower has been on title for at least 6 months and has a lien on the property, but cannot demonstrate an acceptable continuity of obligation, the loan is considered a cash-out refinance transaction and the LTV is limited to 50% of the current appraised value.						

Manual Underwriting is allowed up to \$800,000 loan amount. AUS allowed to \$1,500,000. Loans may receive an “Ineligible” finding due to loan amount, LTV, CLTV, Occupancy status, etc as long as the loan parameters meet program guidelines. All other loans must be sent to the Investor for underwriting.

Trust One Mortgage – 1700 Series JUMBO

Interest Only Jumbo: 1700JIO

Primary Residence						
Type	Units	LTV	CLTV	HCLTV	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1-2	80%	90%	90%	\$1,000,000	N/A
		75%	75%	75%	\$1,500,000	
		75%	75%	75%	\$2,000,000	
	3-4 ¹	80%	80%	80%	\$700,000	N/A
Cash Out Refinance	1-2	80%	80%	80%	\$500,000	\$500,000
		70%	70%	70%	\$700,000	\$700,000
		65%	65%	65%	\$1,000,000	\$700,000
		50%	50%	50%	\$1,500,000	\$700,000
Second Home						
Type	Units	LTV	CLTV	HCLTV	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1	80%	90%	90%	\$500,000	N/A
		80%	85%	85%	\$700,000	
		70%	75%	75%	\$1,000,000	
		65%	65%	65%	\$1,500,000	
Cash Out Refinance	Not Allowed					

¹ 3-4 units not permitted in Hawaii.

Manual Underwriting is allowed up to \$800,000 loan amount. DU to \$1,500,000 is allowed. Loans must receive an Accept or Approve/Ineligible (due to loan amount). Loans may also receive Approve/Ineligible due to property type, second home occupancy, or LTV/CLTV outside Agency Interest Only parameters. All other loans must be sent to the Investor for underwriting.

ARM Jumbo: 1750J/1770J/1710J

Primary Residence						
Type	Units	LTV	CLTV	HCLTV	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1-2	80%	90%	90%	\$500,000	N/A
		80%	90%	90%	\$1,000,000	
		75%	75%	75%	\$1,500,000	
		75%	75%	75%	\$3,000,000	
	3-4 ¹	80%	80%	80%	\$700,000	N/A
Cash Out Refinance	1-2	80%	80%	80%	\$500,000	\$500,000
		70%	70%	70%	\$700,000	\$700,000
		65%	65%	65%	\$1,000,000	\$700,000
		50%	50%	50%	\$1,500,000	\$700,000
Second Home						
Type	Units	LTV	CLTV	HCLTV	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1	80%	90%	90%	\$500,000	N/A
		80%	85%	85%	\$700,000	
		70%	75%	75%	\$1,000,000	
		65%	65%	65%	\$1,500,000	
Cash Out Refinance	Not Allowed					

¹ 3-4 Unit properties in Hawaii not permitted.

Manual Underwriting is allowed up to \$800,000 loan amount. DU to \$1,500,000 is allowed. Loans may receive an “Ineligible” finding due to loan amount, LTV, CLTV, Occupancy status, etc as long as the loan parameters meet program guidelines. All other loans must be sent to the Investor for underwriting.

Trust One Mortgage – 1700 Series JUMBO

Interest Only ARM Jumbo: 1750JIO/1770JIO/1710JIO

Primary Residence						
Type	Units	LTV	CLTV	HCLTV	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1-2	80%	90%	90%	\$1,000,000	N/A
		75%	75%	75%	\$1,500,000	
		75%	75%	75%	\$3,000,000	
	3-4 ¹	80%	80%	80%	\$700,000	N/A
Cash Out Refinance	1-2	80%	80%	80%	\$500,000	\$500,000
		70%	70%	70%	\$700,000	\$700,000
		65%	65%	65%	\$1,000,000	\$700,000
		50%	50%	50%	\$1,500,000	\$700,000
Second Home						
Type	Units	LTV ¹	CLTV ¹	HCLTV ¹	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	1	80%	90%	90%	\$500,000	N/A
		80%	85%	85%	\$700,000	
		70%	75%	75%	\$1,000,000	
		65%	65%	65%	\$1,500,000	
Cash Out Refinance	Not Allowed					

¹3-4 Unit properties in Hawaii not permitted.

Manual Underwriting is allowed up to \$800,000 loan amount. DU to \$1,500,000 is allowed. Loans may receive an “Ineligible” finding due to loan amount, LTV, CLTV, Occupancy status, etc as long as the loan parameters meet program guidelines. All other loans must be sent to the Investor for underwriting.

Asset-Based Stated Income Fixed: 1700J/1715J/1700JIO/1750J/1770J/1710J/1750JIO/1770JIO/1710JIO

	Occupancy	Units	LTV ¹	CLTV ¹	HCLTV ¹	Loan Amount	Max Cash Out
Purchase & Rate & Term Refinance	Primary Residence	1-2	80%	90%	90%	\$500,000	N/A
			80%	90%	90%	\$1,000,000	
			75%	75%	75%	\$3,000,000 ²	
	Second Home	1	80%	90%	90%	\$500,000	N/A
			80%	85%	85%	\$700,000	
			70%	75%	75%	\$1,000,000	
	Investment Property		Not Allowed				
Cash Out Refinance ³	Primary Residence	1-2	80%	80%	80%	\$500,000	\$500,000
			70%	70%	70%	\$700,000	\$700,000
			65%	65%	65%	\$1,000,000	\$700,000
			50%	50%	50%	\$1,500,000	\$700,000
	Second Home		Not Allowed				
			Investment Property	Not Allowed			

¹Additional restrictions may apply depending upon the product selected.

²Fixed rate maximum \$2,000,000.

³If the borrower has been on title for at least 6 months and has a lien on the property, but cannot demonstrate an acceptable continuity of obligation, the loan is considered a cash-out refinance transaction and the LTV is limited to 50% of the current appraised value.

Manual Underwriting is allowed up to \$800,000 loan amount. Automated Underwriting is NOT ALLOWED. All other loans must be sent to the Investor for underwriting.

APPRAISAL: Trust One appraisal policy applies. A full interior/exterior appraisal is required. Property inspection waivers are not permitted. Two full appraisals required if the loan amount > \$1,000,000 and the loan is located in the following county: AZ (Maricopa); CA (Alameda, Contra Costa, Fresno, Los Angeles, Monterey, Orange, Placer, Riverside, San Diego, Santa Barbara, Sonoma); FL (Broward, Collier, Lee, Manatee, Palm Beach); NV (Clark, Washoe); VA (Arlington). Two full appraisals required if loan amount > \$1,500,001. Additional Requirements when two appraisals are required: Two complete residential appraisal reports, from two different companies, are required. Use the appraisal with the lower value. The underwriter must review both appraisal reports and address any inconsistencies between the two. All discrepancies must be reconciled. The LTV is generally based on the lower of the two appraised values, as long as the lower appraisal supports the value conclusion. The final inspection and/or recertification of value must be for the appraisal with the lower value.

Trust One Mortgage – 1700 Series JUMBO

ASSETS/FUNDS TO CLOSE/DOCUMENTATION:

➤ **Full Doc:** Bank or other asset account statements covering the most recent 2 consecutive months, and/or other documents as required. No verification required for refinancing transactions.

- **Self-Employed Borrower:** Complete signed individual tax returns for most recent 2 years including all W-2 forms and schedules. Complete signed corporate or partnership tax returns for most recent 2 years including all schedules. A verbal VOE evidencing verification of the borrower's business must be obtained no more than 15 calendar days prior to loan closing.
- **Salaried Borrower:** 1 most recent paystub with year-to-date earnings. W-2 forms covering the 2 most recent years. A verbal VOE must be obtained no more than 15 calendar days prior to loan closing.

➤ **Asset-Based Income:**

- **Employment History:** The borrower must have a 2-year work history. If they do not have a work history covering a full 2 years, the loan must be processed using the Modified/Standard process. Self-Employed: The business must have been in existence for at least 2 years (as stated on the application). If the business has not been in existence for a full 2 years, the loan must be processed using the Modified/Standard process. Gaps in employment are not permitted.
- **Source of Funds:** Assets must be liquid. Gift funds/Proceeds from the Sale of Home: Must not be used to support income. Large Deposits: An explanation is required if cumulative deposits are greater than one month's gross qualifying income. Explanation must be reasonable and consistent with the borrower's credit and income profile.
- **Income:** If income is documented in loan file, the loan is no longer eligible for an Asset Based Stated Income program and must be processed as full documentation.
 - **Self-employed Borrower:** Income Verification: None required. Although income documents are not required the application must state the specific source of income. Stated income may be used to calculate debt ratios provided all other factors in the file (e.g., assets, credit information, etc.) appear reasonable and are consistent with the amount being financed. Income stated on the application must be supported by assets reflecting a minimum balance of the lesser of 50% of the borrower's annual income or \$100,000. Assets to support income may come from any combination of liquid assets— checking/ savings, retirement, etc. **Statements must include all pages of the 3 most recent consecutive months. Statements must be for personal accounts only and clearly identify the borrower as the account holder and include the account number, the period covered by the statement, and all deposits and withdrawals made during the period covered. Business statements are not allowed.** Employment Verification: Documented verification that the business is open and operating no more than 30 calendar days prior to loan closing. Length of Employment: The business must have been in existence for at least 2 years. IRS Form 8821/4506 is required. It must be signed at closing by all borrowers and it must cover the past 2 years for both the individual and the business.
 - **Salaried Borrower:** Includes commission income totaling less than 25% of annual income. Income Verification: None required. W-2s/ Tax Returns: None Required. Income stated on the application must be supported by assets reflecting a minimum balance of the lesser of 50% of the borrower's annual income or \$100,000. Assets to support income may come from any combination of liquid assets— checking/savings, retirement, etc. **Statements must include all pages of the 3 most recent consecutive months. Statements must be for personal accounts only and clearly identify the borrower as the account holder and include the account number, the period covered by the statement, and all deposits and withdrawals made during the period covered. Business statements are not allowed.** Although income documents are not required the application must state the specific source of income. Stated income may be used to calculate debt ratios provided all other factors in the file (e.g., assets, credit information, etc.) appear reasonable and are consistent with the amount being financed. Employment Verification: Documented telephone verification of the employment with the employer no more than 30 calendar days prior to loan closing. Length of Employment: The borrower must have a 2-year employment history listed on the application. IRS Form 8821/4506 is required. It must be signed at closing by all borrowers and it must cover the past 2 years.
 - **Other Income Sources:** Other income may be considered, however, it cannot be the borrower's primary source of income used to qualify. Source/length of time received does not have to be verified. Although income documents are not required the application just state the specific source of income. Stated income may be used to calculate debt ratios provided all other factors in the file (e.g., assets, credit information, etc.) appear reasonable and are consistent with the amount being financed. Verification: IRS Form 8821/4506 is required. It must be signed at closing by all borrowers and it must cover the past 2 years. Assets to support income.
 - **Assets (Reserves, Large Deposits, Funds to Close):** Verification of personal assets is required. All pages of the 3 most recent consecutive months' bank statement(s) or VOD with three month's average balance and/or other documents needed to verify assets to close and reserves. Prudent underwriting prevails. **Income stated on the application must be supported by assets reflecting a minimum balance of the lesser of 50% of the borrower's annual income or \$100,000.**

Trust One Mortgage – 1700 Series JUMBO

➤ **Interested Party Contributions:** Maximum contributions are based on the lower of the sales price or appraised value. Financing Concessions are payments or credits for items related to acquiring the property or paying for financing terms, and are subject to interested party contribution limits. Sales Concessions are contributions for items that are not allowable Financing Concession items. Sales Concessions are not subject to interested party contribution limits, but their value must be deducted from the sales price before calculating LTVs and CLTVs. Financing Concessions may not be used to meet the borrower's down payment or minimum borrower contribution requirements, or to meet reserve requirements for the transaction. Payment abatements are not permitted as interested party Financing Concessions. This includes transactions where the interested party is directly funding the abatement and/or if the funding for the abatement is flowing through another entity, such as a non-profit down payment assistance program. Maximum Interested party contribution limits are based on occupancy and LTV for loans without subordinate financing, or the CLTV for loans with subordinate financing.

Occupancy	LTV	Maximum Contribution
Primary Residence	≤ 75%	9%
Primary Residence	75.01% to 80%	6%
Second Home	≤ 75%	9%
Second Home	75.01% to 80%	6%

ASSUMPTIONS:

- Fixed Rate: Not allowed.
- 5/1 ARM, 7/1 ARM and 10/1 ARM: Assumable anytime after the initial fixed interest rate period.

BORROWER ELIGIBILITY: All borrowers must have social security number.

➤ **Non-Occupant Co-Borrower:**

- Must be blood or legal relatives.
- Occupant Borrower must meet DU or LP ratio tests without the benefits of the Non-Occupant Co-Borrower's income or liabilities. LTV > 80%, the occupant borrower must have 5% of own funds towards down payment.

➤ **Permanent Resident Alien:** Must be employed in the US. Source of income must be verified and expected to continue for 3 years. A 2-year credit and income history is required.

➤ **Non-permanent Resident Alien:** Must currently reside in the US legally. Currently employed in the US and must be verified and expected to continue for 3 years. Must have 2-year work history, including their employment in a foreign country.

➤ **Non-arms length transaction:** A non-arms length transaction is one in which the parties involved are not entirely independent of each other (e.g., family sale between parent and child, property in an estate, employee and employer, renter and landlord, of flip transactions, or direct sale without a third party - transaction is not handled by a realtor, or for sale by owner). Non-Arms length transactions must be processed as Full Documentation. The appraiser must be informed of the non-arms length transaction and address whether or not the market value has been affected by the relationship of the parties.

➤ **Asset-Based Income:** Retired Borrowers are ineligible. Non-arms length transaction ineligible.

BUYDOWNS: Ineligible for loan amounts > \$700,000. Cash out refi ineligible.

- **1700J/1715J:** Primary Residence maximum 3%, Qualify at bought down rate; Second Home maximum 2%, Qualify at note rate.
- **1700JIO:** Primary Residence maximum 3%; Second Home maximum 2%.
- **1750J/1770J/1710J:** Max 2% on Primary Residence and Second Home.
- **1750JIO/1770JIO/1710JIO:** Not permitted.

CREDIT: Requires a 3-file merged report. A minimum of two FICO scores for each applicant must be obtained. Choose the lower of two scores or the middle of three. Use the score from the applicant with the lowest representative FICO. Must have established credit history to consist of a minimum of 4 trade lines (installment, revolving accounts, mortgages, etc.), one of which has been open a minimum of 24 months, the other 3 must be rated for at least 12 months (does not apply to loans run through AUS). **Charge-offs, collection accounts and past due accounts must be paid in full at or before loan closing.**

➤ **Mortgage rental history (manual underwrite):** A 12-month mortgage/rental payment history, if it exists, is required and must be disclosed and verified. A VOM/VOR or cancelled checks are required if the history is not on any bureau. The mortgage payment may not be more than 0x60 days late within the last 12 months.

➤ **Bankruptcy/Foreclosures/Deed-in-lieu of Foreclosure:** To be considered for a mortgage loan, the borrower must have re-established a satisfactory credit history and demonstrated the ability to manage financial affairs prudently. Generally a bankruptcy, foreclosure or deed-in-lieu should be fully discharged as specified in the applicable Documentation Process fact sheet (or for at least four years for a bankruptcy and deed-in-lieu and five years for a foreclosure if not specified in the fact sheet). Unless there are extenuating circumstances, the mortgage application may not be approved before the following time periods have elapsed from the date of the application:

Trust One Mortgage – 1700 Series JUMBO

- 4 years from the date the Chapter 7, 11, or 12 bankruptcy was discharged or dismissed;
- 4 years from the date a Chapter 13 repayment plan was dismissed;
- 5 years from the date of a foreclosure sale; or
- 4 years from the date a deed-in-lieu was executed.

Investor may consider two years an acceptable interval for having re-established a satisfactory credit record when:

- The previous action was a discharged Chapter 13 bankruptcy, regardless of the reasons that contributed to the previous bankruptcy.
- The previous action related to a foreclosure, deed-in-lieu or Chapter 7, 11 or 12 bankruptcy resulted from extenuating circumstances. (If the borrower cannot provide satisfactory documentation of the extenuating circumstances, four full years must have elapsed.)

Multiple Bankruptcy Filings: A 5-year time period must have elapsed from most recent dismissal or discharge date for borrowers with more than one bankruptcy filing within the past 7 years. A satisfactory credit record must be re-established. All bankruptcies must be either dismissed or discharged. Investor may consider 3 years an acceptable interval for having re-established a satisfactory credit record when the most recent bankruptcy filing was the result of documented extenuating circumstances.

Deed-in-Lieu: After the required 4-year but less than 7-year elapsed time period:

- Borrower may purchase a property secured by a principal residence, second home, or investment property with the greater of 10 percent minimum down payment or the minimum down payment required for the transaction.
- Limited-cash-out and cash-out refinance transactions secured by a principal residence, second home, or investment property are permitted pursuant to the eligibility requirements in effect at that time.

Investor may consider 2 years an acceptable interval for having re-established a satisfactory credit record if the deed-in-lieu was the result of documented extenuating circumstances. The same requirements apply as outlined above.

Pre-foreclosure sale: A pre-foreclosure sale involves the sale of the property by the borrower to a third party for less than the amount owed to satisfy the delinquent mortgage, as agreed to by the lender, investor, and mortgage insurer. A 2-year time period must have elapsed from completion date. No exceptions are permitted to the 2-year time period due to extenuating circumstances..

Foreclosures: After the requisite 5-year elapsed time period:

- The borrower may obtain a new mortgage to purchase a principal residence with a minimum 10% down payment and a minimum credit score of 680.
- The borrower may obtain a limited cash-out refinance mortgage pursuant to our eligibility requirements in effect at that time.
- The borrower may not obtain a cash-out refinance or obtain a mortgage secured by a second home or investment property for seven years after the foreclosure action.

Investor may consider 3 years an acceptable interval for having re-established a satisfactory credit record when:

- The previous action was a foreclosure resulted from extenuating circumstances. (If the borrower cannot provide satisfactory documentation of the extenuating circumstances, 5 full years must have elapsed.)

If the foreclosure was the result of documented extenuating circumstances and the requisite 3 year elapsed time period has passed:

- The same requirements apply as outlined above, with the exception that the minimum credit score of 680 is not required.

Extenuating Circumstances: Extenuating circumstances are created by non-recurring events that are beyond the borrower's control. Events often result in a sudden, significant, and prolonged reduction in income or a catastrophic increase in financial obligations. However, extenuating circumstances cannot be defined solely by the event. The event, the severity of the resulting hardship, and the extent of the borrower's efforts to resolve the situation must also be considered.

Documentation Requirements: If a bankruptcy, foreclosure or deed-in-lieu has occurred in the last seven years, the borrower must provide a copy of the applicable bankruptcy documents (or a copy of the appropriate documentation needed to establish the date of the foreclosure or deed-in-lieu). The borrower must also submit a written statement explaining the circumstances that contributed to the action and, if applicable, provide documentation to support his/her claim of any extenuating circumstances. Examples of documentation include:

- A copy of a divorce decree, medical reports, or bills, notice of job layoff, job severance papers, etc.
- Insurance papers or claim statements, property listing agreements, lease agreements, tax returns (covering the periods prior to, during, and after a loss of employment), etc. illustrating factors that contributed to the borrower's inability to resolve the problems that resulted from the event.

Verifying Re-established Credit: Regardless of the reason, if the borrower's credit history includes a bankruptcy filing or foreclosure-related action, she or he must have re-established credit for at least four years (or as dictated by policy) for a bankruptcy and five years for a foreclosure and established a new payment record that illustrates a willingness and ability to manage his/her finances over time and if applicable, under different economic conditions. All accounts must be current as of the date of the mortgage application. In addition, the borrower's credit history must include:

- A minimum of four credit references, with at least one traditional credit reference and one housing-related reference, all of which must have a satisfactory payment history. Three of the four credit references (including any rental housing reference) must have been active for a full 24 months before the date of the mortgage application. Collections and charge off accounts may not be considered as a trade line to meet the minimum credit requirement regardless of whether or not the account is with the original creditor.

Trust One Mortgage – 1700 Series JUMBO

- No more than two installment or revolving debt payments \geq 30 days past due in the last 24 months.
 - No installment or revolving debt payment \geq 60 days past due since the discharge or completion of the bankruptcy or the completion of the foreclosure-related action;
 - No past due rental/mortgage payments since the discharge or completion of the bankruptcy or the completion of the foreclosure-related action; and
 - No new public records containing bankruptcies, foreclosures, deeds-in-lieu, pre-foreclosure sales, unpaid judgments or collections, garnishments, liens, etc. since the discharge or completion of the bankruptcy or the completion of the foreclosure related action.
 - In no instance, may credit from a non-traditional source be used to offset a delinquency for a traditional credit account.
- **Full Doc:** A copy of the credit report used by DU to make the recommendation must be included in the closed loan package.
- **Asset-Based Income:** Verification or documentation supporting the mortgage and/or rental payment history for past 24 months is required. If it is not verified on the credit report, verification from the mortgage servicer, landlord, or borrower is required. The mortgage and/or rental history may not show any payments greater than 1 x 30 in the last 24 months. Bankruptcy/Foreclosure must have re-established credit record for elapsed time of 7 years. The Borrower may not be a party to a lawsuit. Disputed and/or unsatisfied debts, open liens, or judgments must be paid off at closing. **Charge-offs, collection accounts and past due accounts must be paid in full at or before loan closing.** Retired Borrowers are ineligible.
- Loan amount \leq \$1,500,000
 - Purchase & Rate/Term Refinance (1 & 2 Unit):
 - Fixed Rate - LTV \leq 75%, minimum FICO score is 680; LTV > 75%, minimum FICO score is 700.
 - ARM - minimum FICO score is 700.
 - Cash-out refinance OR 3-4 Unit Purchase & Rate/Term Refinance: Cash-out refinance transaction, minimum FICO score is 700; 3-4 Unit property, minimum FICO score is 700.
 - Loan amount > \$1,500,000: All products, all purposes, minimum FICO score is 720.
- **Credit Scores:** Minimum 620 FICO required regardless of DU Findings.

	Minimum FICO ¹
Primary Residence – Purchase or Rate & Term Refi	\leq \$1,000,000
LTV \leq 70%	620
LTV 70.01 – 80%	660
Primary Residence – Cash-Out Refi	\leq \$1,000,000
LTV 70.01 – 80% - \leq \$250,000 cash back	680
LTV 70.01 – 80% - \$250,001 - \$550,000 cash back	700
LTV \leq 70% - \leq \$700,000 cash back	680
Second Home	\leq \$1,000,000
All LTVs	660
Primary Residence & Second Home	\$1,000,000 - \$1,500,000
All LTVs	680
Primary Residence & Second Home	\$1,500,001 - \$3,000,000
All LTVs	720

¹ A higher score may be required due to LTV, loan amount, documentation process, loan program, etc. Borrowers who do not have at least two FICO scores are not eligible for any Interest-Only product. Scores below 620 are not permitted.

ESCROW (IMPOUNDS): LTV > 80%, require a monthly deposit of escrow funds for property taxes, hazard insurance, mortgage insurance, flood insurance, and other assessments, unless prohibited by applicable state law.

GEOGRAPHICAL RESTRICTIONS: Eligible states: AK (ARM loans ineligible), AZ, CA, CO, CT, FL, GA, HI (1700JIO/ARM loans: 3-4 unit ineligible); Properties located in Lava Hazard Zones 1 or 2, as determined by the U.S. Geological Survey, are not eligible), ID, IN, MD, MI, MO, NV, NM, OK, OR, TX (Cash out refi ineligible), UT, VA, WA, WY.

Declining Markets: See Chapter 7 of the Program Summary Guide, or Declining Market 1700 on the website, for all requirements regarding properties located in declining markets.

Trust One Mortgage – 1700 Series JUMBO

LIBOR ADJUSTABLE LOAN FEATURES:

- Index: Average rate for one year U.S. dollar denominated deposits in London markets based on quotations of major banks, also known as the London Interbank Offered Rate (LIBOR).
- Margin: See Rate Sheet.
- Interest Rate:
 - 5/1 ARM: Initial interest rate remains constant for first 5 years of loan. On the first interest rate adjustment date, the interest rate will be adjusted to equal the sum of the index plus the required margin, subject to an Initial Cap of 5%, a Periodic Cap of 2% and a Life Cap of 5%. The floor is the margin.
 - 7/1 ARM: Initial interest rate remains constant for first 7 years of loan. On the first interest rate adjustment date, the interest rate will be adjusted to equal the sum of the index plus the required margin, subject to an Initial Cap of 5%, a Periodic Cap of 2% and a Life Cap of 5%. The floor is the margin.
 - 10/1 ARM: Initial interest rate remains constant for first 10 years of loan. On the first interest rate adjustment date, the interest rate will be adjusted to equal the sum of the index plus the required margin, subject to an Initial Cap of 5%, a Periodic Cap of 2% and a Life Cap of 5%. The floor is the margin.
- Adjustment Frequency:
 - 5/1 ARM: The initial interest rate change occurs after the first 5 years and every 12 months thereafter.
 - 7/1 ARM: The initial interest rate change occurs after the first 7 years and every 12 months thereafter.
 - 10/1 ARM: The initial interest rate change occurs after the first 10 years and every 12 months thereafter.

MAXIMUM LOAN AMOUNT:

➤ **JUMBO limits:** See LTV/CLTV/HCLTV matrices.

MINIMUM LOAN AMOUNT: \$50 over the Conforming loan size limit.

MORTGAGE INSURANCE: Not required.

MULTIPLE PROPERTIES: There is no restriction on the number of properties a borrower can own when the subject property is a primary residence, however, if the subject property is a second home or investment property, the borrower may not have more than four (4) residential properties financed (this applies to either a single lender or several different lenders, including the Investor). This guideline applies regardless of DU Findings Report or LP Feedback Certificate.

OCCUPANCY:

- **Primary Residence:** 1-4 unit. 1700JIO/ARM loans: 3-4 unit ineligible in HI.
- **Second Home:** 1-unit; Texas ineligible.
- **Investment Property:** N/A.

PREPAYMENT PENALTY: None.

PROPERTY REQUIREMENTS:

➤ **Eligible:**

- Single Family Residence
- Condominium. Properties must have a DU Approve/Ineligible (due to loan amount) Findings Report, FNMA project approval, or Investor project approval, otherwise HOA must complete Investor Condo project questionnaire for Investor approval. Loans secured by attached units in all new condominium projects are no longer eligible for limited reviews. Primary Residences: The max LTV/CLTV for loans secured by established attached condominium units is 80%/90% for DU Approve recommendations only. The max LTV/CLTV for all other DU recommendations (includes Expanded Approvals) is 80%/80%. Second Homes: The max LTV/CLTV for loans secured by established attached condominium units is 75%/75% for all DU recommendations (includes Expanded Approvals). Investment Properties: Loans secured by attached condominium unit investment properties are not eligible for limited reviews.
- PUD. Attached PUD properties must have a DU Approve/Ineligible (due to loan amount) Findings Report, FNMA project approval, or Investor project approval, otherwise HOA must complete Investor Condo project questionnaire for Investor approval.
- Modular homes, Panelized homes

Trust One Mortgage – 1700 Series JUMBO

➤ **Ineligible:**

- Cooperatives
- Condo Hotels
- Timeshare units
- Manufactured housing/Mobile Homes
- Dome Homes
- Agricultural in nature: Farms, Orchards, Ranches, Properties with significant outbuildings or facilities for farm animals, etc.
- Geothermal Homes
- Commercial property
- Houseboats

➤ **Conversion of Principal Residence to Second Home or Investment Property:** In order to ensure that borrowers have sufficient equity and/or reserves to support both the existing and the new mortgage being originated, policies for qualifying borrowers purchasing a new principal residence and converting their existing principal residence to a second home or investment property are as follows:

- Current principal residence is pending sale but the transaction will not be closed (with title transferred to new owner) prior to the new transaction: Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction.
- Conversion to a Second Home: Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction; and 6 months of PITI for both properties is required to be in reserves. Lender may consider reduced reserves of no less than 2 months for both properties if there is documented equity of at least 30 percent in the existing property (derived from an appraisal, automated valuation model (AVM), or Broker Price Opinion (BPO), minus outstanding liens).
- Conversion to an Investment Property: Fannie Mae will continue to permit up to 75 percent of the rental income to be used to offset the mortgage payment in qualifying if there is documented equity of at least 30 percent in the existing property (derived from an appraisal, AVM, or BPO, minus outstanding liens). The rental income must be documented with: a copy of the fully executed lease agreement; and the receipt of a security deposit from the tenant and deposit into the borrower’s account. If the 30 percent equity in the property cannot be documented, rental income may not be used to offset the mortgage payment. Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction; and 6 months of PITI for both properties is required to be in reserves.

QUALIFYING:

➤ **Installment Loans:** Installment loans may be paid off or paid down to 10 months or less (leases excluded) to qualify. Installment loans paid at closing must have the monies sourced along with any other funds required at closing. Underwriters should use prudent judgment when qualifying a borrower who has paid down debt.

➤ **Revolving Debt:** May payoff debt to qualify only if underwritten through DU. May not payoff debts to qualify if manually underwritten. The underwriter may not stipulate or otherwise condition the loan for the pay off or reduction of any other revolving debts for the purpose of qualifying the borrower. Include the following when calculating DTI: Minimum payment (from statement or credit report); or \$10 or 3% of the current balance, whichever is greater, if no payment is stated on the credit report. If multiple account payments are not reported, and /or the borrower’s ratios are at the maximum permitted for the process selected, the underwriter should obtain actual minimum payments from the borrower’s account statements to qualify the borrower.

➤ **Real Estate Obligations:** If the sale of the borrower’s current home does not close prior to the subject property, the housing payment does not need to be included in the qualifying ratios provided the borrower: Provides a copy of the fully executed sales contract and, the sale of the current home closes simultaneous with the subject transaction; or If not closing simultaneously, provides a copy of the fully executed sales contract, lender’s commitment letter to the buyer of the current home, and verification of post-close reserves sufficient to cover six months of PITI on the current home; or If the borrower provides a signed lease agreement for the rental of their current residence, the full PITI payment does not need to be included in the qualifying ratios. However, any applicable negative rental income must be included as a liability in the qualifying ratios. In addition, the borrower must have postclose reserves sufficient to cover six months of PITI on the current home.

➤ **1700J/1715J:** Total Obligations Ratio: 40%. Additional ratio flexibility may be available for loans processed under AUS for Non-Conforming, or Relocation.

Qualifying rate: Loans approved via DU or LP use the qualifying rate as determined by the AUS system. For all other loans:

Occupancy	Without Buydown	With Buydown	Max Buy Down
Primary Residence	Note Rate	Buy Down Rate	3%
Second Home	Note Rate	Note Rate	2%

Buy downs are permitted subject to seller contribution limits. Buy downs not allowed on loan amounts >\$700,000.

Trust One Mortgage – 1700 Series JUMBO

➤ **1700JIO:** The Qualifying rate is the Note Rate or as determined by DU. The Qualifying payment is calculated using the fully amortizing monthly principal and interest payment amount based on the Note Rate and the term of the loan, plus monthly amounts for taxes, insurance and other applicable housing expenses. Total Obligations Ratio: 40%. Additional ratio flexibility may be available for loans processed under DU for Non-Conforming. DU Approve/Ineligible (due to loan amount) max DTI 50%.

➤ **1750J/1770J/1710J:** Total Obligations Ratio: 40%. Additional ratio flexibility may be available for loans processed under AUS for Non-Conforming, DU Approve/Ineligible (due to loan amount) max DTI 50%.

Qualifying rate: Loans approved via DU or LP use the qualifying rate as determined by the AUS system. For all other loans:

Product	With Buydown	Without Buydown
1750J/1770J/1710J	Initial Note Rate	Bought Down Rate

➤ **1750JIO/1770JIO/1710JIO:** Qualifying ratios manual underwrite 40%. Qualifying rate is the greater of the Fully Indexed Rate or the Note Rate. Note rate may not be lower than 3% below the fully indexed rate. The qualifying payment is calculated using the fully-amortizing monthly principal and interest payment based on the higher of the Qualifying Rate or the note rate and the term of the loan plus monthly amounts for taxes, insurance and other applicable housing expenses. Additional ratio flexibility may be available for loans processed under DU for Non-Conforming. DU Approve/Ineligible (due to loan amount) max DTI 50%.

➤ **Asset-Based Income:** Fixed Rate 38%; ARM 40%.

REFINANCE TRANSACTIONS: If the subject property is currently listed for sale the loan is not eligible for a rate/term refinance or a cashout refinance. Properties that were listed for sale within 90 days of the application date are eligible for a rate/term refinance only. For properties that have been off the market and not listed for sale within the past 90 days, rate/term refinance or cash-out refinance opportunities continue to be available. Every effort should be made to verify the property is no longer listed for sale. This policy does not apply to the refinance of a property that was recently purchased within the past 90 days. The borrower(s) may not receive any cash back on a purchase transaction, unless the amount represents: Reimbursement for the borrower's overpayment of fees; Reimbursement for costs paid by the borrower in advance (e.g. earnest money deposit, appraisal, credit report fees, etc.); Legitimate pro-rated real-estate tax credit in locales where real estate taxes are paid in arrears. If the borrower receives cash back for any of the above reasons, the underwriter must confirm that the minimum down payment or required borrower contribution has been met.

➤ **Rate/Term Refinance may include funds for the following:** Only subordinate financing that was used, in its entirety, for the purchase of the property will be considered Rate & Term refinance. If the subordinate lien being paid off was originated for any other purpose, at any time, and was not used entirely for the purchase of the property, the transaction will be considered a Cash-out refinance. As a result, a Rate & Term Refinance may only include the following: The payoff of the outstanding principal balance of an existing first mortgage; the pay off of the outstanding principal balance of an existing subordinate mortgage that was used in whole to acquire the subject property; the financing of closing costs (including prepaid expenses); and cash back to the borrower in an amount no more than the lesser of 2% of the balance of the new refinance mortgage or \$2000.

➤ **Cash Out Refinance:** Any funds borrowed that exceed the above requirements for a rate & term refinance are considered a cash out refinance. Follow FNMA guidelines. For any loan to be eligible for a cash-out refinance, the transaction must meet the following seasoning criteria: The borrower must have owned the subject property for a minimum of 6 months prior to the registration date; and Any previous refinance transactions on the subject property (rate/term or otherwise) must have closed at least 6 months prior to the application date on the new cash-out refinance. Cash out refi ineligible in Texas. Asset Based Stated Income: Cash-out refinance on a property that was listed for sale within the past 90 days ineligible. **NOTE: The file must be fully documented to evidence that the second lien was used solely as purchase money. For example, the Correspondent may provide a copy of the HUD-1, Title Report or Sales Contract from the original purchase transaction. Depending on the situation, the aforementioned documents may or may not be appropriate.**

Use the DU Findings Report or LP Feedback Certificate to determine underwriting and documentation requirements. Section 32 loans are not allowed.

RELOCATION: Ineligible for Asset-Based Stated Income loans. Full Doc loans must be manually underwritten. DU and LP not allowed.

RESERVES:

➤ **Full Doc:** Use the DU Findings Report or LP Feedback Certificate to determine underwriting and documentation requirements.

➤ **Asset-Based Income:** Six months verified PITI reserves are required.

Trust One Mortgage – 1700 Series JUMBO

SECONDARY FINANCING: Secondary financing not available through Investor. LTV/CLTV/HCLTV limits are found in Underwriting matrices. The following criteria must be met:

- For Full Doc use the DU Finding Report or LP Feedback Certificate to determine underwriting and documentation requirements.
- Must provide for regular payments of principal and interest, or regular payment of interest only.
- No NegAM allowed.
- No wraparound terms allowed.
- Fixed rate only.
- No maturity or balloon payment date of less than 5 years.
- No prepayment penalty allowed.
- Seller-carried 2nd TDs cannot come from the builder/developer.

TRAILING CO-BORROWER INCOME:

- For an LTV \leq 80%: 100% of the trailing co-borrower's income may be used to qualify.
- 6 months verified PITI reserves are required.
- The trailing co-borrower must have been employed in the same profession for past 2 years, and they must indicate in writing their intent to obtain employment in the new location.
- Income from previous employment must be verified, and a reasonable review of the job market in the new location must reflect the trailing co-borrower's employment opportunities in the new location are as good as in the current location.
- Income from a self-employed trailing co-borrower is not eligible.
- Trailing co-borrower income may be used to qualify the loan even if there is a bridge loan.

➤ Buydown:

- 1700J/1715J/1700JIO/1770J/1710J: 5-4-3-2-1 partial term buy down permitted on primary residence. Qualifying Rate: LTV \leq 90% 3% below note rate.