



---

## Loan Product Descriptions

Client Guide — Chapter 5



©2014 Gateway Mortgage Group, LLC.

**Gateway**  
MORTGAGE GROUP®  
Correspondent Lending

# TABLE OF CONTENTS

## Chapter 5

Fannie Mae Fixed Rate Product Description	51
Fannie Mae LIBOR ARM Product Description	55
Fannie Mae DU Refi Plus Product Description	59
Fannie Mae Texas A6 Home Equity Product Description	63
FHA Fixed Rate Product Description	68
HUD 184 Products	71
USDA Products	74
VA Products	78



## Fannie Mae Conforming Fixed Rate – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ First lien, fully amortizing, Fannie Mae Conforming Fixed Rate</li> <li>■ 10, 15, 20, 25 or 30 year term; LPMI allowed.</li> <li>■ See also Product Descriptions for <b>Texas A6 Home Equity and DU Refi Plus</b>.</li> </ul>	
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ CF10, CF10LPMI, CF15, CF15LPMI, CF20, CF20LPMI, CF25, CF25LPMI, CF30, CF30LPMI</li> </ul>	
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>■ Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming.</li> </ul>	
<b>GEOGRAPHIC RESTRICTIONS</b>	<p><b>Florida:</b></p> <ul style="list-style-type: none"> <li>■ No condominiums (entire state)</li> <li>■ No properties in Broward, Martin, Miami-Dade, Monroe or Palm Beach counties</li> </ul>	<p><b>Texas:</b></p> <p>See also Texas A6 Home Equity Product Description</p>
<b>MAXIMUM LTV/CLTV/HCLTV</b>	<p>Follow Fannie Mae Eligibility Matrix for Desktop Underwriter (DU) loans - <a href="https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf">https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf</a></p> <p><b>EXCEPT:</b></p> <ul style="list-style-type: none"> <li>■ Maximum LTV/CLTV is 85% for 1-unit Investment Property purchases.</li> </ul>	
<b>MINIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ None.</li> </ul>	
<b>MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ 1 Unit - \$417,000</li> <li>■ 2 Unit - \$533,850</li> <li>■ 3 Unit - \$645,300</li> <li>■ 4 Unit - \$801,950</li> <li>■ High Balance Conforming not allowed.</li> </ul>	
<b>AGE OF LOAN / PRIOR REJECTS</b>	<ul style="list-style-type: none"> <li>■ Loans must have been closed no more than 60 days prior to delivery.</li> <li>■ Loans previously rejected by Gateway or repurchased from Gateway, FNMA or FHLMC are ineligible.</li> <li>■ Loans previously rejected by or required to be repurchased from a private investor, unless such prior rejection / repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination.</li> </ul>	
<b>ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>■ Not allowed</li> </ul>	
<b>BOND PROGRAMS</b>	<ul style="list-style-type: none"> <li>■ Not allowed</li> </ul>	
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed</li> </ul>	
<b>CONVERSION OF PRIMARY RESIDENCE</b>	<ul style="list-style-type: none"> <li>■ For purposes of determining reserve requirements - No AVM or BPO allowed for determining value of primary residence being converted to second home or investment property. Minimum 2055 required.</li> <li>■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>	
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 640, regardless of DU findings.</li> </ul>	

## Fannie Mae Conforming Fixed Rate – Product Description (cont.)

<b>DOWN PAYMENT</b>	<ul style="list-style-type: none"> <li>■ Per Fannie Mae and specific MI company guidelines.</li> </ul>
<b>DOWN PAYMENT ASSISTANCE</b>	<ul style="list-style-type: none"> <li>■ Not Allowed</li> </ul>
<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>■ Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory final inspection.</li> </ul>
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>■ Not allowed on LTV's greater than 80%.</li> <li>■ If the borrower elects partial or full escrows and the subject property is located in a special flood hazard zone requiring flood insurance, escrow of the flood insurance premium is required. If the borrower has waived all escrows and the subject property is in a special flood hazard zone requiring flood insurance, the borrower may also waive escrows for flood insurance.</li> </ul>
<b>INELIGIBLE PROPERTY TYPE OVERLAYS</b>	<ul style="list-style-type: none"> <li>■ See <a href="#">Overlay Matrix</a>.</li> </ul>
<b>INTEREST CREDIT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>
<b>INVESTMENT PROPERTIES</b>	<ul style="list-style-type: none"> <li>■ Follow Fannie Mae Eligibility Matrix for Desktop Underwriter (DU) loans - <a href="https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf">https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf</a></li> </ul> <p><b>EXCEPT -</b></p> <ul style="list-style-type: none"> <li>■ Maximum LTV/CLTV is 85% for a 1-unit Investment Property purchase.</li> <li>■ Not allowed if there is a relationship or business affiliation between the borrower and any interested party involved in the purchase or loan transaction, including the builder, seller, lender, broker, employer, real estate agent, appraiser, etc.</li> <li>■ If the borrower does not own a primary residence, investment property must qualify with full PITI payment.</li> <li>■ No rental income considered for any lease executed with a family member or with someone that has a relationship or business affiliation between the borrower and any interested party involved in the purchase or loan transaction, including the builder, seller, lender, broker, employer, real estate agent, appraiser, etc.</li> </ul>
<b>ITIN OVERLAY</b>	<ul style="list-style-type: none"> <li>■ All borrowers must have a valid social security number; ITINs are not allowed.</li> </ul>
<b>LIMIT ON LOANS SERVICED BY GATEWAY</b>	<ul style="list-style-type: none"> <li>■ Maximum of 4 loans serviced by Gateway per Borrower / Household.</li> </ul>

## Fannie Mae Conforming Fixed Rate – Product Description (cont.)

<b>MORTGAGE INSURANCE</b>	<ul style="list-style-type: none"> <li>■ Eligible Mortgage Insurers are Arch/CMG Mortgage Insurance Co., Essent Guaranty, Genworth, MGIC, National MI, Radian, and United Guaranty.</li> <li>■ Single premium financed MI permitted, subject to:             <ul style="list-style-type: none"> <li>■ LPMI permitted per Fannie Mae Guidelines. Loan must be locked using the applicable LPMI product code.</li> <li>■ Minimum or Reduced MI requiring a loan level price adjustment is not allowed, regardless of DU findings.</li> </ul> </li> </ul>
<b>NATURAL DISASTER POLICY</b>	<p>Full appraisal on the appropriate form required and Client must represent and warrant the existence and condition of the subject property at time of purchase. Regardless of DU findings, the following are not allowed:</p> <ul style="list-style-type: none"> <li>■ Property Inspection Waiver (PIW),</li> <li>■ Desktop Underwriter Property Inspection Report (2075), or</li> <li>■ Exterior-Only Inspection Residential Appraisal Report (2055).</li> <li>■ Clients may call FEMA, (202) 646-4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>.</li> <li>■ Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</li> </ul>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>■ Non-arms length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation between the borrower, seller, and/or lender.             <ul style="list-style-type: none"> <li>» Non-arms length transactions require full documentation including 2 years federal tax returns and Fannie 1004.</li> <li>» Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> <li>» Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.</li> </ul> </li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>■ Primary.</li> <li>■ Second Home.</li> <li>■ Investment Properties.</li> </ul>
<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Allowed on "No-Cash-out" or "Limited Cash-out" refinances in the event funds being received by the borrower exceed the Fannie Mae maximum allowable amount permitted.</li> <li>■ May not exceed lesser of 2% of loan amount or \$500.</li> <li>■ Must clearly be reflected on the HUD-1 as a principal curtailment.</li> <li>■ May be in addition to the Fannie Mae allowable cash-back to the borrower.</li> </ul>

## Fannie Mae Conforming Fixed Rate – Product Description (cont.)

<b>UNDERWRITING</b>	<ul style="list-style-type: none"><li>■ DU Approve/Eligible required. If DO is used, findings must be released to Gateway.</li><li>■ Freddie Mac LP or Manual Underwriting not allowed.</li><li>■ If the Client elects to use third-party contract underwriting, a copy of the applicable individual contract underwriter's NMLS license must be provided unless the applicable state does not require such licensing. The Client remains solely and unequivocally responsible for all representations and warranties regardless of Client's election to use a contract underwriter.</li></ul>
---------------------	--

*Each loan must fully comply with all terms FNMA Guide requirements unless otherwise specifically noted above. Clients with access to AllRegs can access the entire Fannie Mae Seller Guide. For your added convenience, specific Fannie Mae Guidelines may also be accessed from Fannie Mae's website at the following links:*

Fannie Mae Seller Guide:

<https://www.fanniemae.com/singlefamily/delivering>

Fannie Mae Eligibility Matrix:

[https://www.fanniemae.com/content/eligibility\\_information/eligibility-matrix.pdf](https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf)

Fannie Mae Conforming Loan Amounts:

<https://www.fanniemae.com/singlefamily/loan-limits>

Fannie Mae Condo/PUD Approvals:

<https://www.fanniemae.com/singlefamily/project-eligibility>

Fannie Mae DU QuickSteps Guide:

<https://www.efanniemae.com/lc/technology/du/index.jsp>

Fannie Mae Top 10 Underwriting FAQs:

<https://www.efanniemae.com/sf/guides/ssg/sg/pdf/underwritingfaqs.pdf>

*To receive updates from Fannie Mae, click here to join their email subscription service:*

<https://www.efanniemae.com/lc/newsletters/index.jsp>

## Fannie Mae Conforming LIBOR ARM – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ First lien, fully amortizing Fannie Mae Conforming LIBOR ARM.</li> <li>■ Initial fixed period during which the interest rate will not change, after which interest rate will adjust annually.</li> <li>■ 30 year original amortization term.</li> <li>■ <i>See also Product Descriptions for Texas A6 Home Equity and DU Refi Plus.</i></li> </ul>
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ CF5/1L (FNMA ARM Plan 2737)</li> <li>■ CF7/1L (FNMA ARM Plan 2727)</li> </ul>
<b>UNIFORM INSTRUMENTS NOTE/ RIDER FORM #</b>	<ul style="list-style-type: none"> <li>■ Note form is FNMA/FHLMC 3528.</li> <li>■ Security Instrument ARM Rider form is FNMA/FHLMC 3187.</li> </ul>
<b>INDEX</b>	<ul style="list-style-type: none"> <li>■ 1-year LIBOR index as published in The Wall Street Journal. "LIBOR" is the average rate for U.S. dollar-denominated deposits in the London market based on quotations of major banks.</li> </ul>
<b>RATE ADJUSTMENTS</b>	<ul style="list-style-type: none"> <li>■ Interest rate can be adjusted up or down at each change date, based on the movements in the index.</li> <li>■ The interest rate will be adjusted to equal the sum of the index plus the required margin, rounded to the nearest .125%, subject to the interest rate caps.</li> <li>■ The monthly payment will be adjusted in accordance with the change in the interest rate.</li> </ul>
<b>INTEREST RATE CHANGE DATES</b>	<ul style="list-style-type: none"> <li>■ The interest rate at lock-in will remain constant until the first rate change date: <ul style="list-style-type: none"> <li>» <b>5/1 LIBOR ARM:</b> First rate change date is the 1st day of the 61st month after closing; 45 day lookback.</li> <li>» <b>7/1 LIBOR ARM:</b> First rate change date is the 1st day of the 85th month after closing; 45 day lookback.</li> </ul> </li> <li>■ Subsequent rate change dates will occur on the 1st day of every 12th calendar month thereafter.</li> </ul>
<b>CAPS</b>	<ul style="list-style-type: none"> <li>■ 5% initial</li> <li>■ 2% periodic</li> <li>■ 5% lifetime</li> </ul>
<b>MARGIN</b>	<ul style="list-style-type: none"> <li>■ 2.25%</li> <li>■ The floor is the margin.</li> </ul>
<b>ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>■ Assumable after the initial fixed rate period under certain conditions (including creditworthiness of assumptor) as fully described in the Security Instrument</li> </ul>
<b>BOND PROGRAMS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>
<b>CONVERSION OF PRIMARY RESIDENCE</b>	<ul style="list-style-type: none"> <li>■ For purposes of determining reserve requirements - No AVM or BPO allowed for determining value of primary residence being converted to second home or investment property. Minimum 2055 required.</li> <li>■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>
<b>CONVERSION OPTION</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>■ Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming.</li> </ul>

## Fannie Mae Conforming LIBOR ARM – Product Description (cont.)

<b>GEOGRAPHIC RESTRICTIONS</b>	<b>Florida:</b> <ul style="list-style-type: none"> <li>■ No condominiums (entire state)</li> <li>■ No properties in Broward, Martin, Miami-Dade, Monroe or Palm Beach counties</li> </ul>	<b>Texas:</b> See also Texas A6 Home Equity Product Description
<b>MAXIMUM LTV/CLTV/HCLTV</b>	Follow Fannie Mae Eligibility Matrix for Desktop Underwriter (DU) loans for ARM loans - <a href="https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf">https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf</a>	
<b>MINIMUM LOAN AMOUNT</b> <b>MAXIMUM LOAN AMOUNT</b>	None. <ul style="list-style-type: none"> <li>■ 1 Unit - \$417,000</li> <li>■ 2 Unit - \$533,850</li> <li>■ 3 Unit - \$645,300</li> <li>■ 4 Unit - \$801,950</li> <li>■ High Balance Conforming not allowed.</li> </ul>	
<b>AGE OF LOAN / PRIOR REJECTS</b>	Loans must have been closed no more than 60 days prior to delivery <ul style="list-style-type: none"> <li>■ Loans previously rejected by Gateway or repurchased from Gateway, Fannie Mae or Freddie Mac are ineligible.</li> <li>■ Loans previously rejected by or required to be repurchased from a private investor, unless such prior rejection/repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination.</li> </ul>	
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 640, regardless of DU findings.</li> </ul>	
<b>DOWN PAYMENT ASSISTANCE</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>■ Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory final inspection.</li> </ul>	
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>■ Not allowed on LTV's greater than 80%.</li> <li>■ If the borrower elects partial or full escrows and the subject property is located in a special flood hazard zone requiring flood insurance, escrow of the flood insurance premium is required. If the borrower has waived all escrows and the subject property is in a special flood hazard zone requiring flood insurance, the borrower may also waive escrows for flood insurance.</li> </ul>	
<b>INELIGIBLE PROPERTY TYPE OVERLAYS</b>	<ul style="list-style-type: none"> <li>■ See <a href="#">Overlay Matrix</a>.</li> </ul>	
<b>INTEREST CREDIT AT CLOSING</b>	Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)	



## Fannie Mae Conforming LIBOR ARM – Product Description (cont.)

<b>INVESTMENT PROPERTIES / SECOND HOME</b>	<p>Follow Fannie Mae Eligibility Matrix for Desktop Underwriter (DU) loans - <a href="https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf">https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf</a></p> <p><b>EXCEPT –</b></p> <ul style="list-style-type: none"> <li>■ Borrower(s) may only own a total of 4 financed properties.</li> <li>■ Borrower(s) with more than 4 financed properties are not eligible.</li> <li>■ All financed properties held individually or jointly, or in an LLC or partnership must be counted in the borrower(s) total number of properties, regardless of the borrowers ownership percentage in the LLC or partnership, and regardless who is obligated on the financing.</li> <li>■ Not allowed if there is a relationship or business affiliation between the borrower and any interested party involved in the purchase or loan transaction, including the builder, seller, lender, broker, employer, real estate agent, appraiser, etc.</li> <li>■ If the borrower does not own a primary residence, investment property must qualify with full PITI payment.</li> <li>■ No rental income considered for any lease executed with a family member or with someone that has a relationship or business affiliation between the borrower and any interested party involved in the purchase or loan transaction, including the builder, seller, lender, broker, employer, real estate agent, appraiser, etc.</li> </ul>
<b>ITIN OVERLAY</b>	<p>All borrowers must have a valid social security number; ITINs are not allowed.</p>
<b>LIMIT ON MULTIPLE LOANS SERVICED BY GATEWAY</b>	<p>Maximum of 4 loans serviced by Gateway per Borrower / Household.</p>
<b>MORTGAGE INSURANCE</b>	<ul style="list-style-type: none"> <li>■ Eligible Mortgage Insurers are Arch/CMG Mortgage Insurance Co., Essent Guaranty, Genworth, MGIC, National MI Radian, and United Guaranty.</li> <li>■ Single premium financed MI permitted per Fannie Mae Guidelines.</li> <li>■ LPMI not permitted.</li> <li>■ Minimum or Reduced MI requiring a loan level price adjustment is not allowed, regardless of DU findings.</li> </ul>
<b>NATURAL DISASTER POLICY</b>	<ul style="list-style-type: none"> <li>■ Full appraisal on the appropriate form required and Client must represent and warrant the existence and condition of the subject property at time of purchase. Regardless of DU findings, the following are not allowed: <ul style="list-style-type: none"> <li>■ Property Inspection Waiver (PIW),</li> <li>■ Desktop Underwriter Property Inspection Report (2075), or</li> <li>■ Exterior-Only Inspection Residential Appraisal Report (2055).</li> </ul> </li> </ul> <p>Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>.</p> <p>Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</p>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>■ Non-arms length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation between the borrower, seller, and/or lender.</li> <li>■ Non-arms length transactions require full documentation including 2 years federal tax returns and Fannie 1004.</li> <li>■ Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> <li>■ Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.</li> </ul>

## Fannie Mae Conforming LIBOR ARM – Product Description (cont.)

<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>■ Primary only.</li> <li>■ Second Home.</li> <li>■ Investment Properties.</li> </ul>
<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Allowed on “No-Cash-out” or “Limited Cash-out” refinances in the event funds being received by the borrower exceed the Fannie Mae maximum allowable amount permitted.</li> <li>■ May not exceed lesser of 2% of loan amount or \$500.</li> <li>■ Must clearly be reflected on the HUD-1 as a principal curtailment.</li> <li>■ May be in addition to the Fannie Mae allowable cash-back to the borrower.</li> </ul>
<b>QUALIFIED MORTGAGE LOAN</b>	<p>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a “Qualified Mortgage” as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p> <p>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p>
<b>THIRD PARTY ORIGINATIONS “TPOs”</b>	<p>Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your AE for consideration.)</p>
<b>UNDERWRITING</b>	<ul style="list-style-type: none"> <li>■ DU Approve/Eligible required. If DO is used, findings must be released to Gateway.</li> <li>■ Freddie Mac LP or Manual Underwriting is not allowed.</li> <li>■ If the Client elects to use third-party contract underwriting, a copy of the applicable individual contract underwriter’s NMLS license must be provided unless the applicable state does not require such licensing. The Client remains solely and unequivocally responsible for all representations and warranties regardless of Client’s election to use a contract underwriter.</li> </ul>

Each loan must fully comply with all terms FNMA Guide requirements unless otherwise specifically noted above. Clients with access to AllRegs can access the entire Fannie Mae Seller Guide. For your added convenience, specific Fannie Mae Guidelines may also be accessed from Fannie Mae’s website at the following links:

Fannie Mae Seller Guide

<https://www.fanniemae.com/singlefamily/delivering>

Fannie Mae ARM Plan Matrix:

[https://www.fanniemae.com/content/eligibility\\_information/arm-matrix.pdf](https://www.fanniemae.com/content/eligibility_information/arm-matrix.pdf)

Fannie Mae Eligibility Matrix

[https://www.fanniemae.com/content/eligibility\\_information/eligibility-matrix.pdf](https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf)

Fannie Mae Conforming Loan Amounts:

<https://www.fanniemae.com/singlefamily/loan-limits>

Fannie Mae Condo/PUD Approvals:

<https://www.fanniemae.com/singlefamily/project-eligibility>

Fannie Mae DU QuickSteps Guide:

<https://www.fanniemae.com/lc/technology/du/index.jsp>

Fannie Mae Top 10 Underwriting FAQs:

<https://www.fanniemae.com/sf/guides/ssg/sg/pdf/underwritingfaqs.pdf>

To receive updates from Fannie Mae, click here to join their email subscription service:

<https://www.fanniemae.com/lc/newsletters/index.jsp>

## Fannie Mae Conforming DU REFI Plus – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ First lien, fully amortizing, Fannie Mae Conforming DU Refi Plus; fixed rate only.</li> <li>■ The existing mortgage MUST be a Fannie Mae owned or guaranteed first lien mortgage.</li> <li>■ DU findings must indicate that the borrower and subject property address are DU Refi Plus eligible.</li> <li>■ ≤ 105.00% LTV: 10, 15, 20, 25, or 30 year term.</li> <li>■ &gt; 105.00% LTV: 15 or 30 year term.</li> </ul> <p>See also the Product Descriptions for Fannie Mae Conforming Fixed Rate, and Texas A6 Home Equity Base Product Descriptions. Follow the applicable base Product Description(s) except for the DU Refi Plus differences reflected herein.</p>
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ ≤ 105.00% LTV: CF30-DURefi+, CF25-DURefi+, CF20-DURefi+, CF15-DURefi+, CF10-DURefi+</li> <li>■ 105.01 -- 125.00% LTV: CF30H125, CF15H125</li> <li>■ 125.01 -- 150.00% LTV: CF30H150, CF15H150</li> </ul>
<b>MAXIMUM LTV/CLTV/HCLTV</b>	<ul style="list-style-type: none"> <li>■ Follow Fannie Mae Guidelines for Desktop Underwriter (DU) Refi Plus loans, except: <ul style="list-style-type: none"> <li>■ 1-4 Unit Principal Residence - 150% LTV / CLTV (except Texas Equity loans limited to 80% LTV/CLTV).</li> <li>■ 1 Unit Second Home - 150% LTV / CLTV.</li> <li>■ 1-4 Unit Investment Property - 150% LTV / CLTV.</li> </ul> </li> </ul>
<b>MINIMUM LOAN AMOUNT MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ None.</li> <li>■ \$417,000</li> </ul>
<b>AGE OF LOAN / PRIOR REJECTS</b>	<ul style="list-style-type: none"> <li>■ Loans must have been closed no more than 60 days prior to delivery.</li> <li>■ Loans previously rejected by Gateway or repurchased from Gateway, FNMA or FHLMC are ineligible.</li> <li>■ Loans previously rejected by or required to be repurchased from a private investor, unless such prior rejection / repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination.</li> </ul>
<b>APPRAISAL</b>	<ul style="list-style-type: none"> <li>■ Per DU, except Texas Equity properties require full Fannie Form 1004 regardless of DU finding.</li> <li>■ For certain transactions, DU may offer a property Fieldwork Waiver. If offered, the Fieldwork Waiver should be exercised, and a \$75 fee should be charged. No other appraisal fee may be collected.</li> <li>■ DU must be reran with the estimated value provided by DU.</li> <li>■ If an appraisal is obtained it must be considered in the valuation.</li> </ul>
<b>BORROWER BENEFIT REQUIREMENT</b>	<ul style="list-style-type: none"> <li>■ Per Fannie Mae, the lender must document the borrower is receiving at least one of the following benefits in addition to meeting the Net Financial Benefit: <ul style="list-style-type: none"> <li>» a reduced monthly mortgage principal and interest payment,</li> <li>» a more stable mortgage product (ARM to Fixed),</li> <li>» a reduction in the interest rate, or</li> <li>» a reduction in the amortization term.</li> </ul> </li> <li>■ DU does not make the determination that the DU Refi Plus transaction will benefit the borrower. The lender must determine (and rep and warrant) this outside DU.</li> </ul>
<b>BORROWER ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>■ At least one of the original borrower(s) must be on the new loan.</li> <li>■ Additional Borrowers may be added to the new loan, provided at least one of the existing borrowers is also on the new loan.</li> </ul>
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>

## Fannie Mae Conforming DU REFI Plus – Product Description (cont.)

<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 640, regardless of DU findings.</li> </ul>
<b>ELIGIBLE STATES</b>	Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming.
<b>ESCROW HOLDBACK</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>■ Not allowed on LTV's greater than 80%.</li> <li>■ If the borrower elects partial or full escrows and the subject property is located in a special flood hazard zone requiring flood insurance, escrow of the flood insurance premium is required. If the borrower has waived all escrows and the subject property is in a special flood hazard zone requiring flood insurance, the borrower may also waive escrows for flood insurance.</li> </ul>
<b>GEOGRAPHIC RESTRICTIONS</b>	<ul style="list-style-type: none"> <li>■ <b>Florida:</b> No properties in Broward, Martin, Miami-Dade, Monroe or Palm Beach counties.</li> <li>■ <b>Texas:</b> Existing Texas Equity 50(a)(6) mortgages must meet all Texas Equity program guidelines, including maximum 1 unit primary residence, maximum 80% LTV/CLTV, and 12 months seasoning.</li> </ul>
<b>INELIGIBLE PROPERTY TYPE OVERLAYS</b>	<ul style="list-style-type: none"> <li>■ See <a href="#">Overlay Matrix</a>.</li> </ul>
<b>INTEREST CREDIT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>
<b>INVESTMENT PROPERTIES / SECOND HOME</b>	<ul style="list-style-type: none"> <li>■ Follow Fannie Mae Eligibility Matrix for Desktop Underwriter (DU) loans - <a href="https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf">https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf</a></li> <li><b>EXCEPT -</b></li> <li>■ Borrower(s) may only own a total of 4 financed properties.</li> <li>■ Borrower(s) with more than 4 financed properties are not eligible.</li> <li>■ All financed properties held individually or jointly, or in an LLC or partnership must be counted in the borrower(s) total number of properties, regardless of the borrowers ownership percentage in the LLC or partnership, and regardless who is obligated on the financing.</li> <li>■ If the borrower does not own a primary residence, investment property must qualify with full PITI payment.</li> <li>■ No rental income considered for any lease executed with a family member or with someone that has a relationship or business affiliation between the borrower and any interested party involved in the purchase or loan transaction, including the builder, seller, lender, broker, employer, real estate agent, appraiser, etc.</li> </ul>
<b>ITIN OVERLAY</b>	<ul style="list-style-type: none"> <li>■ All borrowers must have a valid social security number; ITINs are not allowed.</li> </ul>

## Fannie Mae Conforming DU REFI Plus – Product Description (cont.)

<b>LIMIT ON LOANS SERVICED BY GATEWAY</b>	<ul style="list-style-type: none"> <li>■ Maximum of 4 loans serviced by Gateway per Borrower / Household.</li> </ul>
<b>LOAN PURPOSE</b>	<ul style="list-style-type: none"> <li>■ The new loan amount can include:</li> <li>■ Payoff of the unpaid principal balance on the existing first mortgage;</li> <li>■ Financing of the payment of closing costs, prepaid items, and points;</li> <li>■ Cash back to the borrower not to exceed \$250 (except in Texas, no cash back allowed). Any excess funds at closing must be applied as a principal curtailment. NO EXCEPTIONS.</li> <li>■ DU Refi Plus on previous Texas Equity limited to 3% total fees</li> </ul>
<b>MORTGAGE INSURANCE</b>	<ul style="list-style-type: none"> <li>■ DU will determine if MI is required.</li> <li>■ LPMI is not eligible.</li> <li>■ Original LTV &lt; or = 80% - no mortgage insurance required.</li> <li>■ Original LTV &gt; 80% and MI still in force – Current MI certificate must be transferred from one of the following Gateway approved MI providers – Arch/CMG Mortgage Insurance, Essent, Genworth, MGIC, National MI, PMI, Radian, RMIC, and United Guaranty. MI coverage from any other provider unacceptable. Correspondent responsible for obtaining approved transferred MI certificate. Refer to applicable MI company website for instructions on how to request.</li> <li>■ Copy of approved transferred MI certificate required at delivery.</li> <li>■ Minimum or Reduced MI requiring a loan level price adjustment is not allowed, regardless of DU findings.</li> </ul>
<b>NATURAL DISASTER POLICY</b>	<ul style="list-style-type: none"> <li>■ Full appraisal on the appropriate form required and Client must represent and warrant the existence and condition of the subject property at time of purchase. Regardless of DU findings, the following are not allowed:</li> <li>■ Property Inspection Waiver (PIW),</li> <li>■ Fieldwork Work Waiver (FFW),</li> <li>■ Desktop Underwriter Property Inspection Report (2075), or</li> <li>■ Exterior-Only Inspection Residential Appraisal Report (2055).</li> </ul> <p>Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>. Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</p>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>■ Primary, Second Home, or Investment Property.</li> <li>■ Current occupancy does not have to match original occupancy. As example - previous Primary residence may now be considered Investment Property.</li> </ul>
<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Cash back to the borrower may not exceed \$250 (except in Texas, no cash back allowed).</li> <li>■ Any excess funds at closing must be applied as a principal curtailment. This is an agency requirement, NO EXCEPTIONS.</li> <li>■ Principal Curtailment may not exceed \$250.</li> <li>■ Must clearly be reflected on the HUD-1 as a principal curtailment.</li> </ul>
<b>QUALIFIED MORTGAGE LOAN</b>	<p>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a “Qualified Mortgage” as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p> <p>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p>

## Fannie Mae Conforming DU REFI Plus – Product Description (cont.)

<b>SPECIAL FEATURE CODES</b>	<ul style="list-style-type: none"> <li>■ 147 - all DU Refi Plus loans</li> <li>■ 118 – loans with subordinate Community Second lien</li> </ul>
<b>THIRD PARTY ORIGINATIONS “TPOs”</b>	<ul style="list-style-type: none"> <li>■ Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your AE for consideration.)</li> </ul>
<b>UNDERWRITING</b>	<ul style="list-style-type: none"> <li>■ DU Approve/Eligible confirming eligibility for DU Refi Plus. If DO is used, findings must be released to Gateway.</li> <li>■ Freddie Mac LP or Manual Underwriting is not allowed.</li> <li>■ If the Client elects to use third-party contract underwriting, a copy of the applicable individual contract underwriter’s NMLS license must be provided unless the applicable state does not require such licensing. The Client remains solely and unequivocally responsible for all representations and warranties regardless of Client’s election to use a contract underwriter</li> </ul>

*Each loan must fully comply with all terms FNMA Guide requirements unless otherwise specifically noted above. Clients with access to AllRegs can access the entire Fannie Mae Seller Guide. For your added convenience, specific Fannie Mae Guidelines may also be accessed from Fannie Mae’s website at the following links:*

Fannie Mae Seller Guide

<https://www.fanniemae.com/singlefamily/delivering>

Fannie Mae Eligibility Matrix

[https://www.fanniemae.com/content/eligibility\\_information/eligibility-matrix.pdf](https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf)

DU Refi Plus Tutorial

<http://fanniemae.articulate-online.com/ContentRegistration.aspx?DocumentID=dbb2ed22-b596-47ff-81ed-90009a303cbb&Cust=77787&ReturnUrl=/p/7778776992>

Fannie DU Refi Plus FAQ’s

<https://www.fanniemae.com/content/faq/harp-du-refi-plus-faqs.pdf>

*To receive Fannie updates click here to join their email service:*

<https://www.efanniemae.com/lc/newsletters/index.jsp>

## Texas A6 Home Equity – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ First lien, fully amortizing, Fannie Mae Conforming Fixed Rate; 10, 15, 20, 25 or 30 year term.</li> <li>■ Product is specific to single family (1-unit) primary residences located in Texas and subject to the provisions of Texas Section 50(a)(6), Article XVI of the Texas Constitution.</li> </ul> <p><b>See also the Product Descriptions for Fannie Mae Conforming Fixed Rate and Fannie Mae Conforming DU Refi Plus. Follow the applicable base Product Description(s) except for the Texas A(6) differences reflected herein.</b></p> <p><u><b>DISCLAIMER:</b> This is Gateway’s interpretation of the Texas Homestead Act and should not be construed as legal or compliance advice. Clients are solely responsible for ensuring all legal compliance and must consult with their legal counsel on all compliance issues.</u></p>
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ CF10-TXa6, CF10-TXa6-DURefi+, CF15-TXa6, CF15-TXa6-DURefi+, CF20-TXa6, CF20-TXa6-DURefi+, CF25-TXa6, CF25-TXa6-DURefi+, CF30-TXa6, CF30-TXa6-DURefi+</li> </ul>
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>■ Texas</li> </ul>
<b>MAXIMUM LTV / CLTV / HCLTV and SUBORDINATE FINANCING</b>	<p>Follow Fannie Mae Guidelines for Desktop Underwriter (DU) loans, except:</p> <ul style="list-style-type: none"> <li>■ Maximum LTV/CLTV is 80%.</li> <li>■ No new secondary financing permitted.</li> <li>■ Existing subordinate financing not subject to Section 50(a)(6) may be subordinated. See also Financing Types below for second lien requirements subject to Section 50(a)(6).</li> <li>■ No third liens permitted.</li> <li>■ HELOC not eligible for secondary financing.</li> <li>■ Subordinate financing must otherwise comply with Fannie Mae requirements.</li> </ul>
<b>MINIMUM LOAN AMOUNT MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ None.</li> <li>■ 1 Unit - \$417,000</li> </ul>
<b>AGE OF LOAN / PRIOR REJECTS</b>	<ul style="list-style-type: none"> <li>■ Loans must have been closed no more than 60 days prior to delivery.</li> <li>■ Loans previously rejected by Gateway or repurchased from Gateway, FNMA or FHLMC are ineligible.</li> <li>■ Loans previously rejected by or required to be repurchased from a private investor, unless such prior rejection / repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor’s determination.</li> </ul>
<b>ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 640, regardless of DU findings.</li> </ul>
<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>■ Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory final inspection.</li> </ul>
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>■ If the borrower elects partial or full escrows and the subject property is located in a special flood hazard zone requiring flood insurance, escrow of the flood insurance premium is required. If the borrower has waived all escrows and the subject property is in a special flood hazard zone requiring flood insurance, the borrower may also waive escrows for flood insurance.</li> </ul>

## Texas A6 Home Equity – Product Description

<p><b>PRODUCT DESCRIPTION</b></p>	<p><b>Texas Home Equity Restrictions</b></p> <ul style="list-style-type: none"> <li>■ Any Texas Section 50(a)(6) loan (first or second) is always restricted to the provisions of Texas Section 50(a)(6) for all subsequent refinances of that loan.</li> <li>■ The title policy will reference Texas Section 50(a)(6).</li> <li>■ There can be only one outstanding Texas Section 50(a)(6) loan on a property at any given time.             <ul style="list-style-type: none"> <li>» If the borrower has an existing Texas Section 50(a)(6) second lien and is getting cash-out from the first mortgage, that lien must be paid off.</li> </ul> </li> <li>■ 12-month seasoning for any Texas Section 50(a)(6) loan (first or second); based on closing dates</li> <li>■ No seasoning requirement for first or second mortgages that are not Texas Section 50(a)(6) loans.</li> <li>■ If an existing Texas Section 50(a)(6) second lien is being subordinated and there is no cash-out from the first mortgage refinance, refer to the Fannie Mae Conforming Fixed Rate Product Description and the Fannie Mae Guide for rate &amp; term refinance guidelines. The second lien must be subordinated to the new first mortgage and a subordination agreement must be executed. Borrower cannot be receiving any cash back from the first mortgage transaction.</li> <li>■ If paying off a second mortgage that is not a Texas Section 50(a)(6) second lien AND there is no cash out from the first mortgage, refer to the <i>Fannie Mae Conforming Fixed Rate Product Description</i> and the <i>Fannie Mae Guide</i> for applicable refinance guidelines.</li> <li>■ Financed closing and other costs (excluding prepaids) cannot exceed 3% of the principal amount of the loan. Discount points used for reduction in interest rate do not need to be included in the 3%. Discount points used for closing costs must be included in the 3%. Only fees to third parties (e.g. appraisal, title report, title insurance, and third party closing costs) may be passed through to the borrower. Delinquent property taxes cannot be paid from proceeds. If closing costs are greater than 3%, fees must be reduced prior to closing.</li> <li>■ <b>Refunds to the borrower are not permitted; no principal curtailments at closing.</b></li> <li>■ Premium pricing is permitted if disclosed to the borrower <i>at time of initial application</i></li> <li>■ <b>Rate and Term Refinance</b></li> <li>■ A loan is a rate and term refinance if the first mortgage being paid off is a Texas Section 50(a)(6) loan and the borrower is not getting any cash back from the refinance transaction. A second mortgage that is not a Texas Section 50(a)(6) loans that was used in whole to acquire the subject may be paid off.</li> <li>■ May include closing costs and prepaids</li> <li>■ HUD-1 Settlement Statement(s) required from any transaction within past 6 months. If previous transaction was a cash-out or if it combined a first and non-purchase money subordinate into a new first, loan to be designated cash-out. If new transaction combines a first and non-purchase money subordinate into a new first loan, it is considered cash out</li> <li>■ Continuity of Obligation, as defined by Fannie Mae, must be demonstrated.</li> </ul>
<p><b>PRODUCT CODES</b></p>	<p><b>Cash-out Refinance</b></p> <ul style="list-style-type: none"> <li>■ One borrower must have held title to the subject property at least 6 months, measured from the previous note date to the new application date.</li> <li>■ Continuity of Obligation must be demonstrated. <i>See Fannie Mae Guide for definition and guidelines.</i></li> <li>■ A loan is considered a cash-out refinance if:             <ul style="list-style-type: none"> <li>» Paying off a first and/or second mortgage that is not a Texas Section 50(a)(6) loan AND is getting any cash-out from the refinance.</li> <li>» Paying off a first mortgage that is a Texas Section 50(a)(6) loan, is not getting any cash-out AND is paying off a second lien that is not a Texas Section 50(a)(6) which was not used in whole to acquire the subject property.</li> <li>» Paying off a first mortgage that is not a Texas Section 50(a)(6) loan AND is paying off a second lien that is a Texas Section 50(a)(6) loan and:                 <ul style="list-style-type: none"> <li>• The borrower is getting cash back from the refinance transaction OR</li> <li>• The borrower is not getting cash-out but is paying off a second mortgage that was not used in whole to acquire the subject property.</li> </ul> </li> </ul> </li> <li>■ Loan proceeds can be used to pay off secured debt or unsecured debt, except. NO unsecured correspondent Client or correspondent Client affiliated debt may be paid off at closing.</li> </ul>



## Texas A6 Home Equity – Product Description (cont.)

<b>INELIGIBLE PROPERTY TYPE OVERLAYS</b>	<ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a>.</li> </ul>
<b>INTEREST CREDIT AT CLOSING</b>	<ul style="list-style-type: none"> <li>Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>
<b>ITIN OVERLAY</b>	<ul style="list-style-type: none"> <li>All borrowers must have a valid social security number; ITINs are not allowed.</li> </ul>
<b>LIMIT ON LOANS SERVICED BY GATEWAY</b>	<ul style="list-style-type: none"> <li>Maximum of 4 loans serviced by Gateway per Borrower / Household.</li> </ul>
<b>NATURAL DISASTER POLICY</b>	<p>Full appraisal on the appropriate form required and Client must represent and warrant the existence and condition of the subject property at time of purchase. Regardless of DU findings, the following are not allowed:</p> <ul style="list-style-type: none"> <li>Property Inspection Waiver (PIW),</li> <li>Desktop Underwriter Property Inspection Report (2075), or</li> <li>Exterior-Only Inspection Residential Appraisal Report (2055).</li> </ul> <p>Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>. Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</p>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary only.</li> <li>No Second Homes or Investment Properties</li> </ul>
<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>Not allowed.</li> </ul>
<b>PROPERTY RELATED RESTRICTIONS</b>	<ul style="list-style-type: none"> <li>Fannie 1004 or 1073 (if condo) required, regardless of DU Findings.</li> <li>Property cannot be designated for agricultural use, as provided by statutes governing property tax.</li> <li>Urban property cannot exceed 10 acres and the municipality must provide police and fire protection (paid or volunteer) and 3 of the following services:             <ul style="list-style-type: none"> <li>» Electric</li> <li>» Natural Gas</li> <li>» Sewer</li> <li>» Storm Sewer</li> <li>» Water</li> </ul> </li> <li>Rural property does not meet the definition above for Urban property but is otherwise an eligible land use under Section 50(a)(6). Gateway limits rural properties to 20 acres under our Texas A6 Home Equity product.</li> </ul>

## Texas A6 Home Equity – Product Description (cont.)

<p><b>QUALIFIED MORTGAGE LOAN</b></p>	<p>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a “Qualified Mortgage” as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p> <p>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p>
<p><b>SPECIAL REQUIREMENTS / RESTRICTIONS</b></p>	<ul style="list-style-type: none"> <li>■ Loan may not close until 12 days after the later of             <ul style="list-style-type: none"> <li>» Receipt by the originator of a signed and dated loan application OR</li> <li>» Receipt by the borrower of the “Notice Concerning Extension of Credit”</li> <li>» Gateway defines receipt as the date the borrower signs the document</li> </ul> </li> <li>■ The borrowers must be provided a complete and accurate copy of the final HUD-1 or HUD-1A Settlement State no later than one business day prior to loan closing. Borrowers must certify to the accuracy of the settlement statement by signing the settlement statement or a separate Borrower’s Certification of Receipt of Settlement Statement at closing.</li> <li>■ Both spouses must execute the security instrument (Deed of Trust). However, both spouses are not required to be parties to the promissory note unless both are considered in qualifying for the loan. All individuals on title and their spouses must sign all Texas Cash-Out documents.</li> <li>■ Non-occupant co-borrowers not allowed; loans to trusts not allowed; no signers on Note that are not on title.</li> <li>■ Borrowers must be provided a copy of all documents signed at closing and sign a Texas Home Equity Acknowledgment of Receipt of Loan Closing Document form. The documents may not contain blank spaces.</li> <li>■ Loan must be closed by an attorney or title company or in the Lender’s office. No closings by mail or phone. Power of Attorney not permitted.</li> <li>■ All loans must contain the following fully and accurately completed forms and documents:             <ul style="list-style-type: none"> <li>» Gateway Texas 50(a)(6) Legal and Compliance Checklist and Statement of Opinion (TX Attorney Review)</li> <li>» Texas Home Equity Affidavit Agreement (Fannie Mae Form #3185)</li> <li>» Texas Home Equity Discount Point Acknowledgment, if applicable</li> <li>» Federal Notice of Right to Rescind</li> <li>» In addition to the borrower, the Lender must sign the Acknowledgment of Fair Market Value of Homestead property at closing with an appraisal attached to the Acknowledgment.</li> <li>» Rural Homestead Affidavit (if property is more than 10 acres)</li> <li>» Notice of No Oral Agreements signed by lender and borrower</li> </ul> </li> <li>■ Use the following uniform instrument forms at closing:             <ul style="list-style-type: none"> <li>» Texas Home Equity Security Instrument (Form 3044.1)</li> <li>» Texas Home Equity Note (Form 3244.1)</li> <li>» Texas Home Equity Condo Rider, if applicable (Form 3140.44)</li> <li>» Texas Home Equity PUD Rider, if applicable (Form 3150.44)</li> </ul> </li> <li>■ Title Policy must include T42 and T42.1 endorsements</li> </ul>
<p><b>THIRD PARTY ORIGINATIONS “TPOs”</b></p>	<p>Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your AE for consideration.)</p>
<p><b>UNDERWRITING</b></p>	<ul style="list-style-type: none"> <li>■ DU Approve/Eligible required. If DO is used, findings must be released to Gateway.</li> <li>■ Freddie Mac LP or Manual Underwriting not allowed.</li> <li>■ If the Client elects to use third-party contract underwriting, a copy of the applicable individual contract underwriter’s NMLS license must be provided unless the applicable state does not require such licensing. The Client remains solely and unequivocally responsible for all representations and warranties regardless of Client’s election to use a contract underwriter.</li> </ul>

## Texas A6 Home Equity – Product Description (cont.)

*Each loan must fully comply with all terms FNMA Guide requirements unless otherwise specifically noted above. Clients with access to AllRegs can access the entire Fannie Mae Seller Guide. For your added convenience, specific Fannie Mae Guidelines may also be accessed from Fannie Mae's website at the following links:*

Fannie Mae Seller Guide

<https://www.fanniemae.com/singlefamily/delivering>

Fannie Mae Eligibility Matrix

[https://www.fanniemae.com/content/eligibility\\_information/eligibility-matrix.pdf](https://www.fanniemae.com/content/eligibility_information/eligibility-matrix.pdf)

Fannie Mae Conforming Loan Amounts

<https://www.fanniemae.com/singlefamily/loan-limits>

Fannie Mae Condo/PUD Approvals

<https://www.fanniemae.com/singlefamily/project-eligibility>

Fannie Mae DU QuickSteps Guide

<https://www.efanniemae.com/lc/technology/du/index.jsp>

Fannie Mae Top 10 Underwriting FAQs:

<https://www.efanniemae.com/sf/guides/ssg/sg/pdf/underwritingfaqs.pdf>

*To receive updates from Fannie Mae, click here to join their email subscription service:*

<https://www.efanniemae.com/lc/newsletters/index.jsp>

## FHA Fixed Rate – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ First lien, fully amortizing FHA Fixed Rate.</li> <li>■ FHA Section 203(b) FHA Home Mortgage Loans, including condominiums under 234(c).</li> <li>■ 15 or 30 year term.</li> </ul>	
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ CF10-TXa6, CF10-TXa6-DURefi+, CF15-TXa6, CF15-TXa6-DURefi+, CF20-TXa6, CF20-TXa6-DURefi+, CF25-TXa6, CF25-TXa6-DURefi+, CF30-TXa6, CF30-TXa6-DURefi+</li> </ul>	
<b>GEOGRAPHIC RESTRICTIONS</b>	<p><b>Florida:</b></p> <ul style="list-style-type: none"> <li>■ No condominiums (entire state)</li> <li>■ No properties in Broward, Martin, Miami-Dade, Monroe or Palm Beach counties</li> </ul>	<p><b>Texas:</b></p> <ul style="list-style-type: none"> <li>■ Texas A6 Home Equity loans not allowed</li> </ul>
<b>MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ Follow FHA guidelines for the applicable county/MSA, FHA program section, and loan purpose.</li> <li>■ Maximum \$417,000.</li> </ul>	
<b>AGE OF LOAN / PRIOR REJECTS</b>	<ul style="list-style-type: none"> <li>■ Loans must have been closed no more than 60 days prior to delivery.</li> <li>■ Loans previously rejected by or repurchased from Gateway, FHA or GNMA are ineligible.</li> <li>■ Loans previously rejected by or repurchased from a private investor, unless such prior rejection / repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination.</li> </ul>	
<b>ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>BOND PROGRAMS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>CONVERSION OF PRIMARY RESIDENCE</b>	<ul style="list-style-type: none"> <li>■ When calculating the equity position in a primary residence being converted to a second home or investment property, the value of the converting residence must be documented by a Fannie 1004 or 2055 appraisal. AVM or BPO not allowed.</li> <li>■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>	
<b>CREDIT REJECT</b>	<ul style="list-style-type: none"> <li>■ Loans with a Credit Reject on FHA Connection not allowed.</li> </ul>	
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 620, regardless of DU findings.</li> </ul>	
<b>DOWN PAYMENT ASSISTANCE</b>	<ul style="list-style-type: none"> <li>■ All down payment assistance programs must be prior approved by Gateway Government entity (e.g. federal, state, county, and tribal) approved DPA programs only. Gateway does not purchase Bond Program loans.</li> <li>■ <a href="#">Click here for a current list of Gateway approved DPA programs</a></li> </ul>	
<b>DTI</b>	<ul style="list-style-type: none"> <li>■ Maximum 50% DTI allowed, regardless of DU findings.</li> </ul>	
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>■ Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming.</li> </ul>	

## FHA Fixed Rate – Product Description (cont.)

<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory FHA final inspection.</li> </ul>
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>Not allowed.</li> </ul>
<b>INELIGIBLE PROPERTY TYPE</b>	<ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a>.</li> </ul>
<b>INTEREST CREDIT AT CLOSING</b>	<ul style="list-style-type: none"> <li>Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>
<b>INVESTMENT PROPERTIES AND SECOND HOMES</b>	<ul style="list-style-type: none"> <li>Not allowed.</li> </ul>
<b>ITIN OVERLAY</b>	<ul style="list-style-type: none"> <li>All borrowers must have a valid social security number; ITINs are not allowed</li> </ul>
<b>LIMIT ON LOANS SERVICED BY GATEWAY</b>	<ul style="list-style-type: none"> <li>Maximum of 4 loans serviced by Gateway per Borrower / Household.</li> </ul>
<b>NATURAL DISASTER POLICY</b>	<ul style="list-style-type: none"> <li>Client must represent and warrant the existence and condition of the subject property at time of purchase.</li> <li>Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>.</li> <li>Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</li> <li>Appraisers must comment on the natural disasters' impact on marketability and value for appraisals completed within 90 days of the disaster declaration.</li> </ul>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>Non-arms length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation between the borrower, seller, and/or lender.</li> <li>Non-arms length transactions require full documentation including 2 years federal tax returns and Fannie 1004.</li> <li>Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> <li>Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.</li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary only.</li> <li>No Second Homes or Investment Properties.</li> </ul>
<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>Allowed on "No Cash-out" or "Limited Cash-Out" refinances in the event funds being received by the borrower exceed the maximum allowable amount permitted.</li> <li>May not exceed lesser of 2% of loan amount or \$500.</li> <li>Must be clearly reflected as a Principal Curtailment on the HUD-1.</li> </ul>

## FHA Fixed Rate – Product Description (cont.)

<b>QUALIFIED MORTGAGE LOAN</b>	<p>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a “Qualified Mortgage” as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p> <p>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p>
<b>STREAMLINE REFINANCES</b>	<ul style="list-style-type: none"> <li>■ Streamline refinances (qualifying and non-qualifying) must meet 620 minimum FICO.</li> <li>■ 0x30 late mortgage payments in the last 12 months or life of loan if less than 12 months.</li> <li>■ Minimum documentation required:             <ul style="list-style-type: none"> <li>» single line tri-merge credit report,</li> <li>» verification of sufficient assets to close if necessary,</li> <li>» and one of the following for income:                 <ul style="list-style-type: none"> <li>• Salaried -                     <ul style="list-style-type: none"> <li>- most recent paystub</li> <li>- written VOE</li> <li>- employment and income completed on 1003</li> </ul> </li> <li>• Self-employed -                     <ul style="list-style-type: none"> <li>- Processed 4506</li> <li>- employment and income completed on 1003</li> </ul> </li> </ul> </li> </ul> </li> <li>■ Second homes and investment properties are not eligible for streamline refinance.</li> </ul>
<b>THIRD PARTY ORIGINATIONS “TPOs”</b>	<ul style="list-style-type: none"> <li>■ Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your AE for consideration.)</li> </ul>

Each loan must fully comply with all FHA requirements unless otherwise specifically noted above. FHA Guidelines are available at [www.hud.gov](http://www.hud.gov) or on All-Regs. For your added convenience, specific FHA guidelines may also be accessed from FHA’s website at the following links:

FHA Mortgage Limits

<https://entp.hud.gov/idapp/html/hicostlook.cfm>

Mortgage Credit Analysis Handbook

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/handbooks/hsg/4155.1](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/hsg/4155.1)

To receive updates from HUD, click here to join their email subscription service:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/ref/hsgregst](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ref/hsgregst)

## HUD 184 Fixed Rate – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ HUD Section 184, Indian Home Loan Guarantee Program.</li> <li>■ First lien, fully amortizing Fixed Rate only.</li> <li>■ Purchase money and refinance only, no construction/perm.</li> <li>■ 15 or 30 year term.</li> </ul>	
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ F184-15, F184-30</li> </ul>	
<b>GEOGRAPHIC RESTRICTIONS</b>	<b>Florida:</b> <ul style="list-style-type: none"> <li>■ No condominiums (entire state)</li> <li>■ No properties in Broward, Martin, Miami-Dade, Monroe or Palm Beach counties</li> </ul>	<b>Texas:</b> <ul style="list-style-type: none"> <li>■ Texas A6 Home Equity loans not allowed</li> </ul>
<b>MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ Follow HUD 184 guidelines for the applicable county/MSA, HUD 184 program section, and loan purpose.</li> <li>■ Maximum \$417,000.</li> </ul>	
<b>AGE OF LOAN / PRIOR REJECTS</b>	<ul style="list-style-type: none"> <li>■ Loans must have been closed no more than 60 days prior to delivery.</li> <li>■ Loans previously rejected by or repurchased from Gateway, FHA or GNMA are ineligible.</li> <li>■ Loans previously rejected by or repurchased from a private investor, unless such prior rejection / repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination.</li> </ul>	
<b>ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>BOND PROGRAMS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>CONVERSION OF PRIMARY RESIDENCE</b>	<ul style="list-style-type: none"> <li>■ When calculating the equity position in a primary residence being converted to a second home or investment property, the value of the converting residence must be documented by a Fannie 1004 or 2055 appraisal. AVM or BPO not allowed.</li> <li>■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>	
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 620, regardless of DU findings.</li> </ul>	
<b>DOWN PAYMENT ASSISTANCE</b>	<ul style="list-style-type: none"> <li>■ All down payment assistance programs must be prior approved by Gateway. Government entity (e.g. federal, state, county, and tribal) approved DPA programs only. Gateway does not purchase Bond Program loans.</li> <li>■ <a href="#">Click here</a> for a current list of Gateway approved DPA programs.</li> </ul>	
<b>DTI</b>	<ul style="list-style-type: none"> <li>■ <b>Max 43% DTI allowed (applications taken on or after 1/1/2014).</b></li> </ul>	
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>■ Entire state - AZ, CO, FL, IN, KS, NV, NM, OK, SC, UT</li> <li>■ Limited to select counties - AL, CA, DE, IA, IL, LA, MI, MS, MO, NE, NC, TN, TX, WY</li> </ul>	
<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>■ Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory final inspection.</li> </ul>	

## HUD 184 Fixed Rate – Product Description (cont.)

<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>■ No allowed.</li> </ul>
<b>INELIGIBLE PROPERTY TYPE</b>	<ul style="list-style-type: none"> <li>■ See <a href="#">Overlay Matrix</a>.</li> </ul>
<b>INTEREST CREDIT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>
<b>INVESTMENT PROPERTIES AND SECOND HOMES</b>	<ul style="list-style-type: none"> <li>■ No allowed.</li> </ul>
<b>ITIN OVERLAY</b>	<ul style="list-style-type: none"> <li>■ All borrowers must have a valid social security number; ITINs are not allowed.</li> </ul>
<b>LIMIT ON LOANS SERVICED BY GATEWAY</b>	<ul style="list-style-type: none"> <li>■ Maximum of 4 loans serviced by Gateway per Borrower / Household.</li> </ul>
<b>NATURAL DISASTER POLICY</b>	<ul style="list-style-type: none"> <li>■ Client must represent and warrant the existence and condition of the subject property at time of purchase.</li> <li>■ Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>.</li> <li>■ Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</li> <li>■ Appraisers must comment on the natural disasters' impact on marketability and value for appraisals completed within 90 days of the disaster declaration.</li> </ul>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>■ Non-arms length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation between the borrower, seller, and/or lender.</li> <li>■ Non-arms length transactions require full documentation including 2 years federal tax returns and Fannie 1004.</li> <li>■ Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> <li>■ Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.</li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>■ Primary only.</li> <li>■ No Second Homes or Investment Properties.</li> </ul>
<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ May not exceed lesser of 2% of loan amount or \$500.</li> <li>■ Must be clearly reflected as a Principal Curtailment on the HUD-1.</li> </ul>
<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>■ Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory final inspection.</li> </ul>



## HUD 184 Fixed Rate – Product Description (cont.)

<b>REFINANCES</b>	<ul style="list-style-type: none"> <li>■ Streamline – HUD 184 to HUD 184</li> <li>■ Rate/Term – non-HUD to HUD 184</li> <li>■ Cash-out – not allowed</li> </ul>
<b>QUALIFIED MORTGAGE LOAN</b>	<p>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a “Qualified Mortgage” as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p> <p>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p>
<b>THIRD PARTY ORIGINATIONS “TPOs”</b>	<ul style="list-style-type: none"> <li>■ Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your AE for consideration.)</li> </ul>
<b>UNDERWRITING</b>	<ul style="list-style-type: none"> <li>■ Must be manually underwritten by Correspondent ONAP approved Direct Underwriter Approval (DUA) Underwriter, or prior approved by ONAP.</li> <li>■ Clear CAIVRS, LDP and GSA search required on all loans.</li> </ul>

Each loan must fully comply with all ONAP Section 184 Indian Home Loan Guarantee Program requirements unless otherwise specifically noted above. <http://www.hud.gov/offices/pih/ih/homeownership/184/about.cfm>.

## USDA Rural Development Fixed Rate – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ First lien USDA Rural Development Guaranteed Fixed Rate (Section 502).</li> <li>■ 30 year term; fully amortizing.</li> <li>■ 1-unit, primary residences only.</li> </ul>	
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ RD30</li> </ul>	
<b>GEOGRAPHIC RESTRICTIONS</b>	<b>Florida:</b> <ul style="list-style-type: none"> <li>■ No condominiums (entire state)</li> <li>■ No properties in Broward, Martin, Miami-Dade, Monroe or Palm Beach counties</li> </ul>	<b>Texas:</b> <ul style="list-style-type: none"> <li>■ Texas A6 Home Equity loans not allowed / not applicable</li> </ul>
	<p>All States: Property Eligibility must be verified at the following link, results printed off and retained in the file: <a href="http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&amp;NavKey=property@11">http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&amp;NavKey=property@11</a></p>	
<b>MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ Follow USDA RD Guaranteed Loan Program Guidelines for the applicable property location, income limit, and loan purpose. See also the hyperlinks at the end of this Product Description.</li> </ul>	
<b>AGE OF LOAN / PRIOR REJECTS</b>	<ul style="list-style-type: none"> <li>■ Loans must have been closed no more than 60 days prior to delivery.</li> <li>■ Loans previously rejected by or repurchased from Gateway, USDA RD or GNMA are ineligible.</li> <li>■ Loans previously rejected by or repurchased from a private investor, unless such prior rejection / repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination.</li> </ul>	
<b>ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>BOND PROGRAMS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>CONVERSION OF PRIMARY RESIDENCE</b>	<ul style="list-style-type: none"> <li>■ When calculating the equity position in a primary residence being converted to a second home or investment property, the value of the converting residence must be documented by a 1004 or 2055 appraisal. AVM or BPO not allowed. The property being converted cannot also be an RD loan.</li> <li>■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>	
<b>CO-BORROWERS</b>	<ul style="list-style-type: none"> <li>■ USDA does not allow co-signers or non-occupant co-borrowers.</li> </ul>	
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 640, regardless of GUS findings.</li> </ul>	
<b>DOWN PAYMENT ASSISTANCE</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>DTI</b>	<ul style="list-style-type: none"> <li>■ Per GUS Accept, max 45% DTI allowed (applications taken on or after 1/1/2014)</li> </ul>	
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>■ Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming.</li> </ul>	

## USDA Rural Development Fixed Rate – Product Description (cont.)

<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory final inspection.</li> </ul>
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>Not allowed.</li> </ul>
<b>INCOME RESTRICTIONS</b>	<ul style="list-style-type: none"> <li>Income Eligibility must be verified at the following link, results printed off and retained in the file: <a href="http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&amp;NavKey=property@11">http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&amp;NavKey=property@11</a></li> </ul>
<b>INELIGIBLE PROPERTY TYPE OVERLAYS</b>	<ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a>.</li> </ul>
<b>INTEREST CREDIT AT CLOSING</b>	<ul style="list-style-type: none"> <li>Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>
<b>INVESTMENT PROPERTIES AND SECOND HOME</b>	<ul style="list-style-type: none"> <li>Not allowed.</li> </ul>
<b>ITIN OVERLAY</b>	<ul style="list-style-type: none"> <li>All borrowers must have a valid social security number; ITINs are not allowed.</li> </ul>
<b>LIMIT ON LOANS SERVICED BY GATEWAY</b>	<ul style="list-style-type: none"> <li>Maximum of 4 loans serviced by Gateway per Borrower / Household.</li> </ul>
<b>NATURAL DISASTER POLICY</b>	<ul style="list-style-type: none"> <li>Client must represent and warrant the existence and condition of the subject property at time of purchase.</li> <li>Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>.</li> <li>Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</li> <li>Appraisers must comment on the natural disasters' impact on marketability and value for appraisals completed within 90 days of the disaster declaration.</li> </ul>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>Non-arms length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation between the borrower, seller, and/or lender.</li> <li>Non-arms length transactions require full documentation including 2 years federal tax returns and Fannie 1004.</li> <li>Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> <li>Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.</li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary only.</li> <li>No Second Homes or Investment Properties.</li> </ul>

## USDA Rural Development Fixed Rate – Product Description (cont.)

<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Allowed on “RD to RD Streamlined” refinances in the event funds being received by the borrower exceed the USDA RD maximum allowable amount permitted.</li> <li>■ May not exceed lesser of 2% of loan amount or \$500.</li> <li>■ Must clearly be reflected on the HUD-1 as a principal curtailment.</li> <li>■ May be in addition to the USDA RD allowable cash-back to the borrower.</li> </ul>
<b>QUALIFIED MORTGAGE LOAN</b>	<p>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a “Qualified Mortgage” as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p> <p>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan</p>
<b>STREAMLINED REFINANCES</b>	<ul style="list-style-type: none"> <li>■ RD Streamline ‘Pilot’ Program not allowed.</li> <li>■ Only refinances of existing USDA RD Guaranteed loans are allowed.</li> <li>■ Streamline refinances (qualifying and non-qualifying) must meet 640 minimum FICO.</li> <li>■ 0x30 late mortgage payments in the last 12 months or life of loan if less than 12 months.</li> <li>■ Minimum documentation required: <ul style="list-style-type: none"> <li>» single line tri-merge credit report,</li> <li>» verification of sufficient assets to close if necessary,</li> <li>» and one of the following for income: <ul style="list-style-type: none"> <li>• Salaried - <ul style="list-style-type: none"> <li>- most recent paystub</li> <li>- written VOE</li> <li>- employment and income completed on 1003</li> </ul> </li> <li>• Self-employed - <ul style="list-style-type: none"> <li>- Processed 4506</li> <li>- employment and income completed on 1003</li> </ul> </li> </ul> </li> </ul> </li> <li>■ Second homes and investment properties are not eligible for streamline refinance.</li> </ul>
<b>THIRD PARTY ORIGINATIONS “TPOs”</b>	<ul style="list-style-type: none"> <li>■ Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your AE for consideration.)</li> </ul>
<b>UNDERWRITING</b>	<ul style="list-style-type: none"> <li>■ Must be underwritten by an Underwriter employed by Correspondent with delegated USDA approval from Gateway, plus:</li> <li>■ GUS Accept required. See hyperlink below for GUS training</li> <li>■ Freddie Mac LP or Fannie MAE DU/DO not allowed</li> <li>■ Manual Underwriting not allowed</li> <li>■ Clear CAIVRS, LDP and GSA search required on all loans</li> <li>■ <b>Note:</b> Once underwritten, the file must be submitted to the RD office in the state in which the property is located to obtain a Conditional Commitment prior to closing.</li> </ul>

## USDA Rural Development Fixed Rate – Product Description (cont.)

*Each loan must fully comply with all USDA RD requirements unless otherwise specifically noted above. USDA RD Guidelines are available at [www.usda.gov](http://www.usda.gov) or on All-Regs. For your added convenience, specific USDA RD guidelines may also be accessed from USDA RD's website at the following links:*

### USDA GUARANTEED LOANS INCOME LIMITS

[http://www.rurdev.usda.gov/HSF-Guar\\_Income\\_Limits.html](http://www.rurdev.usda.gov/HSF-Guar_Income_Limits.html)

### USDA LOANS PROPERTY ELIGIBILITY

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@11>

### USDA RURAL DEVELOPMENT REGULATIONS AND GUIDANCE

<http://www.rurdev.usda.gov/RegulationsAndGuidance.html>

### USDA GUS TRAINING

<https://usdalinc.sc.egov.usda.gov/docs/rd/sfh/gus/lender/training/player.html>

### USDA RD DOCUMENTATION MATRIX

<http://www.rurdev.usda.gov/SupportDocuments/MN-SFH-DocumentationMatrix.pdf>

## VA Fixed Rate – Product Description

<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>■ First lien, fully amortizing VA Fixed Rate.</li> <li>■ 15 or 30 year term.</li> <li>■ Borrowers, properties and loans must meet eligibility standards as established by the Veteran's Administration.</li> </ul>	
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>■ V15, V30</li> <li>■ V15 IRRRL, V30 IRRRL</li> </ul>	
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>■ Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming.</li> </ul>	
<b>GEOGRAPHIC RESTRICTIONS</b>	<p><b>Florida:</b></p> <ul style="list-style-type: none"> <li>■ No condominiums (entire state)</li> <li>■ No properties in Broward, Martin, Miami-Dade, Monroe or Palm Beach counties</li> </ul>	<p><b>Texas (all VA loan types):</b></p> <ul style="list-style-type: none"> <li>■ Texas A6 Home Equity loans not allowed</li> </ul>
<b>MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>■ Maximum Loan Amount: \$417,000.</li> </ul> <p>Follow VA Guidelines for the applicable county/MSA, VA program section, and loan purpose, except that:</p> <ul style="list-style-type: none"> <li>■ VA Cash-Out Refinances are limited to 95% LTV.</li> <li>■ VA IRRRLs are limited to 100% LTV based on current 2055 or 1004.</li> </ul> <p>Regardless of LTV, the veteran must have sufficient entitlement for a minimum 25% guaranty. See also hyperlink at end of this Product Description.</p>	
<b>AGE OF LOAN / PRIOR REJECTS</b>	<ul style="list-style-type: none"> <li>■ Loans must have been closed no more than 60 days prior to delivery.</li> <li>■ Loans previously rejected by or repurchased from Gateway, VA or GNMA are ineligible.</li> <li>■ Loans previously rejected by or repurchased from a private investor, unless such prior rejection / repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination.</li> </ul>	
<b>ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>BUYDOWNS</b>	<ul style="list-style-type: none"> <li>■ Not allowed.</li> </ul>	
<b>CONVERSION OF PRIMARY RESIDENCE</b>	<ul style="list-style-type: none"> <li>■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>	
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>■ Each borrower must have a minimum of two credit scores.</li> <li>■ Minimum 620, regardless of DU findings.</li> </ul>	

## VA Fixed Rate – Product Description (cont.)

<b>DOWN PAYMENT ASSISTANCE AND BOND PROGRAMS</b>	<p>All down payment assistance programs must be prior approved by Gateway. Government entity (e.g. federal, state, county, or VA) approved DPA programs only. Gateway does not purchase Bond Program loans.</p> <p><a href="#">Click here</a> for a current list of Gateway approved DPA programs.</p>
<b>ESCROW HOLDBACKS</b>	<ul style="list-style-type: none"> <li>Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory VA final inspection.</li> </ul>
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>Not permitted.</li> </ul>
<b>INELIGIBLE PROPERTY TYPE OVERLAYS</b>	<ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a>.</li> </ul>
<b>INTEREST CREDIT AT CLOSING</b>	<ul style="list-style-type: none"> <li>Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>
<b>INVESTMENT PROPERTIES AND SECOND HOME</b>	<ul style="list-style-type: none"> <li>Not allowed.</li> </ul>
<b>ITIN OVERLAY</b>	<ul style="list-style-type: none"> <li>All borrowers must have a valid social security number; ITINs are not allowed.</li> </ul>
<b>LIMIT ON LOANS SERVICED BY GATEWAY</b>	<ul style="list-style-type: none"> <li>Maximum of 4 loans serviced by Gateway per Borrower / Household.</li> </ul>
<b>NATURAL DISASTER POLICY</b>	<ul style="list-style-type: none"> <li>Client must represent and warrant the existence and condition of the subject property at time of purchase.</li> <li>Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at <a href="http://www.fema.gov/news/disasters.fema">http://www.fema.gov/news/disasters.fema</a>.</li> <li>Follow the VA requirements available at: <a href="http://www.benefits.va.gov/homeloans/docs/va_policy_regarding_natural_disasters.pdf">http://www.benefits.va.gov/homeloans/docs/va_policy_regarding_natural_disasters.pdf</a></li> <li>Depending on the nature and timing of the disaster, a Property Condition Certification may be required.</li> <li>Appraisers must comment on the natural disasters' impact on marketability and value for appraisals completed within 90 days of the disaster declaration.</li> </ul>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>Non-arms length and Conflict of Interest transactions are transactions in which there is a relationship or business affiliation between the borrower, seller, and/or lender.</li> <li>Non-arms length transactions require full documentation including 2 years federal tax returns and Fannie 1004.</li> <li>Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer.</li> <li>Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.</li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary only.</li> <li>No Second Homes or Investment Properties.</li> </ul>

## VA Fixed Rate – Product Description (cont.)

<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>■ Allowed on IRRRLs in the event funds being received by the borrower exceed the VA maximum allowable amount permitted.</li> <li>■ May not exceed lesser of 2% of loan amount or \$500.</li> <li>■ Must clearly be reflected on the HUD-1 as a principal curtailment. <ul style="list-style-type: none"> <li>» May be in addition to the VA allowable cash-back to the borrower.</li> </ul> </li> </ul>
<b>QUALIFIED MORTGAGE LOAN</b>	<p>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a “Qualified Mortgage” as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p> <p>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</p>
<b>IRRRL REFINANCES</b>	<ul style="list-style-type: none"> <li>■ IRRRLs require a minimum credit score of 620</li> <li>■ Minimum 2055 appraisal supporting max 100% LTV (base loan amount).</li> <li>■ No 30 day+ delinquencies allowed in the past 12 months (or life of loan if less than 12 months seasoned)</li> <li>■ Minimum documentation required: <ul style="list-style-type: none"> <li>» single line tri-merge credit report,</li> <li>» verification of sufficient assets to close if necessary,</li> <li>» and one of the following for income: <ul style="list-style-type: none"> <li>• Salaried - <ul style="list-style-type: none"> <li>- most recent paystub</li> <li>- written VOE</li> <li>- employment and income completed on 1003</li> </ul> </li> <li>• Self-employed - <ul style="list-style-type: none"> <li>» Processed 4506</li> <li>» employment and income completed on 1003</li> </ul> </li> </ul> </li> </ul> </li> </ul>
<b>THIRD PARTY ORIGINATIONS “TPOs”</b>	<ul style="list-style-type: none"> <li>■ Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your AE for consideration.)</li> </ul>

Each loan must fully comply with all VA requirements unless otherwise specifically noted above. VA Guidelines are available at [www.VA.gov](http://www.VA.gov) or on All-Regs. For your added convenience, specific VA guidelines may also be accessed from VA’s website at the following links:

VA Mortgage Limits

[http://www.benefits.va.gov/HOMELOANS/documents/docs/2014\\_county\\_loan\\_limits.pdf](http://www.benefits.va.gov/HOMELOANS/documents/docs/2014_county_loan_limits.pdf)

VA Lender’s Handbook

[http://www.benefits.va.gov/warms/pam26\\_7.asp](http://www.benefits.va.gov/warms/pam26_7.asp)