

FHA Fixed Rate – Product Description

PRODUCT DESCRIPTION	<ul style="list-style-type: none"> ■ First lien, fully amortizing FHA Fixed Rate. ■ FHA Section 203(b) FHA Home Mortgage Loans, including condominiums under 234(c). ■ 15, 20, 25 or 30 year term.
PRODUCT CODES	<ul style="list-style-type: none"> ■ F15, F20, F25, F30
GEOGRAPHIC RESTRICTIONS	<p>Texas:</p> <p>Texas A6 Home Equity loans not allowed</p>
MAXIMUM LOAN AMOUNT	<ul style="list-style-type: none"> ■ Follow FHA guidelines for the applicable county/MSA, FHA program section, and loan purpose. ■ Maximum \$424,100.
AGE OF LOAN / PRIOR REJECTS	<ul style="list-style-type: none"> ■ Loans must have been closed no more than 60 days prior to delivery. ■ Loans previously rejected by or repurchased from Gateway, FHA or GNMA are ineligible. ■ 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.
ASSUMPTIONS	<ul style="list-style-type: none"> ■ Not allowed.
BOND PROGRAMS	<ul style="list-style-type: none"> ■ Not allowed.
BUYDOWNS	<ul style="list-style-type: none"> ■ Not allowed.
CONVERSION OF PRIMARY RESIDENCE	<ul style="list-style-type: none"> ■ No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.
CREDIT REJECT	<ul style="list-style-type: none"> ■ Loans with a Credit Reject on FHA Connection not allowed.
CREDIT SCORE OVERLAY	<ul style="list-style-type: none"> ■ ≥600 with AUS Approval required. Each borrower must have a minimum of one credit score. ■ ≥620 for Manual Underwrite with one credit score for each borrower required.
DOWN PAYMENT ASSISTANCE	<ul style="list-style-type: none"> ■ 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. ■ Click here for a current list of Gateway approved DPA programs
DTI	<ul style="list-style-type: none"> ■ Per DU Approve/Eligible, or LP Accept/Accept max 55% DTI allowed. ■ Max 50% for Manual Underwrite.
ELIGIBLE STATES	<ul style="list-style-type: none"> ■ Please refer to Chapter 2 or the Overlay Matrix.

FHA Fixed Rate – Product Description (cont.)

ESCROW HOLDBACKS	<ul style="list-style-type: none"> Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory FHA final inspection.
ESCROW WAIVERS	<ul style="list-style-type: none"> Not allowed.
INELIGIBLE PROPERTY TYPE OVERLAYS	<ul style="list-style-type: none"> See Overlay Matrix.
INTEREST CREDIT AT CLOSING	<ul style="list-style-type: none"> 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.)
INVESTMENT PROPERTIES AND SECOND HOME	<ul style="list-style-type: none"> Not allowed.
ITIN OVERLAY	<ul style="list-style-type: none"> All borrowers must have a valid social security number; ITINs are not allowed
LIMIT ON NUMBER OF LOANS SERVICED BY GATEWAY	<ul style="list-style-type: none"> Maximum of 4 loans serviced by Gateway per Borrower / Household.
NATURAL DISASTER POLICY	<ul style="list-style-type: none"> Client must represent and warrant the existence and condition of the subject property at time of purchase. Clients may call FEMA, 202.646.4600, to obtain a current list of disaster areas or visit the FEMA website at http://www.fema.gov/news/disasters.fema. Depending on the nature and timing of the disaster, a Property Condition Certification may be required. Appraisers must comment on the natural disasters' impact on marketability and value for appraisals completed within 90 days of the disaster declaration.
NON-ARM'S LENGTH AND CONFLICT OF INTEREST	<ul style="list-style-type: none"> 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. Non-arms length transactions require full documentation including 2 years federal tax returns and Fannie 1004. Not allowed if new construction and the borrower is the builder or affiliated with or related to the builder/developer. Satisfactory VOM's required on all liens on subject property confirming the transaction is not a bailout.
OCCUPANCY	<ul style="list-style-type: none"> Primary only. No Second Home or Investment Properties.
PRINCIPAL CURTAILMENT AT CLOSING	<ul style="list-style-type: none"> For all loans other than "No Cash-out" or "Limited Cash-out" refinances (excluding Texas Home Equity Refinances), a curtailment to refund the overpayment of fees or charges paid by the borrower may not exceed lesser of 2% of the loan amount or \$500 (\$250 max on DU Refi Plus), in accordance with applicable regulatory guidelines, and must be clearly reflected as a Principal Curtailment on the HUD-1 or Closing Disclosure.

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<p>QUALIFIED MORTGAGE LOAN</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>STREAMLINE REFINANCES</p>	<ul style="list-style-type: none"> ■ Streamline refinances (qualifying and non-qualifying) must meet 620 minimum FICO. ■ 0x30 late mortgage payments in the last 12 months or life of loan if less than 12 months. ■ Minimum documentation required: <ul style="list-style-type: none"> » single line tri-merge credit report, » verification of sufficient assets to close if necessary, ■ Second homes and investment properties are not eligible for streamline refinance.
<p>THIRD PARTY ORIGINATIONS "TPOs"</p>	<ul style="list-style-type: none"> ■ 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 Sales Manager for consideration.)
<p>UNDERWRITING</p>	<ul style="list-style-type: none"> ■ DU Approve/Eligible or LP Accept/Accept through FHA TOTAL Scorecard accepted (except FHA Streamline Refinance). ■ Manual Underwrite overlays: ≥ 620 for Manual Underwrite with one credit" score required. Maximum DTI 50%." ■ Must include DU/LP/GUS Finding that shows Caution/Refer/Ineligible. ■ Clear CAIVRS, LDP and GSA search required on all loans ■ Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, FHA loans that have been manually underwritten by a Client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by FHA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion.

Each loan must fully comply with all FHA requirements unless otherwise specifically noted above. FHA Guidelines are available at 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/housing/sfh/handbook_4000-1

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