

Second Lien Mortgage Loan – Product Description

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| PRODUCT DESCRIPTION | <ul style="list-style-type: none"> • Second Lien, fully-amortizing Fixed Rate or Balloon Loan • Must close simultaneously with a Gateway approved 15 or 30-year Fixed Rate Fannie Mae or Freddie Mac First Lien only. • Purchase only. Stand-alone seconds are ineligible for purchase • Payoff of a Construction Lien with a combined Gateway approved 15 or 30-year Fixed Rate Fannie Mae or Freddie Mac First Lien and Gateway Second Lien is allowed. |
| PRODUCT CODES | <ul style="list-style-type: none"> • CF10-GMG2ND 10-Year Fixed Rate Second Lien • CF15-GMG2ND 15-Year Fixed Rate Second Lien • CF20-GMG2ND 20-Year Fixed Rate Second Lien • CF15/10-GMG2ND 15-Year Fixed Rate Second Lien with 10-year Balloon • CF30/15-GMG2ND 30-Year Fixed Rate Second Lien with 15-year Balloon |
| ELIGIBLE STATES | <ul style="list-style-type: none"> • See Gateway Approved States |
| APPRAISAL | <ul style="list-style-type: none"> • Condominiums require HOA Certification form |
| MINIMUM LOAN AMOUNT | <ul style="list-style-type: none"> • \$20,000 |
| MAXIMUM LOAN AMOUNTS / OCCUPANCY | <ul style="list-style-type: none"> • Primary Home - \$300,000 • Second Home - \$100,000 • Non-occupying co-borrower not permitted |
| MAXIMUM DTI | <ul style="list-style-type: none"> • 43% DTI AUS approval required for 15 and 30-year Fixed Rate, LP Accept/Accept or DU Approve/Eligible for both First Lien and Second Lien Gateway loans. |
| LOAN TERMS | <ul style="list-style-type: none"> • Fixed Rate – 10-Year, 15-Year, 20-Year • Balloon – 15-Year Fixed Rate Second Lien with 10-year Balloon 30-Year Fixed Rate Second Lien with 15-year Balloon |
| CREDIT SCORE / MAXIMUM LOAN AMOUNTS | <ul style="list-style-type: none"> • 740+ Maximum Loan Amount - \$300,000 • 720 - 739 Maximum Loan Amount - \$200,000 • 680 - 719 Maximum Loan Amount - \$50,000 • AUS approval and full documentation required, regardless of AUS findings • Each borrower must have a minimum of one credit score • All delinquent credit that will impact title, including delinquent taxes, judgments, charge-off accounts, tax liens and mechanics liens must be paid off prior to or at closing |
| LOAN PURPOSE | <ul style="list-style-type: none"> • Purchase only, Owner Occupied and Second Homes • Must close simultaneously with a Gateway approved 15 or 30-year Fixed Rate Fannie Mae or Freddie Mac First Lien only. Stand-alone seconds are ineligible for purchase. |

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| MAXIMUM CLTV | | Primary Residence 1-Unit Purchase Only | Primary Residence 2-Unit Purchase Only | Primary Residence 3-4 Unit Purchase Only | Second Home 1-Unit Purchase Only |
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| | Credit Score | CLTV | CLTV | CLTV | CLTV |
| | 760+ | 95 | 85 | 75 | 85 |
| | 740 | 95 | 85 | 75 | 85 |
| | 720 | 95 | 85 | 75 | 85 |
| | 700 | 89.99 | N/A | N/A | N/A |
| | 680 | 89.99 | N/A | N/A | N/A |
| GIFT FUNDS | <ul style="list-style-type: none"> • Not Permitted | | | | |
| INELIGIBLE TRANSACTIONS | <ul style="list-style-type: none"> • Non-Arm's length transactions as defined on our Overlay Matrix • Temporary buy-down • Agency High-Balance • Texas 50 a (6) cash out • Escrow holdback • Non-occupying co-borrower not permitted • Stand-alone seconds | | | | |
| TITLE | <ul style="list-style-type: none"> • Separate Title Policy required on Second Lien | | | | |
| PRICING & LOCKING | <ul style="list-style-type: none"> • Par pricing only – 100.00 • Credit Score and Loan Type adjustments are to the Rate • Manual Locks only. Email Second Lien Manual Lock Form to our Commitment Desk. | | | | |
| UNDERWRITING COMBINATIONS FOR FIRST AND SECOND LIENS | <ul style="list-style-type: none"> • Delegated Gateway First Lien with Delegated Gateway Second Lien • Delegated Gateway First Lien with Non-Delegated Gateway Second Lien • Non-Delegated Gateway First Lien with Non-Delegated Gateway Second Lien | | | | |

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