

| | |
|--|--|
| PRODUCT DESCRIPTION | <ul style="list-style-type: none"> • First lien, fully amortizing VA Fixed Rate. • Borrowers, properties and loans must meet eligibility standards as established by the Veteran’s Administration. <p>VA Fixed Rate</p> <ul style="list-style-type: none"> • 15, 20, 25 or 30 year term <p>VA High Balance Fixed Rate</p> <ul style="list-style-type: none"> • 30 year term |
| PRODUCT CODES | <p>VA Fixed Rate</p> <ul style="list-style-type: none"> • V15, V20, V25, V30 • V15IRRRL, V20IRRRL, V25IRRRL, V30IRRRL <p>VA High Balance Fixed Rate</p> <ul style="list-style-type: none"> • V30HB • V30HBIRRRL |
| ELIGIBLE STATES | Please refer to Chapter 2 or the Overlay Matrix |
| GEOGRAPHIC RESTRICTIONS | <p>Texas: Texas A6 Home Equity loans not allowed</p> |
| MAXIMUM LOAN AMOUNT | Follow VA Guidelines for the applicable county/MSA, VA program section, and loan purpose except that regardless of LTV, the veteran must have sufficient entitlement for a minimum 25% guaranty. See also hyperlink at end of this Product Description. VA High Balance maximum loan amount \$1,000,000 |
| 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, VA 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 | Not allowed. |
| BUYDOWNS | Not allowed. |
| CONVERSION OF PRIMARY RESIDENCE | No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction. |
| CREDIT SCORE OVERLAY | ≥620 with AUS Approval and Manual Underwrite Primary Borrower must have a credit score. Co-borrowers with no credit scores and non-traditional credit are allowed subject to agency guidelines. Please use a value of 100 in the Representative Credit Score field when pricing the loan in the GEMS system, so appropriate pricing adjustments will be calculated. |
| DTI | LP Accept/Accept or DU Approve/Eligible Manual Underwrite allowed, up to 43% DTI, must include DU/LP Finding that shows Caution/Refer/Ineligible and meet applicable Agency guidelines including compensating factors. |

| | |
|--|--|
| DOWN PAYMENT ASSISTANCE AND BOND PROGRAMS | <ul style="list-style-type: none"> 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. Click here for a current list of Gateway approved DPA programs. Some properties may qualify for Gateway Specialty Loan Programs with down payment assistance |
| ESCROW HOLDBACKS | Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory VA final inspection. |
| ESCROW WAIVERS | Not allowed. |
| INELIGIBLE PROPERTY TYPE OVERLAYS | See Overlay Matrix . |
| INTEREST CREDIT AT CLOSING | 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 | Not allowed. |
| ITIN OVERLAY | All borrowers must have a valid social security number; ITINs are not allowed. |
| NATURAL DISASTER POLICY | See Chapter 2 Eligible Mortgage Loans |
| NON-ARM'S LENGTH AND CONFLICT OF INTEREST | See Overlay Matrix . |
| OCCUPANCY | <ul style="list-style-type: none"> Primary only. No Second Home or Investment Properties. |
| PRINCIPAL CURTAILMENT AT CLOSING | See Overlay Matrix . |
| QUALIFIED MORTGAGE LOAN | <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> |
| IRRRL REFINANCES | Loan Seasoning for all Refinances (including new construction) require: <ul style="list-style-type: none"> The first monthly payment of the loan being refinanced was made 210 days or more prior to the closing date of the refinancing loans Minimum of six consecutive monthly payments have been made on the loan being refinanced. Loans being refinanced within one year from the date of closing, lender must obtain a payment history/ledger from the servicing lender documenting all payments. Fee Recoupment to not exceed 36 months Net Tangible Benefit See VA Circular 26-19-05 |

| | |
|--------------------------------------|--|
| <p>IRRRL REFINANCES CONT.</p> | <p>IRRRLs</p> <ul style="list-style-type: none"> • Must meet 620 minimum Credit Score. • 0X30 late mortgage payments in the last 12 months or life of loan if less than 12 months. • 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>UNDERWRITING</p> | <p>Must be underwritten by a VA Automatic & LAPP approved Underwriter employed by Client, plus:</p> <ul style="list-style-type: none"> • Joint loans must be approved by VA • Client must also secure VA prior approval for: <ul style="list-style-type: none"> • Loans to veterans in receipt of VA non-service related pension • Loans to veterans rated incompetent by VA • Joint loans involving (i) a veteran and non-veterans who is not the veteran's spouse or (ii) involving two or more veterans who intend to use their entitlement and take title jointly • 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, VA 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 VA 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. • Must include DU/LP Finding that shows Caution/Refer/Ineligible. |

Each loan must fully comply with all VA requirements unless otherwise specifically noted above. VA Guidelines are available at <https://www.va.gov/oron> All-Regs. For your added convenience, specific VA guidelines may also be accessed from VA's website at the following links:

VA Mortgage Limits

https://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp

VA Lender's Handbook

https://benefits.va.gov/warms/pam26_7.asp