

## CONFORMING HIGH BALANCE FIXED RATE — PRODUCT DESCRIPTION

<p><b>PRODUCT DESCRIPTION</b></p>	<ul style="list-style-type: none"> <li>• First lien, fully amortizing, Fannie Mae High Balance and Freddie Mac Super Conforming Fixed Rate</li> <li>• For HLTV High Balances, the following items apply:             <ul style="list-style-type: none"> <li>• First lien, fully amortizing, Fannie Mae Conforming HLTV; fixed rate only.</li> <li>• The existing mortgage MUST be a Fannie Mae owned or guarantee first lien mortgage.</li> <li>• DU findings must indicate that the borrower and subject property address are HLTV eligible.</li> </ul> </li> <li>• 15, 25 or 30 year term; LPMI allowed (except for HLTV)</li> </ul>
<p><b>PRODUCT CODES</b></p>	<p><b>FNMA - Desktop Underwriter (DU and DO) and FHLMC - Loan Prospector Advisor (LPA)</b></p> <p><b>NOTE:</b> HB is High Balance, LPMI is Lender Paid MI</p> <p>FNMA Conforming High Balance Fixed Rate and FHLMC Super Conforming Fixed Rate</p> <ul style="list-style-type: none"> <li>• CF15-HB, CF15-HBLPMI, <b>CF15-FHLMCHB, CF15-FHLMCHBLPMI</b></li> <li>• CF25-HB, CF25-HBLPMI, <b>CF25-FHLMCHB, CF25-FHLMCHBLPMI</b></li> <li>• CF30-HB, CF30-HBLPMI, <b>CF30-FHLMCHB, CF30-FHLMCHBLPMI</b></li> </ul>
<p><b>ELIGIBLE STATES</b></p>	<p>Please refer to Chapter 2 or the Overlay Matrix</p>
<p><b>GEOGRAPHIC RESTRICTIONS</b></p>	<p>Texas: See Texas A6 home Equity Product Description</p>
<p><b>MAXIMUM LTV/CLTV/HCLTV</b></p>	<p>Follow Fannie Mae Eligibility Matrix for Desktop Underwriter HLTV 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>Freddie Mac Maximum LTV/TLTV/HTLTV Ratio Requirements for Conforming and Super Conforming Mortgages - <a href="https://sf.freddie.com/general/maximum-ltv-tltv-htltv-ratio-requirements-for-conforming-and-super-conforming-mortgages">https://sf.freddie.com/general/maximum-ltv-tltv-htltv-ratio-requirements-for-conforming-and-super-conforming-mortgages</a></p> <p>Follow Fannie Mae Guidelines for Desktop Underwriter HLTV loans except:</p> <ul style="list-style-type: none"> <li>• 1-4 Unit Principal Residence - 150% LTV/CLTV</li> <li>• 1 Unit Second Home - 150% LTV/CLTV</li> <li>• 1-4 Unit Investment Property - 150% LTV/CLTV</li> </ul>
<p><b>MAXIMUM LOAN AMOUNT</b></p>	<p>See FHFA Conforming Loan Limits for Fannie Mae and Freddie Mac: <a href="https://www.fhfa.gov/DataTools/Downloads/Documents/Conforming-Loan-Limit/FullCountyLoanLimitList2023_HERA-BASED_FINAL_FLAT.xlsx">https://www.fhfa.gov/DataTools/Downloads/Documents/Conforming-Loan-Limit/FullCountyLoanLimitList2023_HERA-BASED_FINAL_FLAT.xlsx</a></p>



## CONFORMING HIGH BALANCE FIXED RATE — PRODUCT DESCRIPTION

<b>APPRAISAL</b>	<p>Standard Appraisal requirements apply, except:</p> <ul style="list-style-type: none"> <li>• One-Unit Residential Appraisal Field Review report (Form 2000) also required if: the loan amount is above \$636,150 and LTV/CLTV/HCLTV &gt; 80%, of the property value is &gt; \$1 million and LTV/CLTV/HCLTV &gt; 75%. Use the lower of the original appraised value, Field Review value, or sales price (for purchases) to calculate LTV.</li> <li>• Condominiums require two comparable sales from projects other than the subject loan project, in addition to the standard comparable sale requirements per the Selling Guide.</li> </ul> <p>Fannie Mae's Collateral Underwriter™ (CU):</p> <ul style="list-style-type: none"> <li>• The Fannie Mae CU Print Summary report must be provided with the loan file prior to purchase by Gateway.</li> <li>• Freddie Mac's Home Value Explorer (HVE)</li> <li>• For DU HLTV loans - DU may offer a Property Fieldwork Waiver. If offered, DU must be reran with the estimated value provided by DU.</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>	Not allowed
<b>BOND PROGRAMS</b>	Not allowed
<b>BUYDOWNS</b>	Not allowed
<b>CONVERSION OF PRIMARY RESIDENCE</b>	No rental income considered for any lease executed with a family member or interested party to the purchase or loan transaction.
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>• <math>\geq 620</math> with AUS Approval</li> <li>• Manual underwrite not allowed</li> <li>• At least one Borrower must have a credit score. Borrower(s) with no credit and non traditional credit are allowed subject to agency guidelines.</li> <li>• Please use the lowest middle representative credit score from the Borrower(s) with credit score(s) when pricing the loan in the GEM system.</li> </ul>
<b>DTI</b>	DU Approve/Eligible
<b>DOWN PAYMENT</b>	Per Agency and specific MI company guidelines.
<b>DOWN PAYMENT ASSISTANCE</b>	Not allowed
<b>ESCROW HOLDBACKS</b>	Escrow Holdbacks must be completed prior to loan purchase, as evidenced by a satisfactory final inspection.



## CONFORMING HIGH BALANCE FIXED RATE — PRODUCT DESCRIPTION

<p><b>ESCROW WAIVERS</b></p>	<ul style="list-style-type: none"> <li>• Escrow waiver price adjustments for Conforming loans may vary according to loan terms and state. See the SRP Schedule for specific escrow waiver price adjustments.</li> <li>• All states allowed on LTV 80% or less if all items listed below are met:             <ul style="list-style-type: none"> <li>• Flood Insurance is not required</li> <li>• Loan is not HPML</li> </ul> </li> <li>• All states, except California, allowed on LTV &gt;80% to &lt;90% LTV if all items listed above are met, including these items as well:             <ul style="list-style-type: none"> <li>• Maximum DTI 40%</li> <li>• Minimum Credit Score 720</li> <li>• Mortgage Insurance must be single premium (Lender or Borrower paid)</li> <li>• No bankruptcy, foreclosure, short sale or short payoff dismissed, discharged or completed in last 3 years</li> </ul> </li> <li>• California allowed on LTV &gt;80% to &lt;90% if all items listed are met:             <ul style="list-style-type: none"> <li>• Flood Insurance is not required</li> <li>• Mortgage Insurance must be single premium (Lender or Borrower paid)</li> <li>• Loan is not HPML</li> </ul> </li> <li>• If waiving escrow for hazard insurance ONLY, no escrow waiver fee is charged. Select “No” for Waive Escrows in GEMS.</li> <li>• If waiving escrow for taxes ONLY, or, if waiving escrows for BOTH hazard insurance and taxes, the full escrow waiver fee adjustment applies. Select “Yes” for Waive Escrows in GEMS.</li> <li>• Escrow waiver for flood insurance is not allowed for properties requiring flood insurance, however, even if flood insurance is required to be escrowed, waiving hazard insurance and taxes for the property is allowed and fees are charged as applicable.</li> <li>• Escrows for flood insurance will not be required for loans secured by property that is part of a condominium, cooperative, or other project development, if the property is covered by flood insurance provided by and paid for, as a common expense, by the condominium association, cooperative, homeowners association, or other applicable group.</li> </ul>
<p><b>INELIGIBLE PROPERTY TYPES</b></p>	<p>See Overlay Matrix</p>
<p><b>INTEREST CREDIT AT CLOSING</b></p>	<p>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.)</p>
<p><b>INVESTMENT PROPERTIES/ SECOND HOME</b></p>	<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> and Freddie Mac Minimum LTV/TLTV/HTLTV Ratio Requirements for Conforming and Super Conforming Mortgages - <a href="https://sf.freddie.mac.com/general/maximum-ltv-tltv-htltv-ratio-requirements-for-conforming-and-super-conforming-mortgages">https://sf.freddie.mac.com/general/maximum-ltv-tltv-htltv-ratio-requirements-for-conforming-and-super-conforming-mortgages</a></p> <p><b>EXCEPT -</b></p> <p>TRID rules apply requiring Loan Estimate and Closing Disclosure for all Second Homes and cash-out refinance investment properties.</p> <ul style="list-style-type: none"> <li>• When the borrower does not own a primary residence, any investment property loan must qualify with full PITI payment.</li> <li>• No Rental Income considered for any lease executed with a family member or interested party to the transaction. See Non-Arm’s Length and Primary Residence Conversion.</li> </ul>



## CONFORMING HIGH BALANCE FIXED RATE — PRODUCT DESCRIPTION

<b>ITIN OVERLAY</b>	All borrowers must have a valid social security number; ITINs are not allowed.
<b>MORTGAGE INSURANCE</b>	<p>Eligible Mortgage Insurers are Arch, Essent Guaranty, Enact, MGIC, National MI, and Radian.</p> <p><b>Acceptable MI types:</b></p> <ul style="list-style-type: none"> <li>• Borrower Paid Monthly Premium</li> <li>• Borrower Paid Single Premium</li> <li>• Lender Paid Single Premium</li> <li>• Borrower Paid Split Premium</li> <li>• Borrower Paid Annual Premium</li> </ul> <p><b>Unacceptable MI types:</b></p> <ul style="list-style-type: none"> <li>• Lender Paid Monthly Premium</li> <li>• Lender Paid Split Premium</li> <li>• Lender Paid Annual Premium</li> </ul> <p><b>Single premium financed MI permitted, subject to:</b></p> <ul style="list-style-type: none"> <li>• LPMI permitted per Agency Guidelines. Loans 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 AUS findings</li> <li>• Clients should contact their mortgage insurance providers to confirm the eligibility and underwriting criteria for High Balance Loans.</li> </ul> <p><b>Requirements for Fannie Mae HLTV loans see MI overlays below:</b></p> <ul style="list-style-type: none"> <li>• DU will determine if MI is required.</li> <li>• LPMI is not eligible.</li> <li>• Original LTV &gt;80% and MI still in force - Current MI certificate must be transferred from one of the Gateway approved MI companies. Copy of transferred MI certificate required prior to loan purchase. MI coverage from any other provider unacceptable.</li> </ul> <p>Note: For Conforming Fixed Rate with LP Accept, Gateway is able to offer Integrated Mortgage Insurance (IMAGIN) Fixed Rate, Freddie Mac's new mortgage insurance alternative that provides a simplified fulfillment experience.</p>
<b>NATURAL DISASTER POLICY</b>	See Chapter 2 Eligible Mortgage Loans
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	See Overlay Matrix
<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>	See Overlay Matrix



## CONFORMING HIGH BALANCE FIXED RATE — PRODUCT DESCRIPTION

<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 (1) 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>THIRD PART 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 TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your Sales Manager for consideration.)</p>
<p><b>UNDERWRITING</b></p>	<ul style="list-style-type: none"> <li>• DU Approve/Eligible or Freddie Mac LP with Accept/Accept required. If DO is used, findings must be released to Gateway.</li> <li>• 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 Agency Guide requirements unless otherwise specifically noted above. Clients with access to AllRegs can access the entire Fannie Mae Seller Guide and Freddie Mac Seller Guide. For your added convenience, specific Fannie Mae and Freddie Mac Guidelines may also be accessed from each Agency’s website at the following links:

**Fannie Mae Seller Guide:** <https://www.fanniemae.com/content/guide/selling/index.html>

**Freddie Mac Seller Guide:** <http://www.freddiemac.com/singlefamily/guide>

