

## FHA FIXED RATE & FHA HIGH BALANCE 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>• FHA HUD (REO) Real Estate Owned \$100 Down.</li> <li>• FHA Fixed Rate             <ul style="list-style-type: none"> <li>• 15, 20, 25 or 30 year term</li> </ul> </li> <li>• FHA High Balance Fixed Rate             <ul style="list-style-type: none"> <li>• 30 year term</li> </ul> </li> </ul>
<b>PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>• <b>FHA Fixed Rate</b> <ul style="list-style-type: none"> <li>• F15, F15-HUD-REO</li> <li>• F20, F20-HUD-REO</li> <li>• F25, F25-HUD-REO</li> <li>• F30, F30-HUD-REO</li> </ul> </li> <li>• <b>FHA High Balance Fixed Rate</b> <ul style="list-style-type: none"> <li>• FH30H</li> </ul> </li> </ul>
<b>GEOGRAPHIC RESTRICTIONS</b>	<ul style="list-style-type: none"> <li>• Texas: See also Texas A6 Home Equity Product Description</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> </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>• See Temporary Buydown Product Description for eligible Product Codes</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> <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> </ul>
<b>CREDIT SCORE OVERLAY</b>	<ul style="list-style-type: none"> <li>• <math>\geq 620</math> with AUS Approval or Manual Underwrite</li> <li>• 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.</li> </ul>



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<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> <li>Some properties may qualify for Gateway Specialty Loan Programs with down payment assistance.</li> </ul>
<b>DTI</b>	<ul style="list-style-type: none"> <li>LP Accept/Accept or DU Approve/Eligible</li> <li>Manual Underwrite allowed, up to 43% DTI, with 2 months reserves and must include DU/LP Finding that shows Caution/Refer/Ineligible and meet applicable agency guideline including compensating factors.</li> </ul>
<b>ELIGIBLE STATES</b>	<ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a></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 FHA final inspection.</li> </ul>
<b>ESCROW WAIVERS</b>	<ul style="list-style-type: none"> <li>Not allowed</li> </ul>
<b>HUD REO \$100 DOWN</b>	<ul style="list-style-type: none"> <li>Purchase Only</li> <li>Max LTV/CLTV: 100%/100%</li> <li>Refer to FHA Handbook Guidelines 4000-1</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>NATURAL DISASTER POLICY</b>	<ul style="list-style-type: none"> <li>See <a href="#">Chapter 2</a> Eligible Mortgage Loans</li> </ul>
<b>NON-ARM'S LENGTH AND CONFLICT OF INTEREST</b>	<ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a></li> </ul>
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary only</li> <li>No Second Home or Investment Properties</li> </ul>
<b>PRINCIPAL CURTAILMENT AT CLOSING</b>	<ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a></li> </ul>
<b>QUALIFIED MORTGAGE LOAN</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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 of the affected loan.</li> </ul>



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<p><b>REFINANCES</b></p>	<p><b>Loan Seasoning for all Refinances (including new construction) require:</b></p> <ul style="list-style-type: none"> <li>• The first monthly payment of the loan being refinanced was made 210 days or more prior to the closing date of the refinancing loans.</li> <li>• Minimum of six consecutive monthly payments have been made on the loan being refinanced.</li> <li>• 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 or other sufficient documentation to support the previous two requirements.</li> </ul> <p><b>Streamline refinances (qualifying and non-qualifying):</b></p> <ul style="list-style-type: none"> <li>• Must meet 620 minimum Credit Score.</li> <li>• 0X30 late mortgage payments in the last 12 months or life of loan if less than 12 months.</li> <li>• Single line tri-merge credit report.</li> <li>• Verification of sufficient assets to close if necessary.</li> <li>• Second homes and investment properties are not eligible for streamline refinance.</li> </ul>
<p><b>THIRD PARTY ORIGINATIONS “TPOs”</b></p>	<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 Sales Manager for consideration.)</li> </ul>
<p><b>UNDERWRITING</b></p>	<ul style="list-style-type: none"> <li>• DU Approve/Eligible or LP Accept/Accept through FHA TOTAL Scorecard accepted (except FHA Streamline Refinance).</li> <li>• Manual Underwrite: Must include DU/LP Finding.</li> <li>• Clear CAIVRS, LDP and GSA search required on all loans,</li> <li>• 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.</li> <li>• 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.</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/housing/sfh/handbook\\_4000-1](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1)

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