

Jumbo QM AUS Program Guidelines

Prime Non-Agency QM Safe Harbor						
Occupancy	Transaction Purpose	Property Type	Loan Size (Max)	Credit Score (Min)	LTV (Max)	CLTV (Max)
Principal Residence	Purchase	SF, 2-4 unit, PUD	\$1,500,000	700	90%	90%
	Purchase & RT Refi	SF, 2-4 Unit, PUD, Condo	\$1,500,000	660	80%	80%
			\$1,500,000	680	85%	85%
			\$2,000,000	700	85%	85%
			\$2,500,000	720	80%	80%
			\$3,000,000	740	75%	75%
			\$3,500,000	740	70%	70%
	Cash Out Refi	SF, 2-4 Unit, PUD, Condo	\$1,000,000	680	80%	80%
			\$1,500,000	700	75%	75%
			\$2,000,000	700	70%	70%
Second Home/Vacation Home	Purchase & RT Refi	SF, PUD, Condo	\$1,500,000	680	80%	80%
			\$2,000,000	700	75%	75%
	Cash Out Refi	SF, PUD	\$1,000,000	700	75%	75%
		SF, PUD	\$1,500,000	720	70%	70%
		Condo	\$1,500,000	720	65%	65%
Investment Property	Purchase & RT Refi	SF, 2-4 Unit, PUD, Condo	\$1,500,000	700	75%	75%
		SF, 2-4 Unit, PUD, Condo	\$2,000,000	700	70%	70%
	Cash Out Refi	SF, 2-4 Unit, PUD	\$1,500,000	700	60%	60%
		Condo	\$1,500,000	720	60%	60%

- Loans must meet all FNMA definitions for criteria in the eligibility matrix (Occupancy, Transaction Purpose, Property Type, Credit Score, LTV, CLTV).
- Unless otherwise addressed, FNMA Underwriting Guidelines should be followed.

JUMBO QM AUS Program Guidelines (Cont.)

KEY UNDERWRITING PARAMETERS

General Requirements

- Loan must be *Qualified Mortgage eligible* for safe harbor protection.
- APR must be < APOR + 1.50%.
- Must obtain an acceptable AUS Finding (DU or LP).
- Loans must follow and meet all requirements of the DU or LP approval.
- Loan can be 'ineligible' due to *loan amount only*.
- Minimum loan amount \$1 over FHFA county loan limits.
- Tax Transcripts for personal and business tax returns are required.

Credit

- Qualifying Credit Score: See Eligibility Matrix.

Income/Employment

- DTI Ratio: Maximum 50% DTI.
- Document Type: Full Documentation. Loan must follow and meet all requirements of the DU or LP approval.
- Most recent two years of tax returns are required, regardless of the AUS findings.
- Self-employment losses must be counted into the qualification (even if the borrower is being qualified with non self-employment income).

Reserves

- Reserve Requirements
 - All Loans must follow and meet all requirements of the DU or LP.
 - For Loan amount >1mm, borrower must have the greater of 3mo reserves or reserves determined by DU or LP.
 - For Loan amount >2mm, borrower must have the greater of 6mo reserves or reserves determined by DU or LP.
 - For Loan amount >3mm, borrower must have the greater of 12mo reserves or reserves determined by DU or LP.
 - For CLTV >80%, borrower must have the greater of 6mo reserves or reserves determined by DU or LP.

Other Criteria

- Appraisal
 - Appraisal must meet all requirements of DU or LP.
 - Appraisal Waiver – PIW/ACE not permitted.
 - Loan amounts > \$2MM require a 2nd appraisal.
 - Loan amounts ≤ \$2MM require a full appraisal.

JUMBO QM AUS Program Guidelines (Cont.)

- Loan amounts ≤ \$2MM additionally require 1 of the following secondary valuation products:
 - Desk review validating original appraisal within -10%, OR
 - Collateral Underwriter (CU) score < 2.5, OR
 - Acceptable LCA determination for Rep and Warrant waiver
- Property
 - Properties with resale restrictions are not permitted.
 - Agricultural Properties (40 +acres / Working farm) are not permitted.
 - Manufactured Homes are not permitted.
- Ineligible Transactions
 - Loans that do not meet the Ability to Repay requirements of TILA.
 - Texas Refinance 50 (a)(6) transactions.
 - Properties that have been listed for sale in the last six (6) months.
 - Blanket/Bridge loans.
 - Loans with Escrow Holdbacks.
 - Temporary Buydown.