

<p>General Requirements</p>	<ol style="list-style-type: none"> 1) Loan may be originated and currently serviced by any lender. 2) Current loan must be an insured FHA loan. 3) Refinance must benefit the borrower – see below Net Tangible Benefit guidelines 4) Non Towne to Towne: FULLY COMPLETED APPLICATION REQUIRED - BORROWERS MUST BE EMPLOYED - VERBAL VOE'S ARE CONDUCTED 																				
<p>Maximum Mortgage Calculation effective April 1, 2011</p>	<p><u>You can NO Longer roll in closing costs or pre-paids.</u></p> <p>Primary Residence: Outstanding principal balance (cannot include delinquent interest, late charges or escrow shortages) + Accrued interest only for current month due and accrued monthly MIP - Applicable MIP Refund + New UFMIP charged</p> <p>Investment Properties: Outstanding Principal balance (cannot roll in accrued interest or accrued monthly MIP) -applicable MIP refund +New UFMIP charged</p> <p>**Base loan amount MAY exceed the MAX Mortgage amount for county.</p>																				
<p>Minimum Credit Score</p>	<ul style="list-style-type: none"> • Towne to Towne: No minimum credit score • Non Towne to Towne – minimum 620. 																				
<p>Net Tangible Benefit</p>	<table border="1" data-bbox="342 926 1528 1331"> <thead> <tr> <th></th> <th colspan="3">To</th> </tr> <tr> <th>From</th> <th>Fixed Rate New Combined Rate*</th> <th>One-year ARM New Combined Rate</th> <th>Hybrid ARM New Combined Rate</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate</td> <td>At Least 0.5 percentage points below the prior Combined Rate.</td> <td>At least 2 percentage points below the prior Combined Rate</td> <td>At least 2 percentage points below the prior Combined Rate</td> </tr> <tr> <td>Any ARM with less than 15 months to Next Payment Change</td> <td>No more than 2 percentage points above the prior Combined Rate</td> <td>At least 1 percentage point below the prior Combined Rate</td> <td>At least 1 percentage point below the prior Combined Rate</td> </tr> <tr> <td>Any ARM with greater than or equal to 15 months to Next Payment Change</td> <td>No more than 2 percentage points above the prior Combined Rate</td> <td>At least 2 percentage points below the prior Combined Rate</td> <td>At least 1 percentage points below the prior Combined Rate</td> </tr> </tbody> </table> <p>*combined rate refers to interest rate on mortgage plus the monthly mortgage insurance (MIP) rate</p> <p>Reduction in Term The net tangible benefit test is met if:</p> <ul style="list-style-type: none"> • The mortgage term is reduced; • The new interest rate does not exceed the current interest rate; and • The combined principal, interest rate and MIP payment of the new Mortgage does not exceed the combined principal, interest and MIP of the refinanced Mortgage by more than \$50. 		To			From	Fixed Rate New Combined Rate*	One-year ARM New Combined Rate	Hybrid ARM New Combined Rate	Fixed Rate	At Least 0.5 percentage points below the prior Combined Rate.	At least 2 percentage points below the prior Combined Rate	At least 2 percentage points below the prior Combined Rate	Any ARM with less than 15 months to Next Payment Change	No more than 2 percentage points above the prior Combined Rate	At least 1 percentage point below the prior Combined Rate	At least 1 percentage point below the prior Combined Rate	Any ARM with greater than or equal to 15 months to Next Payment Change	No more than 2 percentage points above the prior Combined Rate	At least 2 percentage points below the prior Combined Rate	At least 1 percentage points below the prior Combined Rate
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<p>Mortgage Payment History</p>	<ul style="list-style-type: none"> • Non Towne to Towne: No late payments in the last 12 months (or since loan was originated). • Towne to Towne refinances - No late payments in the past 6 months and no more than 1X30 in months 7-12. 																				

Seasoning Requirements	<p>ON THE DATE OF NEW FHA CASE NUMBER ASSIGNMENT:</p> <ul style="list-style-type: none"> • At least 6 full months must have passed since the 1st payment due date of the mortgage being refinanced and; • At least 210 days have passed from the closing date of the mortgage being refinanced. • The borrower must have made at least six payments on the FHA-insured mortgage • If the borrower assumed the mortgage being refinanced, they must have made six payments since the date of assumption
Re-qualifying Requirements (payment ratios)	None required. (See exceptions under "Credit Qualifying Streamline".)
Verbal VOE	Required; unless Towne to Towne streamline
Assets	Borrower's funds to close, in excess of the total Mortgage Payment of the new Mortgage, must be verified with two months' bank statements. Standard source of funds guidelines applies.
Appraisal	No appraisal required. For the purpose of calculating the MIP, FHA uses the original value of the Property to calculate the LTV.
CAIVRS Clearance	None required.
Subordinate Liens	<p>Must be subordinated to new first mortgage lien. For streamline without appraisal use original value from FHA refinance authorization.</p> <ul style="list-style-type: none"> • No maximum CLTV
Adding or Deleting Individuals to Title	<ul style="list-style-type: none"> • New individuals may be added to title without restrictions • Deleting individuals from title and the new mortgage may only be accomplished in cases of divorce, legal separation or death when: <ul style="list-style-type: none"> ✓ The remaining borrower can provide six months of cancelled checks verifying they have made all payments on their own. If less than 6 months then credit qualifying guidelines apply (see below) and; ✓ The divorce decree or legal separation agreement awarded the property and responsibility for payment to the remaining borrower, if applicable
Other Requirements	Loan must be current at close. Can only include current month's payment in the payoff.
Modified loans	<ul style="list-style-type: none"> • A FHA loan that has been previously modified is eligible as long as it meets the requirements for streamlines refinances • The outstanding balance of a modified loan may reflect loan amounts that were previously added to the loan balance. This is acceptable only if the new loan amount does not exceed the lesser of the original loan amount or outstanding principal.
Manufactured Home	<ul style="list-style-type: none"> • Manufactured home title must be legally retired at or before close. • If title is to be retired at close, original title must be sent to Title Company. Title Company to prepare docs necessary to formerly retire title. • Borrowers to sign manufactured home certificate at close. • Title agent to sign acknowledgement of filing docs to retire title, if title is retired at close • Structural Engineer inspection of foundation IS NOT required.

<p>Credit Qualifying Streamline</p>	<p>Credit Qualifying Streamline:</p> <ul style="list-style-type: none"> • Verification of income through current pay stub with YTD earnings and previous years W2 • Full tri-merged credit report required • No lates on mortgage in previous 12 months <p>NEW LOAN MUST MEET ALL FHA MANUAL UNDERWRITING REQUIREMENTS.</p> <p><u>Used when:</u></p> <ul style="list-style-type: none"> • Deletion of borrower that DOES NOT meet above guideless under Adding or Deleting Individuals to Title • At least one borrower from existing mortgage must remain as a borrower on new mortgage. • Credit qualifying Streamline Refinances must meet all requirements of Manual Underwriting, except for any requirements for Appraisals or LTV Calculations.
<p>Documentation Requirements At Application:</p> <p>Retail Originated Only</p>	<ul style="list-style-type: none"> • Non Towne to Towne – Full application required with all sections complete • If the loan being paid off is a current Towne loan and the origination is through Retail Channel, then an abbreviated 1003 can be completed as follows: <ul style="list-style-type: none"> ○ Not required to complete sections IV, V, VI and VIII (A) through VIII (K). ○ A verbal VOE will not be required in these instances ○ If funds are needed to close then evidence of funds (2 month statements) will be required • Credit report - Either two bureau or Tri-merge • Assets (If funds are needed to close exceed the new mortgage payment, then two months bank statements are required. • Documentation showing old FHA case # (i.e., HUD I, note, etc.) • 12 month mortgage payment history • LDP/GSA • Case Number with Refi Authorization • Title Work • Current Payoff (A current payoff will be required by the underwriter prior to clearing the loan to close) • All State/Federal and FHA required disclosures <p>**New Requirement as of 9/14/2015 - The Mortgagee must review the Borrower's employment documentation or obtain utility bills to evidence that the Borrower currently occupies the Property as their Principal Residence – if loan will close as primary residence</p> <p>NOTE: Streamline Refi's ARE NOT run through Total Scorecard. **MAX incidental CASH BACK AT CLOSING \$500**</p>
<p>Maximum Mortgage Amortization Period</p>	<p>Maximum amortization period of a Streamline Refinance is limited to the lesser of:</p> <ul style="list-style-type: none"> • the remaining amortization period of the existing Mortgage plus 12 years; or • 30 years.