

	Purpose	Units	LTV	CLTV	HCLTV	
Maximum LTV/CLTV/HCLTV	Primary Residence					
	Purchase & Limited Cashout Refinances (LCOR)	1	95%	95%	95%	
		2	85%	85%	85%	
		3-4	75%	75%	75%	
	2nd Home					
	Purchase & Limited Cashout Refinances (LCOR)	1 Unit	90%	90%	90%	
	Investment					
	Purchase	1 Unit	80%	80%	80%	
Limited Cashout Refinances (LCOR)	1 Unit	75%	75%	75%		
* Max LTV is 80% where mortgage insurance not available						
Eligible Loan Terms	<ul style="list-style-type: none"> 15, 20, 25 and 30 Year Fixed Rate 					
Eligible Property Types	<ul style="list-style-type: none"> 1-4 Family Owner Occupied 1 Unit 2nd Home 1 Unit Investment Property Condos and PUDs Units are Eligible 					
Ineligible Property Types	<ul style="list-style-type: none"> Manufactured Homes 2-4 Unit Properties on second homes and investment properties 					
Max Loan Amount	<ul style="list-style-type: none"> Fannie Mae Loan Limits apply 					
Max Rehab Amount (including contingency reserves and soft costs)	<ul style="list-style-type: none"> Purchase Transactions: cannot exceed 75% of the lesser of acquisition cost, plus rehab costs or "as completed value" of the property. Refinance Transactions: cannot exceed 75% of the "as-completed" value 					

Minimum Rehab Amount	<ul style="list-style-type: none"> No minimum dollar of rehab is required
Underwriting Guidelines	<ul style="list-style-type: none"> Loan must be approved through DU and receive Approve/Eligible findings. Minimum Credit score 620
Eligible Renovations	<ul style="list-style-type: none"> Any type of permanent improvement to the home - including cosmetic repairs and landscaping Improvements must be supported by the "as improved value"
Calculating Maximum LTV/Loan Amount	<p><u>Purchase</u></p> <ul style="list-style-type: none"> <u>Lessor of purchase price</u> + renovation hard and soft costs, contingency reserves (if financed) and eligible payment reserve (if applicable); or the "as completed value" up to the eligible LTV. <p><u>Refinance</u></p> <p>LTV ratio is determined by dividing the Loan amount by the Lesser Of:</p> <ul style="list-style-type: none"> "as completed" appraised value of the property OR; The sum of the unpaid principal balances of all eligible liens (seasoned for at least 1 year) and the total renovation costs (including hard and soft costs, contingency reserve if financed, eligible payment reserve if applicable), closing costs and Prepaid
Limited Cash out refinance restrictions	<ul style="list-style-type: none"> Borrower may not receive cash back at closing in any amount (Fannie Mae standard limited cash-out refinance of 2% or \$2,000, whichever is less, is NOT PERMITTED.
Mortgage Insurance	<ul style="list-style-type: none"> Required on ALL LTV's > 80%...
Builder/Contractor Requirements	<ul style="list-style-type: none"> Borrowers must complete a construction contract with the Builder/Contractor Builder/Contractor must be fully licensed Maintain full liability insurance (at least \$300,000 coverage) Maintain Workmans's Compensation Insurance if they employ other Contractor must be approved by Towne Mortgage
Rehab Escrow	<ul style="list-style-type: none"> Placed in an insured interest-bearing account Disbursed as work is completed per plans and specs

Contingency Reserve	<ul style="list-style-type: none"> • A contingency reserve equal to 10% - 15% of the cost of rehab is required and can be financed into the loan amount if the applicable LTV permits • Unused contingency funds will be applied to reduce the balance of the mortgage (unless the borrowers prepaid with own funds, then the funds can be returned to borrower)
Rehab Period/Maximum number of draws	<ul style="list-style-type: none"> • Up to 9 months • Up to 5 draws
Payment Reserve	<ul style="list-style-type: none"> • A payment reserve up to 6 months of PITI is permitted on owner occupied properties and can be financed for the period in which the property cannot be occupied
Appraisal Requirement	<ul style="list-style-type: none"> • An appraisal using Fannie Mae form 1004 based on the "as-completed value"
Title & Homeowners Insurance	<ul style="list-style-type: none"> • Must be in the amount equal to the total loan amount
Draw Administration Fee	<ul style="list-style-type: none"> • In addition to our standard fees, there is a Draw Administration Fee equal to the greater of 1.5% of the total rehab portion of the mortgage or \$500.00
Inspection Fees and title update fees	<ul style="list-style-type: none"> • Inspection fees of \$175.00 will be charged per inspection • Number of inspections determined prior to close based on scope of work • \$175.00 title update fees charged per draw
Cash Back to Borrower	<ul style="list-style-type: none"> • Does not allow for any cash back to customer (i.e. no variance for lessor of 2% or \$2000 - no cash back)
Documentation Requirements	<ul style="list-style-type: none"> • Refer to Homestyle Renovation Program Guide