

Freddie Mac Conforming and Super Conforming



Amended 7/2/2018

Primary			
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term Refinance	620	1	Fixed 95%
		2	Fixed 80%
		3-4	Fixed 80%
Cash-Out Refinance	620	1	Fixed 80%
		2-4	Fixed 75%
Second Home			
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term Refinance	620	1	Fixed 85%
Cash-Out Refinance	620	1	Fixed 75%
Investment			
Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term Refinance	620	1	Fixed 85%
	620	2	Fixed 75%
	620	3-4	Fixed 75%
Cash-Out Refinance	620	1	Fixed 75%
	620	2-4	Fixed 70%

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General	<ul style="list-style-type: none"> • Purpose - Purchase, Rate/Term, Cash Out • Conforming Terms Available - 15 and 30 Year Fixed Rate • Super Conforming Terms Available 15 and 30 Year Fixed Rate • Occupancy - Primary, Second Home and Investment • AUS - LP Accept only (manual underwrite not available) • Minimum Credit Score - 620 		
CREDIT			
Bankruptcy	<ul style="list-style-type: none"> • Chapter 7 & 11: 4 years from discharge or dismissal date • Chapter 13: 2 years from discharge date or 4 years from dismissal date • Multiple BK's within 7 years requires a 5 year waiting period from most recent dismissal or discharge date • If a mortgage debt has been discharged through a Bankruptcy, even if a Foreclosure has been subsequently completed to reclaim the property in satisfaction of the debt, the borrower is held to the Bankruptcy waiting period (above) and not the Foreclosure waiting period. Bankruptcy documents must be provided to verify that the mortgage debt was discharged as part of the Bankruptcy. • If the mortgage was reaffirmed through the bankruptcy or a foreclosure had occurred prior to the bankruptcy follow standard foreclosure seasoning requirements **Borrower must demonstrate re-established credit** 		
Collection Accounts & Charge-Offs (excluding Mortgage related items)	Follow according to LPA feedback		
Disputed Accounts	Disputed Accounts are automatically identified in LP and clearance is not needed with LP Accept. Note: Disputed Mortgage Loans are required to be cleared, credit to be re-pulled and ran thru LP		
Foreclosure	<ul style="list-style-type: none"> • 7 year time period with re-established credit from foreclosure recording date • If mortgage debt has been discharged through a Bankruptcy, see Bankruptcy section for requirements. • If the mortgage was reaffirmed through the bankruptcy or a foreclosure had occurred prior to the bankruptcy follow standard foreclosure seasoning requirements • Dates are determined from recorded date to note date 		
Judgments and Liens in Public Records on Credit Report	Must be paid off prior to or at closing		
Mortgage Lates	Per LP		
DTI/INCOME/ASSETS			
Gifts including Gift of Equity	LTV, CLTV or HCLTV	Occupancy and Property Type	Minimum Borrower Required
	80% and below	1-4 Unit Primary and 2nd Home	None, all funds may be gifted
	> 80%	1 Unit Primary	
		2-4 Unit Primary and 2nd Home	5% Minimum borrower contribution required
Note: Gift Funds are not allowed on Investment Loans			
Maximum DTI Ratios	Per LP		
Reserves	Reserves are determined by LP but the following are generally required: <ul style="list-style-type: none"> • Primary and 2nd Homes - 2 months PITIA • Primary 2-4 - 6 months PITIA • Investment - 6 months PITIA Additional reserve requirements may apply if the borrower owns multiple properties or if the borrower is departing a primary residence. <ul style="list-style-type: none"> • 2 months PITIA for each additional financed property of Investment and Second Home 		

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<p>Student Loans / Other Deferred Loans</p>	<ul style="list-style-type: none"> Deferred installment debts must be included as part of borrower's monthly debt obligations. For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the greater of the following to determine the monthly payment to be used as the borrower's recurring monthly debt obligation: <ul style="list-style-type: none"> 1% of the outstanding balance; OR the actual documented payment (documented in credit report or from student loan lender) <p>Note: If the payment currently being made cannot be documented or verified, 1% of outstanding balance MUST be used. Exception: If actual documented payment is less than 1% of balance and will fully amortize with no payment adjustments, the lower, fully amortizing monthly payment may be used to qualify the borrower.</p>
<p>PROPERTY</p>	
<p>Appraisal Requirements</p>	<ul style="list-style-type: none"> Full Interior and Exterior Appraisal that meets Freddie requirements. SFR/PUD use Freddie Form 70/FNMA Form 1004 SFR Investment use Freddie Mac Form 70/FNMA 1004 and include form 216 2-4 Units use Freddie Mac Form 72/FNMA Form 1025 and include form 216 Condo use Freddie Mac Form 465/FNMA Form 1073 Appraisal transfers not accepted on this product
<p>Condo Review</p>	<ul style="list-style-type: none"> LP determines the level of review required in most cases, though extraneous factors may require a change from limited review to full review based on Underwriter findings. A Full Review will be required for all LTV/CLTV combinations not addressed in Limited Review below and must have PERS or CPM approval per FHLMC Bulletin 2016-16 (Reciprocal Project Reviews). New and Newly Converted Condo Projects also require a Full Review and a PERS or CPM approval. Royal Pacific Funding Underwriting will complete both Full and Limited reviews as required by LP. <ul style="list-style-type: none"> Condo Eligibility – All States except Florida: <ul style="list-style-type: none"> Owner Occupied – 90% LTV/CLTV Second Homes – 75% LTV/CLTV Investment Properties – Not Allowed (Full Review Required) Condo Eligibility – Florida <ul style="list-style-type: none"> Owner Occupied – 75%/90% LTV/CLTV Second Homes – 70%/75% LTV/CLTV Investment Properties – Not Allowed (Full Review Required)
<p>Eligible Properties</p>	<ul style="list-style-type: none"> Single Family Residences 2-4 Units PUDs (Attached or Detached) Condominiums (Attached or Detached) must be warrantable Modular restricted to 1 unit, factory built, permanently affixed and conforming to local building codes.
<p>Escrow Holdback for Minor Repairs</p>	<ul style="list-style-type: none"> Allowed for repairs that do not present a health or safety concern and do not affect the structural integrity of the property. \$5,000 limit on required repairs 1.5 times the repair to be held by escrow and released upon clearance by Royal Pacific Funding written authorization Repairs to be completed within 10 days of closing
<p>Properties Listed for Sale / Listing History</p>	<p>Rate/Term Transactions:</p> <ul style="list-style-type: none"> Property must be taken off the market on or before the disbursement date, and borrowers must confirm their intent to occupy the subject property (for principal residence transactions). <p>Cash-Out Transactions:</p> <ul style="list-style-type: none"> If listed for sale in the 6 months, Listing Agreement must be cancelled at least one day prior to the disbursement date and LTV must be equal to or less than 70%. All borrowers must have held title to the subject property for a minimum of six months and six payments must have been made since the most recent refinance or purchase.

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MISCELLANEOUS																				
Age of Documents	<ul style="list-style-type: none"> • 90 Days for Income, Assets and Prelim • 120 Days for Appraisal and Credit • All items are measured from final date on document to Note Date. 																			
Borrower Eligibility	<p>Eligible Borrowers:</p> <ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens and Non-Permanent Resident Aliens with legal residency status • Inter-Vivos Revocable Trusts <p>Ineligible Borrowers (note that this is not a complete list):</p> <ul style="list-style-type: none"> • Foreign Nationals • Limited & General Partnerships • Irrevocable Trusts 																			
Continuity of Obligation	<p>When paying off an existing mortgage on a new refinance, one of the following must be met:</p> <ul style="list-style-type: none"> • At least one borrower on the existing mortgage is also on the new mortgage; OR • At least one borrower must be on title and residing in the property as a primary residence for the most recent 12 months and the mortgage file contains evidence that the borrower either <ul style="list-style-type: none"> o Has been making timely mortgage payments, including payments of any secondary financing for the most recent 12 months; OR o Is a related person to a borrower on the mortgage being refinanced; OR • At least one borrower has inherited or was legally awarded the mortgaged premises through divorce, separation dissolution of domestic partnership <ul style="list-style-type: none"> • Rate and Term Refinance - Borrower must be on title minimum of 1 day. • Cash-Out Refinance - Borrower must be on title for minimum of 6 months. 																			
Investment Property Purchase Restriction	<ul style="list-style-type: none"> • Evidence of 12 months mortgage or rental history is required. • First Time Home Buyers that does not have any prior mortgage or rental history must qualify without the use of "proposed rents." • Satisfactory motivational letter 																			
Impounds	Required if LTV is > 90% in CA or ≥ 80% in all other states.																			
LPMI	<ul style="list-style-type: none"> • Allowed per standard matrix listed above • MI Company guidelines may be more restrictive, please refer to MI provider guidelines to ensure qualification 																			
Loan Limits	<ul style="list-style-type: none"> • Maximum per Freddie Loan Limits • Minimum \$75,000 																			
Mortgage Insurance	<ul style="list-style-type: none"> • Loans with > 80% LTV require Mortgage Insurance and are subject to MI guidelines • BPMI is available with monthly and single premium • LPMI is available as single premium and is based on program LTV eligibilty. • Renewal must be Level/Constant and Non-Refundable • Approved MI companies are Radian, Arch MI, National MI, Genworth, and Essent <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="background-color: #4F81BD; color: white;">Required MI Coverage</th> </tr> <tr> <th rowspan="2" style="background-color: #D9E1F2;">Loan Term</th> <th colspan="3" style="background-color: #D9E1F2;">LTV</th> </tr> <tr> <th style="background-color: #D9E1F2;">80.01 - 85%</th> <th style="background-color: #D9E1F2;">85.01 - 90%</th> <th style="background-color: #D9E1F2;">90.01 - 95%</th> </tr> </thead> <tbody> <tr> <td style="background-color: #D9E1F2;">25 & 30 Year</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="background-color: #D9E1F2;">10, 15 & 20 Year</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">25%</td> </tr> </tbody> </table>	Required MI Coverage				Loan Term	LTV			80.01 - 85%	85.01 - 90%	90.01 - 95%	25 & 30 Year	12%	25%	30%	10, 15 & 20 Year	6%	12%	25%
Required MI Coverage																				
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Multiple Loans to the Same Borrower	Borrowers are limited to a maximum of 4 open and active loans with Royal Pacific Funding.																			

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POA (Power of Attorney)	<p>Power of Attorney closings will be accepted with the following criteria:</p> <ul style="list-style-type: none"> • POA must be a specific to the transaction • POA must include the borrower name, property address and loan amount • POA must be fully executed and notarized • POA must be approved by Royal Pacific Funding prior to loan closing • POA must be recorded along with the deed of trust / mortgage • POA must occupy (or intend to occupy) the subject property at or before time of closing • Principal must sign the Initial 1003 (and purchase contract if applicable)
Vesting	Individual(s) and Loans in a Revocable Trust are acceptable for all occupancies.
3rd Party Processing	3rd party processing fees not accepted on this product.
7-10 Financed Properties	<ul style="list-style-type: none"> • Ineligible for Second Home and Investment Properties. Note that Primary Residence financing has no restrictions on of financed properties.