

## BRIGHTEN LENDING WHOLESALE CONFORMING LIBOR ARM PRODUCTS

	ONE YEAR LIBOR ARM	3/1 LIBOR ARM	5/1 LIBOR ARM	5/1 LIBOR EXPANDED APPROVAL ONLY	7/1 LIBOR ARM
<b>1. PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>Conventional Conforming one-year adjustable rate mortgage</li> <li>15 to 30 years in five-year increments</li> <li>Fully amortizing</li> <li>Convertible or Non-Convertible</li> <li>ARM Plan ID                             <ul style="list-style-type: none"> <li>U/W: FM Generic, 1 Year</li> <li>Delivery: #2720 (Convertible)</li> <li>Delivery: #2721</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Conventional Conforming three year/one year adjustable rate mortgage</li> <li>15 to 30 years in five-year increments OR 40-year term</li> <li>Fully amortizing</li> <li>Non-Convertible</li> <li>ARM Plan ID                             <ul style="list-style-type: none"> <li>U/W: FM Generic, 3Y</li> <li>Delivery: 30Y # 2723; 40Y #3130</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Conventional Conforming five year/one year adjustable rate mortgage</li> <li>30 or 40 year term</li> <li>Fully amortizing</li> <li>Non-Convertible</li> <li>ARM Plan ID                             <ul style="list-style-type: none"> <li>U/W: FM Generic, 5 Year</li> <li>Delivery: 30Y #3252; 40Y #3128</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Conventional Conforming five year/one year adjustable rate mortgage</li> <li>15 to 30 years in five-year increments</li> <li>Fully amortizing</li> <li>Non-Convertible</li> <li>ARM Plan ID                             <ul style="list-style-type: none"> <li>U/W: FM Generic, 5 Year</li> <li>Delivery: # 2725</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Conventional Conforming seven year/one year adjustable rate mortgage</li> <li>15 to 30 years in five-year increments OR 40-year term</li> <li>Fully amortizing</li> <li>Non-Convertible</li> <li>ARM Plan ID                             <ul style="list-style-type: none"> <li>U/W: FM Generic, 7 Year</li> <li>Delivery: 30Y #2727; 40Y #3558</li> </ul> </li> </ul>
<b>2. PRODUCT CODES</b>	<ul style="list-style-type: none"> <li>B10 1/1 Conv FNMA LIBOR ARM 2.50% Margin</li> <li>B11 1/1 N-Conv FNMA LIBOR ARM 2.50% Margin</li> </ul>	<ul style="list-style-type: none"> <li>B12 30Yr 3/1 FNMA LIBOR ARM 2.375% Margin</li> <li>P50 40Yr 3/1 FNMA LIBOR ARM 2.375% Margin</li> <li>S61 30Yr 3/1 FNMA LIBOR ARM 2.375% Margin (SISA)</li> </ul>	<ul style="list-style-type: none"> <li>A68 30Yr 5/1 FNMA LIBOR ARM 2.375% Margin</li> <li>P53 40 Yr 5/1 FNMA LIBOR ARM 2.375% Margin</li> <li>B01 5/1 FNMA LIBOR ARM 2.375% Margin Builder Cap</li> <li>R48 30Yr 5/1 FNMA LIBOR ARM 2.375% Margin</li> </ul>	<ul style="list-style-type: none"> <li>A50 5/1 FNMA LIBOR ARM 2.375% Margin EA I</li> <li>A51 5/1 FNMA LIBOR ARM 2.375% Margin EA II</li> <li>A38 5/1 FNMA LIBOR ARM 2.375% Margin EA III</li> </ul>	<ul style="list-style-type: none"> <li>B14 30 yr 7/1 FNMA LIBOR ARM 2.375% Margin</li> <li>A52 7/1 FNMA LIBOR ARM 2.375% Margin EA I</li> <li>A53 7/1 FNMA LIBOR ARM 2.375% Margin EA II</li> <li>A54 7/1 FNMA LIBOR ARM 2.375% Margin EA III</li> <li>P51 40 Yr 7/1 FNMA LIBOR ARM 2.375% Margin</li> <li>R49 30 yr 7/1 FNMA LIBOR ARM 2.375% Margin</li> </ul>
<b>3. INDEX</b>	London interbank offered rate for twelve month United States dollar-denominated deposits, as published in the Wall Street Journal (Libor)				
<b>4. MARGIN</b>	2.50%	2.375%			
<b>5. ANNUAL/ADJUSTMENT CAP</b>	2%				
<b>6. LIFE CAP</b>	6%		5%	6%	5%
<b>7. RATE AT ADJUSTMENT</b>	<ul style="list-style-type: none"> <li>Initial note rate is in effect for 12 months; thereafter, a 2% annual adjustment cap begins with the first adjustment.</li> <li>Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life caps.</li> </ul>	<ul style="list-style-type: none"> <li>Initial note rate is in effect for 36 months; thereafter, a 2% annual adjustment cap begins with the first adjustment.</li> <li>Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life cap.</li> </ul>	<ul style="list-style-type: none"> <li>Initial note rate is in effect for 60 months; The first interest adjustment is subject to life cap, thereafter, a 2% annual adjustment cap begins with the second adjustment.</li> <li>Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life caps.</li> </ul>	<ul style="list-style-type: none"> <li>Initial note rate is in effect for 60 months; thereafter, a 2% annual adjustment cap begins with the first adjustment.</li> <li>Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life caps.</li> </ul>	<ul style="list-style-type: none"> <li>Initial note rate is in effect for 84 months; initial adjustment is subject to the life cap, thereafter, a 2% annual adjustment cap begins with the second adjustment.</li> <li>Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life caps.</li> </ul>
<b>8. CONVERSION OPTION</b>	Product carries a convertible	N/A			

Product Summaries contain eligibility guidelines only. Consult the BRIGHTEN LENDING Broker/Correspondent Lending Manual for full details. 2/04/08 – Page 1  
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	or non-convertible feature. Convertible monthly commencing with the first (1 <sup>st</sup> .) interest rate adjustment date and ending with the fifth (5 <sup>th</sup> .) interest rate adjustment date.				
<b>9. CONVERSION FEE</b>	\$250.00	N/A			
<b>10. DELIVERY</b>	<ul style="list-style-type: none"> <li>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for acceptable delivery time frame.</li> </ul> <p>Special Feature Codes to be listed on 1008 Transmittal:</p> <ul style="list-style-type: none"> <li>214 DU is not run through BRIGHTEN LENDING institution</li> <li>281 Financed single premium mortgages</li> <li>338 LTV &gt;76% &lt;= 95% and CLTV &gt;91% &lt;=95%</li> <li>339 LTV &gt;66% &lt;=75% and CLTV &gt;91% &lt;=95%</li> <li>187 LTV &gt;76% &lt;=90% and CLTV &gt;77% &lt;=90%</li> <li>439 Non-permanent resident alien</li> <li>189 PITI Abatement</li> </ul>	<ul style="list-style-type: none"> <li>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for acceptable delivery time frame.</li> </ul> <p>Special Feature Codes to be listed on 1008 Transmittal:</p> <ul style="list-style-type: none"> <li>214 DU is not run through BRIGHTEN LENDING institution</li> <li>281 Financed single premium mortgages</li> <li>338 LTV &gt;76% &lt;=90% and CLTV &gt;91% &lt;=95%</li> <li>339 LTV &gt;66% &lt;=75% and CLTV &gt;91% &lt;=95%</li> <li>187 LTV &gt;76% &lt;=90% and CLTV &gt;77% &lt;=90%</li> <li>439 Non-permanent resident aliens</li> <li>009 2-1 buydowns</li> <li>014 3-2-1 buydowns</li> <li>189 PITI Abatement</li> </ul>	<ul style="list-style-type: none"> <li>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for acceptable delivery time frame.</li> </ul> <p>Special Feature Codes to be listed on 1008 Transmittal:</p> <ul style="list-style-type: none"> <li>214 DU is not run through BRIGHTEN LENDING institution</li> <li>281 Financed single premium mortgages</li> <li>338 LTV &gt;76% &lt;=90% and CLTV &gt;91% &lt;=95%</li> <li>339 LTV &gt;66% &lt;=75% and CLTV &gt;91% &lt;=95%</li> <li>187 LTV &gt;76% &lt;=90% and CLTV &gt;77% &lt;=90%</li> <li>439 Non-permanent resident aliens</li> <li>009 2-1 buydowns</li> <li>014 3-2-1 buydowns</li> <li>189 PITI Abatement</li> </ul>	<ul style="list-style-type: none"> <li>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for acceptable delivery time frame.</li> </ul> <p>Special Feature Codes to be listed on 1008 Transmittal:</p> <ul style="list-style-type: none"> <li>214 DU is not run through BRIGHTEN LENDING institution</li> <li>338 LTV &gt;76% &lt;=90% and CLTV &gt;91% &lt;=95%</li> <li>339 LTV &gt;66% &lt;=75% and CLTV &gt;91% &lt;=95%</li> <li>187 LTV &gt;76% &lt;=90% and CLTV &gt;77% &lt;=90%</li> <li>439 Non-permanent resident aliens</li> <li>009 2-1 buydowns</li> <li>014 3-2-1 buydowns</li> <li>340 EA I</li> <li>341 EA II</li> <li>342 EA III</li> <li>189 PITI Abatement</li> </ul>	<ul style="list-style-type: none"> <li>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for acceptable delivery time frame.</li> </ul> <p>Special Feature Codes to be listed on 1008 Transmittal:</p> <ul style="list-style-type: none"> <li>214 DU is not run through BRIGHTEN LENDING institution</li> <li>281 Financed single premium mortgages</li> <li>338 LTV &gt;76% &lt;=90% and CLTV &gt;91% &lt;=95%</li> <li>339 LTV &gt;66% &lt;=75% and CLTV &gt;91% &lt;=95%</li> <li>187 LTV &gt;76% &lt;=90% and CLTV &gt;77% &lt;=90%</li> <li>439 Non-permanent resident aliens</li> <li>009 2-1 buydowns</li> <li>014 3-2-1 buydowns</li> <li>340 EA I</li> <li>341 EA II</li> <li>342 EA III</li> </ul>
<b>11. TEMPORARY BUYDOWNS</b>	Not permitted	<b>Annual</b> <ul style="list-style-type: none"> <li>Primary Residence and Second Homes</li> <li>Purchase and Rate &amp; Term Refinances</li> <li>1 &amp; 2 unit</li> <li>Maximum 1% per year</li> <li>Maximum 2% below note rate</li> <li>Refer to #15 Loan Amount and LTV Limitations for LTV/CLTV</li> </ul>	<b>Annual</b> <ul style="list-style-type: none"> <li>Primary Residence and Second Homes</li> <li>Purchase and Rate &amp; Term Refinances</li> <li>Maximum 1% per year</li> <li>Maximum 3% below note rate</li> <li>Refer to #15 Loan Amount and LTV Limitations for LTV/CLTV</li> </ul>		

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<b>Minnesota: Qualify using fully-indexed, fully amortized rate.</b>					
<b>12. QUALIFYING RATE AND RATIOS</b>	<p><b>Qualifying Rate</b></p> <ul style="list-style-type: none"> <li>Qualify at the greater of the fully indexed rate or note rate</li> </ul> <p><b>Ratios</b></p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept loans - Ratios evaluated by DU/LP</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans - 36%</li> </ul>	<p><b>Qualifying Rate</b></p> <ul style="list-style-type: none"> <li><b>3/1 LIBOR ARM:</b> Qualify at the greater of the fully indexed rate or note rate</li> <li><b>5/1 LIBOR ARM:</b> Qualify at note rate</li> </ul> <p><b>Ratios</b></p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept loans – Ratios evaluated by DU/LP</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans - 36%</li> </ul> <p><b>With Temporary Buydown</b></p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept loans - Ratios evaluated by DU/LP</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans - 36%</li> </ul> <p><b>Primary Residence</b></p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept loans - Qualify at second year rate</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans                             <ul style="list-style-type: none"> <li>Qualify at bought down rate if credit score is &gt;=660 (680 for self-employed borrower)</li> <li>Qualify at note rate if credit score is &lt;660 (680 for self-employed borrower)</li> <li>Qualify at note rate if income of trailing spouse is used to qualify</li> </ul> </li> </ul> <p><b>Second Homes</b></p> <ul style="list-style-type: none"> <li>Qualify at note rate</li> </ul>	<p><b>Qualifying Rate</b></p> <ul style="list-style-type: none"> <li>Qualify at note rate</li> </ul> <p><b>Ratios</b></p> <ul style="list-style-type: none"> <li>Expanded Approval loans - Ratios evaluated by DU</li> </ul> <p><b>With Temporary Buydown</b></p> <ul style="list-style-type: none"> <li>Expanded Approval loans - Ratios evaluated by DU</li> </ul> <p><b>Primary Residences</b></p> <ul style="list-style-type: none"> <li>Expanded Approval loans - Qualify at 1% above the bought down rate</li> </ul> <p><b>Second Homes</b></p> <ul style="list-style-type: none"> <li>Expanded Approval loans - Qualify at note rate</li> </ul>	<p><b>Qualifying Rate</b></p> <ul style="list-style-type: none"> <li>Qualify at note rate</li> </ul> <p><b>Ratios</b></p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept and Expanded Approval loans - Ratios evaluated by DU/LP</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans - 36%</li> </ul> <p><b>With Temporary Buydown</b></p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept and Expanded Approval loans - Ratios evaluated by DU/LP</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans - 36%</li> </ul> <p><b>Primary Residence</b></p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept and Expanded Approval loans - Qualify at second year rate</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans                             <ul style="list-style-type: none"> <li>Qualify at bought down rate if credit score is &gt;=660 (680 for self-employed borrower)</li> <li>Qualify at note rate if credit score is &lt;660 (680 for self-employed borrower)</li> <li>Qualify at note rate if income of trailing spouse is used to qualify</li> </ul> </li> </ul> <p><b>Second Homes</b></p> <ul style="list-style-type: none"> <li>Qualify at note rate</li> </ul>	
<b>13. TYPE OF FINANCING</b>	<ul style="list-style-type: none"> <li><b>Purchase Mortgages</b></li> </ul>				

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	<ul style="list-style-type: none"> <li>• <b>Rate and Term Refinance</b> <ul style="list-style-type: none"> <li>• Pay off of the existing first mortgage regardless of seasoning</li> <li>• Pay off existing subordinate liens that were used in whole to acquire the subject property</li> <li>• Closing costs and prepaids.</li> <li>• Cash out limited to the lesser of 2% of the principal amount of the new loan or \$2000.</li> <li>• Owner occupied properties located in Texas                             <ul style="list-style-type: none"> <li>• If the first or second Texas Section 50(a)(6) loan is being paid off, regardless of whether the borrower is getting any cash back, the loan is restricted to the Texas Home Equity product.</li> <li>• If the first mortgage is not a Texas Section 50(a)(6) loan and the second mortgage is a Texas Section 50(a)(6), the second lien may be subordinated and is considered a rate and term refinance. The second lien must be subordinate to the BRIGHTEN LENDING first mortgage and a subordination agreement must be executed. Borrower cannot receive any cash back from first mortgage transaction.</li> <li>• If a Texas Section 50(a)(6) second lien is being paid off, the loan is restricted to the Texas Home Equity product.</li> <li>• The title policy will reference Texas Section 50(a)(6).</li> </ul> </li> </ul> </li> <li>• <b>Equity Refinances</b> <ul style="list-style-type: none"> <li>• No seasoning requirements on first mortgage or junior lien.</li> <li>• Owner occupied properties located in Texas subject to Texas Section 50(a)(6) are NOT eligible.                             <ul style="list-style-type: none"> <li>• Paying off loans that are not Texas Section 50(a)(6) but are defined as a cash out refinance based on agency guidelines are eligible for this product.</li> </ul> </li> </ul> </li> </ul>																																		
<b>14. MAXIMUM LOAN AMOUNT</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th colspan="2" style="text-align: center;"><b>Maximum Loan Amount</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><u>Continental US</u></th> <th style="text-align: center;"><u>Alaska &amp; Hawaii</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td style="text-align: right;">\$417,000</td> <td style="text-align: right;">\$625,500</td> </tr> <tr> <td>2</td> <td style="text-align: right;">\$533,850</td> <td style="text-align: right;">\$800,775</td> </tr> <tr> <td>3</td> <td style="text-align: right;">\$645,300</td> <td style="text-align: right;">\$967,950</td> </tr> <tr> <td>4</td> <td style="text-align: right;">\$801,950</td> <td style="text-align: right;">\$1,202,925</td> </tr> </tbody> </table>					Units	<b>Maximum Loan Amount</b>			<u>Continental US</u>	<u>Alaska &amp; Hawaii</u>	1	\$417,000	\$625,500	2	\$533,850	\$800,775	3	\$645,300	\$967,950	4	\$801,950	\$1,202,925												
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<b>15. LOAN AMOUNT AND LTV LIMITATIONS</b>	<ul style="list-style-type: none"> <li>• Refer to the DU Expanded Approval Grid for Expanded Approval LTV/CLTVs on the 5/1 Expanded Approval and 7/1 LIBOR ARMs.</li> <li>• Refer to the High Quality Stated Income/Stated Asset (SISA) Processing Style Grid for LTV/CLTV guidelines and other restrictions (3/1, 5/1 and 7/1 ARMS).</li> <li>• Refer to #16 Secondary Financing</li> <li>• Refer to #27 Credit for DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans.</li> <li>• HCLTV (HELOC CLTV) = first mortgage balance + total HELOC amount (funded + unfunded portion) divided by the lesser of the appraised value or sales price (if applicable).</li> </ul> <p><b>PRIMARY RESIDENCES</b> Purchases and Rate &amp; Term Refis</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th style="text-align: center;"><u>LTV w/out</u> <u>Sec fin</u></th> <th style="text-align: center;"><u>LTV w/</u> <u>Sec fin</u></th> <th style="text-align: center;"><u>CLTV w/</u> <u>Sec fin</u></th> <th style="text-align: center;"><u>Max</u> <u>HCLTV</u></th> </tr> </thead> <tbody> <tr> <td>1 &amp; 2</td> <td style="text-align: center;">95%</td> <td style="text-align: center;">90%</td> <td style="text-align: center;">95%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>3 &amp; 4</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">85%</td> </tr> </tbody> </table> <p>Equity Refis</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th style="text-align: center;"><u>LTV w/out</u> <u>Sec fin</u></th> <th style="text-align: center;"><u>LTV w/</u> <u>Sec fin</u></th> <th style="text-align: center;"><u>CLTV w/</u> <u>Sec fin</u></th> <th style="text-align: center;"><u>Max</u> <u>HCLTV</u></th> </tr> </thead> <tbody> <tr> <td>1 &amp; 2</td> <td style="text-align: center;">90%</td> <td style="text-align: center;">85%</td> <td style="text-align: center;">90%</td> <td style="text-align: center;">95%</td> </tr> <tr> <td>3 &amp; 4</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">80%</td> </tr> </tbody> </table> <p><b>SECOND HOMES</b> Purchases and Rate &amp; Term Refis</p>					Units	<u>LTV w/out</u> <u>Sec fin</u>	<u>LTV w/</u> <u>Sec fin</u>	<u>CLTV w/</u> <u>Sec fin</u>	<u>Max</u> <u>HCLTV</u>	1 & 2	95%	90%	95%	100%	3 & 4	80%	75%	80%	85%	Units	<u>LTV w/out</u> <u>Sec fin</u>	<u>LTV w/</u> <u>Sec fin</u>	<u>CLTV w/</u> <u>Sec fin</u>	<u>Max</u> <u>HCLTV</u>	1 & 2	90%	85%	90%	95%	3 & 4	75%	70%	75%	80%
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## BRIGHTEN LENDING WHOLESALE CONFORMING LIBOR ARM PRODUCTS

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<b>16. SECONDARY FINANCING</b>	<ul style="list-style-type: none"> <li>Permitted - Refer to #15 Loan Amount and LTV Limitations and the BRIGHTEN LENDING Broker/Correspondent Lending Manual for secondary financing guidelines.</li> <li>If utilizing a BRIGHTEN LENDING second mortgage, the <a href="#">BRIGHTEN LENDING Home Equity Product Summaries</a> must be reviewed for guidelines and acceptability of said product. Not all guidelines will be compatible. The more restrictive guideline will apply.</li> </ul>																																																																										
<b>17. PROPERTY TYPES</b>	<p><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>1 - 4 units</li> <li>PUDs<sup>1</sup> - Fannie Mae and Freddie Mac warrantable projects</li> <li>Condos<sup>1</sup> - Fannie Mae and Freddie Mac warrantable projects</li> <li>Leasehold Estates<sup>1</sup></li> <li>Modular Pre-Cut/Panelized Housing<sup>1</sup></li> </ul> <p><b>Ineligible Property Types</b></p> <ul style="list-style-type: none"> <li>Co-ops</li> <li>Manufactured homes</li> </ul> <p><sup>1</sup>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for eligibility guidelines.</p>		<p><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>1 - 2 units</li> <li>PUDs<sup>1</sup> - Fannie Mae and Freddie Mac warrantable projects</li> <li>Condos<sup>1</sup> - Fannie Mae and Freddie Mac warrantable projects</li> <li>Leasehold Estates<sup>1</sup></li> <li>Modular Pre-Cut/Panelized Housing<sup>1</sup></li> </ul> <p><b>Ineligible Property Types</b></p> <ul style="list-style-type: none"> <li>3 - 4 units</li> <li>Co-ops</li> <li>Manufactured homes</li> </ul> <p><sup>1</sup>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending</p>		<p><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>1 - 4 units</li> <li>PUDs<sup>1</sup> - Fannie Mae and Freddie Mac warrantable projects</li> <li>Condos<sup>1</sup> - Fannie Mae and Freddie Mac warrantable projects</li> <li>Leasehold Estates<sup>1</sup></li> <li>Modular Pre-Cut/Panelized Housing<sup>1</sup></li> </ul> <p><b>Ineligible Property Types</b></p> <ul style="list-style-type: none"> <li>Co-ops</li> <li>Manufactured homes</li> </ul> <p><sup>1</sup>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for eligibility guidelines.</p>																																																																						
<b>18. OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary Residence</li> <li>Second Homes (1 Unit)</li> <li>Investment Properties</li> </ul>																																																																										

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<b>19. GEOGRAPHIC LOCATION / RESTRICTIONS</b>	Continental US, Hawaii and Alaska <ul style="list-style-type: none"> <li>Refer to the High Quality Stated Income/Stated Asset (SISA) Processing Style Grid for geographic restrictions For SISA (Fannie Mae only).</li> </ul>				
<b>20. ASSUMPTIONS</b>	Permitted in accordance with the Due on Sale and Assumption qualifications. If loan converts to a fixed rate mortgage, the Due on Sale clause will become effective and assumptions will not be permitted. Creditworthy borrowers only.	Permitted throughout life of loan. Creditworthy borrowers only.	Permitted after first annual adjustment. Creditworthy borrowers only.		
<b>21. ESCROW WAIVERS</b>	Refer to Chapter VIII Underwriting Guidelines, Section 1-26 Property Tax and Insurance Escrow Waivers of the BRIGHTEN LENDING Correspondent Lending Manual or Chapter XI Underwriting Guidelines, Section 1-26 Property Tax and Insurance Escrow Waivers of the BRIGHTEN LENDING Broker Lending Manual.				
<b>22. PREPAYMENT PENALTY</b>	None				
<b>23. UNDERWRITING</b>	<p><b><u>ONE YEAR LIBOR ARM, 3/1 LIBOR ARM, 5/1 LIBOR ARM</u></b>  <b>Approval Authority</b></p> <ul style="list-style-type: none"> <li><u>Delegated Correspondent</u> - Eligible</li> <li><u>Conditional Delegated Correspondent</u> - Requires DU Approve/Eligible or LP Accept/Eligible <ul style="list-style-type: none"> <li>Submit all other recommendations to an approved contract underwriter or BRIGHTEN LENDING</li> </ul> </li> <li><u>Non-Delegated Correspondent</u> - Submit to approved contract underwriter or BRIGHTEN LENDING</li> <li><u>Broker</u> - Submit to approved contract underwriter or BRIGHTEN LENDING</li> <li>New loans must be submitted to BRIGHTEN LENDING when: <ul style="list-style-type: none"> <li><u>Delegated Correspondent</u> - New loan submissions exceed \$1,000,000</li> <li><u>All other</u> - New loan submissions exceed \$650,000</li> <li>BRIGHTEN LENDING/Mortgage's overall exposure exceeds \$1 million</li> </ul> </li> </ul> <p><b>Automated Underwriting Requirements</b></p> <ul style="list-style-type: none"> <li><b>All loans must be submitted to Desktop Underwriter/Loan Prospector.</b> <ul style="list-style-type: none"> <li><b>Expanded Approval loans are NOT eligible.</b></li> </ul> </li> <li><b>Inaccurate Credit Data</b> - If a manual underwrite is required due to <b>substantial</b> inaccurate credit data or documented extenuating circumstances, the initial DU/LP report must be included in the file. The underwriter must comply with the Comprehensive Risk Assessment and analyze all primary and contributory risk factors associated with the file (including those identified by DU/LP) and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. Refer to the Risk Management and Credit Considerations sections of the BRIGHTEN LENDING Broker/Correspondent Lending Manual.</li> <li>May follow DU/LP decision and documentation requirements.</li> <li><b>Refer to #27 Credit for credit requirements including credit scores</b></li> <li><b>DU Approve/Eligible, Refer/Eligible or LP Accept required for the following:</b> <ul style="list-style-type: none"> <li>All LTVs &gt;90%</li> <li>Equity Refinances with LTVs &gt;75%</li> <li>Investment properties with LTVs &gt;80%</li> <li>3 &amp; 4 unit investment properties</li> <li>Subordinate financing with LTVs &gt;75% and CLTVs &gt;90%</li> <li>40 year loan term (applicable to products that permit)</li> </ul> </li> </ul>				

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	<p><b><u>5/1 LIBOR EXPANDED APPROVAL ONLY</u></b></p> <p><b>Approval Authority</b></p> <ul style="list-style-type: none"> <li>• <u>Delegated Correspondent</u> - Eligible</li> <li>• <u>Conditional Delegated Correspondent</u> - Submit to an approved contract underwriter or BRIGHTEN LENDING</li> <li>• <u>Non-Delegated Correspondent</u> - Submit to approved contract underwriter or BRIGHTEN LENDING</li> <li>• <u>Broker</u> - Submit to approved contract underwriter or BRIGHTEN LENDING</li> <li>• New loans must be submitted to BRIGHTEN LENDING when:                             <ul style="list-style-type: none"> <li>• <u>Delegated Correspondent</u> - New loan submissions exceed \$1,000,000</li> <li>• <u>All other</u> - New loan submissions exceed \$650,000</li> <li>• BRIGHTEN LENDING/Mortgage's overall exposure exceeds \$1 million</li> </ul> </li> </ul> <p><b>Automated Underwriting Requirements</b></p> <ul style="list-style-type: none"> <li>• <b>All loans must be submitted to DU</b></li> <li>• All loans must receive an E/A decision</li> <li>• EA TPR feature is NOT eligible</li> <li>• EA RWC Level IV loans are NOT eligible</li> <li>• EA loans may NOT be submitted to LP</li> <li>• May follow EA decision and documentation requirements</li> <li>• Refer to #27 Credit for credit requirements</li> </ul> <p><b><u>7/1 LIBOR ARM</u></b></p> <p><b>Approval Authority</b></p> <ul style="list-style-type: none"> <li>• <u>Delegated Correspondent</u> - Eligible</li> <li>• <u>Conditional Delegated Correspondent</u> - Requires DU Approve/Eligible or LP Accept/Eligible.                             <ul style="list-style-type: none"> <li>• Submit all other recommendations to an approved contract underwriter or BRIGHTEN LENDING</li> </ul> </li> <li>• <u>Non-Delegated Correspondent</u> - Submit to approved contract underwriter or BRIGHTEN LENDING</li> <li>• <u>Broker</u> - Submit to approved contract underwriter or BRIGHTEN LENDING</li> <li>• New loans must be submitted to BRIGHTEN LENDING when:                             <ul style="list-style-type: none"> <li>• <u>Delegated Correspondent</u> - New loan submissions exceed \$1,000,000</li> <li>• <u>All other</u> - New loan submissions exceed \$650,000</li> <li>• BRIGHTEN LENDING/Mortgage's overall exposure exceeds \$1 million</li> </ul> </li> </ul> <p><b>Automated Underwriting Requirements</b></p> <ul style="list-style-type: none"> <li>• <b>All loans must be submitted to DU</b></li> <li>• EA TPR feature is NOT eligible</li> <li>• EA RWC Level IV loans are NOT eligible</li> <li>• EA loans may NOT be submitted to LP</li> <li>• <b>Inaccurate Credit Data</b> - If a manual underwrite is required due to <b>substantial</b> inaccurate credit data or documented extenuating circumstances, the initial DU/LP report must be included in the file. The underwriter must comply with the Comprehensive Risk Assessment and analyze all primary and contributory risk factors associated with the file (including those identified by DU/LP) and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. Refer to the Risk Management and Credit Considerations sections of the BRIGHTEN LENDING Broker/Correspondent Lending Manual.</li> <li>• May follow DU/LP decision and documentation requirements.</li> <li>• <b>Refer to #27 Credit for credit requirements including credit scores</b></li> <li>• <b>DU Approve/Eligible, Refer/Eligible or LP Accept required for the following:</b> <ul style="list-style-type: none"> <li>• All LTVs &gt;90%</li> </ul> </li> </ul>				

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	<ul style="list-style-type: none"> <li>Equity Refinances with LTVs &gt;75%</li> <li>Investment properties with LTVs &gt;80%</li> <li>3 &amp; 4 unit investment properties</li> <li>Subordinate financing with LTVs &gt;75% and CLTVs &gt;90%</li> <li>40 year loan term.</li> </ul>				
<b>24. PROCESSING STYLES</b>	Standard	<ul style="list-style-type: none"> <li>Standard</li> <li>Go Fast                             <ul style="list-style-type: none"> <li><i>Engenius</i> determines eligibility &amp; therefore this option is only eligible with a BRIGHTEN LENDING Approve decision from <i>Engenius</i>.</li> </ul> </li> <li>SISA <sup>1,2</sup></li> </ul> <p><sup>1</sup>NOT eligible for Expanded Approval program. <sup>2</sup> Must be ≤ 30 year term.</p>	<ul style="list-style-type: none"> <li>Standard</li> <li>Go Fast                             <ul style="list-style-type: none"> <li><i>Engenius</i> determines eligibility &amp; therefore this option is only eligible with a BRIGHTEN LENDING Approve decision from <i>Engenius</i>.</li> </ul> </li> <li>SISA <sup>1,2</sup></li> </ul> <p><sup>1</sup>NOT eligible for Expanded Approval program. <sup>2</sup> Must be ≤ 30 year term.</p>	Standard	<ul style="list-style-type: none"> <li>Standard</li> <li>Go Fast                             <ul style="list-style-type: none"> <li><i>Engenius</i> determines eligibility &amp; therefore this option is only eligible with a BRIGHTEN LENDING Approve decision from <i>Engenius</i>.</li> </ul> </li> <li>Super Express<sup>1</sup></li> <li>SISA<sup>1,2</sup></li> </ul> <p><sup>1</sup>NOT eligible for Expanded Approval program.</p>
<b>25. BORROWER ELIGIBILITY</b>	<p><b>Permanent Resident Aliens</b></p> <ul style="list-style-type: none"> <li>Provide Alien Registration Card if borrower does not live in the U.S.</li> </ul> <p><b>Non-Permanent Resident Alien</b></p> <ul style="list-style-type: none"> <li>Must be a legal resident of the U.S. as evidenced by social security number</li> <li>Must be employed in the U.S.</li> <li>Tax Identification Number (TIN) is not acceptable</li> </ul> <p><b>Trust Agreements</b></p> <ul style="list-style-type: none"> <li>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual.</li> </ul>				
<b>26. CO-BORROWERS</b>	<ul style="list-style-type: none"> <li>DU Approve/LP Accept loans - Co-borrower does not have to occupy the subject property</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans with LTVs &gt;90% -Co-borrower must occupy.</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans with LTVs≤90% - Co-borrower does not have to occupy subject to the following:                             <ul style="list-style-type: none"> <li>Occupant borrower must qualify for loan; Manual qualification ratio 43%</li> <li>Non-occupant borrower must be on separate application</li> <li>Occupant borrower must verify 5% investment from own funds (waived if LTV/CLTV is 80% or less)</li> </ul> </li> </ul>			<p>Expanded Approval loans - Co-borrower does not have to occupy the subject property</p> <ul style="list-style-type: none"> <li>DU Approve/LP Accept and Expanded Approval loans - Co-borrower does not have to occupy the subject property</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans with LTVs &gt;90% -Co-borrower must occupy.</li> <li>DU Refer, Refer with Caution, Out of Scope, LP Caution and manually underwritten loans with LTVs≤90% - Co-borrower does not have to occupy subject to the</li> </ul>	

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					following: <ul style="list-style-type: none"> <li>• Occupant borrower must qualify for loan; Manual qualification ratio 43%</li> <li>• Non-occupant borrower must be on separate application</li> <li>• Occupant borrower must verify 5% investment from own funds (waived if LTV/CLTV is 80% or less)</li> </ul>
27. CREDIT	<p><b><u>ONE YEAR LIBOR ARM and 3/1 LIBOR ARM</u></b></p> <ul style="list-style-type: none"> <li>• <b>DU Approve/LP Accept loans</b> - Credit evaluated by DU/LP</li> <li>• <b>DU Refer with Caution and LP Caution loans</b> - A mortgage that receives a DU Refer with Caution or LP Caution recommendation generally does not satisfy Fannie Mae's credit risk standards (based on the data that was available to DU/LP). The underwriter must comply with the Comprehensive Risk Assessment and analyze all primary and contributory risk factors associated with the file (including those identified in DU/LP) and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. Refer to Risk Management and Credit Considerations sections of the BRIGHTEN LENDING Broker/Correspondent Lending Manual.</li> <li>• <b>Out of Scope and Manually Underwritten loans</b> - The underwriter must comply with the Comprehensive Risk Assessment and analyze all primary and contributory risk factors associated with the file and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. Refer to Risk Management and Credit Considerations sections of the BRIGHTEN LENDING Broker/Correspondent Lending Manual.</li> <li>• <b>DU Refer, Refer with Caution, LP Caution and manually underwritten High LTV Transactions must meet the credit requirements below. Out of Scope loans are not eligible for High LTV Transactions.</b>  <b>High LTV Transactions</b>  <u>Primary Residences</u> <ul style="list-style-type: none"> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with LTV/CLTV &gt;90% require a minimum 700 (720 if self employed) credit score</li> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <u>Second Homes</u> <ul style="list-style-type: none"> <li>• 1 unit purchase and rate &amp; term refis with LTV/CLTV &gt;90% require a minimum 700 (720 if self employed) credit score</li> <li>• 1 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <u>Investment Properties</u> <ul style="list-style-type: none"> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with LTV/CLTV &gt;75% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> </ul> <p><b>AND must comply with the following:</b></p> <ul style="list-style-type: none"> <li>• No prior bankruptcy/foreclosure</li> <li>• No mortgage lates in the past 12 months</li> <li>• Minimum 2 months reserves (6 months for investment properties)</li> </ul> </li> </ul> <p><b><u>5/1 LIBOR ARM</u></b></p> <ul style="list-style-type: none"> <li>• <b>DU Approve/LP Accept loans</b> - Credit evaluated by DU/LP</li> </ul>				

## BRIGHTEN LENDING WHOLESALE CONFORMING LIBOR ARM PRODUCTS

	ONE YEAR LIBOR ARM	3/1 LIBOR ARM	5/1 LIBOR ARM	5/1 LIBOR EXPANDED APPROVAL ONLY	7/1 LIBOR ARM
	<ul style="list-style-type: none"> <li>• <b>DU Refer with Caution and LP Caution loans</b> - A mortgage that receives a DU Refer with Caution or LP Caution recommendation generally does not satisfy Fannie Mae's credit risk standards (based on the data that was available to DU/LP). The underwriter must comply with the Comprehensive Risk Assessment and analyze all primary and contributory risk factors associated with the file (including those identified in DU/LP) and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. 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Out of Scope loans are not eligible for High LTV Transactions.</b></li> </ul> <p><b>High LTV Transactions</b></p> <p><u>Primary Residences</u></p> <ul style="list-style-type: none"> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with LTV/CLTV &gt;90% require a minimum 700 (720 if self employed) credit score</li> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <p><u>Second Homes</u></p> <ul style="list-style-type: none"> <li>• 1 unit purchase and rate &amp; term refis with LTV/CLTV &gt;90% require a minimum 700 (720 if self employed) credit score</li> <li>• 1 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <p><u>Investment Properties</u></p> <ul style="list-style-type: none"> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with LTV/CLTV &gt;75% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> </ul> <p><b>AND must comply with the following:</b></p> <ul style="list-style-type: none"> <li>• No prior bankruptcy/foreclosure</li> <li>• No mortgage lates in the past 12 months</li> <li>• Minimum 2 months reserves (6 months for investment properties)</li> </ul> <p><b><u>5/1 LIBOR EXPANDED APPROVAL ONLY</u></b> Expanded Approval loans - Credit evaluated by DU</p> <p><b><u>7/1 LIBOR ARM</u></b></p> <ul style="list-style-type: none"> <li>• <b>DU Approve/Expanded Approval and LP Accept loans</b> – Credit evaluated by DU/LP</li> <li>• <b>DU Refer with Caution and LP Caution loans</b> - A mortgage that receives a DU Refer with Caution or LP Caution recommendation generally does not satisfy Fannie Mae's credit risk standards (based on the data that was available to DU/LP). 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# BRIGHTEN LENDING WHOLESALE CONFORMING LIBOR ARM PRODUCTS

	ONE YEAR LIBOR ARM	3/1 LIBOR ARM	5/1 LIBOR ARM	5/1 LIBOR EXPANDED APPROVAL ONLY	7/1 LIBOR ARM
	<ul style="list-style-type: none"> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <p><u>Second Homes</u></p> <ul style="list-style-type: none"> <li>• 1 unit purchase and rate &amp; term refis with LTV/CLTV &gt;90% require a minimum 700 (720 if self employed) credit score</li> <li>• 1 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <p><u>Investment Properties</u></p> <ul style="list-style-type: none"> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with LTV/CLTV &gt;75% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> </ul> <p><b>AND must comply with the following:</b></p> <ul style="list-style-type: none"> <li>• No prior bankruptcy/foreclosure</li> <li>• No mortgage lates in the past 12 months</li> </ul> <p>Minimum 2 months reserves (6 months for investment properties)</p>				
28. ASSETS	<p><b>Borrower Investment</b></p> <ul style="list-style-type: none"> <li>• Primary residence and second home loans require 5% from borrower's own funds.</li> <li>• Investment property loans require 10% from borrower's own funds.</li> </ul> <p><b>Seller Contributions</b> <u>Basis for the limit is now based on CLTV ratio</u></p> <ul style="list-style-type: none"> <li>• <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> <li>• 3% for CLTV &gt;= 90.01</li> <li>• 6% for CLTV 75.01% - 90.00%</li> <li>• 9% for CLTV &lt;=75%</li> </ul> </li> <li>• <u>Investment Properties</u> <ul style="list-style-type: none"> <li>• 2%</li> </ul> </li> </ul> <p><b>Seller PITI Abatement</b> <u>Basis for the limit is now based on CLTV ratio</u></p> <ul style="list-style-type: none"> <li>• Seller must be provider of abatement funds. Abatement period cannot exceed 6 months.</li> <li>• Must be included in the total <b>Seller Contribution</b> limits.</li> <li>• 1-2 unit Primary or Second Homes</li> <li>• Maximum 30 year term</li> <li>• Borrower is qualified at the total amount of the monthly payment.</li> <li>• None of the funds for the loan transaction can be funded through premium pricing.</li> <li>• Signed "Interest Payment Supplement Agreement"</li> <li>• <u>Maximum 6% contribution</u></li> </ul> <p><b>Gifts</b></p> <ul style="list-style-type: none"> <li>• <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> <li>• Acceptable provided <b>Borrower Investment</b> is met. The Borrower Investment is waived on primary residence and second homes when gift funds reduce the LTV/CLTV to &lt;= 80%.</li> </ul> </li> <li>• <u>Investment Properties</u> <ul style="list-style-type: none"> <li>• Gifts are not permitted.</li> </ul> </li> </ul> <p><b>Reserves</b></p> <ul style="list-style-type: none"> <li>• Additional reserves may be required by DU</li> <li>• If reserves are entered into LP, they must be documented.</li> </ul>				

## BRIGHTEN LENDING WHOLESALE CONFORMING LIBOR ARM PRODUCTS

	ONE YEAR LIBOR ARM	3/1 LIBOR ARM	5/1 LIBOR ARM	5/1 LIBOR EXPANDED APPROVAL ONLY	7/1 LIBOR ARM
	<ul style="list-style-type: none"> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <p><u>Second Homes</u></p> <ul style="list-style-type: none"> <li>• 1 unit purchase and rate &amp; term refis with LTV/CLTV &gt;90% require a minimum 700 (720 if self employed) credit score</li> <li>• 1 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 unit purchase and rate &amp; term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score</li> </ul> <p><u>Investment Properties</u></p> <ul style="list-style-type: none"> <li>• 1 &amp; 2 unit purchase and rate &amp; term refis with LTV/CLTV &gt;75% require a minimum 720 (740 if self employed) credit score</li> <li>• 1 &amp; 2 unit equity refis with LTV/CLTV &gt;70% require a minimum 720 (740 if self employed) credit score</li> </ul> <p><b>AND must comply with the following:</b></p> <ul style="list-style-type: none"> <li>• No prior bankruptcy/foreclosure</li> <li>• No mortgage lates in the past 12 months</li> </ul> <p>Minimum 2 months reserves (6 months for investment properties)</p>				
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## BRIGHTEN LENDING WHOLESALE CONFORMING LIBOR ARM PRODUCTS

	ONE YEAR LIBOR ARM	3/1 LIBOR ARM	5/1 LIBOR ARM	5/1 LIBOR EXPANDED APPROVAL ONLY	7/1 LIBOR ARM
	<ul style="list-style-type: none"> <li>• <u>Primary Residence</u> <ul style="list-style-type: none"> <li>• No minimum PITI</li> </ul> </li> <li>• <u>Second Homes</u> <ul style="list-style-type: none"> <li>• No minimum PITI</li> </ul> </li> <li>• <u>Investment Properties</u> <ul style="list-style-type: none"> <li>• 1 unit - 2 months PITI (6 months for Refer with Caution, Out of Scope, LP Caution and manually underwritten loans)</li> <li>• 2 - 4 units - 6 months PITI</li> </ul> </li> <li>• Rate &amp; Term Refinances have no reserve requirement unless needed as a compensating factor.</li> <li>• Equity Refinances - The cash out may not be used to meet the reserve requirement.</li> </ul>				
29. LIMITATIONS ON OTHER R.E. OWNED	<p><b>Multiple Loans to the Same Borrower</b></p> <ul style="list-style-type: none"> <li>• Maximum 20% concentration in any one project or subdivision.</li> <li>• <u>Primary Residences</u> <ul style="list-style-type: none"> <li>• Up to 10 BRIGHTEN LENDING/Mortgage financed properties (including the subject property) or \$3.5 million whichever is less.</li> </ul> </li> <li>• <u>Second Homes &amp; Investment Properties</u> <ul style="list-style-type: none"> <li>• Up to a total of 10 financed properties (including the subject property) or \$3.5 million whichever is less.</li> </ul> </li> <li>• <b>The following parameters apply when financing the 5th to 10th BRIGHTEN LENDING/Mortgage financed property:</b> <ul style="list-style-type: none"> <li>• Minimum credit score 680</li> <li>• No bankruptcy or foreclosure</li> <li>• 6 months PITI reserves required for all new loans being financed, exclusive of cash out</li> <li>• Borrower must demonstrate a 2 year history of property management experience</li> <li>• Maximum 15% cumulative cash-out is permitted (based on the loan amount of all new loans being financed)</li> <li>• Non-arms length transactions are not permitted</li> <li>• Super Jumbo guidelines apply when a single loan or new multiple loan submissions exceed \$850,000</li> </ul> </li> <li>• <u>New</u> multiple loans must be underwritten simultaneously</li> <li>• Refer to #23 Underwriting</li> </ul>				
30. APPRAISER REQUIREMENTS	Current license required				
31. APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> <li>• Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual.</li> <li>• Follow DU/LP recommendation. For owner occupied properties in Kansas the Form 2075/2070 is not permitted.</li> <li>• <b>Maximum financing is not available on properties in declining markets</b></li> </ul>				
32. MORTGAGE INSURANCE	<p><b>Borrower Paid MI Option</b></p> <ul style="list-style-type: none"> <li>• Required on all loans exceeding an 80% LTV.</li> <li>• Acceptable Companies <ul style="list-style-type: none"> <li>• GEMICO</li> <li>• PMI</li> <li>• MGIC</li> <li>• RMIC</li> <li>• Radian</li> <li>• Triad</li> <li>• UG</li> </ul> </li> <li>• MI may be financed on 1 unit primary residence and second home purchase and rate &amp; term refis. <b>Expanded Approval loans are NOT eligible for financed MI.</b> <ul style="list-style-type: none"> <li>• The mortgage amount and LTV <u>including</u> the financed premium may not exceed the limitations set forth in the program guidelines. MI coverage is based on LTV <u>excluding</u> the financed premium. <ul style="list-style-type: none"> <li>• For properties located in LA and VA, MI coverage is based on LTV including the financed premium.</li> </ul> </li> </ul> </li> </ul>				

## BRIGHTEN LENDING WHOLESALE CONFORMING LIBOR ARM PRODUCTS

	ONE YEAR LIBOR ARM	3/1 LIBOR ARM	5/1 LIBOR ARM	5/1 LIBOR EXPANDED APPROVAL ONLY	7/1 LIBOR ARM								
	<ul style="list-style-type: none"> <li><b>NY State</b> - Use the appraised value to determine if mortgage insurance is required. If mortgage insurance is required, use the lesser of sales price or appraised value to determine the appropriate coverage.</li> <li>Coverage <table style="margin-left: 20px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>LTV Range</u></th> <th style="text-align: left;"><u>Coverage</u></th> </tr> </thead> <tbody> <tr> <td>80.01% - 85%</td> <td>12%</td> </tr> <tr> <td>85.01% - 90%</td> <td>25%</td> </tr> <tr> <td>90.01% - 95%</td> <td>30%</td> </tr> </tbody> </table> </li> <li><b>Lender Paid Single Policy (LPSP) MI Option (Correspondents Only)</b> <ul style="list-style-type: none"> <li>Acceptable Companies: <ul style="list-style-type: none"> <li>UG</li> <li>Radian</li> <li>MGIC</li> <li>Genworth</li> </ul> </li> </ul> </li> </ul>					<u>LTV Range</u>	<u>Coverage</u>	80.01% - 85%	12%	85.01% - 90%	25%	90.01% - 95%	30%
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80.01% - 85%	12%												
85.01% - 90%	25%												
90.01% - 95%	30%												
<b>33. ENGENIOUS ELIGIBILITY / REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>Loans are not eligible for submission to <i>Engenious</i>. <ul style="list-style-type: none"> <li><i>Engenious</i> eligible only with Go Fast Recommendation and/or Processing Style.</li> </ul> </li> </ul>												
<b>34. SPECIAL REQUIREMENTS/ RESTRICTIONS</b>	None												