

BRIGHTEN LENDING CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC
1. PRODUCT DESCRIPTION	<ul style="list-style-type: none"> Conventional Conforming Fixed Rate 8 to 40-year term in annual increments <ul style="list-style-type: none"> • LPMI products must be 30-year <u>or</u> 40-year term Fully amortizing 	<ul style="list-style-type: none"> Conventional Conforming Fixed Rate 5 to 40-year term in annual increments <ul style="list-style-type: none"> • LPMI products must be 30-year <u>or</u> 40-year term Fully amortizing
2. PRODUCT CODES	<ul style="list-style-type: none"> 345 15 Yr FNMA Fixed 346 30 Yr FNMA Fixed 345C 15 Yr FNMA/FHLMC Fixed 346C 30 Yr FNMA/FHLMC Fixed <ul style="list-style-type: none"> • 345C and 346C product codes must meet both Fannie Mae and Freddie Mac guidelines, otherwise, the loan must be registered as Fannie Mae or Freddie Mac only. DU or LP may be used under 345C and 346C. P20 40 Yr FNMA Fixed 959 15 Yr FNMA Fixed Builder Cap 960 30 Yr FNMA Fixed Builder Cap 769 15 Yr FNMA Fix EA I 770 30 Yr FNMA Fix EA 1 771 15 Yr FNMA Fix EA II 772 30 Yr FNMA Fix EA II 902 15 Yr FNMA Fix EA III 903 30 Yr FNMA Fix EA III 900 15 Yr FNMA Fix EA/TPR II 901 30 Yr FNMA Fix EA/TPR II 773 15 Yr FNMA Fix EA/TPR III 774 30 Yr FNMA Fix EA/TPR III 619 30 Yr FNMA Fixed LPMI P21 40 Yr FNMA Fixed LPMI R47 15 Yr FNMA Fixed (SISA) P71 30 Yr FNMA Fixed (SISA) 	<ul style="list-style-type: none"> 347 15 Yr FHLMC Fixed 348 30 Yr FHLMC Fixed 345C 15 Yr FNMA/FHLMC Fixed 346C 30 Yr FNMA/FHLMC Fixed <ul style="list-style-type: none"> • 345C and 346C product codes must meet both Fannie Mae and Freddie Mac guidelines, otherwise, the loan must be registered as Fannie Mae or Freddie Mac only. DU or LP may be used under 345C and 346C. P22 40 Yr FHLMC Fixed 620 30 Yr FHLMC Fixed LPMI P23 40 Yr FHLMC Fixed LPMI
3. INDEX	N/A	
4. MARGIN	N/A	
5. ANNUAL / ADJUSTMENT CAP	N/A	
6. LIFE CAP	N/A	
7. RATE AT ADJUSTMENT	N/A	
8. CONVERSION OPTION	N/A	
9. CONVERSION FEE	N/A	
10. DELIVERY	<p>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for acceptable delivery time frame.</p> <p>Special Feature Codes to be listed on 1008 Transmittal Summary</p> <ul style="list-style-type: none"> • 214 DU not run through BRIGHTEN LENDING institution • 281 Financed single premium • 338 LTV >76% <=95% & CLTV >91% <=95% 	<p>Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for acceptable delivery time frame.</p> <p>Special Characteristic Codes to be listed on 1008 Transmittal Summary</p> <ul style="list-style-type: none"> • 003 Equity refinance • 226 Loans with secondary financing using a HELOC • 227 LTV >75% <=80% & CLTV >90% <=95%

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	<ul style="list-style-type: none"> • 187 LTV >76% <=90% & CLTV >77% <=90% • 439 Non-permanent resident aliens • 009 2-1 Buydown • 014 3-2-1 Buydown • 340 Expanded Approval Level I • 341 Expanded Approval Level II • 342 Expanded Approval Level III • 459 Expanded Approval TPR Level II • 376 Expanded Approval TPR Level III • 019 Lender Paid Mortgage Insurance Loan • 189 PITI Abatement 	<ul style="list-style-type: none"> • 281 LTV >75% <=80% & CLTV > 75% <=90% • 235 LTV >80% <=90% & CLTV >80% <=95% • 254 3-4 unit investment properties with LTV/CLTV >75% <=80% • 209 2-1 Buydown • 208 3-2-1 Buydown • 019 Lender Paid Mortgage Insurance Loan
11. TEMPORARY BUYDOWNS	<p>Annual</p> <ul style="list-style-type: none"> • Primary Residence and Second Homes • Purchases and Rate & Term Refinances • Maximum 1% per year • Maximum 3% below note rate • Refer to #15 Loan Amount and LTV Limitations for maximum LTV/CLTV. 	
12. QUALIFYING RATE AND RATIOS	<p>Qualifying Rate</p> <ul style="list-style-type: none"> • Qualify at note rate <p>Ratios</p> <ul style="list-style-type: none"> • DU Approve and Expanded Approval loans – Ratios evaluated by DU • DU Refer, Refer with Caution, Out of Scope and manually underwritten loans - 36% <p>With Temporary Buydown</p> <p>Ratios</p> <ul style="list-style-type: none"> • DU Approve and Expanded Approval loans – Ratios evaluated by DU • DU Refer, Refer with Caution, Out of Scope and manually underwritten loans- 36% <p><u>Primary Residence</u></p> <ul style="list-style-type: none"> • DU Approve and Expanded Approval loans - Qualify at second year rate • DU Refer, Refer with Caution, Out of Scope and manually underwritten loans <ul style="list-style-type: none"> • Qualify at bought down rate if credit score is >=660 (680 for a self-employed borrower) • Qualify at note rate if credit score is <660 (680 for a self-employed borrower) • Qualify at note rate if income of trailing spouse is used to qualify <p><u>Second Homes</u></p> <ul style="list-style-type: none"> • Qualify at note rate 	<p>Qualifying Rate</p> <ul style="list-style-type: none"> • Qualify at note rate <p>Ratios</p> <ul style="list-style-type: none"> • LP Accept loans – Ratios evaluated by LP • LP Caution and manually underwritten loans – 28/36 <ul style="list-style-type: none"> • Debt to housing gap ratio (difference between monthly debt payment-to-income ratio and monthly housing expense-to-income ratio) - 15% <p>With Temporary Buydown</p> <p>Ratios</p> <ul style="list-style-type: none"> • LP Accept loans – Ratios evaluated by LP • LP Caution loans – 28/36 <p><u>Primary Residence</u></p> <ul style="list-style-type: none"> • <u>3/2/1 Buydown</u> <ul style="list-style-type: none"> • Qualify at bought down rate if LTV is <=80% • Qualify at second year rate if LTV is >80% • <u>2/1 Buydown</u> <ul style="list-style-type: none"> • Qualify at bought down rate <p><u>Second Homes</u></p> <ul style="list-style-type: none"> • Qualify at note rate
13. TYPES OF FINANCING	<ul style="list-style-type: none"> • Purchase Mortgages • Rate and Term Refinance <ul style="list-style-type: none"> • Pay off of the existing first mortgage regardless of seasoning • Pay off existing subordinate liens that were used in whole to acquire the subject property • Closing costs and prepaids • Cash out limited to the lesser of 2% of the principal amount of the new loan or \$2000 	

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	<ul style="list-style-type: none"> • Owner occupied properties located in Texas <ul style="list-style-type: none"> • 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. • 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. • If a Texas Section 50(a)(6) second lien is being paid off, the loan is restricted to the Texas Home Equity product. • The title policy will reference Texas Section 50(a)(6). • Equity Refinances <ul style="list-style-type: none"> • No seasoning requirements on first mortgage or junior liens • Owner occupied properties located in Texas subject to Texas Section 50(a)(6) are NOT eligible. • 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. Borrower cannot receive any cash back from the transaction. 																																																								
14. MAXIMUM LOAN AMOUNT	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th colspan="2" style="text-align: center;">Maximum Loan Amount</th> </tr> <tr> <td></td> <th style="text-align: center;">Continental US</th> <th style="text-align: center;">Alaska & Hawaii</th> </tr> </thead> <tbody> <tr> <td>1</td> <td style="text-align: center;">\$417,000</td> <td style="text-align: center;">\$625,500</td> </tr> <tr> <td>2</td> <td style="text-align: center;">\$533,850</td> <td style="text-align: center;">\$800,775</td> </tr> <tr> <td>3</td> <td style="text-align: center;">\$645,300</td> <td style="text-align: center;">\$967,950</td> </tr> <tr> <td>4</td> <td style="text-align: center;">\$801,950</td> <td style="text-align: center;">\$1,202,925</td> </tr> </tbody> </table>		Units	Maximum Loan Amount			Continental US	Alaska & Hawaii	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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15. LOAN AMOUNT AND LTV LIMITATIONS	<ul style="list-style-type: none"> • Refer to the Expanded Approval Grid for Expanded Approval LTV/CLTVs (Fannie Mae only) • Refer to the High Quality Stated Income/Stated Asset (SISA) Processing Style Grid for LTV/CLTV guidelines and other restrictions (Fannie Mae only). • Refer to #16 Subordinate Financing • Refer to #27 Credit for DU Refer, Refer with Caution, Out of Scope and manually underwritten loans. • 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) <p>PRIMARY RESIDENCES</p> <p><u>Purchase and Rate & Term Refis</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th style="text-align: center;">LTV w/out Sec fin</th> <th style="text-align: center;">LTV w/ Sec fin</th> <th style="text-align: center;">CLTV w/ Sec fin</th> <th style="text-align: center;">Max HCLTV</th> </tr> </thead> <tbody> <tr> <td>1 & 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 & 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><u>Equity Refis</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th style="text-align: center;">LTV w/out Sec fin</th> <th style="text-align: center;">LTV w/ Sec fin</th> <th style="text-align: center;">CLTV w/ Sec fin</th> <th style="text-align: center;">Max HCLTV</th> </tr> </thead> <tbody> <tr> <td>1 & 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 & 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>SECOND HOMES¹</p> <p><u>Purchase and Rate & Term Refis</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th style="text-align: center;">LTV w/out Sec fin</th> <th style="text-align: center;">LTV w/ Sec fin</th> <th style="text-align: center;">CLTV w/ Sec fin</th> <th style="text-align: center;">Max HCLTV</th> </tr> </thead> <tbody> <tr> <td>1</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>2²</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">80%²</td> <td style="text-align: center;">80%²</td> </tr> </tbody> </table> <p><u>Equity Refis</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Units</th> <th style="text-align: center;">LTV w/out</th> <th style="text-align: center;">LTV w/</th> <th style="text-align: center;">CLTV w/</th> <th style="text-align: center;">Max</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Units	LTV w/out Sec fin	LTV w/ Sec fin	CLTV w/ Sec fin	Max HCLTV	1 & 2	95%	90%	95%	100%	3 & 4	80%	75%	80%	85%	Units	LTV w/out Sec fin	LTV w/ Sec fin	CLTV w/ Sec fin	Max HCLTV	1 & 2	90%	85%	90%	95%	3 & 4	75%	70%	75%	80%	Units	LTV w/out Sec fin	LTV w/ Sec fin	CLTV w/ Sec fin	Max HCLTV	1	95%	90%	95%	100%	2 ²	80%	75%	80% ²	80% ²	Units	LTV w/out	LTV w/	CLTV w/	Max					
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17. PROPERTY TYPES	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1 - 4 units • Condos¹ - Fannie Mae and Freddie Mac warrantable projects • PUDs¹ - Fannie Mae and Freddie Mac warrantable projects • Modular Pre-Cut/Panelized Housing¹ • Leasehold Estates¹ <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Co-ops • Manufactured homes <p>¹Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual for eligibility guidelines</p>																																																																																																					
18. OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence • Second Homes • Investment Properties 																																																																																																					

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19. GEOGRAPHIC LOCATIONS / RESTRICTIONS	Continental US, Hawaii and Alaska <ul style="list-style-type: none"> Refer to the High Quality Stated Income/Stated Asset (SISA) Processing Style Grid for geographic restrictions For SISA (Fannie Mae only). 	
20. ASSUMPTIONS	Not Permitted	
21. ESCROW WAIVERS	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	
22. PREPAYMENT PENALTY	None	
23. UNDERWRITING	<p>Approval Authority</p> <ul style="list-style-type: none"> <u>Delegated Correspondent</u> - Eligible <u>Conditional Delegated Correspondent</u> - Requires DU Approve/Eligible <ul style="list-style-type: none"> Submit all other recommendations including Expanded Approval to an approved contract underwriter or BRIGHTEN LENDING <u>Non-Delegated Correspondent</u> - Submit to approved contract underwriter or BRIGHTEN LENDING <u>Broker</u> - Submit to approved contract underwriter or BRIGHTEN LENDING New loans must be submitted to BRIGHTEN LENDING when: <ul style="list-style-type: none"> <u>Delegated Correspondent</u> - New loan submissions exceed \$1,000,000 <u>All other</u> - New loan submissions exceed \$650,000 BRIGHTEN LENDING/Mortgage's overall exposure exceeds \$1 million <p>Automated Underwriting Requirements</p> <ul style="list-style-type: none"> All loans must be submitted to DU. Inaccurate Credit Data - If a manual underwrite is required due to substantial inaccurate credit data or documented extenuating circumstances, the initial DU 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) 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. May follow DU decision and documentation requirements for Approve/Eligible and Expanded Approval/Eligible recommendations. Refer to #27 Credit for credit requirements including credit scores DU Approve, Refer or Expanded Approval required for the following transactions: <ul style="list-style-type: none"> Rate & Term Refinances with LTVs >90% (not including 1 unit owned occupied) Equity Refinances with LTVs >75% Subordinate financing with LTVs >75% and CLTVs >90% DU Approve/Eligible or Refer/Eligible recommendation required for the following transactions: <ul style="list-style-type: none"> Investment properties with LTVs >80% Loan term > 30 years 	<p>Approval Authority</p> <ul style="list-style-type: none"> <u>Delegated Correspondent</u> - Eligible <u>Conditional Delegated Correspondent</u> - Requires LP Accept/Eligible <ul style="list-style-type: none"> Submit all other recommendations to an approved contract underwriter or BRIGHTEN LENDING <u>Non-Delegated Correspondent</u> - Submit to approved contract underwriter or BRIGHTEN LENDING <u>Broker</u> - Submit to approved contract underwriter or BRIGHTEN LENDING New loans must be submitted to BRIGHTEN LENDING when: <ul style="list-style-type: none"> <u>Delegated Correspondent</u> - New loan submissions exceed \$1,000,000 <u>All other</u> - New loan submissions exceed \$650,000 BRIGHTEN LENDING /Mortgage's overall exposure exceeds \$1 million <p>Automated Underwriting Requirements</p> <ul style="list-style-type: none"> All loans must be submitted to LP LP Caution loans must be registered in product code 347 or 348 BRIGHTEN LENDING does not participate in the "A Minus" Program. Loans receiving an "A Minus" recommendation are not eligible for purchase unless the credit report contains significant inaccurate credit data. Inaccurate Credit Data - If a manual underwrite is required due to substantial inaccurate credit data or documented extenuating circumstances, the initial LP report must be included in the file. The underwriter must analyze all risk factors associated with the file (including those identified by 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. May follow LP decision and documentation requirements. Refer to #27 Credit for credit requirements including credit scores BRIGHTEN LENDING does not allow the Stated Income option for self-employed borrowers as referenced in chapter #37, Section #37.22 of the Freddie Mac Selling Guide. LP Accept recommendation is required for the following transactions: <ul style="list-style-type: none"> Loan terms > 30 years
24. PROCESSING	<ul style="list-style-type: none"> Standard 	<ul style="list-style-type: none"> Standard

BRIGHTEN LENDING CONFORMING FIXED RATE

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STYLES	<ul style="list-style-type: none"> • Go Fast <ul style="list-style-type: none"> • <i>Engenious</i> determines eligibility & therefore this option is only eligible with a BRIGHTEN LENDING Approve decision from <i>Engenious</i>. • Super Express¹ • Streamline^{1,2} • SISA^{1,2} <p>¹ Expanded Approval loans are not eligible for this processing styles ² Must be ≤ 30 year term.</p>	<ul style="list-style-type: none"> • Go Fast <ul style="list-style-type: none"> • <i>Engenious</i> determines eligibility & therefore this option is only eligible with a BRIGHTEN LENDING Approve decision from <i>Engenious</i>. • Super Express • Streamline¹ <p>¹Must be ≤ 30 year term.</p>
25. BORROWER ELIGIBILITY	<p>Permanent Resident Aliens</p> <ul style="list-style-type: none"> • Provide Alien Registration Card if borrower is not living in the U.S. <p>Non-Permanent Resident Aliens</p> <ul style="list-style-type: none"> • Must be a legal resident of the U.S. as evidenced by social security number • Borrower must be employed in the U.S. • Tax Identification Number (TIN) is not acceptable <p>Foreign Nationals</p> <ul style="list-style-type: none"> • Standard Processing ONLY • Expanded Approval loans are NOT eligible • 1 unit second homes • Purchases and Rate & Term Refinances • Maximum LTV/CLTV 75% • 25% down payment from verified funds of borrower • Borrowers with diplomatic immunity are not permitted • Temporary buydowns are not permitted • Verified assets must be converted into United States dollars • All mortgage related documents must be in the English language; understood by the borrower; and/or translated for the borrower, if necessary • W8 Form must be signed at application. • If the borrower does not have a social security number, use 888-88-8888 <p>Trust Agreements</p> <ul style="list-style-type: none"> • Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual 	<p>Permanent Resident Aliens</p> <ul style="list-style-type: none"> • Provide Alien Registration Card if borrower is not living in the U.S. <p>Non-Permanent Resident Alien</p> <ul style="list-style-type: none"> • Must be a legal resident of the U.S. as evidenced by social security number. • Borrower must be employed in the U.S. • Tax Identification Number (TIN) is not acceptable. <p>Foreign Nationals</p> <ul style="list-style-type: none"> • Not permitted <p>Trust Agreements</p> <ul style="list-style-type: none"> • Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual
26. CO-BORROWERS	<ul style="list-style-type: none"> • DU Approve and Expanded Approval loans – Co-borrower does not have to occupy the subject property • DU Refer, Refer with Caution, Out of Scope and manually underwritten loans with LTVs >90% - Co-borrower must occupy. • DU Refer, Refer with Caution, Out of Scope and manually underwritten loans with LTVs ≤ 90% - Co-borrower does not have to occupy subject to the following: <ul style="list-style-type: none"> • Occupant borrower must qualify for loan; Manual qualification ratio 43% • Non-occupant borrower must be on separate application • Occupant borrower must verify 5% investment from own funds (waived if LTV/CLTV ≤ 80%) 	<ul style="list-style-type: none"> • LP Accept loans – Co-borrower does not have to occupy the subject property • LP Caution and manually underwritten loans with LTV >90% - Co-borrower must occupy • 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"> • Occupant borrower should qualify for the loan on their own income with ratios of 35/43 • Occupant borrower must verify 5% investment from own funds (waived if LTV ≤ 80%)
27. CREDIT	<ul style="list-style-type: none"> • DU Approve and Expanded Approval loans - Credit evaluated by DU <ul style="list-style-type: none"> • LPMI Products with DU Approve decisions require a <u>minimum 660 credit score</u>, unless other criteria dictates a higher credit score. LPMI Products 	<ul style="list-style-type: none"> • LP Accept loans – Credit evaluated by LP <ul style="list-style-type: none"> • LPMI Products with LP Accept decisions require a <u>minimum 660 credit score</u>, unless other criteria dictates a higher credit score.

BRIGHTEN LENDING CONFORMING FIXED RATE

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	<p>with Expanded Approval decisions are not eligible.</p> <ul style="list-style-type: none"> • DU Refer with Caution loans - A mortgage that receives a Refer with Caution recommendation generally does not satisfy Fannie Mae's credit risk standards (based on the data that was available to DU). 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) 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. <ul style="list-style-type: none"> • LPMI Products with DU Refer with Caution decisions are not eligible. • Out of Scope and Manually Underwritten loans - 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. <ul style="list-style-type: none"> • LPMI Products that are Manually Underwritten require a <u>minimum 660 credit score</u>, unless other criteria dictates a higher credit score. • LPMI Products with Out of Scope decisions are not eligible. • DU Refer, Refer with Caution and manually underwritten High LTV Transactions must meet the credit requirements below. Out of Scope loans are not eligible for High LTV Transactions. <p>High LTV Transactions</p> <p><u>Primary Residences</u></p> <ul style="list-style-type: none"> • 2 unit purchase and rate & term refis with LTV/CLTV >90% require a minimum 680 (700 if self employed) credit score • 1 & 2 unit equity refis with LTV/CLTV >70% require a minimum 720 (740 if self employed) credit score • 1 & 2 unit purchase and rate & term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score <p><u>Second Homes</u></p> <ul style="list-style-type: none"> • 1 unit purchase and rate & term refis with LTV/CLTV >90% require a minimum 700 (720 if self employed) credit score • 1 unit equity refis with LTV/CLTV >70% require a minimum 720 (740 if self employed) credit score • 1 unit purchase and rate & term refis with 100% HCLTV require a minimum 680 (700 if self employed) credit score <p><u>Investment Properties</u></p> <ul style="list-style-type: none"> • 1 & 2 unit purchase and rate & term refis with LTV/CLTV >75% require a minimum 720 (740 if self employed) credit score • 1 & 2 unit equity refis with LTV/CLTV >70% require a minimum 720 (740 if self employed) credit score <p>AND must comply with the following:</p> <ul style="list-style-type: none"> • No prior bankruptcy/foreclosure • No mortgage lates in the past 12 months 	<ul style="list-style-type: none"> • LP Caution loans - Caution is a strong indication that layers of risk are excessive and the acceptability and compliance with Freddie Mac is unlikely. The underwriter must analyze and document on the 1008, all risk factors present in the file including those identified in the credit risk comments and reason codes. Compensating factors must be documented by the underwriter and addressed on the 1008. Factors already considered by LP cannot be used as offsets for approving the transaction. In addition, Bankruptcy and Foreclosure guidelines must be met. Refer to the Credit Considerations section of the BRIGHTEN LENDING Broker/Correspondent Lending Manual. <ul style="list-style-type: none"> • LPMI Products with LP Caution decisions are not eligible. • For Caution loans with 2 feedback messages related to high balance to limits or high overall utilization of revolving credit, the underwriter should presume that the borrower's credit history is unacceptable. • For Caution loans that are CASH OUT refinances with at least 1 credit risk comment related to debt to income and 1 credit risk comment related to gap ratio, the underwriter should assume that the borrower's capacity is not acceptable. • For Caution loans with at least 2 feedback messages related to non-payment of obligations, the derogatory credit is considered significant and requires: Documentation of extenuating circumstance and re-established credit for 24 months OR re-established credit for 48 months and a credit score of at least 680 • Significant derogatory credit information: <ul style="list-style-type: none"> • More than one 30 day late housing payment in the past 12 months OR • Two 30 day late payments or one 60 day late housing payment in the last 24 months • Regardless of credit score, a Cautious Review is required for all mortgages with recent late housing payments and for Caution Mortgages with 1 or more credit risk comments related to borrower credit reputation. • Manually Underwritten Loans - The underwriter must analyze all risk factors associated with the file (including those identified in 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 Credit Considerations section of the BRIGHTEN LENDING Broker/Correspondent Lending Manual. <ul style="list-style-type: none"> • LPMI Products that are Manually Underwritten require a <u>minimum 660 credit score</u>, unless other criteria dictates a higher credit score. • LP Caution and manually underwritten High LTV Transactions must meet the credit requirements below. • High LTV Transactions <p><u>Primary Residences</u></p> <ul style="list-style-type: none"> • 1 & 2 unit equity refis with LTV/CLTV >70% require a minimum 720 credit score <p><u>Second Homes</u></p> <ul style="list-style-type: none"> • 1 unit equity refis with LTV/CLTV >70% require a minimum 720 credit score <p><u>Investment Properties</u></p> <ul style="list-style-type: none"> • 1 & 2 unit purchase and rate & term refis with LTV/CLTV >75% require a minimum 720 credit score

BRIGHTEN LENDING CONFORMING FIXED RATE

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	<ul style="list-style-type: none"> Minimum 2 months reserves (6 months) for investment properties 	<ul style="list-style-type: none"> 1 & 2 unit equity refis with LTV/CLTV >70% require a minimum 720 credit score. 3 & 4 unit purchase and rate & term refis with LTV/CLTV >75% require a minimum 720 credit score.
28. ASSETS	<p>Borrower Investment</p> <ul style="list-style-type: none"> Primary residence and second homes require 5% from borrower's own funds Investment property loans require 10% from borrower's own funds <p>Seller Contributions: Basis for the limit is now based on CLTV ratio</p> <ul style="list-style-type: none"> <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> 3% for CLTV >= 90.01 6% for CLTV 75.01% - 90.00% 9% for CLTV <=75% <u>Investment Properties</u> <ul style="list-style-type: none"> 2% <p>Seller PITI Abatement Basis for the limit is now based on CLTV ratio</p> <ul style="list-style-type: none"> Seller must be provider of abatement funds. Abatement period cannot exceed 6 months. Must be included in the total Seller Contribution limits. 1-2 unit Primary or Second Homes Maximum 30 year term Borrower is qualified at the total amount of the monthly payment. None of the funds for the loan transaction can be funded through premium pricing. Signed "Interest Payment Supplement Agreement". Maximum 6% contribution <p>Gifts</p> <ul style="list-style-type: none"> <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> Acceptable provided Borrower Investment is met. The Borrower Investment is waived on primary residences and second homes when gift funds reduce the LTV/CLTV to <= 80%. <u>Investment Properties</u> <ul style="list-style-type: none"> Gifts are not permitted. <p>Reserves</p> <ul style="list-style-type: none"> Additional reserves may be required by DU based on risk. <u>Primary Residence</u> <ul style="list-style-type: none"> 1 – 4 units - no minimum PITI <u>Second Homes</u> <ul style="list-style-type: none"> 1 unit – no minimum PITI 2 units – 2 months PITI <u>Investment Properties</u> <ul style="list-style-type: none"> 1-unit 	<p>Borrower Investment</p> <ul style="list-style-type: none"> Primary residence and second homes require 5% from borrower's own funds Investment property loans require 10% from borrower's own funds <p>Seller Contributions</p> <ul style="list-style-type: none"> <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> 3% for LTV >90% <=95% 6% for LTV >75% <=90% 9% for LTV <=75% <u>Investment Properties</u> <ul style="list-style-type: none"> 2% <p>Gifts</p> <ul style="list-style-type: none"> <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> Acceptable provided Borrower Investment is met. The Borrower Investment is waived on primary residences and second homes when gift funds reduce the LTV to <= 80%. <u>Investment Properties</u> <ul style="list-style-type: none"> Gifts are not permitted. <p>Reserves</p> <ul style="list-style-type: none"> If reserves are entered into LP, they must be documented. <u>Primary Residence</u> <ul style="list-style-type: none"> 1 – 4 units – no minimum PITI 2 – 4 units when rental income is being used to qualify – 6 months PITI <u>Second Homes</u> <ul style="list-style-type: none"> 1 – 2 units – no minimum PITI <u>Investment Properties</u> <ul style="list-style-type: none"> 6 months PITI required Rate & Term Refis have no reserve requirement unless needed as a compensating factor. Equity Refis – The cash out may not be used to meet the reserve requirement.

BRIGHTEN LENDING CONFORMING FIXED RATE

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29. LIMITATIONS ON OTHER R.E. OWNED	<ul style="list-style-type: none"> • 2 months PITI required (6 months for Refer with Caution, Out of Scope and manually underwritten loans) • 2 – 4 units – 6 months PITI required <ul style="list-style-type: none"> • Rate & Term Refis have no reserve requirement unless needed as a compensating factor. • Equity Refis – The cash out may not be used to meet the reserve requirement. 	
	<p>Multiple Loans to the Same Borrower</p> <ul style="list-style-type: none"> • Maximum 20% concentration in any one project or subdivision • <u>Primary Residences</u> <ul style="list-style-type: none"> • Borrower may own up to 10 BRIGHTEN LENDING/Mortgage financed properties (including the subject property) or \$3.5 million whichever is less. • <u>Second Homes & Investment Properties</u> <ul style="list-style-type: none"> • Borrower may own up to a total of 10 financed properties (including the subject property) or \$3.5 million whichever is less. • The following parameters apply when financing the 5th to 10th BRIGHTEN LENDING/Mortgage financed property: <ul style="list-style-type: none"> • Minimum credit score 680 • No bankruptcy or foreclosure • 6 months PITI reserves required for all new loans being financed, exclusive of cash out • Borrower must demonstrate a 2 year history of property management experience • Maximum 15% cumulative cash-out is permitted (based on the loan amount of all new loans being financed) • Non-arms length transactions are not permitted • Super Jumbo guidelines apply when a single loan or new multiple loan submissions exceed \$850,000 • New multiple loans must be underwritten simultaneously • Refer to #23 Underwriting 	
30. APPRAISER REQUIREMENTS	Current license required	
31. APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> • <i>Maximum financing is not available on properties in declining markets</i> • Refer to the BRIGHTEN LENDING Broker/Correspondent Lending Manual • Follow DU/LP recommendation. For owner occupied properties in Kansas the Form 2075/2070 is not permitted. 	
32. MORTGAGE INSURANCE	<p>LPMI Option</p> <ul style="list-style-type: none"> • Traditional borrower paid mortgage insurance is NOT required when utilizing the LPMI Option. • Minimum 660 Credit Score <p>Borrower Paid MI Option</p> <ul style="list-style-type: none"> • Required for all loans exceeding 80% LTV. • Acceptable companies <ul style="list-style-type: none"> • GEMICO • PMI • MGIC • RMIC • Radian • Triad • UG • MI may be financed on 1 unit primary residence and second home purchase and rate & term refis. Expanded Approval loans are NOT eligible for financed MI. <ul style="list-style-type: none"> • 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"> • For properties located in LA and VA, MI coverage is based on LTV including the financed premium. 	

BRIGHTEN LENDING CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC																		
33. ENGENIOUS ELIGIBILITY	<ul style="list-style-type: none"> • NY State – Use the appraised value to determine if mortgage insurance is required. If mortgage insurance is required, use the lesser of the sales price or appraised value to determine the appropriate coverage. • If reduced MI coverage per the DU/LP report is not available, use the standard coverage below. MI coverage (i.e. Lower Cost or Custom MI) associated with a loan level price adjustment indicated on the DU/LP report is NOT permitted. • Coverage <table style="margin-left: 20px; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; padding: 2px;"><u><=20 year</u></td> <td style="border-bottom: 1px solid black; padding: 2px;"><u>Coverage</u></td> </tr> <tr> <td style="padding: 2px;">80.01% - 85%</td> <td style="padding: 2px;">6%</td> </tr> <tr> <td style="padding: 2px;">85.01% - 90%</td> <td style="padding: 2px;">12%</td> </tr> <tr> <td style="padding: 2px;">90.01% - 95%</td> <td style="padding: 2px;">25%</td> </tr> <tr> <td colspan="2" style="padding: 5px 0 0 20px;">>20 years</td> </tr> <tr> <td style="border-bottom: 1px solid black; padding: 2px;"><u>>20 years</u></td> <td style="border-bottom: 1px solid black; padding: 2px;"><u>Coverage</u></td> </tr> <tr> <td style="padding: 2px;">80.01% - 85%</td> <td style="padding: 2px;">12%</td> </tr> <tr> <td style="padding: 2px;">85.01% - 90%</td> <td style="padding: 2px;">25%</td> </tr> <tr> <td style="padding: 2px;">90.01% - 95%</td> <td style="padding: 2px;">30%</td> </tr> </table> <p>Lender Paid Single Policy (LPSP) MI Option (Correspondents Only)</p> <ul style="list-style-type: none"> • Acceptable Companies: <ul style="list-style-type: none"> • UG • Radian • MGIC • Genworth 		<u><=20 year</u>	<u>Coverage</u>	80.01% - 85%	6%	85.01% - 90%	12%	90.01% - 95%	25%	>20 years		<u>>20 years</u>	<u>Coverage</u>	80.01% - 85%	12%	85.01% - 90%	25%	90.01% - 95%	30%
<u><=20 year</u>	<u>Coverage</u>																			
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80.01% - 85%	12%																			
85.01% - 90%	25%																			
90.01% - 95%	30%																			
34. SPECIAL REQUIREMENTS / RESTRICTIONS	<ul style="list-style-type: none"> • Loans are not eligible for submission to <i>Engenious</i>. <ul style="list-style-type: none"> • <i>Engenious</i> eligible only with Go Fast Recommendation and/or Processing Style. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top; border-right: 1px solid black;"> <p>Two Unit Second Homes</p> <ul style="list-style-type: none"> • Maximum 30 year term • Expanded Approval loans are NOT eligible • No rental income can be used to qualify • May own no other 1, 2, 3 or 4 unit properties except primary residence • 90% CLTV/HCLTV permitted IF: <ul style="list-style-type: none"> • Purchase or Rate & Term Refi • DU Approve/Ineligible recommendation. Ineligible decision may only be the result of property type of 2-unit Second Home. • 2055 Interior and Exterior is obtained </td> <td style="width: 50%; vertical-align: top;"> <p>Two Unit Second Homes</p> <ul style="list-style-type: none"> • Not permitted </td> </tr> </table>		<p>Two Unit Second Homes</p> <ul style="list-style-type: none"> • Maximum 30 year term • Expanded Approval loans are NOT eligible • No rental income can be used to qualify • May own no other 1, 2, 3 or 4 unit properties except primary residence • 90% CLTV/HCLTV permitted IF: <ul style="list-style-type: none"> • Purchase or Rate & Term Refi • DU Approve/Ineligible recommendation. Ineligible decision may only be the result of property type of 2-unit Second Home. • 2055 Interior and Exterior is obtained 	<p>Two Unit Second Homes</p> <ul style="list-style-type: none"> • Not permitted 																
<p>Two Unit Second Homes</p> <ul style="list-style-type: none"> • Maximum 30 year term • Expanded Approval loans are NOT eligible • No rental income can be used to qualify • May own no other 1, 2, 3 or 4 unit properties except primary residence • 90% CLTV/HCLTV permitted IF: <ul style="list-style-type: none"> • Purchase or Rate & Term Refi • DU Approve/Ineligible recommendation. Ineligible decision may only be the result of property type of 2-unit Second Home. • 2055 Interior and Exterior is obtained 	<p>Two Unit Second Homes</p> <ul style="list-style-type: none"> • Not permitted 																			

BRIGHTEN LENDING CONFORMING FIXED RATE

FANNIE MAE CONFORMING FIXED RATE EXPANDED APPROVAL MATRIX										
Purpose	Occupancy	Units	Maximum LTV	Maximum CLTV	EA Level I	EA Level II	EA Level III	EATPR Level II	EATPR Level III	Refer with Caution Level IV
Product Codes					#769 #770	#771 #772	#902 #903	#900 #901	#773 #774	Not Eligible
Purchase and Rate & Term Refinance	Primary Residence	1 - 2	95%	95%	Eligible	Eligible	Eligible	Eligible	Eligible	
	Second Home	1	95%	95%	Eligible	Eligible	Eligible	Not Eligible	Not Eligible	
	Investment	1 -2	80%	90%	Eligible	Eligible	Eligible	Not Eligible	Not Eligible	
Cash Out Refinance	Primary Residence	1	90%	90%	Eligible	Eligible	Eligible	Eligible	Eligible	
	Primary Residence	2	90%	90%	Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	
	Second Home	1	90%	90%	Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	

LPMI Products are not eligible for Expanded Approval. Expanded Approval Loans must be ≤ 30 year term.

Expanded Approval Program

Under the Expanded Approval Program, loans run through Desktop Underwriter that would have received a Refer with Caution recommendation will now receive an Expanded Approval recommendation with a "Level".

Loans receiving an Expanded Approval will receive a "Level" recommendation and must be registered and locked under the applicable Expanded Approval Level product code found on this product summary or BRIGHTEN LENDING rate sheet.

Certain Level II and Level III recommendations may also be eligible for the Timely Payment Rewards option. The Desktop Underwriter report will indicate if the loan is eligible for this option. Please note the loan may be closed and registered with or without the TPR option. All Level II and Level III products include a product code with the TPR option and without the TPR option. Only loans that are eligible for the TPR option where that option is selected can be registered under a TPR product code (EATPR).

Loans that are not eligible for the TPR option, or are eligible and the option is not selected should be registered under a Non-TPR product code (EA).

Loans that receive a recommendation of INELIGIBLE are not deliverable under this program.

Timely Payment Rewards Option

Timely Payment Rewards is a feature of the Expanded Approval Program and as noted above must be registered under an EATPR product code. As an incentive to improve creditworthiness, borrowers with the Timely Payment Rewards (TPR) feature will receive a one-time automatic reduction of .50 percent for eligible Level II loans and 1.00 percent for eligible Level III loans. The rate reduction will be granted if on the second, third or fourth anniversary of the first scheduled payment date of the loan:

- The borrower has made each of the most recent 24 consecutive monthly payments on time and
- The borrower has never been 90 days or more delinquent in mortgage payments since the beginning of the loan.

Loans with the TPR feature are closed with an addendum and rider that eliminates the need for the borrower to execute a loan modification agreement. For loans closing with the TPR option, the borrower must execute the TPR Addendum to the Note (Form 1410) and the TPR Rider to the Security Instrument (Form 1412) at closing. Loans that are not closed with the TPR feature must not have the TPR Addendum or TPR Rider signed by the borrower.

Points and Fees - Pursuant to Lender Letter 00-03, a maximum of 5% may be charged for discount points and fees. Fees include origination fees, underwriting fees, broker fees, finder fees, and charges that the lender imposes as a condition of making the loan, whether they are paid to the lender or a third party.

Product Summaries contain eligibility guidelines only. Consult the BRIGHTEN LENDING Broker/Correspondent Lending Manual for full details.