



Conforming Guidelines

Revision: November 1, 2011 (Product Information Center, 949-390-2684, www.jmac lending.com)

Fixed Rate and Fixed Period ARMS						
Products: CF30, CF20, CF15, CF10, CF10/1, CF7/1, CF5/1, CF3/1						
Purchase & Rate/Term Refinances						
Occupancy	Owner Occupied		Second Home		Investment Property	
Amortization	Full Amortization		Full Amortization		Full Amortization	
LTV, CLTV, FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO	Max LTV/CLTV	Min FICO
1 Unit	95/95%	620	80/80%	620	80/85% -Purch 75/75% - Refi	620
2 Units	80/80%	620	N/A	N/A	75/75%	620
3-4 Units	75/75%	620	N/A	N/A	75/75%	620
Finance Type	Cash-Out Refinances					
1 Unit	80/85%	620	75/75%	620	75/75%	620
2 Units	75/75%	620	N/A	N/A	70/70%	620
3-4 Units	75/75%	620	N/A	N/A	70/70%	620

- The max CLTV is 90% for Closed End Second. For HELOC, we allow up to 95%CLTV.
- Minimum Credit Score is subject to AUS but cannot be less than 620.
- **Interest Only eligible transactions:**
 - Maximum LTV/CLTV is 70%
 - Minimum Fico Score is 720
 - Minimum 24 months of reserve (PITI regardless of AUS)
 - Primary residence
 - 1 unit purchase and rate/term refinance
 - Qualification is on fully amortized rate
 - 3/1 and 5/1 ARM qualifies on note rate + 2%
 - No subordination allowed



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ARM Information	<u>Index</u> : 1 yr Libor <u>Caps</u> : 5% initial adjust. 2% per adjust. ,thereafter, 5% Life <u>Floor</u> : Margin <u>Margin</u> : 2.25%												
Rate at Adjustment	On 5/1 and 7/1 Libor ARM, the initial note rate is in effect for the fixed term; the first interest adjustment is subject to life cap, thereafter, a 2% annual adjustment cap begins with the second adjustment. Rate is equal to the note margin plus index rounded to the nearest .125%. Subject to annual/life caps.												
Products	Fixed Rate (10,15,20,25 and 30-Year) Fixed Rate Interest Only 10/20 (30-Year) Fixed period LIBOR ARMs with 30 year term (3/1, 5/1, 7/1, 10/1). Fixed period LIBOR ARMs Interest-Only with 30 year term (3/1, 5/1, 7/1, 10/1)												
Interest Only payment feature	Available up to 70% financing; Applies only on purchase and R&T on owner occupied or second home.												
Borrower Qualification	<u>Fixed Rate</u> : Borrower is qualified at the Note rate. <u>7/1 and 10/1 ARMS</u> : Qualify at the greater of the Note rate or the fully indexed rate. <u>3/1 and 5/1 ARMS</u> : Qualify at the greater of the Note rate or fully indexed rate + 2%.												
Qualifying Ratios	Maximum qualifying ratio: 50% (Subject to AUS approval)												
Underwriting Method	Loans must be underwritten through Desktop Underwriter® (DU®) or Loan Prospector® (LP). Loans must receive a DU "Approve/Eligible", or LP "Accept" determination. Loans with DU Refi Plus™ Approve/Eligible decisions: Refer to DU Refi Plus matrix DU recommendation of Approve/Eligible required. <u>Loan Prospector Loans:</u> <ul style="list-style-type: none"> Loans with secondary financing submitted to LP must reduce LTV by 5%. For example, max. 90% LTV allowed with max. 95% CLTV. Non-owner occupied not allow Condos not allow Interest Only not allow 3/1 and 5/1 not allow When purchase money transactions are refinanced, Freddie Mac requires the Note date on the loan being refinanced to be at least 120-days prior to the Note date of the new refinance loan. This requirement will apply to R&T refinance transactions. 												
Prepayment Penalty	None												
Maximum Loan Amount	Minimum Loan Amount is \$75,000.00 <table border="1" data-bbox="514 1201 1165 1388"> <tr> <td>Units</td> <td>Continental Us</td> </tr> <tr> <td></td> <td>Minimum Loan Amount</td> </tr> <tr> <td>One</td> <td>\$417,000</td> </tr> <tr> <td>Two</td> <td>\$533,850</td> </tr> <tr> <td>Three</td> <td>\$645,300</td> </tr> <tr> <td>Four</td> <td>\$801,950</td> </tr> </table>	Units	Continental Us		Minimum Loan Amount	One	\$417,000	Two	\$533,850	Three	\$645,300	Four	\$801,950
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	Minimum Loan Amount												
One	\$417,000												
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Occupancy	Primary Residence , second home, and investment properties												
Eligible Borrowers	U.S. Citizens, Permanent and Non-Permanent Resident Aliens are allowed with a valid Social Security number.												



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<p>Down Payments, Reserves & Source of Funds</p>	<p>Borrower Investment</p> <p>Gift Funds</p> <ul style="list-style-type: none"> • Primary Residence: 5% down payment must come from borrower own funds if gift is less than 20%. <ul style="list-style-type: none"> ○ If the LTV/CLTV is $\leq 80\%$, the entire down payment may be a gift. ** If the transaction is a Gift of Equity, then we do require that 5% must come from borrower own funds. Exception to this may be lifted subject to management review ** • Investment Properties: Gifts funds and gifts of equity are not permitted. <p>Reserves are determined by AUS; the following are generally required</p> <ul style="list-style-type: none"> • Additional reserves may be required by DU based on risk. • Primary Residence 2 months PITI • Investment Properties 6 months PITI • Second home or investment property transactions also require 2 months PITI reserves for each additional second home and/or investment property. <p>Seller Contributions: Basis for the limit is now based on CLTV ratio</p> <ul style="list-style-type: none"> • Primary Residence and Second Home <ul style="list-style-type: none"> ○ 3%: LTV > 90% ○ 6%: LTV 75.01 -90% ○ 9%: LTV < 75% • Investment Properties <ul style="list-style-type: none"> ○ 2%: All LTV/CLTVs
<p>Credit</p>	<ul style="list-style-type: none"> • Non-traditional credit NOT allowed. • Minimum credit score(s): Minimum required per LTV/CLTV grid • DU Approve/Eligible General Credit Guidelines <u>Mortgage lates</u>: 0x30 in the past 12 months <u>Chapter 7 Bankruptcy</u>: None last 48 months since discharged/dismissal date <u>Chapter 13 Bankruptcy</u>: 24 months since discharge; 48 months since dismissal <u>Short Sale and Foreclosure, Notice of Default, etc</u>: None last 7 yrs • Borrower with multiple BK filings: 60 months since most recent discharged / dismissal
<p>Departing Property</p>	<p>A 2055 exterior report is require to be order by JMAC Lending (cost is around \$200-\$300) to support the 30% of equity for purpose of rental income. In addition, a 1007 rental survey (cost is \$100.00) will be require if value is supported and rental income needs to be use on departing property. {pricing is subject to change based on estimated value}</p>
<p>Maximum Number of Financed Properties</p>	<p>Primary Residence: up to 10 financed properties including the owner occupied property. Second and Investment: up to 4 financed properties including the owner occupied property.</p>
<p>Recently Listed Properties</p>	<p>1 day off the market allowed for refinance R&T on all properties up to 80%LTV/CLTV. The loan application needs to be taken at least 1 day after the home is taken off the market (MLS). ** Cash out is allowed up to 70%, minimum 6 months title seasoning is required **</p>
<p>Mortgage Insurance</p>	<p>Applicable over 80%; Minimum credit score is 660. Maximum DTI is cap at 45% or less subject to current mortgage insurance guidelines (Fico ≥ 740, max DTI is 45%; Fico < 740, max DTI is 41%)</p>