

Conforming Fixed

A fixed rate product for loan amounts of \$50,000 to the conforming limit. All loans must conform to FannieMae Agency guidelines. DU Approve/Eligible findings are required for all transactions. If an issue is not addressed in these guidelines refer to Reunion Mortgage Underwriting Guidelines. In the event that the Underwriting Guidelines require different parameters than those stated within these guidelines, the more conservative guideline will apply.

Program Codes

- C10 10-year Fixed Rate
- C15 15-year Fixed Rate
- C20 20-year Fixed Rate
- C30 30-year Fixed Rate
- CJ15 15-year Fixed Rate High Balance Mortgage
- CJ30 30-year Fixed Rate High Balance Mortgage
- C30BD21 30-year Fixed Rate with 2/1 Buydown

Agency Fixed

Owner-Occupied Primary Residence					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	95	95	95	680
Pur, R/T	1	80	80	80	620
Pur, R/T	2	80	80	80	660
Pur, R/T	3-4	75	75	75	620
C/O ¹	1	80	80	80	680
C/O ¹	1	75	75	75	620
C/O ¹	2-4	70	70	70	680
Second Home					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	80	90	90	680
Pur, R/T	1	80	80	80	620
C/O	1	75	75	75	660
C/O	1	70	70	70	620
Investment Property					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur	1	80	80	80	640
R/T	1	75	75	75	640
Pur, R/T	2-4	75	75	75	660
C/O	1	70	70	70	680
C/O	2-4	60	60	60	680

¹ Texas Section 50(a)(6) transactions are limited to 80% LTV/CLTV one unit property only

Agency Fixed Requirements:

- Eligible Program Codes: **C10, C15, C20, C30**
- DU Approve/Eligible required
- LP Decisions: Not eligible
- All borrowers must meet minimum FICO score requirement indicated above
- Maximum loan amounts:

	General	Hawaii
1-Unit	\$417,000	\$625,500
2-Unit	\$533,850	\$800,775
3-Unit	\$645,300	\$967,950
4-Unit	\$801,950	\$1,000,000

High Balance Fixed

Owner-Occupied Primary Residence					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T ¹	1	90	90	90	700
Pur, R/T	1	75	75	75	660
Pur, R/T	2-4	75	75	75	740
C/O	1	60	60	60	740
Second Home					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	65	65	65	740
Investment Property					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1-4	65	65	65	740

¹ R/T limited to 80 LTV / 80 CLTV for loan amounts > \$625,500

High Balance Fixed Requirements:

- Eligible Program Code: **CJ15, CJ30**
- Approve/Eligible required utilizing DU version 8.0 (LP not eligible)
- Loan amounts are applicable to Fannie Mae High Cost areas only. The loan amounts must be greater than the current maximum loan limits up to the Agency High Balance loan limits for the County/MSA.
- Maximum loan amounts:

	General	Hawaii
1-Unit	\$729,750	\$938,250
2-Unit	\$934,200	\$1,000,000
3-Unit	\$1,000,000	\$1,000,000
4-Unit	\$1,000,000	n/a
- All borrowers must meet minimum FICO score requirement indicated above
- Maximum number of properties currently being financed is limited to 4 (including owner occupied transactions).
- Appraisal/Property
 - Full appraisal with interior/exterior inspection
 - Field review (2000) is required if:
 - The loan amount is > \$625,500 and the LTV, CLTV or HCLTV is greater than 80%
 - The appraised value is ≥ \$1,000,000 and the LTV/CLTV is greater than or equal to 75%.
 - Condominium Limited Review is not eligible
- Contributions by an Interested Party
 - O/O & S/H 3% regardless of LTV
 - Investment 2%
- Refinances
 - Owner occupied properties located in Texas: Payoff of any first or second Texas Section 50(a)(6) loan is not allowed
 - Cash Out Refinance Transaction
 - Primary Residence Only
 - Six months minimum seasoning (six months of payments made) since most recent refinance or date of purchase is required
 - All borrowers must have held title (ownership) to the subject property for a minimum of six months

High Balance Fixed Requirements Continued:

- Ratios
 - Per DU Approval
- Ineligible
 - Cash-out on the following
 - Owner Occupied: 2-4 unit
 - Second Home
 - Investment Property
 - Temporary Buydowns
 - Texas Section 50(a)(6)
 - Title vested in Trust
- Special Feature Code 808 must be entered for all High Balance loans

2/1 Buydown

Owner-Occupied Primary Residence					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Purchase	1	95	95	95	680
Purchase	1	80	80	80	620
Second Home					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Purchase	1	80	90	90	680
Purchase	1	80	80	80	620

2/1 Buydown Requirements:

- Eligible Program Codes: **C30BD21**
 - The 2/1 buy down allows a purchaser to reduce the initial interest rate on their mortgage by 2% the first year, 1% the next year, and 0% every year thereafter.
- The actual cost of the buy down is a separate fee and not included in the price
 - Buydown funds may come from the seller, lender, borrower or other party. Funds from the seller or any other interested third party are considered interested party contributions and must be included in the limit on interested party contributions.
- DU Approve/Eligible required
 - Borrower must be qualified on the Note rate
- All borrowers must meet minimum FICO score requirement indicated above
- Maximum loan amounts:

	General	Hawaii
1-Unit	\$417,000	\$625,500
2-Unit	\$533,850	\$800,775
3-Unit	\$645,300	\$967,950
4-Unit	\$801,950	\$1,000,000

AUS Underwriting Decisions

- DU Decisions: Approve/Eligible
 - **DU Refi Plus message is not allowed in findings**
 - Enter "Standard LCOR" in DU to eliminate DU Refi Plus message (or change loan to DU Refi Plus program)
- LP Decisions: Not eligible
- Property Inspections Waivers (PIW) are not allowed. Full interior/exterior appraisal required on each loan.
- All conditions outlined in the findings report must be satisfied
- Regardless of DU asset requirements, the following reserves are required:
 - Subject Property
 - Owner Occupied: Reserves determined by DU
 - Second home: Two months reserves
 - Investment property: Six months reserves
 - Investment Property and Second Home: Other financed properties:
 - 2 months on each other financed property.
 - The amount of required reserves must be subtracted from the borrower's liquid assets prior to submitting the loan to DU.
- Flexible Mortgage Guidelines are not allowed

Contributions by an Interested Party

- Must be used for closing cost, prepaids, and other financing costs, including buydown fee provided the maximum contribution does not exceed the limits below.
- Standard Conforming limits:
 - **Primary Residence and Second Homes**
 - CLTV > 90%, maximum contribution is three percent (3%)
 - CLTV >75% - 90%, maximum contribution is six percent (6%)
 - CLTV ≤ to 75%, maximum contribution is nine percent (9%)
 - **Investment Property**
 - Maximum contribution is 2% regardless of CLTV
- High Balance Loans (**CJ15 and CJ30**) limited to the following
 - **Primary Residence and Second Homes**
 - Maximum contribution is 3% regardless of CLTV
 - **Investment Property**
 - Maximum contribution is 2% regardless of CLTV

Disclosure/Program Information

Type	Assumable	Prepay	I/O Period
Fully Amortized	No	No	n/a

Program Description

- **C10:** 10 Year Fixed Rate
- **C15:** 15 Year Fixed Rate
- **C20:** 20 Year Fixed Rate
- **C30:** 30 Year Fixed Rate
- **CJ15:** High-Balance 15 Year Fixed Rate
- **CJ30:** High-Balance 30 Year Fixed Rate
- **C30BD21:** 30 Year Fixed Rate loan with payment 2% under note rate for the first year; 1% under note rate for the second year and payment based on note rate for the remaining term

Mortgage Insurance

- Mortgage Insurance is required on all loans with LTV > 80%.
- Although Mortgage Insurance is required on all loans with LTV > 80%, Reunion Mortgage can not guarantee the ability to obtain mortgage insurance on every file due to the rapid guideline changes in the Mortgage Insurance industry.
- Standard Coverage Mortgage Insurance coverage is required regardless of DU findings.
 - > 20 year:
 - > 90 - 95%: 30%
 - > 80 - 90%: 25%
 - > 80 - 85%: 12%
 - ≤ 20 year
 - > 90 - 95%: 25%
 - > 85 - 90%: 12%
 - > 80 - 85%: 6%