

Conforming Fixed

A fixed rate product for loan amounts of \$10,000 to the conforming limit. All loans must conform to FNMA Agency guidelines. DU Approve/Eligible or EA1/Eligible findings are required for all transactions. For any issue not addressed in these guidelines please 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.

Fully Amortized

Owner-Occupied Primary Residence					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1-2	95	95	95	620
Pur, R/T	1-4	80	80	80	600
C/O ¹	1-2	80	80	80	660
C/O	1-4	70	70	70	620
Second Home					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	95	95	95	680
Pur, R/T	1	80	95	95	600
C/O	1	80	80	80	660
C/O	1	70	70	70	620
Investment Property					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	85	85	85	720
Pur, R/T	1-2	80	85	85	600
Pur, R/T	3-4	75	75	75	600
C/O	1-2	70	70	70	620
C/O	3-4	60	60	60	620

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

Fully Amortized Requirements:

- Eligible Program Codes: **C10, C15, C20, C30, C40**
- DU Approve/Eligible required
- Mortgage Insurance coverage per DU findings. MI coverage associated with a Loan Level price adjustment is not allowed, so use the higher coverage listed if two are indicated on findings.
- All borrowers must meet minimum FICO score requirement indicated above

Interest-Only

Owner-Occupied Primary Residence					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	95	95	95	620
Pur, R/T	2	90	90	90	620
Pur, R/T	3-4	80	80	80	620
C/O	1-2	80	80	80	660
C/O	1-4	70	70	70	620
Second Home					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	95	95	95	680
Pur, R/T	1	80	95	95	620
C/O	1	80	80	80	660
C/O	1	70	70	70	620
Investment Property					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	85	85	85	720
Pur, R/T	1-2	80	85	85	700
C/O	1-2	65	65	65	720

Interest-Only Requirements:

- Eligible Program Code: **C30IO**
- DU Approve/Eligible required
- Reduced Mortgage Insurance is not allowed. Use Standard Coverage:

LTV	Coverage
>90-95%	30%
>85-90%	25%
>80-85%	12%
- All borrowers must meet minimum FICO score requirement indicated above
- Texas Section 50(a)(6) transactions are not allowed

Lender Paid Mortgage Insurance - Fully Amortized

Owner-Occupied Primary Residence				
Purpose	Units	LTV	Max Loan	FICO
Pur, R/T	1	95 ²	Conf limit	680 ²
Pur, R/T	2	95 ³	Conf limit to \$625,500 ¹	680
Second Home				
Purpose	Units	LTV	Max Loan	FICO
Pur, R/T	1	95 ²	Conf limit	680

¹ NOTE: Maximum loan limit for units and high costs states (Hawaii) is higher and might reach \$ amount limit

² Properties in AZ, CA, FL and NV are limited to 90% due to MGIC restrictions

Fully Amortized Lender Paid Mortgage Insurance Requirements:

- Eligible Program Codes: **C30LPMI, C30MCMLPMI**
- DU Approve/Eligible required
 - EA1 loans not eligible
- Lender Paid Single Mortgage Insurance Policy from MGIC
 - C30LPMI: Mortgage Insurance coverage per DU findings. MI coverage associated with a Loan Level price adjustment is not allowed, so use the higher coverage listed if two are indicated on findings.
 - C30MCMLPMI: Reduced MI not allowed. Use My Community Mortgage MI Schedule:

LTV	Coverage
>90-95	16%
>85-90	12%
>80-85	6%
- All borrowers must meet minimum FICO score requirement indicated above
- Texas Section 50(a)(6) O/O cash out transactions are not allowed
- Subordinate financings not allowed
- C30MCMLPMI maximum seller concessions limited to 3%
- Loans secured by condominiums and attached housing in Florida are not eligible
- 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.

Lender Paid Mortgage Insurance - Interest-Only

Owner-Occupied Primary Residence				
Purpose	Units	LTV	Max Loan	FICO
Pur, R/T	1	95 ²	Conf limit	680
Pur, R/T	2	90	Conf limit to \$625,500 ¹	680
Second Home				
Purpose	Units	LTV	Max Loan	FICO
Pur, R/T	1	95 ²	Conf limit	680

¹ NOTE: Maximum loan limit for units and high costs states (Hawaii) is higher and might reach \$ amount limit

² Properties in AZ, CA, FL and NV are limited to 90% due to MGIC restrictions

Interest-Only Lender Paid Mortgage Insurance Requirements:

- Eligible Program Codes: **C30IOLPMI**
- DU Approve/Eligible required
 - EA1 loans not eligible
- Lender Paid Single Premium Mortgage Insurance Policy from MGIC
Reduced MI not allowed. Use Standard Coverage:

LTV	Coverage
>90-95%	30%
>85-90%	25%
>80-85%	12%
- All borrowers must meet minimum FICO score requirement indicated above
- Texas Section 50(a)(6) O/O cash out transactions are not allowed
- LTV >80% to max 95%
- Subordinate financings not allowed
- Loans secured by condominiums and attached housing in Florida are not eligible
- 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.

Expanded Approval Level 1

Owner-Occupied Primary Residence					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1-2	80	95	95	660
Pur, R/T	1-2	80	80	80	620
C/O	1-2	75	80	80	660
C/O	1-2	70	70	70	620
Second Home					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1	80	95	95	660
Pur, R/T	1	80	80	80	620
C/O	1	75	80	80	660
C/O	1	70	70	70	620
Investment Property					
Purpose	Units	LTV	CLTV	HCLTV	FICO
Pur, R/T	1-2	80	85	85	660
Pur, R/T	1-2	80	80	80	620

Expanded Approval Level 1 Requirements:

- Eligible Program Codes: C30EA1
- DU EA1/Eligible required
- Mortgage Insurance coverage per findings. MI coverage associated with a Loan Level price adjustment are not allowed, so use the higher coverage listed if two are indicated on findings.
- Escrow waivers are not permitted unless prohibited by law.
- Institutional Closed-End Second only (Seller carry-back and HELOC not allowed)
- Non-occupant co-borrowers are permitted.
- Texas Section 50(a)(6) transactions are not allowed

My Community Mortgage

Owner-Occupied Primary Residence				
Purpose	Units	LTV	CLTV	HCLTV
Pur, R/T	1-4	95	n/a	n/a

My Community Mortgage Requirements:

- Eligible Program Codes:
 - **C30MCM**
 - **C30MCMLPMI**
 - 1-unit only allowed LPMI
 - Refer to LPMI guidelines for minimum FICO and additional requirements
- DU Approve/Eligible required (EA1 not allowed). Findings must indicate “This case is eligible for delivery as a My Community Mortgage loan.”
- LTV > 80% require minimum 620 FICO
- Reduced MI not allowed. Use My Community Mortgage MI Schedule:

LTV	Coverage
>90-95	16%
>85-90	12%
>80-85	6%
- All borrowers must occupy subject property.
- Borrower(s) may not own any other property as of the closing date.
- Subordinate Financing not allowed.
- **Homebuyer Education** required on all 2-4 Unit loans
 - All borrowers must participate in a homebuyer education program prior to closing. Proof that the borrower completed the course must be documented in the file. Counseling sessions must be in the following form:
 - Face-to-face tutorial, or
 - Classroom or workshop session, or
 - Telephone counseling provided by an approved mortgage insurer
 - “The Keys to Homeownership” workbook may be used to supplement the counseling. However, the mere completion of the workbook without telephone counseling, a face-to-face tutorial, or classroom/ workshop session is not acceptable
 - For approved counseling services, refer to HUD’s website at <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm>
- **Landlord Education Program** - Fannie Mae’s “*Becoming a Landlord*” Program
 - Borrowers purchasing a 2-4 Unit property must participate in a landlord education program offered by a recognized community organization prior to closing. Proof that the borrower completed the course must be documented by one of the following:
 - A letter from the course instructor indicating the borrower completed the course; or
 - A certificate of course completion
- All borrowers must sign a **Borrower’s Authorization for Counseling** form at closing. This form authorizes the lender to share relevant account information with the mortgage insurance company and/or third party counselor should the borrower become delinquent on the loan payment.

My Community Mortgage Requirements continued:

- Assets:
 - Eligible Sources:
 - Borrowers own funds (including loan secured by asset)
 - Gifts / Grants
 - All gifts or grants must be recognized in DU as a gift under source of down payment section
 - 2-4 unit properties require minimum 3% investment from borrowers own funds when LTV is > 80%
 - Reserves when required must come from the borrowers own funds.
- Allowable Contributions:
 - The maximum seller's contribution permitted is as follows:
 - LTV > 75 < 95%, maximum contribution is six percent (6%)
 - LTV ≤ 75, maximum contribution is nine percent (9%)
 - C30MCMLPMI maximum contributions is three percent (3%)
 - Interested party contributions can be used for closing costs and prepaids only. They cannot be used to fund the down payment gap.
 - If the loan amount plus interested party contribution exceeds 103%, the underwriter must ensure the Contract Section of the Appraisal Report addresses the following:
 - The appraiser analyzed the contract of sale
 - Indicated on the appraisal report the dollar amount and description of any financial assistance that was paid by any party on behalf of the borrower.
- Income:
 - Document per DU Findings
 - **Rental Income:** Fannie Mae Form 216 (Operating Income Statement) is required on all 2-4 Unit properties, regardless of whether the income is needed to qualify. Rental income is calculated from the gross rental figure provided by the appraiser. Seventy-five percent of the gross rental income for 2 Unit properties and 65% of the gross rental income for 3-4 Unit properties may be added to the gross qualifying income.
 - DU recommendations for the following types of income cannot be followed and must follow standard FNMA requirements:
 1. Non-taxable income
 2. Second job
 - Income limits apply to borrower(s) income. Not non-borrowing spouse or other non-borrowing title holder(s).
 - If W-2 provided in file exceeds income limit loan is not eligible.
 - **Median income** figures are found at eFannieMae.com under Single-Family >Reference Materials >HUD Median Income or AllRegs under HUD Median Family Income (listed by state, then county).
 - **Income Eligibility** The income limits used to qualify the borrower should be converted to an annual basis and must not exceed 100% of the Area Median Income (AMI), or the percentages in the designated high cost areas as shown below. All of the borrower's stable monthly income must be used to qualify and determine the percentage of the HUD AMI. For example, if there is documentation in the file (e.g., W-2s) that shows the borrower regularly receives overtime and/or bonus pay, this income may not be excluded from the income calculation in order to make them eligible for the program. Income from individuals in the household who are not on the application should not be used to qualify or determine the percentage of the AMI. Income from individuals in the household who are not on the application should not be used to qualify or determine the percentage of the HUD AMI.



My Community Mortgage Requirements continued:

- Qualifying income may not exceed the following:
 - California 140% of the area's median income
 - Hawaii 170% of the area's median income
 - Oregon 120% of the area's median income
 - Clackamas County, Columbia County, Multnomah County, Washington County & Yamhill County
 - Washington 120% of the area's median income
 - Clark County, King County, Pierce County, Skamania County & Snohomish County
 - All other Areas 100% of the area's median income
 - Fannie Targeted Areas No Income limit
- Refer to Fannie Mae's web site at: <https://commlend.efanniemae.com/PropertyGeocoder> and enter the property address.

Border Regions: No income limit

Fannie Mae's Border Region counties will not be specified as FannieNeighbors locations in the Fannie Mae Property GeoCoder®

Arizona: Cochise, Graham, Greenlee, La Paz, Maricopa, Pima, Pinal, Santa Cruz, and Yuma

California: Imperial County

New Mexico: Catron, Chaves, Dona Ana, Eddy, Grant, Hidalgo, Luna, Otero, Sierra, and Socorro

Texas: Bee, Brewster, Brooks, Cameron, Dimmit, Duval, Edwards, El Paso, Frio, Hidalgo, Hudspeth, Jeff Davis, Jim Hogg, Jim Wells, Kinney, La Salle, Maverick, Nueces, Pecos, Presidio, Reeves, San Patricio, Starr, Terrell, Uvalde, Vale, Verde, Webb, Willacy, Zapata and Zavala.

AUS Underwriting Decisions

- DU Decisions: Approve/Eligible
- LP Decisions: Not eligible
- DU EA-1/Eligible findings also acceptable see EA-1 section for allowed loan parameters and guideline requirements. Not eligible for 10 or 40-year term, I/O or MCM products
- Property Inspections Waivers (PIW) are not allowed. Full appraisal required on each loan.
- All conditions outlined in the findings report must be satisfied
- Flexible Mortgage Guidelines: Allowed on C30 only (C30LPMI not allowed). Loans with LTVs between 90% and 95% where the borrower lacks 5% of their own funds DU will consider the loan a Flexible 97 expanded down payment transaction. Mortgage Insurance coverage of 35% is required. Underwriter must notify the Lockdesk that loan is a Flexible Mortgage and ensure that the Price Adjustment is added to the price.

Contributions by an Interested Party

- Must be used for closing cost, prepaids, and other financing costs provided the maximum contribution does not exceed the limits below.
- Maximum contribution percentage allowed:
 - **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 two percent (2%) contribution, regardless of CLTV.
 - **MCM** – refer to guidelines specific to My Community Mortgage

Disclosure/Program Information

Type	Assumable	Prepay	I/O Period
Fully Amortized	No	No	n/a
Interest Only	No	No	10 years

Program Description

- **C10:** 10 Year Fixed Rate fully amortized loan
- **C15:** 15 Year Fixed Rate fully amortized loan
- **C20:** 20 Year Fixed Rate fully amortized loan
- **C30:** 30 Year Fixed Rate fully amortized loan
- **C40:** 40 Year Fixed Rate fully amortized loan
- **C30IO:** 30 Year Fixed Rate loan with 10-year Interest-Only (IO) period
- **C30MCM:** 30 Year Fixed Rate fully amortized My Community Mortgage
- **C30MCLPMI:** 30 Year Fixed Rate fully amortized My Community Mortgage with Lender Paid MI
- **C30LPMI:** 30 Year Fixed Rate fully amortized with Lender Paid Mortgage Insurance
- **C30IOLPMI:** 30 Year Fixed Rate loan with 10-year Interest-Only (IO) period with Lender Paid MI
- **C30EA1:** 30 Year Fixed Rate fully amortized Expanded Approval level 1

Mortgage Insurance

- Mortgage Insurance is required on all loans with LTV > 80%. MI coverage associated with a Loan Level price adjustment per DU report is not permitted. NOTE: When DU offers 2 MI coverage options, use the higher coverage listed in the findings as the lower amount will incur a Loan Level Price Adjustment.
- All borrower must have a minimum of 620 credit score to obtain Mortgage Insurance
- Standard Mortgage Insurance Coverage is required on Interest-Only loans. MCM and Flexible loans require specific MI coverage. Refer to the following grids for minimum coverage requirements.
- 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 Mortgage Insurance Coverage: Interest-Only**

LTV	Coverage
>90-95%	30%
>85-90%	25%
>80-85%	12%
- **My Community Mortgage MI Schedule:**

LTV	Coverage
>90-95	16%
>85-90	12%
>80-85	6%
- **Flex Mortgages require 35% Insurance Coverage:**