



Correspondent Lending



Conforming Agency Overlays October 2022

Introduction

The purpose of credit and property underwriting is to ensure that each loan meets the quality standards of AIG Investments. A loan meets AIG Investments' underwriting quality standards if the borrower's credit and capacity to make payments and the quality of the collateral are consistent with the mortgage Loan Program under which the Mortgage Loan is sold. All standards for determining stable monthly income, adequate credit history and sufficient liquid assets must be applied in the same manner to each borrower. The likelihood of timely repayment is expected to be commensurate with the credit quality of the Loan Program, and the represented value of the subject property is expected to reflect accurately its market value. A Seller is responsible throughout the life of the loan for all representations and warranties related to the data accuracy, omissions, misstatements, misrepresentations, clear title, compliance with legal and lending practice requirements, and product guidelines.

These Conforming Agency Overlays set forth the standards that apply to all conforming loan programs that may be eligible for purchase. The loan originator must have conducted all origination and underwriting procedures without regard to the borrower's race, color, religion, national origin, age, sex, marital status, handicap, income derived from a public assistance program, or status in any other class of persons protected under any applicable federal, state, or local law.

Regardless of underwriting method, additional information may be requested at the discretion of the underwriter.

For topics not specifically addressed in these Conforming Agency Overlays, Sellers should refer to the applicable agency guidelines determined by the AUS utilized.

These Conforming Agency Overlays are a part of the AIG Investments Correspondent Seller's Guide (Seller's Guide). All capitalized terms not defined in these Conforming Agency Overlays have the respective meanings set forth in the Seller's Guide.

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MC-2-A987H-1016

These AIG Investments Underwriting Guidelines (Exhibit A-1) are dated October 13, 2022. The Underwriting Guideline and Overlay documents may be updated or modified from time to time. AIG Investments believes the information contained in this document relating to state laws and third-party requirements to be accurate and effective as of October 13, 2022. However, this information is provided for informational purposes only and may change at any time without notice. AIG Investments is providing this information without any warranties, express or implied. © 2022 AIG Investments. All Rights Reserved. AIG Investments is an affiliate of American International Group, Inc. Desktop Underwriter, DU, Desktop Originator, DO, Homepath, Homestyle, and HomeReady, are marks of Fannie Mae., LPA, LCA and Freddie Mac Products.



Occupancy Types	<ul style="list-style-type: none"> Primary, Second Home & Investment Property 	
Maximum LTV/HCLTV	<ul style="list-style-type: none"> 95.00% LTV/HCLTV All files must have an AUS Approve/Eligible or Accept/Eligible 	
Loan Limits	<ul style="list-style-type: none"> Loan Amounts Up to \$647,200.00 	<ul style="list-style-type: none"> High Balance and Super Conforming may not exceed FHFA limits and may never exceed \$970,800.
Product Description	<ul style="list-style-type: none"> Conventional Conforming Fixed-Rate 15, 20 & 30 year terms Purchase, Rate & Term Refinance, Cash-out Refinance 	<ul style="list-style-type: none"> Conventional High Balance/Super Conforming Fixed-Rate 15, 20 & 30 year terms Purchase, Rate & Term Refinance, Cash-out Refinance
Product Codes	<ul style="list-style-type: none"> 15-year Fixed (FX15) 20-year Fixed (FX20) 30-year Fixed (FX30) 	<ul style="list-style-type: none"> 15-yr High Balance/Super Conforming Fixed (HFX15) 20-yr High Balance/Super Conforming Fixed (HFX20) 30-yr High Balance/Super Conforming Fixed (HFX30)

AIG Investments Loan File Requirements	<ul style="list-style-type: none"> Initial application must be signed and dated by loan officer. The terms of the closed loan must match the terms and proper version control of the final loan casefile submission to the AUS. AIG Investments will not accept the average median credit score and will continue to qualify borrower based on the lowest mid-score of all borrowers. Qualifying credit scores less than 620 are ineligible. All borrowers (US Citizens, permanent and non-permanent residents) must have a valid Social Security number. <ul style="list-style-type: none"> Permanent and non-permanent residents must have current legal residency documented as noted below: <ul style="list-style-type: none"> For permanent residents, a copy of the green card is required (front and back). For non-permanent residents, only H1B and L1 Visas are eligible. The documentation must include the borrower's name, eligible visa category, and expiration date. Income Calculation Worksheets must be provided in each file and must include all monthly income types with calculations for each income type, and total qualifying income for each borrower. A payment history is required on the subject loan when 15 days or more have elapsed since the first payment due date. The payment history should include all payments and disbursements from the new subject Mortgage Loan. All loan participants must be verified against the AIG Investments Participant Validation List.
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Appraisal Requirements (Collateral Underwriter(CU)/ Loan Collateral Advisor (LCA) /Uniform Collateral Data Portal (UCDP))	<p>For Loans requiring an appraisal report:</p> <ul style="list-style-type: none"> Appraisals may not be transferred from another lender, regardless of written assurances. All appraisals in the file must contain a copy of the current appraiser's license. CU or LCA results must be included in each loan file. Sellers or their designated agents are required to submit appraisal data files (based on the final version of the appraisal) to <u>both</u> Fannie Mae and Freddie Mac prior to Loan purchase. The loan file must include the final UCDP Submission Summary Report (SSR) from each agency regardless of the final Document File Status. When a successful submission to UCDP is received by only <u>one</u> Agency, then follow the guidance below: <ul style="list-style-type: none"> When using DU, a successful UCDP document file status is required from Fannie Mae. When using LPA, a successful UCDP document file status is required from Freddie Mac.
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Deed Restrictions (Age Related)	<p>Resale deed restrictions other than Age Related are not eligible for purchase.</p> <table border="1" style="width: 100%;"> <tr> <td style="background-color: #003366; color: white;">Conforming Loans</td> <td style="background-color: #003366; color: white;">Conforming High Balance and Super Conforming</td> </tr> <tr> <td>Primary residence or second home.</td> <td>Primary residence.</td> </tr> </table> <p>The Housing Development with age-restriction must comply with one of the following Fair Housing Act exemptions:</p> <ul style="list-style-type: none"> Age restrictions – 62 years of age or older – The prohibitions against discrimination on the basis of age or familial status do not apply with respect to dwellings intended for, and solely occupied, by persons 62 years of age or older. Age restrictions – 55 years of age or older – The prohibitions against discrimination on the basis of age or familial status do not apply with respect to dwellings intended and operated for occupancy by persons 55 years of age or older provided that all of the following apply: <ul style="list-style-type: none"> At least 80% of the occupied units are occupied by persons 55 years of age or older. The housing facility or community publishes and adheres to policies and procedures that demonstrate the intent to provide housing to persons 55 years of age or older. The housing facility or community can provide documentation for verification of occupancy, by means of: <ul style="list-style-type: none"> Reliable surveys and affidavits and Examples of published written policies and procedures for determination of compliance with the Act. <p>Documentation requirements for a Housing Development with age-restriction:</p> <p>The homeowners' association (HOA) must provide/confirm the following information in a signed affidavit:</p> <ul style="list-style-type: none"> State that, upon request, the development/association will provide the necessary documentation to support compliance with the Fair Housing Act. Certify that the development complies with one of the following Fair Housing Act exemptions: <ul style="list-style-type: none"> Age restrictions – 62 years of age or older: The development is intended for, and solely occupied by, persons 62 years of age or older. Age restrictions – 55 years of age or older: <ul style="list-style-type: none"> At least 80% of the occupied units are occupied by persons 55 years of age or older, The housing facility or community can provide documentation for verification of occupancy by means of: 	Conforming Loans	Conforming High Balance and Super Conforming	Primary residence or second home.	Primary residence.
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Deed Restrictions (Age Related) (cont)	<ul style="list-style-type: none"> • Reliable surveys and affidavits and • Examples of published written policies and procedures for determination of compliance with the Act. <p>By providing this information, the HOA certifies that the housing development is in compliance with the Fair Housing Act. This certification must be included in the closed loan package. Supporting documentation to verify the accuracy of the information completed by the HOA is not required unless requested by AIG Investments.</p>			
Down-Payment Assistance Programs	<p>Down Payment Assistance Programs are eligible if all of the following requirements are met:</p> <ul style="list-style-type: none"> • First Mortgage may not be subject to any terms or conditions of a bond program and the DAP, UCAP or HAP must meet the applicable Fannie Mae requirements. • Does not restrict the transfer of servicing rights of the first Mortgage. • Does not require prior notification or approval from the sponsoring authority when the first Mortgage's servicing rights are transferred. 			
DU Day One Certainty and LPA Asset and Income Modeler (AIM)	<ul style="list-style-type: none"> • Loans using Fannie Mae Day One Certainty services (DU Validation Service, Collateral Underwriting (CU) and Appraisal Waiver) are eligible. • Loans using Freddie Mac LPA asset and income modeler (AIM) and automated collateral evaluation (ACE) are eligible. 			
Electronic Records and Signatures	<p>The following documents/notarizations are ineligible:</p> <ul style="list-style-type: none"> • E-Notes • E-Mortgages • E-Notarizations • Remote Notarization 	<p>Electronic signatures are ineligible for the following documents:</p> <ul style="list-style-type: none"> • Note • Security instrument • Notarized documents • Notice of Right to Cancel 		
Escrow Holdbacks	<ul style="list-style-type: none"> • Escrows for postponed improvements/repairs must be held by one of the following: seller, title company, or closing attorney. • For Loans using DU, if escrow funds are held by the Seller, then: <ul style="list-style-type: none"> ○ Funds must be held in a custodial bank account that meets FNMA requirements; and ○ Eligible only when the subject property is a 1-unit primary/second home purchase transaction. • It is the seller's responsibility to monitor and disburse the funds in escrow and provide AIG Investments a clear final inspection. • A final inspection is required for all loans where there is an escrow for completion, regardless of the appraisal indicating "subject to completion" or "as is". 			
Escrows/Impounds	<ul style="list-style-type: none"> • Escrow waivers are not permitted for loans with an LTV over 80%, unless the subject property is located in the state of California, with an LTV of 80.01–89.99%. • New Mexico loans with an LTV of 80.00% or greater are ineligible for escrow waivers. • Partial escrow waivers are permitted provided the loan meets escrow waiver eligibility requirements. • Escrow waivers are not eligible for MI policy premiums and flood insurance. • Property taxes assessed on a new construction property must be based on the estimated tax figure for the fully completed property. The estimated figure should be used for both the qualifying PITIA as well as the amount collected for escrowed taxes (if applicable). It is not acceptable to escrow taxes based on partially completed property tax amounts. • Escrows for elective insurance are not acceptable. Elective insurance is any coverage not required by state law or Agency guidelines. This includes escrows for flood insurance policies on properties which are not designated to be in SFHA zone A or V. 			
Flood Insurance Requirements	<p>Flood insurance must be in force on any property located in a Special Flood Hazard Area (SFHA), as designated by the Federal Emergency Management Agency (FEMA).</p> <p>Coverage requirements:</p> <ul style="list-style-type: none"> • Such flood insurance policy for each Mortgage Loan is in an amount representing coverage not less than the least of (A) the outstanding principal balance of the Mortgage Loan (plus any additional amount required to prevent the Mortgagor from being deemed a co-insurer), (B) the full insurable value of the related Mortgaged Property, and (C) the maximum amount of insurance, which was available under the Flood Disaster Protection Act of 1973, as amended • Loans are not eligible for purchase until the required amount of coverage is in effect (any waiting periods must have expired). <p>Required documentation</p> <ul style="list-style-type: none"> • For policies obtained through the National Flood Insurance Program (NFIP), provide one of the following: <ul style="list-style-type: none"> ○ Flood policy declarations page evidencing that a flood insurance policy is in force for the subject property ○ Complete flood insurance application and proof that the first year's premium has been paid in full • For policies obtained through private flood insurance: <ul style="list-style-type: none"> ○ Complete private flood insurance policy ○ Documentation to show that one of the following has been met and validates compliance with Office of the Comptroller of the Currency (OCC) 12 Code of Federal Regulations (CFR) 22.3: <ul style="list-style-type: none"> ▪ The private flood insurance policy contains this statement "This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation." ▪ The private flood insurance policy meets the definition of private flood insurance as outlined in OCC 12 CFR 22.2. ▪ The rationale for discretionary acceptance provides sufficient protection of the designated Loan, consistent with general safety and soundness principles, and the supervised institution documents its conclusion regarding sufficiency of the protection of the Loan in writing. <p>Premium payment:</p> <table border="1" data-bbox="380 1730 1490 1787"> <tr> <td data-bbox="380 1730 841 1787">○ Purchase Transaction: Evidence of the premium payment must be provided.</td> <td data-bbox="841 1730 1490 1787">○ Refinance Transactions: The Seller is responsible for all premiums due prior to the Loan's delivery, or within 50 days of funding.</td> </tr> </table>		○ Purchase Transaction: Evidence of the premium payment must be provided.	○ Refinance Transactions: The Seller is responsible for all premiums due prior to the Loan's delivery, or within 50 days of funding.
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Form 4506-C	<ul style="list-style-type: none"> • Fully completed and signed IRS Form 4506-C must be obtained at closing for each borrower on the loan. • Additionally, when business tax returns are used in the loan decision, fully completed and signed IRS Form 4506-C is required for each business. • When the borrower has filed an extension for personal tax returns, an additional complete and signed 4506-C form is required. <p>Note: Form 4506-C is not required when all income sources for the borrower(s) are fully validated using Fannie Mae/Freddie Mac income validation services.</p>			



Hazard Insurance Requirement	<ul style="list-style-type: none"> • Documentation should be in the form of a declaration page or policy. Binders are not acceptable evidence of insurance. • Homeowner's insurance carrier ratings must meet the below standards: <ul style="list-style-type: none"> • A.M. Best Company Inc.-----B+ • Standard & Poor's Financial Services LLC.-----BBB • Demotech, Inc.-----A • Kroll Bond Rating Agency-----Not Eligible • Premium Payment: <table border="1" data-bbox="402 254 1511 310"> <tr> <td data-bbox="402 254 857 310"> <ul style="list-style-type: none"> ○ Purchase Transactions: Evidence of premium payment must be provided. </td> <td data-bbox="857 254 1511 310"> <ul style="list-style-type: none"> ○ Refinance Transaction: The Seller is responsible for all premiums due prior to the Loan's delivery, or within 50 days of funding. </td> </tr> </table> 	<ul style="list-style-type: none"> ○ Purchase Transactions: Evidence of premium payment must be provided. 	<ul style="list-style-type: none"> ○ Refinance Transaction: The Seller is responsible for all premiums due prior to the Loan's delivery, or within 50 days of funding.
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Ineligible Assets	<ul style="list-style-type: none"> • Assets resulting from illegal activity based on local, state, or federal authorities. • Virtual currency, such as Bitcoin, are ineligible for use in the transaction, even when liquidated. • Foreign assets. • Individual Development Accounts (IDAs). • Self-directed IRAs invested in real estate are ineligible for use as reserves. 		
Ineligible Citizenship	<ul style="list-style-type: none"> • Individuals classified under Diplomatic Immunity. • Foreign Nationals with no residency status, Temporary Protected Status, Deferred Enforced Departure, or Humanitarian Parole. 		
Ineligible Credit Characteristics	<ul style="list-style-type: none"> • Credit reports with no credit score. • Credit reports with outstanding fraud alerts which have not been addressed. All fraud alert messages must be satisfactorily addressed to ensure the information presented on the loan application is true and correct. • Credit reports with partially displayed Social Security numbers. • Foreign credit reports. • Non-traditional credit reports. • AIG Investments will not accept the average median credit score and will continue to qualify borrower based on the lowest mid-score of all borrowers. Qualifying credit scores less than 620 are ineligible. 		
Ineligible Income Types	<ul style="list-style-type: none"> • Income resulting from illegal activity based on local, state, and federal authorities. • Income from virtual or cryptocurrency. • Loans using assets as a basis for qualification. • Loans with borrowers whose income is derived from the sale of marijuana. 		
Ineligible Loan Attributes	<ul style="list-style-type: none"> • Assignment of Sales Contract transactions. • Blind Trusts or properties closing with address confidentiality. • Delayed Financing. • Fannie Mae RefiNow Homepath, HomeStyle, and Home Ready Mortgage Loan Programs. (Including, but not limited to EEM Loans, Renovation Mortgages, Home Opportunities Mortgages and Rehabilitation Mortgages), Lease-purchase, Community Land Trust, and High LTV Refinance Options and HFA mortgage programs. • Forbearance: The subject loan being sold to AIG investments cannot be in forbearance, have been in forbearance, or requested forbearance. • Freddie Mac Home Possible Loans, , Refi Possible, Enhanced Relief Refinance Mortgage, Streamline Refinance Mortgages, Special Purpose Cash-out refinances, HFA mortgage programs, CHOICERenovation, GreenCHOICE mortgages and Community Land Trust. • Gap Coverage. • Government backed loans (FHA/VA/USDA). • HUD-184 and RD 502 Mortgages. • Land Trusts. • Leasehold estates which do not ensure Fannie Mae or an AIG Investments' first lien enforceability. • Liens (new or subordinated) using Tax Assessment or Utility Company to ensure payment. • Life estates. • Loans aged more than 30 days from closing. • Loans closing in a Living/Inter Vivos Revocable Trust. • Loans with a recast of the principal balance. • Loans with more than four borrowers. • Loans with temporary Buydowns or Assumptions. • Manually underwritten loans. • Negotiated Loan Credit Variances or Pilot Programs. • PACE loans. • Properties in the state of Massachusetts with septic systems requiring repair and escrow holdback funds. • Properties with resale deed restrictions other than those restrictions related to age (see Deed Restriction (Age Related) section) and properties with deed restrictions specific to developer land-use or building code requirements for a subject development. • Purchase transactions with re-negotiated purchase prices, which result in an increased purchase price, after appraisal completion. • QM Rebuttable Presumption loans. • Short Refinance Loans or Refinance of a Restructured Loan. • Single close construction loans. • Streamlined Purchase Money Mortgages. • Subordinate liens with negative amortization. • Texas Section 50(a)(6), Texas Section 50(a)(3) and Texas Section 50(f)(2) loans. 		



Ineligible Property Locations and Types	<ul style="list-style-type: none"> • US Territories (Puerto Rico, Guam and US Virgin Islands). • Condo projects labeled as "Unavailable" on Fannie Mae Condo Project Manager (CPM). • Co-operatives. • Group Homes. • Loans requiring exceptions from any of the following: Freddie Mac Condo Project Advisor, Fannie Mae Credit Variance Administration System, and/or Fannie Mae Project Eligibility Waiver. • Manufactured, Mobile, and Modular Homes. • Non-warrantable Condominium. • Project that contains multi-dwelling unit Condos/PUDs. • Properties considered commercial. • Properties held in the name of an LLC or Partnership. • Properties included in a rental pool. • PUDs with a blanket or pooled insurance policy. • PUDs with appraisals that indicate marketability, condition, or structural concerns. • Second homes with seasonal limitations on year-round occupancy. 									
Like-Kind Exchanges/1031 Tax Deferred	<p>AIIG Investments permits 1031 Tax Deferred Exchanges to be used towards all or part of the down payment for second home and investment property purchases only with the following restrictions:</p> <ul style="list-style-type: none"> • Reverse exchanges are ineligible because the borrower is not in title to the property at the time of Closing. • No seller provided subordinate financing. • The Loan Closing must be handled by a qualified intermediary. A qualified intermediary is an entity (usually a subsidiary of a title company) who enters into a written agreement with the taxpayer. The qualified intermediary cannot be the borrower's agent, attorney, accountant, investment banker, or broker. This exchange agreement requires the qualified intermediary to acquire and transfer the relinquished property and to acquire and transfer the replacement property. The relinquished property is the property "sold" and the replacement property is the property "acquired." <p>Documentation Requirements:</p> <ul style="list-style-type: none"> • Copies of all closing documents (1031 exchange agreement, Closing Disclosure, and title transfer) and purchase agreement on the relinquished property must be in the loan file. • Both purchase agreements (relinquished and replacement properties) must contain appropriate language to identify the 1031 Tax Deferred Exchange. 									
Mixed Use Properties	<p>Mixed use properties are eligible for purchase if the nature, intent, and primary purpose of the property is residential in use.</p> <ul style="list-style-type: none"> • In general, the commercial /agricultural use should not exceed 20% of total gross living area/acreage of the property. • Income generated on property used for agricultural purposes should be minimal. • The commercial use should generate a minimal amount of traffic noise. • The room layout must be reasonable for a residential home 									
Mortgage Credit Certificates	<p>Seller represents, warrants and covenants loans involving a Mortgage Credit Certificate (MCC), Seller is in compliance with all requirements of the MCC's issuing authority including all required reporting to the IRS. All required documentation along with a copy of the W-4 must be provided in mortgage loan file as per Agencies.</p>									
Mortgage Insurance Requirements	<p>Standard Agency MI coverage is required.</p> <p>Ineligible PMI Premium plans:</p> <ul style="list-style-type: none"> • Custom MI and lower cost MI • Financed MI • Lender-paid monthly or annual • Reduced MI coverage <p>Documentation Requirements: "Single-Premium MI" and "Split-Premium MI" must be written in the comment section of the 1008 and the PMI Certificate with a paid receipt for the full premium must be included in the closed loan package.</p> <p>New York State: Irrespective of the use of appraised value or sales price for determining whether mortgage insurance is required, the standard LTV ratio calculation must be used to determine the level of mortgage insurance coverage that is required on the mortgage loan.</p> <p>Eligible MI Companies:</p> <ul style="list-style-type: none"> • Arch Mortgage Insurance Company • Enact Mortgage Insurance • Essent Guaranty, Inc. • Radian Guaranty, Inc. • National Mortgage Insurance Corporation • Mortgage Guaranty Insurance Company (MGIC) 									
Non-arm's length (Identity of Interest) and At-Interest Transactions	<p>Identity-of-interest transactions include both non-arm's length and at-interest transactions. At-interest transactions involve persons who are not closely tied or related but may have a greater vested interest in the transaction, such as a party who plays more than one role in the same transaction.</p> <table border="1" data-bbox="378 1650 1528 1929"> <thead> <tr> <th colspan="2" data-bbox="378 1650 1528 1682"> Non-arm's length (Identity of Interest) and At-Interest Transactions </th> </tr> <tr> <th data-bbox="378 1682 1097 1713"> Eligible Transactions </th> <th data-bbox="1097 1682 1528 1713"> Ineligible Transactions </th> </tr> </thead> <tbody> <tr> <td data-bbox="378 1713 1097 1745"> Family Sales –Transaction cannot appear to be bail-out. </td> <td data-bbox="1097 1713 1528 1766" rowspan="4"> Title changes from LLC/partnership to an individual on Freddie Mac's LPA loans. </td> </tr> <tr> <td data-bbox="378 1745 1097 1776"> Employer/Employee Sales </td> </tr> <tr> <td data-bbox="378 1776 1097 1881"> Gifts of equity are acceptable, as long as the amount of equity has been verified. The donor must provide a gift letter. Equity gifts are only allowed after the required minimum down payment has been made from the borrower's own funds. </td> </tr> <tr> <td data-bbox="378 1881 1097 1929"> Builder also acting as realtor/broker-unless they are different entities or affiliates of the same company </td> </tr> </tbody> </table>	Non-arm's length (Identity of Interest) and At-Interest Transactions		Eligible Transactions	Ineligible Transactions	Family Sales –Transaction cannot appear to be bail-out.	Title changes from LLC/partnership to an individual on Freddie Mac's LPA loans.	Employer/Employee Sales	Gifts of equity are acceptable, as long as the amount of equity has been verified. The donor must provide a gift letter. Equity gifts are only allowed after the required minimum down payment has been made from the borrower's own funds.	Builder also acting as realtor/broker-unless they are different entities or affiliates of the same company
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Non-arm's length (Identity of Interest) and At-Interest Transactions (cont)	Realtor/broker selling his/her own property Realtor/Broker acting as listing/selling agent and Mortgage Broker-unless they are different entities or affiliates of the same company.					
Property Surveys	Sellers will be required to obtain a new survey if the title company requires a new survey in order to delete an exception.					
Qualified Mortgage (QM) / TRID	<ul style="list-style-type: none"> • A current compliance report with a schedule of pre-paid finance charges used in the calculation of the APR must be provided in the closed loan file to evidence a Qualified Mortgage in Compliance with Agencies, TRID, and Reg Z. • The file must contain documentation to support the borrower's most recent rate lock date with the lender. • All loans, including investment properties, must be deemed QM Safe Harbor to be eligible for purchase. • Bona Fide Discount Points: All files must contain a Discount Point Fee Disclosure document when Discount Points must be excluded to qualify as a QM. • All Loan Estimates and Closing Disclosures provided to the borrower must be included in the closed loan package. If Draft Documents are not clearly stamped DRAFT then a signed attestation from a Vice President or higher is required to document the specific disclosure is a draft and was not provided to the borrower. • Required TRID disclosure waiting periods may not be waived. 					
Subordinate Financing	<ul style="list-style-type: none"> • Equity share or shared appreciation is ineligible. • Subordinate financing from the borrower's employer may not include a provision requiring repayment upon termination. • Subordinate financing from the property seller (seller carry-back, including any property seller or other private party carried financing) <ul style="list-style-type: none"> ◦ Allowed only after the borrower has made a 5% minimum down payment / cash investment. ◦ Must be considered in the interested party contribution limits. ◦ Should be at market rate. • Texas refinance transactions which include the re-subordination of a 50(a)(6) second lien, may not exceed the lesser of the maximum product LTV/CLTV/HCLTV or 80% LTV/CLTV/HCLTV. <p>For new and existing Closed-End subordinate financing the following also apply:</p> <ul style="list-style-type: none"> • Maturity date or amortization basis of the junior lien must not be less than five years after the date printed on the Note of the first lien Mortgage unless the junior lien is fully amortizing. • The loan cannot have a balloon or call option within five years of the date printed on the Note. <p>Note: The terms of a HELOC may allow a balloon or call option within the first five years of the first Mortgage Note date.</p> <p>Home Equity Lines of Credit (HELOCs): If an existing HELOC is reduced without modifying the original Note, the original line limit must be used to calculate the HCLTV ratio.</p> <p>Documentation requirements for all subordinate financing:</p> <table border="1" data-bbox="378 1591 1547 1759"> <tr> <td data-bbox="378 1591 841 1650"> <ul style="list-style-type: none"> • Mortgage Note </td> <td data-bbox="841 1591 1547 1650"> <ul style="list-style-type: none"> • Final Closing Disclosure evidencing proceeds (for new subordinate loans only). </td> </tr> <tr> <td data-bbox="378 1650 841 1759"> <ul style="list-style-type: none"> • Subordination or Re-subordination Agreement </td> <td data-bbox="841 1650 1547 1759"> <ul style="list-style-type: none"> • Terms of subordinate financing must be verified in file. HELOCs with outstanding balances where payment is not verified on the credit report, provide either a current billing statement or calculate a payment using the greater of \$10 or 5% of the outstanding balance. </td> </tr> </table>		<ul style="list-style-type: none"> • Mortgage Note 	<ul style="list-style-type: none"> • Final Closing Disclosure evidencing proceeds (for new subordinate loans only). 	<ul style="list-style-type: none"> • Subordination or Re-subordination Agreement 	<ul style="list-style-type: none"> • Terms of subordinate financing must be verified in file. HELOCs with outstanding balances where payment is not verified on the credit report, provide either a current billing statement or calculate a payment using the greater of \$10 or 5% of the outstanding balance.
<ul style="list-style-type: none"> • Mortgage Note 	<ul style="list-style-type: none"> • Final Closing Disclosure evidencing proceeds (for new subordinate loans only). 					
<ul style="list-style-type: none"> • Subordination or Re-subordination Agreement 	<ul style="list-style-type: none"> • Terms of subordinate financing must be verified in file. HELOCs with outstanding balances where payment is not verified on the credit report, provide either a current billing statement or calculate a payment using the greater of \$10 or 5% of the outstanding balance. 					
Uniform Closing Dataset	<ul style="list-style-type: none"> • Include the final UCD submission response from either Fannie Mae or Freddie Mac <ul style="list-style-type: none"> ◦ Fannie Mae-- UCD report reflecting "Successful" with no fatal edit messages. ◦ Freddie Mac-- Loan Closing Advisor (LCA) Feedback Certificate reflecting "Satisfied" with no red critical messages. • Include the latest Closing Disclosure matching the UCD file submitted to the applicable agency. • Transfer and/or assign the UCD file to AIG Investments by the loan's purchase date. (Sellers may provide successful/satisfied UCD submission responses from <u>both</u> Fannie Mae and Freddie Mac to forgo assigning or transferring the UCD file to AIG Investments) • Ensure the DU casefile ID or LPA Key ID number matches the UCD file. 					

