

## DU Refi Plus

This matrix is intended as an aid to help determine whether a property/loan qualifies for certain financing. It is not intended as a replacement for Fannie Mae guidelines. Users are expected to know and comply with Fannie Mae's requirements.

**NOTE:** This matrix includes overlays which may be **more restrictive** than Fannie Mae's requirements. A thorough reading of this matrix is recommended.

### Program Qualifications

- Eligible loans are conforming and high balance loans receiving DU Version 9.3 or later Approve/Eligible
- Loans eligible for refinance must have been purchased by Fannie Mae with a Note Date prior to June 1, 2009.
- **The DU Refi Plus program has been extended to December 31, 2018. Mortgage loans must have application dates on or before December 31, 2018. A new high loan-to-value (LTV) Fannie Mae to Fannie Mae refinance option is scheduled to be available for new loan refinances with note dates on or after January 1, 2019.**
- Use the following link to determine if Fannie Mae owns the loan. <http://www.fanniemae.com/loanlookup/>

### Eligibility Matrix Loan Amount & LTV Limitations

#### Primary Residence Rate & Term Refinance (Conforming and High Balance Loan Amounts)

Credit Score	Units	LTV w/out Sec Fin <sup>3</sup>	LTV w/Sec Fin <sup>3</sup>	CLTV w/Sec Fin	HCLTV <sup>1</sup>
No Minimum <sup>4</sup>	1-4	Unlimited	Unlimited	Unlimited	Unlimited

#### Second Home Rate & Term Refinance (Conforming and High Balance Loan Amounts)

Credit Score	Units	LTV w/out Sec Fin <sup>3</sup>	LTV w/Sec Fin <sup>3</sup>	CLTV w/Sec Fin	HCLTV <sup>1</sup>
No Minimum <sup>4</sup>	1	Unlimited	Unlimited	Unlimited	Unlimited

#### Investment Rate & Term Refinance (Conforming and High Balance Loan Amounts)

Credit Score	Units	LTV w/out Sec Fin	LTV w/Sec Fin	CLTV w/Sec Fin	HCLTV <sup>1</sup>
No Minimum <sup>4</sup>	1-4	Unlimited	Unlimited	Unlimited	Unlimited

#### Footnotes:

- 1 HCLTV (HELOC CLTV) = first lien balance + total HELOC amount (funded plus unfunded portion) ÷ the lesser of the appraised value or sales price if applicable.
- 2 Condominiums – A review of the condo project is not required. Any condo may not be a condo hotel or motel, condo co-op hotel or motel, houseboat project, or a timeshare or segmented ownership project. Confirmation of hazard, flood, liability, and fidelity insurance coverage is required. DU Refi Plus condos must use Project Type V (property in a condo project).
- 3 Manufactured Homes – Unlimited LTV/CLTV/HCLTV - **See MFH Restrictions in Property Types**
- 4 There is no minimum score required to establish eligibility, however each borrower must generate at least one credit score and the file must receive a DU Approve/Eligible recommendation. Manual underwriting is not allowed.

### Maximum Loan Amount

2017 Conforming Maximum Loan Amounts (available 12/10/16)		
Units	Continental US	Alaska & Hawaii
1	\$424,100	\$636,150
2	\$543,000	\$814,500
3	\$656,350	\$984,525
4	\$815,650	\$1,223,475

2017 High Balance Loan Amounts (available 1/1/17)				
Units	Continental US		Alaska and Hawaii	
	Minimum Loan	Maximum Loan	Minimum Loan	Maximum Loan
1	\$424,101	\$636,150	\$636,151	\$954,225
2	\$543,001	\$814,500	\$814,501	\$1,221,750
3	\$656,351	\$984,525	\$984,526	\$1,476,775
4	\$815,651	\$1,223,475	\$1,223,476	\$1,835,200

Permanent High Cost area the maximum potential loan limits for designated high-cost areas. Actual loan limits are established for each county (or equivalent) and the loan limits for specific high-cost areas may be lower. The original balance of a Mortgage must

## DU Refi Plus

not exceed the maximum loan limit for the specific areas in which the Mortgage Premises is located. For specific loan limits for each high cost area, as released by the Federal Housing Finance Agency visit <http://www.fhfa.gov/Default.aspx?Page=185>

### Product Description

- Fixed Rate 20, 25 and 30 years
- Fixed Rate 15 years
- ARM programs are ineligible

### Product Codes

- When applicable the product code must identify the LTV (i.e., ML = Mid LTV or HL = High LTV)

#### 15 Years

LTV	Product Code
105% LTV and less	CF15RP Conv FRM 15 Refi Plus
105% LTV and less	CF15RPHB Conv FRM15 Refi Plus HiBal
105.01 - 125% LTV	CF15RPM L Conv FRM15 Refi Plus Mid LTV
105.01 - 125% LTV	CF15RPMLHB Conv FRM15 Refi Plus Mid LTV HiBal
125.01% LTV and above	CF15RPHL Conv FRM15 Refi Plus High LTV
125.01% LTV and above	CF15RPHLHB Conv FRM15 Refi Plus High LTV HiBal

#### 20 Years

LTV	Product Code
105% LTV and less	CF20RP Conv FRM 20 Refi Plus
105% LTV and less	CF20RPHB Conv FRM20 Refi Plus HiBal
105.01 - 125% LTV	CF20RPML Conv FRM 20 Refi Plus Mid LTV
105.01 - 125% LTV	CF20RPMLHB Conv FRM 20 Refi Plus Mid LTV HiBal
125.01% LTV and above	CF20RPHL Conv FRM 20 Refi Plus High LTV
125.01% LTV and above	CF20RPHLHB Conv FRM 20 Refi Plus High LTV HiBal

#### 25 Years

LTV	Product Code
105% LTV and less	CF25RP Conv FRM 20 Refi Plus
105% LTV and less	CF25RPHB Conv FRM 20 Refi Plus HiBal
105.01 - 125% LTV	CF25RPML Conv FRM 20 Refi Plus Mid LTV
105.01 - 125% LTV	CF25RPMLHB Conv FRM 20 Refi Plus Mid LTV HiBal
125.01% LTV and above	CF25RPHL Conv FRM 20 Refi Plus High LTV
125.01% LTV and above	CF25RPHLHB Conv FRM 20 Refi Plus High LTV HiBal

#### 30 Years

LTV	Product Code
105% LTV and less	CF30RP Conv FRM 30 Refi Plus
105% LTV and less	CF30RPHB Conv FRM30 Refi Plus HiBal
105.01 - 125% LTV	CF30RPML Conv FRM 30 Refi Plus Mid LTV
105.01 - 125% LTV	CF30RPMLHB Conv FRM 30 Refi Plus Mid LTV HiBal
125.01% LTV and above	CF30RPHL Conv FRM 30 Refi Plus High LTV
125.01% LTV and above	CF30RPHLHB Conv FRM 30 Refi Plus High LTV HiBal

### Eligibility Requirements

<b>Appraisal</b>	<p>Document as determined by the DU AUS Findings as follows.</p> <p><b>DU Version 9.1 and later (Retirement of Estimated Value Message)</b>  The message issued on DU Refi Plus loan casefiles that specifies the estimated value of the property used by DU to determine eligibility for the DU Refi Plus property fieldwork waiver will no longer be issued on DU Version 9.1 and later casefiles. The retirement of this message will in no way impact the number of loan casefiles that are eligible for the DU Refi Plus property fieldwork waiver.</p> <p>If a DU Refi Plus loan is submitted to DU with an assumed value and a waiver (PIW) is received with the DU findings there is no further action required.</p> <p><b>Important:</b> The DU Refi Plus property fieldwork waiver may only be exercised if the property fieldwork waiver</p>
------------------	---

## DU Refi Plus

	<p>message is issued on the final submission to DU. The DU Refi Plus property fieldwork waiver offer must have been issued no more than 120 days prior to the note date.</p> <p>The following “Insufficient Information” message will be issued on DU Refi Plus findings if the subject property address cannot be standardized or the database does not contain sufficient information about the property to issue an estimated value:</p> <p style="text-align: center;"><i>Based on the address and other information available to Desktop Underwriter, this property is not eligible for a DU Refi Plus property fieldwork waiver.</i></p> <p>If upon resubmission to DU, a waiver (PIW) is not returned <b>OR</b> if the “Insufficient Information” message is issued and the addresses cannot be corrected to clear the message an appraisal must be ordered as indicated on the DU findings.</p> <ul style="list-style-type: none"> <li>When an appraisal is required, the Condition Rating must be C4 or better; C5 and C6 are ineligible</li> </ul> <p>Form 1007 is not required on DU Refi Plus loans if borrower is refinancing an investment property and using rental income to qualify. Disregard DU messaging that requires the Form 1007. (See <i>Income</i>)</p> <p>Rural properties require a minimum of 3 comps within the past 6 months within 10 miles of the subject property</p> <p>Transferred appraisal ineligible</p>				
<b>Appraiser Requirements</b>	<p style="background-color: yellow;">If an appraisal is required: Impac will not accept appraisals from appraisers on probation with any regulatory agency. No exceptions. Brokers/Lenders/Correspondent Sellers are required to check on transferred appraisals to ensure the above requirement is met.</p>				
<b>Assets</b>	<p>Document specific asset items per FNMA Announcement SEL-2012-09 (see below). The messages on the DU Underwriting Findings report may not reflect the requirements below. You may disregard the message in DU if it differs from these requirements. DU messaging will be updated at a later date.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 50%;">Asset Type</th> <th style="width: 50%;">Documentation Requirement</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> <li>Checking Accounts</li> <li>Savings Accounts</li> <li>Certificates of Deposit</li> <li>Money Market Accounts</li> <li>Stocks, Bonds, Mutual Funds</li> <li>Retirement Accounts</li> <li>Trust Accounts</li> <li>Secured Borrowed Funds</li> <li>Donations from Entities (Hardest Hit Funds)</li> <li>Gifts</li> </ul> </td> <td style="vertical-align: top;"> <p>One recent statement (monthly, quarterly, or annual) showing asset balance</p> <p>Fannie Mae’s standard policy regarding “discounting” of certain assets applies if the assets are required to satisfy DU reserve requirements.</p> </td> </tr> </tbody> </table> <p>Reserves</p> <ul style="list-style-type: none"> <li>Additional reserves may be required by DU based on risk</li> </ul> <p>Primary Residence</p> <ul style="list-style-type: none"> <li>No minimum PITIA except as indicated by DU</li> </ul> <p>Second Homes</p> <ul style="list-style-type: none"> <li>Per DU, refer to <i>Limitations on Other Real Estate Owned</i> for reserve requirements</li> </ul> <p>Investment Properties</p> <ul style="list-style-type: none"> <li>Per DU, refer to <i>Limitations on Other Real Estate Owned</i> for reserve requirements</li> </ul> <p>Asset statements do not require analysis for large deposits.</p>	Asset Type	Documentation Requirement	<ul style="list-style-type: none"> <li>Checking Accounts</li> <li>Savings Accounts</li> <li>Certificates of Deposit</li> <li>Money Market Accounts</li> <li>Stocks, Bonds, Mutual Funds</li> <li>Retirement Accounts</li> <li>Trust Accounts</li> <li>Secured Borrowed Funds</li> <li>Donations from Entities (Hardest Hit Funds)</li> <li>Gifts</li> </ul>	<p>One recent statement (monthly, quarterly, or annual) showing asset balance</p> <p>Fannie Mae’s standard policy regarding “discounting” of certain assets applies if the assets are required to satisfy DU reserve requirements.</p>
Asset Type	Documentation Requirement				
<ul style="list-style-type: none"> <li>Checking Accounts</li> <li>Savings Accounts</li> <li>Certificates of Deposit</li> <li>Money Market Accounts</li> <li>Stocks, Bonds, Mutual Funds</li> <li>Retirement Accounts</li> <li>Trust Accounts</li> <li>Secured Borrowed Funds</li> <li>Donations from Entities (Hardest Hit Funds)</li> <li>Gifts</li> </ul>	<p>One recent statement (monthly, quarterly, or annual) showing asset balance</p> <p>Fannie Mae’s standard policy regarding “discounting” of certain assets applies if the assets are required to satisfy DU reserve requirements.</p>				
<b>Assumptions</b>	<b>Ineligible</b>				
<b>Borrower Eligibility</b>	<p>An existing borrower may be removed from the transaction for any reason</p> <ul style="list-style-type: none"> <li>Borrower being removed does <u>not</u> need to be removed from deed</li> <li>Remaining borrower does <u>not</u> need to provide history of sole payment of mortgage</li> <li>DU messaging for both of these above items will be updated at a later date</li> </ul>				

## DU Refi Plus

	<p>A new borrower may be added to the new loan provided the original borrower remains.</p> <p>A borrower may not “buy out” the interest of another borrower that is being removed via a DU Refi Plus loan.</p> <p>Eligible</p> <ul style="list-style-type: none"> <li>• Permanent resident alien</li> <li>• Non-Permanent Resident Alien limited to 80% LTV, primary residence. Other restrictions apply.</li> <li>• Inter Vivos Revocable Trust (FNMA B2-2-05) <ul style="list-style-type: none"> <li>• Note: A Power of Attorney is not allowed on properties held in a trust</li> </ul> </li> </ul> <p>Ineligible</p> <ul style="list-style-type: none"> <li>• Foreign Nationals ineligible</li> </ul>
<b>Co-borrowers</b>	<p>DU Approve/Eligible</p> <ul style="list-style-type: none"> <li>• Ratios determined by DU, refer to <i>Loan Amount and LTV Limitation</i> for minimum credit score</li> </ul> <p>Non-occupant co-borrowers are allowed (both existing and new) per DU.  Note: DU will analyze the risk factors in the loan case file without the benefit of the non-occupant co-borrower’s income or liabilities and will not require verification of employment or income for the non-occupant co-borrower.</p>
<b>Credit</b>	<p>DU Approve/Eligible</p> <ul style="list-style-type: none"> <li>• Credit score requirements refer to <i>Loan Amount and LTV Limitations</i></li> <li>• Housing (Mortgage/Rental) Payment History (PITIA) is inclusive of all liens regardless of position, as well as all occupancy types. <ul style="list-style-type: none"> <li>• Mortgage history evaluated by DU</li> <li>• Mortgage/Rental Delinquencies – Loans are ineligible with one or more mortgage/rental delinquencies of 60, 90, 120, 150 days or greater reported within 12 months of the date of the credit report.</li> </ul> </li> </ul> <p><b><u>Bankruptcy, Foreclosure, Deed-In-Lieu of Foreclosure and Pre-foreclosure Sale (aka Short Sale)</u></b>  The standard waiting period and re-establishment of credit criteria following a bankruptcy, foreclosure, deed-in-lieu of foreclosure, or pre-foreclosure sale is being removed for DU Refi Plus loan casefiles. DU will issue a message on loan casefiles for borrowers with a previous bankruptcy, foreclosure, deed-in-lieu of foreclosure, or pre-foreclosure sale letting the lender know that DU did identify the event and that the loan casefile would be eligible for delivery to Fannie Mae, regardless of when the event occurred.</p> <p>DU will also not require the lender to investigate judgments, bankruptcies, foreclosures, or lawsuits declared by the borrower in the Declarations section of the loan application on DU Refi Plus loan casefiles.</p> <p><b><u>NOTE:</u></b> Though the waiting period requirements for a previous bankruptcy, foreclosure, deed-in-lieu of foreclosure, or pre-foreclosure sale have been removed for borrowers refinancing using DU Refi Plus, the borrowers must still meet the Excessive Mortgage Delinquency policy. DU Refi Plus loan casefiles will receive an Ineligible recommendation due to excessive prior mortgage delinquency if the borrower has a mortgage tradeline on his or her credit report that has one or more 60-, 90-, 120-, or 150-day delinquency reported within the 12 months prior to the credit report date. This is also the case if the mortgage tradeline was one that was subject to a bankruptcy, foreclosure, deed-in-lieu of foreclosure, or pre-foreclosure sale.</p>
<b>Documentation</b>	<p>Document specific income and asset items per FNMA Announcement SEL-2012-09. DU messaging will be updated at a later date. Follow FNMA Selling Guide per AUS Approve/Eligible</p> <p>Impac will accept digitally signed documents per FNMA guidelines.</p>
<b>Escrow Waivers</b>	<p>Property tax and insurance escrows may be waived as follows:</p> <ul style="list-style-type: none"> <li>• All loans with LTV ≤ 80%</li> </ul> <p>California Only: Escrows may be waived for <u>primary residence</u> &lt; 90% LTV  Note: Impounds are <u>always</u> required when the loan has monthly mortgage insurance premium</p>
<b>Financing Types</b>	<p>Rate and Term Refinances only</p> <ul style="list-style-type: none"> <li>• Pay off the existing first mortgage. Delinquent taxes/escrow shortages must not be included in the loan amount. Borrower must pay using own funds.</li> <li>• Closing costs, prepaid costs and discount points eligible to be included in the loan amount.</li> <li>• The borrower may not receive more than \$250 cash back at closing. Excess funds greater than \$250 will be used as principal curtailment.</li> <li>• Existing mortgage loans that have been modified, or are in the process of being modified, are eligible for refinance under DU Refi Plus provided they meet the other requirements of this program.</li> <li>• Borrower must receive a tangible benefit from this loan in the form of reduced monthly payment or more stable product selection. <ul style="list-style-type: none"> <li>• Increasing the loan term (e.g., from 15 to 30 years) of the loan is not considered a movement</li> </ul> </li> </ul>

## DU Refi Plus

	<p>to a more stable product. <b>DU does not make the determination the DU Refi Plus transaction will be a benefit to the borrower.</b></p> <ul style="list-style-type: none"> <li>• New subordinate financing is ineligible</li> <li>• Properties listed for sale are eligible as follows. <ul style="list-style-type: none"> <li>• Property has been taken off the market on or before the application date.</li> <li>• Borrower provides written confirmation of the intent to occupy if a primary residence</li> </ul> </li> <li>• Owner occupied properties located in Texas <ul style="list-style-type: none"> <li>• 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 ineligible for DU Refi Plus.</li> <li>• 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 first mortgage and a subordination agreement must be executed. Borrower cannot receive any cash back from the first mortgage transaction.</li> <li>• If a Texas Section 50(a)(6) second lien is being paid off, the loan is ineligible for DU Refi Plus.</li> <li>• The title policy will reference Texas Section 50(a)(6) loans.</li> </ul> </li> </ul> <p><b>New York Consolidation, Extension &amp; Modification Agreement (NY CEMA)</b>  For all Impac refinance products, property located in the state of New York may be structured as a Consolidation, Extension, and Modification Agreement (CEMA) transaction. The most current version of Fannie Mae/Freddie Mac Uniform Instrument (Form 3172) must be used. The following documentation must be provided:</p> <ul style="list-style-type: none"> <li>• NY Consolidation, Extension and Modification Agreement (Form 3172)</li> <li>• Original Note(s) – Original documents signed by the borrower</li> <li>• Gap Note and Gap Mortgage, if applicable</li> <li>• Consolidated Note – Original documents signed by the borrower</li> <li>• Exhibit A – Listing of all Notes &amp; Mortgages being consolidated, extended and modified</li> <li>• Exhibit B – Legal description of the subject property</li> <li>• Exhibit C – Copy of the consolidated Note</li> <li>• Exhibit D – Copy of the consolidated Mortgage</li> </ul> <p>Lost Note Affidavits are not an acceptable substitute for any of the required documents. If original documentation cannot be provided per above, then a CEMA is not allowed.</p>						
<p><b>Geographic Locations/Restrictions, as applicable</b></p>	<p>Eligible states are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Correspondent:</b> All states (including DC) are eligible</li> </ul> <p>See <i>New York Consolidation, Extension &amp; Modification Agreement (NY CEMA)</i> in <i>Financing Types</i> section above.</p> <p><b>Additional restrictions as follows:</b>  Hawaiian Lava-Flow Hazard Zones – The U.S. Geological Survey (USGS) categorizes the <u>island of Hawaii</u> into nine "lava zones" based on each zone's probability of exposure to lava flows caused by volcanic eruption. Properties in lava zones 1 and 2 are not eligible for loans funded or purchased by Impac Mortgage Corp. due to increased risk of property destruction from lava flows within these areas. The Hawaii Lava-Flow Hazard Zone Map can be accessed at: <a href="http://hvo.wr.usgs.gov/hazards/FAQ_LavaFlowHazardZone/">http://hvo.wr.usgs.gov/hazards/FAQ_LavaFlowHazardZone/</a> and <a href="http://pubs.usgs.gov/mf/1992/2193/">http://pubs.usgs.gov/mf/1992/2193/</a></p> <p>Texas Cash-out 50(a)(6) is ineligible</p> <p>State specific regulatory requirements supersede all underwriting guidelines set forth by Impac.</p>						
<p><b>High-Cost Mortgage Loans</b></p>	<p>Impac does not originate or purchase high-cost mortgage loans (12 CFR 1026.32)</p>						
<p><b>Income</b></p>	<p>Document specific income per FNMA Announcement SEL-2012-09 (see below). The messages on the DU Underwriting Findings report may not reflect the requirements below. You may disregard the message in DU if it differs from these requirements. DU messaging will be updated at a later date. Verification of borrower's history of receipt of income or the anticipated continuity of the income is not required.</p> <table border="1" data-bbox="440 1703 1487 1904"> <thead> <tr> <th data-bbox="440 1703 688 1730">Income Type</th> <th data-bbox="688 1703 1487 1730">Documentation Requirement</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1730 688 1808"><b>All Employment Income</b></td> <td data-bbox="688 1730 1487 1808">Verbal verification of employment See FNMA Selling Guide B3-3.1-07 for additional requirements.</td> </tr> <tr> <td data-bbox="440 1808 688 1904"><b>Base Pay (salary or hourly) Bonus and Overtime Income</b></td> <td data-bbox="688 1808 1487 1904">One paystub Applies to primary employment, secondary employment (second job and multiple jobs), and seasonal income.</td> </tr> </tbody> </table>	Income Type	Documentation Requirement	<b>All Employment Income</b>	Verbal verification of employment See FNMA Selling Guide B3-3.1-07 for additional requirements.	<b>Base Pay (salary or hourly) Bonus and Overtime Income</b>	One paystub Applies to primary employment, secondary employment (second job and multiple jobs), and seasonal income.
Income Type	Documentation Requirement						
<b>All Employment Income</b>	Verbal verification of employment See FNMA Selling Guide B3-3.1-07 for additional requirements.						
<b>Base Pay (salary or hourly) Bonus and Overtime Income</b>	One paystub Applies to primary employment, secondary employment (second job and multiple jobs), and seasonal income.						

## DU Refi Plus

	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"><b>Commission Income</b></td> <td>One paystub or one year personal tax return Applies without regard to the percentage of commission earnings.</td> </tr> <tr> <td><b>Self-Employment</b></td> <td>One year personal tax return Applies to primary and secondary self-employment.</td> </tr> <tr> <td><b>Alimony or Child Support</b></td> <td>Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt.</td> </tr> <tr> <td><b>Employment-Related Assets as Qualifying Income</b></td> <td>Lender must obtain standard documentation for this type of income as described in FNMA Selling Guide B3-3.1-09, Other Source of Income.</td> </tr> <tr> <td><b>Rental Income</b></td> <td>Lease or one year personal tax return (Form 1007 is not required) Applies to rental income from subject or other properties owned by the borrower. Disregard DU messaging that requires the Form 1007.  Reminder: FNMA requires gross monthly rent to be reported for all investment properties and 2-4 unit principal residence properties, regardless of whether the borrower is using rental income to qualify for the mortgage loan. See FNMA Selling Guide, A3-4-02, Data Quality and Integrity for additional information.</td> </tr> <tr> <td><b>Retirement and Pension</b></td> <td>One of the following: award letter, one year personal tax return, W-2 or 1099 form or one month bank statement reflecting direct deposit.</td> </tr> <tr> <td><b>Social Security</b></td> <td>One of the following: award letter, one year personal tax return, Form SSA-1099, or one month bank statement reflecting direct deposit.</td> </tr> <tr> <td><b>Temporary Leave Income</b></td> <td>Lender must receive: the borrower's written confirmation of his or her intent to return to work, and no evidence or information from the borrower's employer indicating that the borrower does not have the right to return to work after the leave period  Regardless of the date of return, the amount of the "regular employment income" the borrower received prior to the temporary leave must be used to qualify.</td> </tr> <tr> <td><b>All Other Income Types</b></td> <td>Underwriter will determine appropriate documentation.  Examples include (but are not limited to): an award letter or equivalent documentation or agreement, one paystub or equivalent documentation, one year personal tax return, IRS 1099 Form, or one month bank statement reflecting direct deposit.</td> </tr> </table>	<b>Commission Income</b>	One paystub or one year personal tax return Applies without regard to the percentage of commission earnings.	<b>Self-Employment</b>	One year personal tax return Applies to primary and secondary self-employment.	<b>Alimony or Child Support</b>	Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt.	<b>Employment-Related Assets as Qualifying Income</b>	Lender must obtain standard documentation for this type of income as described in FNMA Selling Guide B3-3.1-09, Other Source of Income.	<b>Rental Income</b>	Lease or one year personal tax return (Form 1007 is not required) Applies to rental income from subject or other properties owned by the borrower. Disregard DU messaging that requires the Form 1007.  Reminder: FNMA requires gross monthly rent to be reported for all investment properties and 2-4 unit principal residence properties, regardless of whether the borrower is using rental income to qualify for the mortgage loan. See FNMA Selling Guide, A3-4-02, Data Quality and Integrity for additional information.	<b>Retirement and Pension</b>	One of the following: award letter, one year personal tax return, W-2 or 1099 form or one month bank statement reflecting direct deposit.	<b>Social Security</b>	One of the following: award letter, one year personal tax return, Form SSA-1099, or one month bank statement reflecting direct deposit.	<b>Temporary Leave Income</b>	Lender must receive: the borrower's written confirmation of his or her intent to return to work, and no evidence or information from the borrower's employer indicating that the borrower does not have the right to return to work after the leave period  Regardless of the date of return, the amount of the "regular employment income" the borrower received prior to the temporary leave must be used to qualify.	<b>All Other Income Types</b>	Underwriter will determine appropriate documentation.  Examples include (but are not limited to): an award letter or equivalent documentation or agreement, one paystub or equivalent documentation, one year personal tax return, IRS 1099 Form, or one month bank statement reflecting direct deposit.
<b>Commission Income</b>	One paystub or one year personal tax return Applies without regard to the percentage of commission earnings.																		
<b>Self-Employment</b>	One year personal tax return Applies to primary and secondary self-employment.																		
<b>Alimony or Child Support</b>	Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt.																		
<b>Employment-Related Assets as Qualifying Income</b>	Lender must obtain standard documentation for this type of income as described in FNMA Selling Guide B3-3.1-09, Other Source of Income.																		
<b>Rental Income</b>	Lease or one year personal tax return (Form 1007 is not required) Applies to rental income from subject or other properties owned by the borrower. Disregard DU messaging that requires the Form 1007.  Reminder: FNMA requires gross monthly rent to be reported for all investment properties and 2-4 unit principal residence properties, regardless of whether the borrower is using rental income to qualify for the mortgage loan. See FNMA Selling Guide, A3-4-02, Data Quality and Integrity for additional information.																		
<b>Retirement and Pension</b>	One of the following: award letter, one year personal tax return, W-2 or 1099 form or one month bank statement reflecting direct deposit.																		
<b>Social Security</b>	One of the following: award letter, one year personal tax return, Form SSA-1099, or one month bank statement reflecting direct deposit.																		
<b>Temporary Leave Income</b>	Lender must receive: the borrower's written confirmation of his or her intent to return to work, and no evidence or information from the borrower's employer indicating that the borrower does not have the right to return to work after the leave period  Regardless of the date of return, the amount of the "regular employment income" the borrower received prior to the temporary leave must be used to qualify.																		
<b>All Other Income Types</b>	Underwriter will determine appropriate documentation.  Examples include (but are not limited to): an award letter or equivalent documentation or agreement, one paystub or equivalent documentation, one year personal tax return, IRS 1099 Form, or one month bank statement reflecting direct deposit.																		
<b>Limitations on Other Real Estate Owned</b>	<p>Multiple Loans to the Same Borrower</p> <ul style="list-style-type: none"> <li>• Maximum 20% concentration in any one project or subdivision</li> <li>• Maximum 10 financed properties, including subject property, regardless of occupancy</li> <li>• Impac will purchase loans on up to 8 properties for one borrower or \$2 million, whichever is less</li> <li>• Assets and reserves documented per DU Findings.</li> </ul>																		
<b>Mortgage Insurance</b>	<p>If the original transaction LTV was ≤80%, mortgage insurance is not required on the subject refinance. If the original transaction LTV was &gt; 80% and mortgage insurance was previously cancelled or terminated in accordance with Fannie Mae guidelines, Mortgage Insurance is not required on the subject refinance. If the LTV on the subject refinance is ≤ 80% then no mortgage insurance is required. If the LTV on the subject refinance is &gt;80% and the original transaction had Mortgage Insurance in any form and not cancelled as above, the loan is eligible with a mortgage insurance modification as follows:</p> <ul style="list-style-type: none"> <li>• <b><u>Mortgage Insurance modifications are eligible with the following MI companies only:</u></b> <ul style="list-style-type: none"> <li>○ Essent Guaranty, Inc.</li> <li>○ Genworth (Note: FNMA AUS findings may still refer to GE or GEMICO as existing insurer. These are predecessor companies to Genworth. Final MI modification must be confirmed with Genworth MI Certificate.</li> <li>○ MGIC</li> <li>○ Radian:</li> <li>○ RMIC</li> <li>○ United Guaranty (UG)</li> <li>○ PMI</li> <li>○ CMG (due to acquisition, new certificate from "Arch MI")</li> <li>○ Arch MI</li> </ul> </li> <li>• Eligible modified certificate must be as follows. <ul style="list-style-type: none"> <li>• Financed MI</li> </ul> </li> </ul>																		



## DU Refi Plus

	<ul style="list-style-type: none"> <li>• LPMI single premium already paid</li> <li>• Single Premium already paid</li> <li>• Split Premium initial already paid with monthly MI</li> <li>• Borrower Paid monthly</li> </ul> <p>Underwriter to verify existing mortgage insurance and submit modification request to the applicable MI Company</p> <p>Ineligible MI</p> <ul style="list-style-type: none"> <li>• Lender paid pool coverage (referred to as GSE pool insurance)</li> <li>• Investor – paid pool coverage</li> <li>• Loans covered by recourse and/or indemnification agreements</li> <li>• Secondary market coverage agreements</li> <li>• <b>MI from any other company than those listed above is INELIGIBLE</b></li> </ul>
<p><b>Occupancy</b></p>	<p>Primary Residence – 1-4 units            Second Homes – 1 unit only            Investment Properties – 1-4 units</p> <p>NOTE: The existing loan and the new DU Refi Plus loan do not have to represent the same occupancy.</p>
<p><b>Prepayment Penalty</b></p>	<p>None</p>
<p><b>Program Restrictions</b></p>	<p>Community Land Trusts – Mortgage loans secured by a leasehold estate on property owned by a community land trust are <b>ineligible</b>.</p> <p>Property Assessed Clean Energy (PACE) – Mortgages secured by properties with an outstanding Property Assessed Clean Energy (PACE) or PACE-like obligation (e.g., Home Energy Renovation Opportunity (HERO) loan) are <b>ineligible</b>.</p>
<p><b>Property Types</b></p>	<p>Eligible</p> <ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• Modular Pre-Cut/Panelized Housing</li> <li>• PUDs – Fannie Mae eligible project type project code to be used is E (property in a PUD)</li> <li>• Condos – Fannie Mae eligible project type code is to be used is V (property in a condo project)           <ul style="list-style-type: none"> <li>• Project review not required for Condominium and PUD</li> <li>• Satisfactory verification must be provided verifying subject property <b>is not</b> one of the following.               <ul style="list-style-type: none"> <li>• Condominium hotel or motel</li> <li>• Cooperative hotel or motel</li> <li>• Houseboat project</li> <li>• Timeshare or segmented ownership project.</li> </ul> </li> <li>• Confirmation of hazard, flood and liability insurance coverage is required.</li> </ul> </li> <li>• Maximum Acreage = 25 acres</li> <li>• <u>Manufactured Housing acceptable to FNMA and subject to the following restrictions:</u> <ul style="list-style-type: none"> <li>• Primary and Second Home Only (no investment property)</li> <li>• Multi-width property only – no single wide</li> <li>• No High Balance Loans</li> <li>• No Manufactured Homes in Condo Projects</li> <li>• MFH may not have been re-sited</li> <li>• No MFH on leased land</li> </ul> </li> <li>• Leasehold properties – Lender must confirm that the term of the leasehold estate runs for at least five years beyond the maturity date of the mortgage, unless fee simple title will vest at an earlier date (DU Version 9.1 Release Notes – updated 10/22/13). Lender is not required to perform any additional review of the leasehold terms.</li> </ul> <p>Ineligible</p> <ul style="list-style-type: none"> <li>• Condo hotel or motel</li> <li>• Co-ops</li> <li>• Cooperative hotel or motel</li> <li>• Houseboat project</li> <li>• Timeshare or segmented ownership project.</li> </ul>
<p><b>Qualifying Rate and Ratios</b></p>	<p>Qualifying Rate</p> <ul style="list-style-type: none"> <li>• Qualify at note rate</li> </ul> <p>Ratios – DU Approve/Eligible required</p> <ul style="list-style-type: none"> <li>• AUS determines the ratios at all LTVs*</li> </ul>

## DU Refi Plus

	<p><b>*NOTE: Manual DTI Ratio Adjustment Requirement</b>          Because DU is unable to determine if a DU Refi Plus loan casefile is either a higher-priced mortgage loan (HPML) or a higher-priced covered transaction (HPCT) under Regulation Z, the lender must make this determination. If the lender does determine that the loan casefile is either a higher-priced mortgage loan or a higher-priced covered transaction, the loan casefile must have a representative credit score of 620 or more and a debt-to-income ratio of 45% or less, and there must be verification of income source and amount. (FNMA Selling guide B5-5.2-02)</p> <p>The mortgage loan must comply in all respects with Regulation Z requirements for higher-priced mortgage loans and higher-priced covered transactions including underwriting and consumer protection requirements.</p> <p>An HPML (Higher Priced Mortgage Loan) is a mortgage loan secured by a principal dwelling, whereas an HPCT (Higher Priced Covered Transaction) may be secured by a principal dwelling, a second home, or it may be an investor loan (not otherwise exempt from TILA), in each case with an annual percentage rate that exceeds the applicable rate spread specified in Regulation Z.</p> <p>Under Regulation Z, 12 CFR 1026.35, HPMLs remain subject to regulatory requirements that are not applicable to HPCTs secured by second homes and investment properties, including escrow and appraisal requirements.</p>
<p><b>Secondary Financing</b></p>	<p>Subordination of existing junior liens permitted without maximum CLTV limitations</p> <ul style="list-style-type: none"> <li>Subordinate liens may not be paid via DU Refi Plus transaction (in whole or in part)</li> </ul> <p>New subordinate liens may not be added to subject transaction</p> <p><b>Exception: Hardest Hit Funds</b>          Fannie Mae permits grant-like unsecured financing provided to the borrower through a Housing Finance Agency's Hardest Hit Fund (HHF) program for the purpose of paying down the outstanding mortgage balance at the time of closing or for the payment of closing costs.</p> <p>In FNMA Selling Guide B5-5.2-01, DU Refi Plus and Refi Plus Eligibility, Fannie Mae currently requires that the loan file be documented with a copy of the promissory note or other documentation specifying the terms and conditions of the loan and include language indicating that repayment is not expected. Inclusion of the "no repayment" language in the note or other documentation is no longer required.</p> <p>However, if these documents do indicate that repayment of the HHF amount is expected, the corresponding monthly payment must be included in the debt-to-income ratio unless repayment is only due upon sale or default.</p>
<p><b>Special Feature Code</b></p>	<p>SFC codes are as follows.</p> <ul style="list-style-type: none"> <li>007 Rate Term Refi</li> <li>147 for all DU Refi Plus</li> <li>807 if lender elects to exercise the property fieldwork waiver.</li> </ul> <p>NOTE: Special feature code 150 (multiple properties) is <b>NOT</b> to be used on a DU Refi Plus loan.</p>
<p><b>Temporary Buydown</b></p>	<p>Ineligible</p>
<p><b>Underwriting</b></p>	<p>DU Approve/Eligible required          Loan must be underwritten by Fannie Mae DU and receive eligibility findings for DU Refi Plus Program. DU must state eligibility for this program.</p> <p><b>NOTE: The last DU Findings retained in the loan file must not be later than the closing (Note Date). Ensure the DU Findings are consistent with the loan information in the loan file prior to the Note Date.</b></p> <p>Payment increase is permitted only if a more stable product (i.e., ARM to Fixed, IO to fully amortizing, shorter term) is used</p> <p><b>Borrower Benefit</b>          The borrower must receive a benefit from the refinance transaction.</p> <ul style="list-style-type: none"> <li>Acceptable borrower benefits are met if any apply as follows:             <ul style="list-style-type: none"> <li>Monthly P&amp;I decreases, or</li> <li>Loan amortization term is shortened, or</li> <li>Interest rate is reduced, or</li> <li>Movement to a more stable product</li> </ul> </li> </ul> <p>If the borrower's payment, interest rate or amortization period is staying the same or increasing, the borrower must be moving to a more stable mortgage product.</p>



## DU Refi Plus

	<p><u>A more stable product would include movement from:</u></p> <ul style="list-style-type: none"> <li>• An interest-only to a fully amortizing loan (provide amortization of principal and accumulation of equity in the property)</li> <li>• An ARM to a Fixed-Rate loan (elimination of the potential for payment shock)</li> <li>• A 30-year Fixed Rate to a 15, 20, or 25-year Fixed Rate (accelerated amortization of principal and building of equity)</li> <li>• An ARM to a new ARM is not offered through Impac</li> </ul> <p>An increase to a longer term (e.g., 15- year Fixed Rate to 30- year Fixed Rate) is permitted if there is a reduction in the borrowers P &amp; I payment</p> <p>DU does not make the determination that the DU Refi Plus transaction will benefit the borrower</p> <p>Borrower Benefit with a Modified Mortgage</p> <ul style="list-style-type: none"> <li>• Use the terms of the permanent modified loan for comparison</li> <li>• If borrower was in a trial modification and denied a permanent modification, use the original terms of the loan for comparison.</li> </ul> <p>Ineligible</p> <ul style="list-style-type: none"> <li>• Manual underwriting</li> </ul> <p><u>Leasehold properties</u></p> <p>Lender must confirm that the term of the leasehold estate runs for at least five years beyond the maturity date of the mortgage, unless fee simple title will vest at an earlier date (DU Version 9.1 Release Notes – updated 10/22/13). Lender is not required to perform any additional review of the leasehold terms.</p>
--	---

###