



Fannie Mae High Balance ARMS rev. 04 Revised 11/13/2013

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SECTION 1	PROGRAM SUMMARY				
PROGRAM SUMMARY	<p>The Program Summary supplements Plaza's Conventional Underwriting Guidelines. Refer to Plaza's Conventional Underwriting Guidelines for any information not specified in the Program Summary.</p> <p>The Fannie Mae High Balance ARM program is a 30-year conventional loan that is fixed for the initial 5, 7 or 10 years and then converts to a 1 year ARM for the remainder of the term. High balance ARMs provide for higher loan limits for properties in specific high-cost areas. The high-cost area loan limits are established for each county (or equivalent) and are published on Fannie Mae's website.</p> <p>Unless otherwise specified, the guidelines in each section apply to all programs listed in the program code table.</p>				
SECTION 2	PROGRAM CODES				
PROGRAM CODES	LOAN TERM & PROGRAM CODES				
	Loan Term	Program Name			Program Code
	30-YR	Conforming High Balance 5/1 LIBOR ARM			CA51LHB
	30-YR	Conforming High Balance 7/1 LIBOR ARM			CA71LHB
	30-YR	Conforming High Balance 10/1 LIBOR ARM			CA101LHB
SECTION 3	PROGRAM MATRIX				
PROGRAM MATRIX	FANNIE MAE HIGH BALANCE ARM				
	Program Codes: CA51LHB, CA71LHB, CA101LHB				
	Primary Residence				
	Purchase and Rate/Term Refinance				
	Property Type	LTV	CLTV	Min Credit Score	Max DTI
	1-Unit	75%	75%	Per DU	Per DU
	2-4 Units	65%	65%		
	Primary Residence				
	Cash-Out Refinance				
	1-Unit	60%	60%	Per DU	Per DU
Second Home					
Purchase and Rate & Term Refinance					
1 Unit	65%	65%	Per DU	Per DU	



		Investment Property Purchase and Rate/Term Refinance					
		1-4 Units	65%	65%	Per DU	Per DU	
		Notes: If the mortgage is secured by a second home or an investment property and the borrower is obligated on greater than 4 financed properties, refer to the Maximum Financed Properties section for additional LTV and Credit Score limitations in addition to other requirements					
SECTION 4		LOAN LIMITS					
LOAN LIMITS	Units	Contiguous U.S. and Alaska		Hawaii			
		High Balance		High Balance			
	1	\$625,500		\$721,050			
	2	\$800,775		\$923,050			
	3	\$967,950		\$1,115,800			
	4	\$1,202,925		\$1,386,650			
		Note: <ul style="list-style-type: none"> Refer to the FHFA website for specific counties and states eligible for higher loan limits. 					
SECTION 5		ARM ADJUSTMENTS					
ARM ADJUSTMENTS	Characteristic	LIBOR ARM					
	Index	LIBOR – The average of interbank offered rates for 1-year U.S. dollar-denominated deposits in the London market (LIBOR) as published in <i>The Wall Street Journal</i> .					
	Margin	2.25%					
	Life Floor	The floor is the margin.					
	Interest Rate Caps	Product	First Adjustment	Subsequent Adjustments	Lifetime		
			5/1	2%	2%	5%	
			7/1	5%	2%	5%	
			10/1	5%	2%	5%	
	Interest Rate Adjustment Date	5/1	The interest rate is fixed for the first 60 months. The maximum interest rate adjustment at the first adjustment date is 2%. Thereafter, the interest rate adjusts annually with a maximum interest rate change at any 1 adjustment date of 2%. The lifetime cap is 5%.				
		7/1	The interest rate is fixed for the first 84 months. The maximum interest rate adjustment at the first adjustment date is 5%. Thereafter, the interest rate adjusts annually with a maximum interest rate change at any 1 adjustment date of 2%. The lifetime cap is 5%.				
10/1		The interest rate is fixed for the first 120 months. The maximum interest rate adjustment at the first adjustment date is 5%. Thereafter, the interest rate adjusts annually with a maximum interest rate change at any 1 adjustment date of 2%. The lifetime cap is 5%.					
Payment Change Date	The first payment change date will be the first of the month following the interest rate adjustment, and every 12 months thereafter.						

	<table border="1"> <tr> <td>Assumability</td> <td>Not assumable during the fixed-rate period. At the end of the fixed-rate period, assumable subject to credit approval.</td> </tr> <tr> <td>Conversion Option</td> <td>Not Allowed.</td> </tr> </table>	Assumability	Not assumable during the fixed-rate period. At the end of the fixed-rate period, assumable subject to credit approval.	Conversion Option	Not Allowed.
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Conversion Option	Not Allowed.				
SECTION 6	INTEREST-ONLY OPTION				
INTEREST-ONLY OPTION	Not eligible.				
SECTION 7	SPECIAL REQUIREMENTS				
SPECIAL PROGRAM REQUIREMENTS	<p>Refer to Plaza's Eligible Transaction Chapter in Plaza's Conventional Underwriting Guidelines for additional requirements</p> <p>Purchase Transactions: Plaza will not accept re-negotiated purchase agreements that increase the sales price after the appraisal has been completed if:</p> <ul style="list-style-type: none"> • The appraised value is higher than the contracted sales price provided to the appraiser, and • The new purchase agreement and/or addendum used to modify the sales price is dated after the appraisal is received, and • The only change to the purchase agreement is an increase in sales price. • If the purchase agreement is re-negotiated after the completion of the appraisal, the loan to value will be based on the lower of the original purchase price or the appraised value, unless: <ul style="list-style-type: none"> ○ A re-negotiation of seller paid closing costs and/or pre-pays occurs if customary for the market and supported by comparables, not to exceed standard seller contributions, or ○ An amended purchase agreement for a new construction property is obtained due to improvements that impact the value. In the event of such changes, an updated appraisal must be obtained to verify the value of the modifications. 				
SECTION 8	UNDERWRITING METHOD				
UNDERWRITING METHOD	<p>Automated Underwriting: Loans underwritten by Desktop Underwriter.</p> <p>Loans may follow the DU Underwriting Findings Report or unless otherwise stated in Plaza's Program Summary. Additional information may be requested at the discretion of the underwriter.</p> <p>Refer to Plaza's Automated Underwriting Chapter in Plaza's Conventional Underwriting Guidelines and AUS Eligible Loan Product Matrix for additional details.</p> <p>Manual Underwriting: Manual underwriting is only permitted when the borrower(s) reside in a foreign country or where there is documented erroneous credit reported on the credit report and DU Findings. High-Balance Mortgage Loans have additional requirements for DTI, Credit Score, and Reserves when manually underwritten. Refer to the High-Balance Mortgage Loans chart in the Eligibility Matrix available on Fannie Mae's website.</p>				



	Refer to Manual Underwriting in Plaza's Underwriting Guidelines.		
SECTION 9	OCCUPANCY		
OCCUPANCY	<ul style="list-style-type: none"> • Owner-occupied Primary Residences • Second homes • Investment properties <p>If the mortgage is secured by a second home or an investment property and the borrower is obligated on greater than 4 financed properties, refer to the Maximum Financed Properties section for additional requirements.</p> <p>The following scenarios, when supported with adequate documentation, will be considered owner occupied even though the borrower will not be occupying the property. <u>The Plaza Underwriter MUST contact Corporate Underwriting if this provision is being exercised.</u></p> <ul style="list-style-type: none"> • Parents wanting to provide housing for their physically handicapped or developmentally disabled adult child: <ul style="list-style-type: none"> ○ If the child is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the parent is considered the owner occupant. In this scenario it is not required that the adult child is on the loan. • Children wanting to provide housing for elderly parents: <ul style="list-style-type: none"> ○ If the parent is unable to work or does not have sufficient income to qualify for a mortgage on his or her own, the child is considered the owner occupant. In this scenario it is not required that the elderly parent is on the loan. 		
SECTION 10	SELLER CONTRIBUTIONS		
SELLER CONTRIBUTIONS	Interested party contributions, as a percentage of the sales price or appraised value, whichever is less, are limited to the following values shown below:		
	Occupancy	LTV/CLTV	Maximum Seller Contributions
	Owner-Occupied and Second Homes	≤ 75%	9%
	Investment Properties	All LTVs	2%
SECTION 11	TEMPORARY BUYDOWNS		
TEMPORARY BUYDOWNS	Not allowed.		
SECTION 12	PREPAYMENT PENALTY		
PREPAYMENT PENALTY	Not allowed.		
SECTION 13	BORROWER ELIGIBILITY		
BORROWER ELIGIBILITY	<p>Eligible Borrowers:</p> <ul style="list-style-type: none"> • U.S. citizens • Permanent resident aliens 		



	<ul style="list-style-type: none"> • Non-permanent resident aliens • Non-occupant co-borrowers • Revocable Inter-Vivos Trusts – Refer to Plaza's Living Trust Policy for eligibility requirements <p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> • Partnerships • Corporations • Non-Revocable Inter-Vivos Trusts • Foreign nationals • Borrowers with diplomatic immunity <p>Social Security Number Data Integrity Issues:</p> <ul style="list-style-type: none"> • If DU identifies a data integrity issue pertaining to a borrower's Social Security Number, the Social Security Number must be validated directly with the Social Security Administration. • Loans with validated Social Security Numbers must be delivered with Special Feature Code 162. • If the Social Security number cannot be validated with the SSA, the loan is not eligible. <p>Refer to Plaza's Eligible Borrowers Chapter in Plaza's Conventional Underwriting Guidelines for additional details.</p>
SECTION 14	IDENTITY OF INTEREST & NON ARMS LENGTH TRANACTIONS
IDENTITY OF INTEREST & NON ARMS LENGTH TRANSACTIONS	<p>Primary residences, second homes and investment properties may be eligible with additional restrictions. Refer to the Eligible Transactions Chapter in Plaza's Underwriting Guidelines for transactions that involve Identify of Interest or non-arms length scenarios.</p>
SECTION 15	ELIGIBLE PROPERTIES
ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • Attached/detached SFRs • Attached /detached PUDs • Low-rise/high-rise Condos • 2-4 Units <p>Condos in Florida: Florida condos have additional restrictions. Refer to Plaza's Property Types and Project Standards Chapter.</p> <p>Refer to Plaza's Geographic State Restrictions and Property Types and Project Standards Chapter in Plaza's Conventional Guidelines for full details on property eligibility.</p>
SECTION 16	INELIGIBLE PROPERTIES
INELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • Commercial properties • Condotels • Cooperatives • Geodesic dome homes • Geothermal homes • Manufactured housing



	<ul style="list-style-type: none"> • Mobile homes • Non-warrantable condos • Timeshares • Working farms, ranches, orchards
SECTION 17	PROPERTY FLIPS
PROPERTY FLIPS	<p>If the owner (individual or entity other than the Mortgage holder) sells a property within 12 months after the date of acquisition, the underwriter should ensure that value is supported. Generally, purchases of properties that have been acquired within the last 12 months are eligible when any increase in value can be supported.</p> <p>Refer to Property Flips in the Eligible Transactions Chapter of Plaza's Underwriting guidelines.</p> <p>Unexpired Redemption Period: Foreclosed properties that are located in a state where a redemption period is allowed (including Fannie Mae and Freddie Mac owned or HUD REO) are not eligible until all of the following are met:</p> <ul style="list-style-type: none"> • The redemption period has expired, AND • The foreclosure sale has been confirmed, AND • Clear and marketable title is obtained.
SECTION 18	APPRAISALS
APPRAISALS	<p>One full appraisal is required regardless of DU feedback. Property Inspection Waivers (PIWs) are not allowed regardless of DU feedback. When the subject property is an attached condo, the appraiser must provide at least 2 comparable sales from outside the subject project and outside the influence of the developer, builder or property seller.</p> <p>Transferred Appraisals: Plaza will accept transferred/assigned appraisals from the original transferring lender when all of the requirements outlined in Plaza's Appraisal Policy are met.</p> <p>Refer to Plaza's Appraisal Requirements and Property Types and Project Standards Chapter in Plaza's Conventional Underwriting Guidelines for additional requirements.</p>
SECTION 19	GEOGRAPHIC RESTRICTIONS
GEOGRAPHIC RESTRICTIONS	<p>Program specific geographic restrictions are identified below. Refer to Plaza's Geographic State Restrictions for all general guidelines and restrictions.</p> <p>Mississippi Not eligible.</p> <p>Texas:</p> <ul style="list-style-type: none"> • Texas Section 50 (a)(6) loans, refer to the Texas Home Equity 50 (a)(6) Chapter of the Conventional Underwriting Guidelines for all requirements.. • Cash-out transactions require a full appraisal, regardless of DU findings. <p>West Virginia</p>

	Not eligible.
SECTION 20	INCOME
INCOME	<p>Income must be documented per the DU Findings report and Plaza Conventional Underwriting Guidelines. Regardless of DU requirements, a minimum of 1 year's income must be documented along with current YTD income. Self employed borrowers must have a minimum history of 2 years of being self employed with the same company.</p> <p>Regardless of income type, the following are required for all borrowers:</p> <ul style="list-style-type: none"> • Signed 1003 complete with a 2 year employment history. • Paystub: At a minimum a recent paystub reflecting year-to-date earnings, is required for each qualifying borrower. (A written VOE may not replace a paystub.) • 4506T/Tax Transcripts: Income must be documented as per the DU findings. A signed 4506-T will be processed for at least 1 year regardless of DU findings. Tax transcript for all years in which income was used in the underwriting decision regardless of DU results. For additional details and exceptions, refer to Plaza's Employment, Income Analysis and Documentation Chapter in Plaza's Conventional Underwriting Guidelines. • Verbal Verification of Employment <p>Rental Income: 1007 only needs to be provided if required by DU findings (whether or not the income is being used to qualify). ALL rental properties must have a market rent shown on the 1008 to satisfy Fannie Mae delivery requirements even if rental income is not being used to qualify. There are no exceptions to this requirement.</p> <p>Rent Loss Insurance: If rental income is used to qualify, 6 months rent loss insurance coverage is required regardless of DU findings. This includes rental income on 2-4 unit owner occupied properties.</p> <p>Refer to the Employment, Income Analysis and Documentation Chapter in Plaza's Conventional Underwriting Guidelines for additional requirements for documenting loan files in accordance with DU or as required by the underwriter.</p>
SECTION 21	CREDIT
CREDIT	<p>Credit Score: The minimum credit score is determined by DU but may not be lower than 620.</p> <p>Valid Credit Score: Regardless of DU approval, for a credit score to be considered valid, the score must be generated based on sufficient credit depth and there must be at least 2 scores per borrower.</p> <p>Housing History: There may be no history of any 30 day late mortgage or rental payments within the last 12 months. Any late payments in the last 24 months should be considered by the underwriter.</p> <p>Refer to the Credit Chapter in Plaza's Conventional Underwriting Guidelines for</p>



	additional information or for derogatory credit waiting periods and scenarios not addressed in this section.		
SECTION 22	QUALIFYING RATIOS		
QUALIFYING RATIOS	<p>The maximum debt-to-income ratio will be determined by DU.</p> <p>Qualifying the Borrower:</p> <ul style="list-style-type: none"> • 5/1 Fully Amortized ARM: Qualify at the greater of the Note Rate plus 2% or the fully indexed rate. (Must be approved through DU) • 7/1 & 10/1 Fully Amortized ARM: Qualify at the greater of the note rate or the fully indexed rate. <p>Refer to Plaza's Liabilities and Debt Ratio Chapter in Plaza's Conventional Underwriting Guidelines for additional guidelines.</p>		
SECTION 23	ASSETS		
ASSETS	Refer to the Assets Chapter in Plaza's Conventional Underwriting Guidelines for additional information and eligible and ineligible sources of funds.		
SECTION 24	CASH RESERVES		
CASH RESERVES			Reserves (PITIA) in Months
	Occupancy	Number of Units	1-4 financed properties 5-10 financed properties
	Primary Residence	1-4 units	Per DU Per DU
	Second Home or Investment	1-4 Units	Per DU plus 2 months on each other financed property. Per DU plus 6 months on each other financed property.
	If the borrower's current primary residence is pending sale or is being converted to a second home or investment property, the following additional reserve requirements apply:		
	Percentage of Equity in Current Primary Residence	Additional Reserve Requirement	
	30% or more	2 months on subject property 2 months on current primary residence	
	Less than 30%	6 months on subject property 6 months on current primary residence	
	Important Note: DU is not able to calculate the reserve requirement for pending sale or conversion of primary residence or for second home and investment property transactions where there will be 1 – 4 financed properties. To determine the total amount of assets to be verified, the amount of reserves required in the tables above must be manually added to the "Total Funds to be Verified".		
	SECTION 25	GIFTS/DOWN PAYMENT	
GIFTS/DOWN PAYMENT	<p>Down Payment/Gift Funds:</p> <ul style="list-style-type: none"> • Gift funds allowed on Primary Residence or Second Home transactions only. 		



	<ul style="list-style-type: none"> The entire down payment may come from a gift. <p>Refer to the Assets Chapter in Plaza's Conventional Underwriting Guidelines for additional information.</p>
SECTION 26	SUBORDINATE FINANCING
SUBORDINATE FINANCING	<p>Subordinate Financing from an institutional lender is allowed per the LTV/CLTV Tables.</p> <p>Refer to Subordinate Financing in Plaza's Eligible Transactions Chapter for additional details.</p>
SECTION 27	SEASONING
SEASONING	<p>Borrowers must have owned the property for at least 6 months to be eligible for cash out.</p> <p>Listed for Sale: Refinance transactions involving a property that has been listed for sale within the last 6 months are subject to specific requirements outlined in the Transactions chapter of the Conventional Underwriting Guidelines.</p> <p>Refinance Transactions with Less than 1 Year's Seasoning:</p> <ul style="list-style-type: none"> If the first lien being paid off was a purchase transaction, and the original purchase price, as stated on the application, is less than the new appraised value: <ul style="list-style-type: none"> The file should contain documentation supporting the increase in value (e.g. appraisal indicates increasing values for the market, appraisal comparables support increasing values, documented home improvements, or a copy of the original appraisal showing the original appraised value higher than the original sales price). The increase in value is unsupported: <ul style="list-style-type: none"> The underwriter should use the lower of the original purchase price or the new appraised value to determine LTV/TLTV/CLTV. The underwriter has knowledge that the first lien being paid off was a cash-out refinance transaction with an LTV greater than 80%: <ul style="list-style-type: none"> The new Loan will not be eligible for rate-and-term refinance parameters. <p>Refer to Plaza's Eligible Transactions Chapter in Plaza's Conventional Underwriting Guidelines for additional details.</p>
SECTION 28	REFINANCE
REFINANCE	<p>Rate and Term Refinance:</p> <ul style="list-style-type: none"> The amount of the new mortgage is limited to the sum of the present 1st mortgage lien, any subordinate financing which was used to acquire the property & closing costs, including prepaids. Cash to the borrower may not exceed the lesser of 2% of the new loan amount or \$2,000. The payoff of a junior lien, regardless of age, is acceptable when the junior lien is being paid by funds brought to the closing table by the borrower, not by proceeds of the rate/term refinance. This includes any HELOC closure fees.



- Existing secondary financing that is subordinated will not affect the loan being classified as a rate/term refinance, which also applies to fees such as re-conveyance fees that are required and charged at closing.
- [Continuity of obligation](#) must be met.
- LTV/CLTV is based on the current appraised value.
- Listing agreements must be cancelled at least 1 day prior to the loan application.

Cash-Out:

- Borrowers must have owned the property for at least 6 months to be eligible for cash out. For borrowers who purchased within the last 6 months with no mortgage financing refer to the [Delayed Financing](#) section below.
- A mortgage loan that may include the unpaid principal balance of the existing first mortgage, closing costs, the amount to satisfy any outstanding subordinate financing of any age and additional cash that the borrower may use for any purpose.
- [Continuity of obligation](#) must be met.
- [Seasoning](#): Refer to section above.
- Short Term Refinance is considered a cash-out transaction. A short-term refinance:
 - combines a first mortgage and a non-purchase money subordinate mortgage into a new first mortgage
 - the refinance of a short-term refinance loan within six months is also considered a short-term refinance.
- Listing agreements must be cancelled at least 1 day prior to the loan application.
- **Texas:** Cash Out transactions require a full appraisal, regardless of DU findings.

Delayed Financing:

Borrowers who purchased the subject property within the past six months are eligible for a cash-out refinance if all of the following requirements are met:

- The Plaza Underwriter must contact Corporate Underwriting if the loan is qualifying with delayed financing.
- The six month time period is measured from the date on which the property was purchased (documented by a HUD-1 Settlement Statement or, if there was no HUD-1, a recorded deed confirming the amount paid by the borrower) and the disbursement date of the new mortgage loan.
- The appraised value may be used however; the new loan amount may not exceed the actual documented amount of the borrower's initial investment in purchasing the property, plus the financing of closing costs, prepaid fees and points.
- The purchase transaction was an arms-length transaction.
- The HUD-1 on the purchase transaction will confirm that no mortgage financing was used to obtain the subject property. The preliminary title search or title report must also confirm there are no liens on the subject property.
- If the source of funds to acquire the subject property were borrowed from sources such as an unsecured loan, loan secured by a 401(k), or a HELOC on another property, then the source must be paid off with the proceeds from the subject transaction as reflected on the new HUD-1.
- All other cash-out refinance eligibility requirements are met and the loan is priced as a cash-out refinance.



	Refer to Plaza's Eligible Transactions Chapter in Plaza's Conventional Underwriting Guidelines for additional details.			
SECTION 29	MAXIMUM FINANCED PROPERTIES			
MAXIMUM FINANCED PROPERTIES	The maximum number of financed properties, including the subject property and including the borrower's primary residence, is limited as outlined below.			
	These guidelines apply regardless of DU results. Note: DU is not able to determine the number of financed properties therefore DU cannot be relied on to validate the following requirements are met. These requirements must be evaluated manually regardless of DU findings.			
	Primary Residence	Second Homes	Investment Properties	
	No Restrictions	10 (including primary)	10 (including primary)	
	Second Home or Investment Property AND > 4 <= 10 Financed Properties: If the mortgage is secured by a second home or an investment property, the borrower may be obligated on up to 10 financed properties, including the principal residence, subject to the restrictions below:			
	Transaction Type	Number of Units	Max LTV/CLTV	Min Credit Score
	Second Home or Investment Property			
	Purchase	1	65% / 65%	740
	Rate/Term			
	Investment Property			
Purchase	2-4	60% / 60%	740	
Rate/Term				
A Plaza Level 4 or higher Underwriter's second signature is required. The following requirements apply: <ul style="list-style-type: none"> No history of bankruptcy or foreclosure within the past 7 years No 30 day or greater delinquencies within the past 12 months on any mortgage loan > 4 financed properties combined with High Balance and Delayed Financing is not eligible 				
Red Flags to consider: <ul style="list-style-type: none"> Borrower's credit reflects a history of obtaining multiple mortgages that have been paid off within a short period of time. Rapid Acquisition of multiple properties in the last 2 years. 				
Special Feature Code: Mortgage loans secured by second homes or investment properties that meet the 5 to ten financed property requirements must be delivered with SFC 150 typed on the 1008.				
Maximum Loans/Maximum Exposure: A maximum of 4 Plaza loans or \$1,500,000 is permitted to 1 borrower, whichever is less.				
Refer to Plaza's Eligible Transactions Chapter in Plaza's Conventional Underwriting Guidelines and AUS Eligible Matrix for additional details.				



SECTION 30	PROPERTY INSURANCE
PROPERTY INSURANCE	For Property Insurance, Hazard or Homeowners Insurance requirements, refer to Plaza's Loan Closing Manual .
SECTION 31	MORTGAGE INSURANCE
MORTGAGE INSURANCE	All loans with LTV's greater than 80% require valid MI certification. At this time the maximum program LTV is < 80% and therefore mortgage insurance is not applicable.
SECTION 32	CONSTRUCTION-TO-PERMANENT FINANCING
CONSTRUCTION-TO-PERMANENT FINANCING	Construct-to-perm financing is allowed as a purchase or a refinance transaction. Refer to the Eligible Transactions Chapter of the Conventional Underwriting Guidelines for details.
SECTION 33	TITLE/CLOSING AGENTS
TITLE/CLOSING AGENTS	<p>Title History Review Policy: The preliminary title report must reflect a minimum 6-month title history.</p> <p>Title Insurance:</p> <ul style="list-style-type: none"> • A full ALTA title policy is required. • A Short Form Residential Loan Policy is also acceptable, except for leasehold properties, and except for properties in Texas and Oregon. Short form title policies provide the same amount of coverage as a standard policy but in a shorter format. The policy references the loan specifics (insured amount, date of policy, property address, borrowers, etc.) and refers to general documents for all coverage. • Limited Coverage Policies are not acceptable. <ul style="list-style-type: none"> ○ For example: it automatically provides the Environmental Protection Lien Endorsement (ALTA 8.1) Condo and PUD endorsements and all other standard endorsements without actually providing copies of these endorsements. • It also provides affirmative coverage for property specific exceptions such as restrictions, encroachments, etc. with general statements in the policy text.
SECTION 34	ESCROWS WAIVERS
ESCROWS WAIVERS	<p>Property tax and insurance escrows can be waived.</p> <p>Note: The underwriter must validate that the borrower has the financial ability to handle the lump-sum payments of taxes and insurance.</p>
SECTION 35	REPAIR ESCROWS
REPAIR ESCROWS	Both weather related and non-weather related holdbacks will be considered by Plaza's Underwriting Department as an Exception Only. Refer to Plaza's Loan Closing Manual for details on Repair Escrows. Escrow holdbacks for repairs are not eligible on condos.