

Fannie Mae High Balance Fixed Program Summary rev. 02 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 loan program provides 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	
	15-YR	Conforming 15 Yr High Balance			CF150HB	
	30-YR	Conforming 30 Yr High Balance			CF300HB	
	30-YR	Conforming 30 Yr High Balance LPMI			CF30HBMIR	
	30-YR	Conforming 30 Yr High Balance Radian Split MI			CF30HBSMIR	
30-YR	Conforming 30 Yr High Balance Cash Single Premium MI			CF30HCSPMI		
SECTION 3	PROGRAM MATRIX					
PROGRAM MATRIX	FANNIE MAE HIGH BALANCE FIXED					
	Program Codes: CF150HB, CF300HB					
	Primary Residence					
	Purchase and Rate & Term Refinance					
	Property Type	Max Loan Amount	LTV	CLTV	Min Credit Score	Max DTI
	1-Unit	Per County Limit	90%	90%	Per DU & MI	Per DU & MI
			80%	80%	Per DU	Per DU
	2-4 Units		75%	75%	Per DU	Per DU
Primary Residence Cash-Out Refinance						
1-Unit	Per County Limit	60%	60%	Per DU	Per DU	

	Second Home Purchase and Rate & Term Refinance						
	1-Unit	Per County Limit	65%	65%	Per DU	Per DU	
	Investment Property Purchase and Rate & Term						
	1-4 Units	Per County Limit	65%	65%	Per DU	Per DU	
	Notes: <ul style="list-style-type: none"> All loans must be run through DU and receive an "Approve/Eligible" recommendation. 						
SECTION 4	LOAN LIMITS						
LOAN LIMITS	Conforming High Balance Loan Limits						
		Continental US		Hawaii		Alaska	
	Units	Max High Balance		Max High Balance		Standard (High Balance N/A)	
	1	\$625,500		\$721,050		\$625,500	
	2	\$800,775		\$923,050		\$800,775	
	3	\$967,950		\$1,115,800		\$967,950	
	4	\$1,202,925		\$1,386,650		\$1,202,925	
	Note: <ul style="list-style-type: none"> Refer to Fannie Mae's website for specific counties and states eligible for higher loan limits. Mortgage Insurance companies may have lower loan limits than those established by Fannie Mae. 						
SECTION 5	ARM ADJUSTMENTS						
ARM ADJUSTMENTS	Not applicable.						
SECTION 6	INTEREST-ONLY OPTION						
INTEREST-ONLY OPTION	Not eligible.						
SECTION 7	SPECIAL REQUIREMENTS						
SPECIAL REQUIREMENTS	Refer to Plaza's Eligible Transactions Chapter in Plaza's Conventional Underwriting Guidelines for additional requirements Purchase Transactions: Plaza will not accept re-negotiated purchase agreements that increase the sales price after the appraisal has been completed if: <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 must be underwritten by Desktop Underwriter.</p> <p>Loans may follow the DU Underwriting Findings Report unless otherwise stated in Plaza’s Program Summary.</p> <p>Regardless of underwriting method, additional information may be requested at the discretion of the underwriter.</p> <p>Loan with LTV’s > 80% require approval through an MI company. Additional guidelines and restrictions may apply. Refer to MI company specific guidelines.</p> <p>Manual Underwriting: Manual underwriting is not permitted. All loans must be approved through DU.</p> <p>Refer to the Automated Underwriting Chapter in Plaza’s Conventional Underwriting Guidelines and AUS Eligible Loan Product Matrix for additional details.</p>
SECTION 9	OCCUPANCY
OCCUPANCY	<p>Owner-occupied primary residences, second homes and investment properties are eligible.</p> <p>Purchase transactions of owner-occupied 2-4 unit properties are subject to the following:</p> <p>2-Units:</p> <ul style="list-style-type: none"> • Borrowers may not own any other residential property of equal or greater value in the same area in which the units are located. The mailing address and property address must be verified as the same. If this verification cannot be made, the property must be treated as an investment property. <p>3-4 Units:</p> <ul style="list-style-type: none"> • The loan documentation (credit report, income/asset verification) must show the subject property as the borrower’s address. • The Homeowner’s insurance policy must show that the mailing address and subject property are the same. Note: If the borrower uses a P.O. Box and occupancy cannot be verified, a pre-funding occupancy inspection is required. • The appraisal must indicate the unit the borrower intends to occupy and confirm availability of that unit. Information indicating that unit to be owner-occupied must be consistent with other documentation in the file. • If the borrower owns other properties, the underwriter must determine that the borrower’s intent to occupy is reasonable. The loan file must contain supporting documentation.

	<ul style="list-style-type: none"> The purchase contract must show the borrower's intent to occupy. <p>Landlord Experience: The following requirements apply, regardless of DU feedback:</p> <ul style="list-style-type: none"> Subject property 2-4 unit owner-occupied: there is no minimum landlord experience required. Subject property 1-4 unit investment property: <ul style="list-style-type: none"> Subject property 1-4 unit investment property a 2 year history of managing rental properties is not required. Investment property owned that is not the subject property: there is no minimum landlord experience required. 											
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:											
	<table border="1"> <thead> <tr> <th>Occupancy</th> <th>LTV/CLTV</th> <th>Maximum Seller Contributions</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Owner Occupied and Second Home</td> <td>> 75% and ≤ 90%</td> <td>6%</td> </tr> <tr> <td>≤ 75%</td> <td>9%</td> </tr> <tr> <td>Investment Properties</td> <td>All LTVs</td> <td>2%</td> </tr> </tbody> </table>	Occupancy	LTV/CLTV	Maximum Seller Contributions	Owner Occupied and Second Home	> 75% and ≤ 90%	6%	≤ 75%	9%	Investment Properties	All LTVs	2%
	Occupancy	LTV/CLTV	Maximum Seller Contributions									
	Owner Occupied and Second Home	> 75% and ≤ 90%	6%									
≤ 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 Non-permanent resident aliens Non-occupant co-borrowers InterVivos Revocable 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>Note: Loans requiring Special Feature Code 162 are only eligible under Plaza's</p>											

	<p>Fannie Mae Retained Program. Social Security Number must be validated directly with SSI.</p> <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 may be eligible with additional restrictions. Second home and investment properties are not eligible. Refer to the Eligible Transaction 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>A limited project review will not be permitted on primary residences in condominium projects when the LTV/CLTV is great than 80%. This does not apply to detached properties in a condominium project.</p> <p>Refer to the Property Types and Project Standards Chapter in Plaza's Conventional Underwriting Guidelines for additional information on acceptable properties and Condo requirements.</p>
SECTION 16	INELIGIBLE PROPERTIES
INELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • Commercial properties • Condotels • Cooperatives • Geodesic dome homes • Geothermal homes • Log homes • Manufactured housing • 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. If LTV is > 80%, follow the MI guidelines for seasoning < 90 days.</p>

	<p>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>Additional appraisal requirements may apply for loans with Mortgage Insurance, including second full appraisals. Review MI guidelines for requirements</p> <p>Field Review: A field review is required when:</p> <ul style="list-style-type: none"> • The loan amount is greater than \$625,500 AND the LTV/CLTV is greater than 80%. OR • The appraised value is equal to or greater than \$1 million AND the LTV/CLTV is greater than 75%. • Use the lower of original appraised value, Field Review value, or sales price (for purchases) to calculate LTV. <p>Transferred Appraisals: Plaza will not accept transferred/assigned appraisals on this program.</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>Loans with Mortgage Insurance may have additional state specific restrictions, including reduced LTVs. Refer to the specific Mortgage Insurance Company guidelines for 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. • Section 50(a)(6) loans are subject to special secondary marketing pricing. For loans qualifying as 10 year Section 50(a)(6) loans, please contact your Account Executive for pricing. <p>West Virginia Not eligible</p>
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>Industry Borrowers require full documentation. Refer to Identity of Interest in Plaza's Eligible Transactions Chapter for additional requirements.</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. When MI is required, MI credit score requirements must also be met.</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</p>

	<p>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 will be considered by the underwriter.</p> <p>Refer to the Credit Chapter in Plaza’s Conventional Underwriting Guidelines for additional information or for derogatory credit waiting periods and scenarios not addressed in this section.</p>								
SECTION 22	QUALIFYING RATIOS								
QUALIFYING RATIOS	<p>The maximum debt-to-income ratio will be determined by DU, and if applicable, the MI company.</p> <p>Refer to Plaza’s Liabilities and Debt Ratio Chapter in Plaza’s Conventional Underwriting Guidelines for additional guidelines.</p>								
SECTION 23	ASSETS								
ASSETS	<p>Refer to the Assets Chapter in Plaza’s Conventional Underwriting Guidelines for additional information and eligible and ineligible sources of funds.</p>								
SECTION 24	CASH RESERVES								
CASH RESERVES	<p>Primary Residence:</p> <ul style="list-style-type: none"> For LTVs greater than 80%, the greater of 2 months verified PITI or the reserves per DU are required. <p>Second Home: 2 months Investment: 6 months</p> <p>For second home or investment property transactions where the borrower has multiple financed properties, the borrower must provide an additional 2 months of verified reserves for each property.</p> <p>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:</p> <table border="1"> <thead> <tr> <th>Percentage of Equity in Current Primary Residence</th> <th>Additional Reserve Requirement</th> </tr> </thead> <tbody> <tr> <td rowspan="2">30% or more</td> <td>2 months on subject property</td> </tr> <tr> <td>2 months on current primary residence</td> </tr> <tr> <td rowspan="2">Less than 30%</td> <td>6 months on subject property</td> </tr> <tr> <td>6 months on current primary residence</td> </tr> </tbody> </table> <p>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” per DU.</p> <p>Refer to Plaza’s Assets Chapter in Plaza’s Conventional Underwriting Guidelines for</p>	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
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								

	additional information.
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. • LTV/CLTV ≤ 80%: The entire down payment may come from a gift. • LTV/CLTV > 80%: Gift funds are allowed only after a minimum down payment of at least 5% has been made from the borrower's own funds. • Gift funds are not allowed on Investment property transactions. <p>Gifts of Equity:</p> <ul style="list-style-type: none"> • With a gift of equity the seller agrees to donate a portion of the equity in the subject property in lieu of all or a portion of the down payment. • A gift of equity is permitted for a primary residence or second home purchase transactions only. • Equity gifts are only allowed after the required minimum down payment has been made from the borrower's own funds. See Down Payment/Gift Funds section above for down payment requirements. <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>Requirements:</p> <ul style="list-style-type: none"> • The term of the 2nd may not be less than 5 years, unless the financing fully amortizes prior to that time. • The loan terms of the 2nd must provide for regular payments of principal and interest or interest-only. • If the subordinate loan has a fixed rate, the terms may not be more than 2% below the market rate for Fannie Mae second mortgages at the time of origination. To locate the market rate, refer to the Historical Daily Yields under Reference Material on www.efanniemae.com • With the exception of HELOCs, if the loan has a variable rate, the monthly payment must remain constant for each 12 month period over the term of the loan. <p>Restrictions:</p> <ul style="list-style-type: none"> • Seller carry-backs are not allowed. • Community 2nd mortgages are not allowed. • The subordinate mortgage may not have wraparound terms combining the indebtedness of the first mortgage with the subordinate mortgage. • Subordinate mortgages with negative amortization are not allowed. • Tax and judgment liens. • Subordinate mortgages subject to an interest rate buy down plan are not allowed. • Subordinate mortgages that have a prepayment penalty are not allowed except when the following apply: <ul style="list-style-type: none"> ○ The subordinate lien is a home equity line of credit.

	<ul style="list-style-type: none"> ○ A prepayment penalty, or flat fee, closure or early termination fee (not associated with a "no closing cost" option) does not exceed \$500. ○ HELOCs or closed-end second mortgages that pay for some or all of the closing costs with terms that allow the lender to recoup the closing costs paid on behalf of the borrower if the HELOC or second mortgage pays off early, are not defined as a prepayment. <p>HELOC: All conventional loans with subordinating HELOCs are qualified and priced at the full line amount regardless of the draw amount. The CLTV and HCLTV are considered the same in these situations.</p> <p>State Specific Requirements:</p> <ul style="list-style-type: none"> ● Refer to our Geographic Restriction section for details relating to state specific subordinate financing requirements and restrictions. ● Texas Rate and Term Refinances Not Subject to Section 50(a)(6) <ul style="list-style-type: none"> ○ If the first mortgage lien loan is a rate and term refinance in Texas and the first lien loan is being renewed and extended, a subordination agreement for a second lien on the property is not required unless the title company requires a subordination agreement in order to insure that the lien will remain in first lien position. ○ Exception for Texas loans: Closed-end variable rate subordinate secondary financing, with a payment that is not constant for each 12 month period, is allowed for purchase and rate and term refinances. <p>Refer to Subordinate Financing in Plaza's Eligible Transactions Chapter for additional details.</p>
SECTION 27	SEASONING
SEASONING	<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>Inherited Properties:</p>

	<ul style="list-style-type: none"> If mortgaged property was inherited within the last 12 months, restrictions apply. Refer to the Conventional Underwriting Guidelines for details. <p>Mortgage Insurance: Loans with Mortgage Insurance may be subject to different seasoning requirements.</p> <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. <p>Cash-Out:</p> <ul style="list-style-type: none"> Borrowers must have owned the property for at least 6 months to be eligible for cash out. Delayed Financing is not allowed. 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 27 above. For cash-out on properties with less than 6 months seasoning refer to Plaza's Fannie Mae Retained Program Summary. Short Term Refinance is considered a cash-out transaction. A short-term refinance: <ul style="list-style-type: none"> 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 on the subject property must be cancelled 6 months prior to the application date. Texas: Cash-out transactions require a full appraisal, regardless of DU findings. <p>All Refinance Transactions: 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, the file should</p>

	<p>contain documentation supporting the increase. Examples: Comments from the appraiser or documented receipts from the borrower.</p> <p>Continuity of Obligation: The continuity of obligation requirement is to address refinance transactions that include a borrower that is on title, but not obligated on the original mortgage note being satisfied. The information below will determine whether continuity exists, and if not, what additional eligibility restrictions are applicable. Acceptable continuity of obligation is met when any 1 of the following exist:</p> <ul style="list-style-type: none"> • There is at least 1 borrower obligated on the new loan who was also a borrower obligated on the existing loan being refinanced, or • The borrower has been on title and residing in the property for at least 12 months and has either paid the mortgage for the last 12 months, or can demonstrate a relationship (relative, domestic partner, etc.) with the current obligor. Note: Cancelled checks are required for payment verification. • The loan being refinanced and the title to the property are in the name of a natural person or a limited liability company (LLC) as long as the borrower was a member of the LLC prior to transfer. <ul style="list-style-type: none"> ○ Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement. ○ LLC's are not an acceptable form of title for the new loan transaction. • The borrower has recently inherited or was legally awarded the property (for example: divorce, separation or dissolution of a domestic partnership). <p>If the borrower is currently on title but is unable to demonstrate an acceptable continuity of obligation, or there is no outstanding lien against the property, the loan must be underwritten and priced as a cash-out transaction.</p> <ul style="list-style-type: none"> • Loans with no outstanding liens; the following restrictions apply: <ul style="list-style-type: none"> ○ Property purchased within 6 to 12 months prior to the application date for the new loan transaction. <ul style="list-style-type: none"> ▪ The LTV is based on the lesser of the original sales price or the current appraised value. ○ Property purchased more than 12 months prior to the application date for new loan transaction. <ul style="list-style-type: none"> ▪ The LTV is based on the current appraised value. ▪ Loans with outstanding liens but with no continuity of obligation: <ul style="list-style-type: none"> • At least 1 borrower must have been on title for at least 6 months, and the maximum LTV (based on the current appraised value) is 50%. <p>Refer to Plaza's Eligible Transactions Chapter in Plaza's Conventional Underwriting Guidelines for additional details.</p>
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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, regardless of the lending source is limited as outlined below. These guidelines are regardless of DU results.		
	Primary Residence	Second Homes	Investment Properties
	No Restrictions	4 (including primary)	4 (including primary)

	<p>Maximum Loans/Maximum Exposure: A maximum of 4 Plaza loans or \$1,500,000 is permitted to 1 borrower, whichever is less.</p> <p>Refer to Plaza's Fannie Mae Retained Conforming and High Balance Program Summary for information about borrowers with up to 10 financed properties.</p> <p>Refer to Plaza's Eligible Transactions Chapter in Plaza's Conventional Underwriting Guidelines and AUS Eligible Matrix for additional details.</p>
SECTION 30	PROPERTY INSURANCE
PROPERTY INSURANCE	<p>Hazard Insurance:</p> <ul style="list-style-type: none"> • Hazard insurance is required for each property. • The amount of hazard insurance coverage must be the lesser of 100% of the insurable value of the improvements as established by the property insurer OR the unpaid principal balance as long as it equals at least 80% of the insurable value of the improvements. <p>Note: Property insured up to 100% replacement cost value is acceptable.</p> <ul style="list-style-type: none"> • "Walls In" (commonly known as HO-6) hazard insurance coverage for condos: If the blanket insurance policy does not provide coverage of the interior of the unit, the borrower will be required to obtain "walls in" coverage for the interior of the individual unit. The HO-6 policy must provide coverage in an amount that is no less than 20% of the condo unit's appraised value. • HO-6 "walls in" will also be required on PUDs in cases where the master policy does not include interior unit coverage, including replacement of interior improvements and betterment coverage to insure improvements that the borrower may have made to the unit. • PUD Requirements, the homeowner's association must maintain a property insurance policy, with premiums paid as a common expense. Individual insurance policies are also required for each unit. If the project's legal documents allow for blanket insurance policies to cover both the individual units and the common elements, Plaza will accept the blanket policies. • For properties located in California, lenders may not require hazard insurance in an amount exceeding the replacement value of the improvements on the property. • The maximum deductible may be up to 5% of the amount of the policy. • For refinance transactions, the current policy must have at least 120 days remaining coverage after closing. <p>Flood Insurance: A flood hazard determination is required for all loans:</p> <ul style="list-style-type: none"> • Flood insurance is required if the property is located in a special flood hazard area or flood zone. • Flood insurance is required on properties located within the following special flood hazard area zones: A, AE, AH, AO, A1-30, A-99, V, VE, V1-30 • The maximum amount of flood insurance required is the lowest of: 100% of the replacement cost of the dwelling, calculated as appraised value minus land value OR the unpaid principal balance of the mortgage OR the maximum insurance available under the National Flood insurance program. (Currently \$250,000 per dwelling.)

	<ul style="list-style-type: none"> The deductible for 1-4 unit properties may not exceed a maximum of \$5,000 unless a higher deductible is required by state law. For refinance transactions, the current policy must have at least 120 days remaining coverage after closing. <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>For additional requirements for Property Insurance, Hazard or Homeowners Insurance, refer to Plaza's Loan Closing Manual.</p>
SECTION 31	MORTGAGE INSURANCE
MORTGAGE INSURANCE	<p>All loans with LTV's greater than 80% require Mortgage Insurance from a Plaza approved Mortgage Insurance provider.</p> <p>Mortgage Insurance guidelines are subject to change; it is therefore the underwriter's responsibility to check the applicable Mortgage Insurance Underwriting Guidelines online and order the MI cert at the time of underwriting and prior to sending out an approval.</p> <p>Lender Paid Single Premium, Cash Single Premium, and Split Premium mortgage insurance are only eligible using designated program codes and from the mortgage insurance companies specified. All other insured loans require Borrower Paid Monthly MI.</p> <p>Lender Paid MI</p> <ul style="list-style-type: none"> Program Code: CF30HBMIR Essent, Genworth, MGIC and Radian are eligible for LPMI <p>Cash Single Premium MI</p> <ul style="list-style-type: none"> Program Code: CF30HCSPMI All eligible Plaza approved MI companies <p>Financed Single Premium MI</p> <ul style="list-style-type: none"> Not eligible <p>Split MI</p> <ul style="list-style-type: none"> Program Code: CF30HBSMIR Radian is eligible for Split MI <p>Refer to Plaza's Mortgage Insurance Policy for additional information.</p>
SECTION 32	CONSTRUCTION-TO-PERMANENT FINANCING
CONSTRUCTION -TO- PERMANENT FINANCING	<p>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.</p>
SECTION 33	TITLE/CLOSING AGENTS

<p>TITLE/CLOSING AGENTS</p>	<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.
<p>SECTION 34</p>	<p>ESCROW WAIVERS</p>
<p>ESCROW WAIVERS</p>	<p>Property tax and insurance escrows can be waived with the following criteria:</p> <ul style="list-style-type: none"> • 80% LTV or less for properties located in all states except CA. • < 90% LTV for properties located in CA (at 90% and greater, escrows may not be waived) <p>Note: The underwriter must validate that the borrower has the financial ability to handle the lump-sum payments of taxes and insurance.</p>
<p>SECTION 35</p>	<p>REPAIR ESCROWS</p>
<p>REPAIR ESCROWS</p>	<p>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 Repaid Escrows. Escrow holdbacks for repairs are not eligible on condos.</p>