



PROGRAM NAME:	5/1, 7/1, 10/1 Libor ARMs Jumbo 10-Year, 15-Year Fixed Jumbo Admin fee on all Jumbo loans \$795																																				
REVISION DATE:	3/15/2012																																				
PRODUCT CODES:	Jumbo 10, Jumbo 10/1, Jumbo 15, Jumbo5/1, Jumbo 7/1																																				
PRODUCT DESCRIPTION:	<ul style="list-style-type: none"> <li>▪ All ARM Products: 5/2/5 Cap. See rate sheet for margin. <b>ARM Loans are not assumable.</b> 30-Year Amortization An adjustable rate mortgage fixed for the ARM program selected, then adjusting to a one (1) year adjustable rate mortgage based on 1-year Libor. The initial interest rate adjustment will be 60, 84 or 120 months after the first month following loan closing. Thereafter, the interest rate will be subject to change annually. To access your program disclosure, go to CrescentExpress Initial Disclosures – Docuprep link.</li> <li>▪ <u>Fixed 10-Year, 15-Year.</u> <b>Fixed rate loans are not assumable</b></li> </ul>																																				
MAXIMUM LOAN AMOUNTS:  Note – All loan amounts must be even dollar amount (i.e., \$100,000.01 not acceptable)	<p><b>Primary Residence Only</b></p> <p style="text-align: center;">Purchase/Rate Term Refinance</p> <table border="1" data-bbox="472 955 1498 1186"> <thead> <tr> <th>Primary Residence</th> <th>LTV/CLTV Loan Amount</th> <th>Minimum Credit Score</th> <th>DTI</th> <th>Reserves</th> </tr> </thead> <tbody> <tr> <td>1 Unit</td> <td>80/80 to \$750,000</td> <td>720</td> <td>41</td> <td rowspan="3">6 mos PITI for Subj PLUS 2 mos PITI for all other properties</td> </tr> <tr> <td>1 Unit</td> <td>75/75 to \$1,000,000</td> <td>720</td> <td>45</td> </tr> <tr> <td>1 Unit</td> <td>70/70 to \$1,000,000</td> <td>700</td> <td>45</td> </tr> </tbody> </table> <p style="text-align: center;">*Cash-Out Refinance – Maximum Cash Back \$50,000</p> <table border="1" data-bbox="472 1276 1498 1528"> <thead> <tr> <th>Primary Residence</th> <th>LTV/CLTV Loan Amount</th> <th>Minimum Credit Score</th> <th>DTI</th> <th>Reserves</th> </tr> </thead> <tbody> <tr> <td>1 Unit</td> <td>75/75 to \$750,000</td> <td>720</td> <td>41</td> <td rowspan="3">6mos PITI for Subj 6 PLUS 2 mos PITI for all other properties</td> </tr> <tr> <td>1 Unit</td> <td>70/70 to \$1,000,000</td> <td>720</td> <td>45</td> </tr> <tr> <td>1 Unit</td> <td>65/65 to \$1,000,000</td> <td>700</td> <td>45</td> </tr> </tbody> </table> <p>*Primary residence located in the following states reduce max LTV/ CLTV by 5%: AZ, FL, GA, MI, NV, OH. (Reduced for Purchase, Rate/ Term &amp; Cash-out transactions) *Texas Home Equity loans are ineligible for a Cash-out transaction.</p>	Primary Residence	LTV/CLTV Loan Amount	Minimum Credit Score	DTI	Reserves	1 Unit	80/80 to \$750,000	720	41	6 mos PITI for Subj PLUS 2 mos PITI for all other properties	1 Unit	75/75 to \$1,000,000	720	45	1 Unit	70/70 to \$1,000,000	700	45	Primary Residence	LTV/CLTV Loan Amount	Minimum Credit Score	DTI	Reserves	1 Unit	75/75 to \$750,000	720	41	6mos PITI for Subj 6 PLUS 2 mos PITI for all other properties	1 Unit	70/70 to \$1,000,000	720	45	1 Unit	65/65 to \$1,000,000	700	45
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ELIGIBLE BORROWERS:	<ul style="list-style-type: none"> <li>▪ Owner Occupants US citizens and US naturalized citizens</li> </ul>																																				
INELIGIBLE BORROWERS:	<ul style="list-style-type: none"> <li>▪ Non occupant co-borrowers</li> <li>▪ Permanent resident aliens</li> <li>▪ Non permanent resident aliens</li> <li>▪ Foreign nationals</li> <li>▪ Trusts</li> <li>▪ Corporations / Partnerships, etc.</li> </ul>																																				



<p>ELIGIBLE PROPERTIES:</p>	<ul style="list-style-type: none"> <li>▪ Single Family detached.</li> <li>▪ Detached PUD's</li> <li>▪ Attached PUD's (FNMA eligible only on a case by case basis.)</li> </ul>
<p>QUALIFYING RATIOS:</p>	<p>For fixed rate products borrower qualifies at note rate.</p> <ul style="list-style-type: none"> <li>▪ <b>5/1 LIBOR ARM: Qualify at the higher of the note rate plus 2% or the fully indexed rate plus 2%</b></li> <li>▪ <b>7/1 and 10/1 LIBOR ARM: Qualify at the higher of the note rate or fully indexed rate.</b></li> </ul> <p>Maximum debt ratio – See Matrix regardless of feedback. Cannot pay off debt or pay down debt to qualify.</p>
<p>SELLER CONTRIBUTIONS:</p>	<p>3% must be used to pay closing cost only, no prepaids.</p>
<p>CREDIT REPORTS:</p>	<ul style="list-style-type: none"> <li>▪ All inquiries within the past 120 days must be explained by the borrower with a signed statement as to the status of these accounts.</li> <li>▪ No Bankruptcy/ Foreclosure /Deed in Lieu /Judgments or tax liens within the last 5 years (Chapter 7 bankruptcy –7 years)</li> <li>▪ A three bureau merged report will be ordered through DU – See Matrix for required credit scores.</li> <li>▪ No lates in the last 24 months on any mortgage or rental account.</li> <li>▪ 3 Credit scores required for each borrower.</li> <li>▪ Borrowers must have a minimum of three active tradelines including one reflecting a 36-month history and the remaining two reflecting a 24-month history. Non credit payment references and/or non-traditional credit references are not allowed.</li> <li>▪ No major adverse credit reported in the last 24 months on revolving or installment accounts.</li> </ul>
<p>INELIGIBLE:</p>	<ul style="list-style-type: none"> <li>▪ Second Homes</li> <li>▪ Leaseholds</li> <li>▪ Investment properties</li> <li>▪ Multi family homes</li> <li>▪ Cash-out on new construction</li> <li>▪ Manufactured homes</li> <li>▪ Condos</li> <li>▪ 1 x CP or modifications of construction loans</li> <li>▪ New construction when borrower is acting as builder, of if non-arm's length relationship between the borrower, seller and/or developer</li> <li>▪ Properties listed in last 12 months – Refinance</li> <li>▪ Builder inventory loans</li> <li>▪ Non-occupant co-borrower</li> <li>▪ Temporary buydowns</li> <li>▪ Log, Earth, dome homes or other unique building types</li> <li>▪ Farms</li> <li>▪ Properties with less than 750 square feet of living area above grade</li> </ul>
<p>CREDIT DOCUMENTATION:</p>	<p>The <u>credit</u> documentation will be established by <b>DU</b>, via the feedback messages unless reflected in the Underwriting Section.</p>

<p>WELL &amp; SEPTIC TANK INSPECTIONS:</p>	<p>Well inspections are required on new construction. Septic Tank inspections are required on new construction.</p>
<p>UNDERWRITING GUIDELINES:</p>	<ul style="list-style-type: none"> <li>▪ No late mortgage payments or rental payment in last 24 months.</li> <li>▪ No temporary buydowns.</li> <li>▪ All Fannie Mae Guidelines apply unless otherwise reflected in parameters.</li> <li>▪ Where applicable, most recent 2 YTD pay stubs required.</li> <li>▪ Where applicable, most recent 2 years W-2's and K-1's required.</li> <li>▪ All loans must be DU approved only for a primary residence.</li> <li>▪ An ineligible must be <u>only</u> for loan amount exceeding the conforming loan limits.</li> <li>▪ Age of credit documents – 90 days maximum, except for asset docs- maximum 60 days</li> <li>▪ Cannot use income/assets or credit from another country.</li> <li>▪ 2-year tax returns required (most recent calendar year) if borrower uses income to qualify from another source other than salary i.e. rental income, royalties, etc. Must be from previous calendar years – no extensions allowed.</li> <li>▪ Self-employed borrowers – last 2 years personal and business returns including all schedules required.</li> <li>▪ No employment contracts or offers of employment allowed, and trailing spouse income not acceptable.</li> <li>▪ First time homebuyer must show 24 months rental history through a management company (landlord or cancelled checks not acceptable).</li> <li>▪ If current residence is for sale, but not closing prior to our closing, must include full PITI in debt ratios. Cannot offset by rent or relocation contracts. Two months reserves for that property required in addition to reserve requirement for subject loan.</li> <li>▪ Payment – Shock – PITI doubling – 9 month reserves required.</li> <li>▪ Paying off a second that is seasoned for 12 months or more that was not a purchase second is not considered as cash-out.</li> <li>▪ A refinance transaction with a mortgage being paid off that is currently held by a non-financial institution is not eligible.</li> <li>▪ All appraisals must comply with Appraisal Independence.</li> <li>▪ Borrower is not eligible for a rate &amp; term refinance until property has been owned for 6 months. Between 6 to 12 months LTV is based on lesser of acquisition price or current appraised value.</li> <li>▪ Seasoning of at least 12 months since prior refinance or date of purchase is needed to be eligible for cash out.</li> <li>▪ Must obtain purpose for cash-out statement from borrower.</li> <li>▪ New construction – value lesser of acquisition or appraised value.</li> <li>▪ Digital photos/electronic signatures – acceptable provided the appraisal contains the following or similar language: <ul style="list-style-type: none"> <li>“Signatures affixed to this report were applied by the original appraiser(s) or supervisory appraiser and represents their acknowledgements of the facts, opinion and conclusion found in the report. Each appraiser may apply their own signature electronically. Electronically applied signatures use password-protected digital methods. They have the same or more safeguards and carry the same validity as the appraiser(s) hand applied signature.”</li> </ul> </li> <li>▪ Full appraisals are required regardless of DU feedback message.</li> <li>▪ Age of appraisal – 120 days. No Exceptions.</li> <li>▪ No maximum limit on acreage; however, all comps. must be similar in land size, recent closed sales, have no income producing activity and no additional residential structures or significant/numerous outbuildings.</li> </ul>

**UNDERWRITING  
GUIDELINES (continued):**

- 4506T – ordered on all loans.
- Verbal employment – 7 business days prior to closing – follow agency guidelines.
- All properties with incidental second units that do not reflect any rental income to qualify and have comparable properties with this type of unit may be considered. The appraiser must comment any effect on value or marketability.
- Assets/reserves–must be personal funds and must be proven to be liquidated if needed for closing. Asset documents are only good for 60 days. Bonds, Mutual Funds and publicly traded stocks may be used for reserves at 60% of their value. Acceptable revirement accounts (401k, IRA, etc) may be used for reserves at 50% of their vested value minus any outstanding loans. Documentation must be provided to show that the borrower has access to the funds. Unacceptable funds are – 529 plans, annuities, unused credit lines, property equity, gifts, future or deferred income, business assets, funds that are not vested, stock in an unlisted corporation, and proceeds from cash out refinance transaction.
- Verification of funds listed on the application must match DU run and be documented. This includes any funds required to complete the transaction and satisfy reserve requirements.
- All assets for down payment & reserves must be borrower’s personal funds, no gifts are allowed.
- Must have 24 months residency history for rent/mortgage and must be verified through a financial institution or rental management company.
- Maximum number of financed properties owned is limited to 4 on all occupancy types.
- A soft pull of credit will be required prior to closing, please allow for this when scheduling your closings.
- Borrower must occupy the property within 30 days of the close of Escrow.
- Properties the seller purchased through foreclosure/short sales/etc. must be held 12 months from last sale date.

**ALL LOANS WILL BE UNDERWRITTEN BY CRESCENT – WILL REQUIRE TWO (2) SIGNATURES. FINAL CLEAR TO CLOSE ONCE INVESTOR HAS REVIEWED FINAL APPROVED FILE. ALLOW 72 HOURS AFTER CLEAR BY UNDERWRITER.**

See Price Sheet for Risk Based Pricing – Must Have Full File Prior To Lock.

**PROGRAM SUBJECT TO CHANGE WITH INVESTOR CHANGES.**