

GENERAL

Terms: 10/15/20/25/30 years

INFORMATION: ➤ All loans must receive an “Approve/Eligible” or “Expanded Approval/T” recommendation from Desktop Underwriter® (“DU®”).

LOAN LIMITS:

		<u>Units</u>	<u>Loan Amount</u> ¹		
		1	\$417,000		
		2	\$533,850		
		3	\$645,300		
		4	\$801,950		
Purchase or Limited Cash-Out Refinance					
Occupancy	Units	LTV (%)	CLTV ² (%)	HCLTV ² (%)	
Primary	1-2	95	95	100	
	3-4	80	80	85	
Second Home	1	95	95	100	
Investment	1-2	90	90	95	
	3-4	75	75	80	
Cash-Out Refinance					
Occupancy	Units	LTV (%)	CLTV ² (%)	HCLTV ² (%)	
Primary	1-2	90	90	95	
	3-4	75	75	80	
Second Home	1	90	90	95	
Investment	1-2	85	85	90	
	3-4	70	70	75	

¹ Fannie Mae’s “jumbo-conforming” loan amounts are not available.

² When there is a subordinate Home Equity Line of Credit (HELOC) on the subject property, the **CLTV** calculation is based on the “drawn” or outstanding balance of the HELOC at the time the loan is underwritten. The **HCLTV** calculation is based on the credit limit of the HELOC.

REFINANCES:

- Follow the Fannie Mae Selling Guide unless otherwise noted.
- Limited cash-out refinances may include the following:
 - the pay off of the outstanding principal balance of any existing first mortgage,
 - the pay off of the outstanding principal balance of any existing subordinate mortgage that was used in whole to acquire the subject property (document via HUD-1),
 - financing of closing costs and prepaids, and
 - cash back to the borrowers in an amount not to exceed the lesser of 2% of the loan amount or \$2000.
- Refinance mortgages that involve the pay off of subordinate liens that were not used in whole to purchase the subject property – including home improvement, HELOC, and second mortgages obtained for the purpose of taking equity out of the property, even if a portion of the subordinate lien was used to purchase the property – will be considered a cash-out refinance.
- Texas properties are not eligible for a cash-out refinance.
- A cash-out refinance is not allowed if the property has been listed for sale within six (6) months of application.

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- Proceeds from a cash-out refinance transaction cannot be used for business purposes.
- At least one borrower obligated under the existing mortgage that is being refinanced must also be obligated under the new loan.

SECONDARY FINANCING:

- Follow the Fannie Mae *Selling Guide*

MORTGAGE INSURANCE:

- Required on all loans with LTVs above 80.00% as follows:

LTV	20/25/30 Year	10/15 Year
90.01%-95.00%	30%	25%
85.01%-90.00%	25%	12%
80.01%-85.00%	12%	6%

- CCB’s Lender Paid Mortgage Insurance (LPMI) is available as follows:
 - The product number is based on the loan term and LTV as follows:

Term	LTV	Product Number
20 & 30 Year	90.01 - 95.00%	944/100
20 & 30 Year	85.01 - 90.00%	945/100
20 & 30 Year	80.01 - 85.00%	946/100
10 & 15 Year	90.01 - 95.00%	944/107
10 & 15 Year	85.01 - 90.00%	945/107
10 & 15 Year	80.01 - 85.00%	946/107

- The following CCB disclosures must be included in the loan file:
 - LPMI Initial Disclosure
 - LPMI Fixed Rate Program Disclosure
- Expanded Approval loans are not eligible for LPMI.
- LPMI loans have a one-time rate reduction feature (refer to the “LPMI Fixed Rate Program Disclosure” for details); and
- A credit score of 620 or greater is required.
- Fannie Mae’s “reduced” coverage option is available for loans that receive an Approve/ Eligible recommendation from DU as follows:
 - The DU recommendation must state that the loan is eligible for reduced mortgage insurance coverage. Fannie Mae’s “lower-cost” MI coverage option is not allowed, regardless of the DU Finding;
 - **30-year terms only**; and
 - Coverage requirements are:

<u>LTV</u>	<u>MI Coverage</u>
90.01% - 95.00%	25%
85.01% - 90.00%	17%

TEMPORARY BUY-DOWNS:

- not allowed

SELLER

CONTRIBUTIONS:

- Follow Fannie Mae guidelines unless otherwise noted.
- Seller contribution limits are based on occupancy and the HCLTV as follows:

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Occupancy	HCLTV	Contribution
Primary	90.01%-100.00%	3%
Primary or Second Home	75.01%-90.00%	6%
Primary or Second Home	75.00% or less	9%
Investment	All	2%

GEOGRAPHIC RESTRICTIONS: ➤ Properties located in the following areas are **ineligible** for financing:

Arizona		
▪ Phoenix area – excluding the cities of Peoria, Paradise Valley and Glendale		
California	Colorado	Florida
▪ Entire State	▪ Entire State	▪ Entire State
Hawaii	Maine	Michigan
▪ Entire State	▪ Entire State	▪ Entire State
Minnesota	Nevada	Ohio
▪ Entire State	▪ Entire State	▪ Entire State
Oregon	Utah	Washington
▪ Entire State	▪ Entire State	▪ Entire State

PROPERTY RESTRICTIONS:

- Eligible properties:
 - Single Family Residence ▪ Townhouse ▪ 2-4 Unit
 - Condominium ▪ PUD
- Follow standard Fannie Mae guidelines unless otherwise noted.
- Condominiums and PUDs must be Fannie Mae warrantable.
- Leasehold properties are acceptable per Fannie Mae guidelines.
- Apartment conversions, cooperatives, manufactured homes, mobile homes, unique properties, and time-share units are not acceptable.

APPRAISAL REQUIREMENTS:

- Refer to the DU recommendation for appraisal requirements.
- Chevy Chase Bank’s “Property Inspection Waiver Disclosure” must be signed by the applicant(s) if the loan receives a PIW recommendation.

UNDERWRITING:

- Follow the DU recommendation and standard Fannie Mae underwriting guidelines unless otherwise noted.
- All loans must receive an “Approve/Eligible” or “Expanded Approval/I” recommendation from Desktop Underwriter® (“DU®”). “Expanded Approval/II” and “Expanded Approval/III” recommendations are not acceptable.
- Non-permanent resident aliens are acceptable per Fannie Mae guidelines.
- Non-occupant co-borrower income is acceptable up to 90% LTV. Underwriting ratios for the occupant borrower are 35/43%.
- Trailing secondary wage earner income is acceptable per Fannie Mae guidelines.
- Non-arm’s length transactions are acceptable per Fannie Mae guidelines.
- Escrow waivers are permitted for loans with LTVs of 80% or less for an additional fee (refer to CCB’s rate sheet). Escrow waivers are not permitted if the loan receives an Expanded Approval recommendation.
- Completion escrows must be approved by CCB’s Closing Manager.

EXPANDED ➤ **Product Number:** 857/100

- APPROVAL:**
- Chevy Chase Bank’s LPMI is not available. Borrower paid mortgage insurance is required if the LTV is greater than 80%.
 - “Expanded Approval/II” and “Expanded Approval/III” recommendations are not acceptable.
- ASSUMPTIONS:**
- not allowed