

PIGGY BACK ONLY					
PURCHASE, RATE/TERM & CASH OUT REFINANCE					
Occupancy	Units	Min. FICO	CLTV	Max. HELOC Loan Amount	Max. Combined Loan Amount
Primary Residence	1	680	85.00%	\$200,000	\$1,000,000
		680	85.00%	\$200,000	\$1,000,000
Second Home	1	680	85.00%	\$200,000	\$1,000,000

PROGRAM GUIDELINES	
Target Market	Closed End Second Mortgage (CES) with a simultaneously closing first mortgage. CES combined with a conventional Agency first mortgage to avoid non-conforming loan amounts or combines with an Agency first mortgage product to reduce down payment below 20%.
Pricing	See rate sheets and pricing matrix
Fees	\$150.00 Administration Fee
Term	Fixed rate amortizing with terms of 180 months.
DU/LPA Eligibility	First Mortgage must have DU Approved/Eligible or LPA Accept
Eligible Transactions	Purchase, Rate/Term or Cash-out refinance. <i>Cash-out refinance first liens are ineligible.</i>
Max Loan Size	\$200,000
Max Combined Liens	\$1.0MM
Max CLTV/HCLTV	Owner Occupied – 85%; Second Homes – 85% - see FICO & CLTV matrix for eligibility
Eligible Properties	<ul style="list-style-type: none"> ▪ 1-unit primary residence <ul style="list-style-type: none"> – SFD / PUD / townhome / rowhome – Low-rise condominium (Fannie/Freddie Approved) – High-rise condominium (Fannie/Freddie Approved) ▪ 1-unit second / vacation home <ul style="list-style-type: none"> – SFD / PUD / townhome / rowhome
Ineligible Properties	<ul style="list-style-type: none"> ▪ Condotels ▪ Non-warrantable condos ▪ Manufactured ▪ Co-Ops ▪ Multi-Unit (2-4) ▪ Unique properties ▪ Log Homes ▪ Working or Hobby Farms ▪ Tracts greater than 5 acres

<p>Eligible Borrowers</p>	<p>Follow Fannie Mae Seller Guide except:</p> <ul style="list-style-type: none"> ▪ No self-employed borrowers (may not use income from self-employment as qualifying income) ▪ No non-occupant co-borrowers ▪ No E-2 investor visas ▪ No DACA recipients ▪ No tax IDs in lieu of valid social security numbers
<p>Eligible First Lien Programs</p>	<ul style="list-style-type: none"> ▪ Fixed Rate fully amortizing Agency / Government eligible ▪ Agency ARMS with initial fixed term \geq 5 years ▪ Non-Agency Jumbo Fixed and ARMS with initial fixed term \geq 5 years ▪ AUS approval required (DU/LP), Approve/Ineligible (due to loan size) required for non-agency 1st liens ▪ <i>Interest Only and Negative Amortization are ineligible</i>
<p>Credit</p>	<ul style="list-style-type: none"> ▪ Minimum underwriting credit score is 680, see matrix for adjustments and eligibility ▪ Underwriting score is determined as the middle of three indicator scores or the lower of two. For multiple borrowers, the lowest middle score for all borrowers is used. <i>Non-traditional credit scoring is ineligible.</i> ▪ No mortgage delinquency (0x30) in the last 24 months ▪ No judgments, repossessions or charge offs in the last 60 months <p>The following are considered severe delinquency, regardless of AUS feedback;</p> <ul style="list-style-type: none"> – <i>Borrowers with these profiles are ineligible until a period of 7 years has passed since occurrence and credit has been re-established.</i> – Bankruptcy – Foreclosure / Deed in Lieu of Foreclosures – Short Sale or Short Payoff – History of mortgage modification – Borrowers with extenuating, isolated, one-time circumstances may be considered on a case-by-case basis, as determined by underwriting.
<p>Qualifying Ratios</p>	<ul style="list-style-type: none"> ▪ 43.000% DTI maximum
<p>Qualifying Rate</p>	<p>Qualify at initial note rate</p>
<p>Funds to Close / Reserves</p>	<p>Follow first lien requirements</p>
<p>Non-Occupant Co-borrowers</p>	<p>Not Allowed</p>
<p>Appraisal Requirements</p>	<p>Full FNMA 1004 or FHLMC 70 with interior & exterior inspection required, or follow AUS collateral requirements</p>
<p>Geographic Restrictions</p>	<ul style="list-style-type: none"> ▪ Properties located in AK, HI, OH and NY are ineligible. Purchase transactions only in TX. ▪ Max cash-out in CA & NV is 90% CLTV.

Title Policy	Full ALTA, Junior ALTA or ALTA lite required. Lender’s title insurance in the amount of second lien amount is required.
Contributions	See first lien eligibility
Temporary Buy-downs	Not Allowed
Conversion	Non-convertible
Assumability	Not assumable
Amortization	30 Year Term: 10 Year Interest Only Draw Period followed by 20 Year Amortization
Prepayment Penalty	None
Leasehold	Not Allowed
Disasters	For properties located in individual assistance designated areas that have been declared a major disaster by FEMA after a full appraisal has been completed, then a re-inspection including a post-disaster photo dated after the disaster declaration date with confirmation that the property has not been adversely affected by the disaster is required.
High Cost Loans	May not be defined as High Cost by any applicable agency
ATR / QM	Loan must meet all requirements for QM – Safe Harbor or QM – Rebuttable Presumption (HPML loans are permitted)
Payment Date	Payment will be due on the 1st of each respective month
Late Charges	5% or the highest amount allowed by state law and will be assessed on the payment date + 15 days
Loan Disclosures	Closed End Second doc set
Property Insurances	Follow FNMA selling guide
State/Federal Disclosures	Follow state requirements
Other guidelines	If not addressed in these guidelines, follow FNMA selling guide
Lock Period	45 days
Extensions	Will be assessed by Secondary Marketing as needed No limit to the number of extensions; 30-day maximum extension period
Relocks	Expired commitments may be relocked. For the first 30 days post-expiration (or post lock cancelation, whichever is earlier), the lock will be relocked on a worst-case scenario. On the 31st day, a lock will move to current market (start over).
Servicing/payments	Forward customer payments to: Georgia Banking Company, Attn: Servicing, 6190 Powers Ferry RD 150, Atlanta GA 30339
Servicing/recasts	Case by case, recasting will be considered in servicing with greater of 10% or \$10,000 principal payment, \$250 Fee

Pair Off	A locked loan that is closed and not delivered will be assessed a \$125 fee
Pricing	See Rate sheet page 10