

Refinance Loan Program Max LTV/CLTV Matrix

Standard Loan Size Open Access Primary Residence						
FICO Score	1 Unit			Condo		
	Own Occ	2nd Home	Investment	Own Occ	2nd Home	Investment
No Fico Minimum	No Max LTV	No Max LTV	No Max LTV	No Max LTV	No Max LTV	No Max LTV
No Fico Minimum	No Max CLTV	No Max LTV	No Max LTV	No Max CLTV	No Max CLTV	No Max CLTV
FICO Score	2 - 4 Units			2 - 4 Unit Condo		
	Own Occ	2nd Home	Investment	Own Occ	2nd Home	Investment
No Fico Minimum	No Max LTV	No Max LTV	No Max LTV	No Max LTV	No Max LTV	No Max LTV

• Additional Credit Criteria:

- Freddie Mac Purchased Loan Before 06/01/2009 Only
- Credit Good from 90 Days Of Application
- Available on loans with existing MI. Need MI Company Name and Current Certificate Number:
ALLOWED FROM: UGI/TRIAD/ RMIC/GENWORTH(aka GE)/RADIAN/PMI/TICOR/ ESSENT
- A borrower who is being removed through the refinance transaction is no longer required to be removed from the deed or title to the property and can retain ownership interest in that property. However, as a reminder, each person who has an ownership interest in the security property (even if income is not used to qualify) must sign the security instrument.
- Borrower benefit must be determined outside of LP as follows:
Lower Payment
Lower Rate
More stable product- ARM to Fixed/Interest Only to Fully Amortized
ARM-ARM with a longer fixed rate period Re-structured Loans are acceptable
- Max DTI is unlimited
- If no waiver is received – #1004 appraisal is required



Program Details

Underwriting Method	All loans must be run through Loan Prospector. Findings must be Accept. Manual Underwriting is not permitted.
Loan Amount	Minimum Loan Amount: \$125,000 Maximum Loan Amounts: https://www.fanniemae.com/singlefamily/loan-limits
Eligible Terms- Fixed	Fixed: 10, 15, 20, 25 and 30 year
Eligible Terms- ARM	• 3/1, 5/1, 7/1 ARM products allowed
Occupancy	Owner Occupied, Second Home and Investment properties are permitted
Eligible Transactions	No Cash-out Refinance/Limited Cash-out Refinance, and Cash-out Refinance.
Refinances (General/All)	The refinance of a modified mortgage is permitted on a standard conventional loan if 24 months have passed since the modification and the borrower has a 0x30x12 mortgage history
Principal Curtailments/Reductions	Permitted; follow Principal Curtailment Matrix for parameters and guidance by program
Cash-out Refinances	Not eligible on the Open Access program
Specialty Program - HARP	Open Access is allowed for fixed rate loans (ARMs permitted) subject to the following: • No minimum credit score with AUS approval. • HPML is not permitted on Open Access loans
Geographic Restrictions	Only allowed in States where SOCC is licensed and permitted to fund loans. .

Assets	Large Deposits	Deposits >50% of the borrower's qualifying monthly income are considered large deposits and must be sourced.
	Verification of Deposits	Not permitted as standalone documentation – must be accompanied by computer printout or other statements directly from the banking institution
	Custodial Accounts for Minors	<ul style="list-style-type: none"> • These accounts are not an allowable asset for down payment, closing costs or reserves • Accounts that are in a minors name where the borrower is only the custodian of the funds are not eligible to be used for a transaction in either reserves or down payment
	Gifts	<ul style="list-style-type: none"> • Gifts not eligible for Open Access for loan closings
	Business Assets	Business Assets are not allowed for assets
Collateral	Property Types	1-4 Unit Family Dwellings, Townhomes, Fannie Mae Warrantable Condos (as noted in the Condominium section).
	Condominiums	<p>Condominiums must be Fannie Mae Warrantable.</p> <ul style="list-style-type: none"> • Acceptable condo approvals are PERS approval • Limited review not permitted on new projects nor investment properties. • Fannie Mae Special Designation- Fannie Mae approved condos with unexpired special designation codes will be permitted for primary residences and 2nd homes only. Investment properties are not permitted. Project must be eligible and reviewed with either a limited or full review based on the AUS findings. • Leasehold not permitted
	Condos-Florida	<ul style="list-style-type: none"> • Condos in litigation not permitted. • New and newly converted condo's require PERS approval • Limited review on Existing Condos- LTV max is 75% primary/70% Second Home - CLTV/HCLTV per agency max
	Appraisal Requirements	<ul style="list-style-type: none"> • The use of an exterior only appraisal or property inspection option is not allowed, regardless of LP Findings, full appraisal or PIW required on all transactions • Copy of the appraiser's licensee must be included in all funded loan files
	Re-use of Appraisal	Not permitted
	Deed Restricted Properties	All deed restricted properties must adhere to Freddie Mac requirements
	Ineligible Property Types	<ul style="list-style-type: none"> • Co-ops • Condotels • Manufactured homes built prior to 1995 (Not applicable to Open Access) • Hobby Farms (Permitted on Owner Occupied only; must be agency eligible) • Bed and Breakfast Properties • Properties with manufactured on site being used as storage • Properties not typical for the area and lacking comparables (i.e. geodesic homes, log cabins, etc.) • Properties not suitable for year-round occupancy (except as permitted in SOCC Conventional Guidelines) <ul style="list-style-type: none"> • Second home where the borrower generates any significant rental income from renting subject out – insignificant income ok • Properties encumbered with private transfer fee covenants • Timeshares • Property Flip when Non-Arm's Length Transaction • Non-warrantable Condominiums • 3-4 Unit properties in the state of New Jersey (NJ) • Properties with Leased Solar Panels
	Manufactured Homes	<ul style="list-style-type: none"> • Investment/NOO properties not permitted • Fixed Rate only • Both HUD Data Plate and HUD "Red Tag", or the Freddie Mac acceptable equivalent, must be present to be eligible for financing • Permitted only for the purchase/refinance of existing manufactured homes and land classified as a single piece of real property. Manufactured homes permanently attached in the 12 months preceding the loan application date are not eligible for either purchase or refinance transactions. Transactions in which the mortgage proceeds are used to finance the purchase of a new manufactured home, or a new manufactured home and the land, are not eligible. • Only manufactured homes built 1995 or after are eligible for financing (Not applicable to LP Refi Plus; LP Refi Plus must meet all Freddie Mac eligibility criteria) <p>See the Manufactured Home section in SOCC Guidelines for additional details including LTV/CLTV restrictions.</p>
	Properties Previously Listed for Sale	<ul style="list-style-type: none"> • Rate/Term refi – listing must have been cancelled or expired prior to the disbursement date, and the borrower must confirm their intent to occupy the subject for Owner Occupied • Cashout refi – Properties listed for sale in the six months preceding the disbursement date of the new mortgage loan are limited to 70% LTV/CLTV/HCLTV ratios (or less if mandated by the specific product, occupancy, or property type) <p>In all instances, careful consideration should be given to the listing price and appraised value to be sure the value is supported</p>
	Disaster Areas	<ul style="list-style-type: none"> • Any property in a disaster area list must adhere to Disaster Policy • No PIW's or alternative valuation processes permitted • Full inspection required
	Leasehold Estates	<ul style="list-style-type: none"> • Leasehold Estates are permitted on conventional conforming loans (Not allowed in conjunction with the following property types: Condos, Properties located on Indian Land). • SOCC requires the payment to the leaseholder to be impounded when a standard escrow account is established. Refer to "Escrows".
	Mixed Use	Follow Freddie Mac guidelines except the square footage of commercial part of the property cannot exceed 25% of the total square footage
	Property Condition	Property condition of C5 or C6 are not eligible All repairs affecting safety, livability, or habitability must be completed prior to delivery.

Category	Guideline	Policy
Credit	Minimum Credit Score	Minimum credit score is the greater of 620 or the minimum as described in the product matrix
	Non-Traditional (Alt) Credit	Not permitted
	Credit Inquiries	All credit inquiries within 120 days of the credit report are required to be addressed by the customer
	Paying Down/Off Debt to Qualify	<ul style="list-style-type: none"> Revolving debt cannot be paid down to qualify. If a revolving debt is to be paid off but not closed, a monthly payment on the current outstanding balance should be considered in the borrower's DTI ratio. Revolving debt may be paid off to qualify at underwriter discretion subject to agency eligibility. For loans underwritten with LP, underwriter has discretion upon review the overall loan analysis to determine if a revolving debt is eligible to be paid off to qualify and if so, whether it must be closed prior to or at closing.
	Primary Residence Pending Sale	Follow Freddie Mac Requirements
	Mortgage History	Mortgage payment histories must be verified for any mortgages not reporting on the credit report. Any verified mortgage history that shows a 30 day late or greater in the last 24 months must be reported on the borrower's credit report and included in the AUS decision. As permitted by AUS findings, a VOM from an acceptable third party showing no 30 day or greater lates is acceptable at underwriter discretion for a mortgage not showing on the credit report (not directly considered in the AUS decision).
	Derogatory Credit	<ul style="list-style-type: none"> Follow LP findings as to any debt that should be paid All judgments and liens must be paid at or before closing For forgiveness of debt, modifications, bankruptcies, foreclosures, and short sales, follow standard LP waiting periods/guidelines. SOCC does not purchase loans requiring consideration and review of extenuating circumstances to determine eligibility.
Income	4506-T	<ul style="list-style-type: none"> A fully complete and signed 4506T for each borrower is required Tax return transcripts are required for all loans, refer to SOCC Income Validation Policy. Tax return transcripts cannot be used in place of the actual tax return documents for qualification
	Qualifying Ratios (DTI)	Per AUS. Note: LP will consider a non-occupant borrower's income as qualifying income for a principal residence with certain LTV ratio limitations. Refer to Freddie Mac Selling Guide: Guarantors, Co-Signers, or Non-Occupant Borrowers
	Income Documentation	VOE as standalone documentation is not permitted - most recent paystub and most recent year W2 is required regardless of LP findings
	Employment Offers or Contracts	Borrowers who are changing or starting new jobs can be approved with a signed offer letter or contract documenting the anticipated income, but the loan is not eligible for purchase by SOCC without a paystub
	Income from Rental Properties	First Time Homebuyers presenting a strong financial picture must meet the following requirements to qualify with rental income (see SOCC Guidelines for additional considerations): <ul style="list-style-type: none"> Have a strong established credit history – 3+ years of history with normal credit card and auto payment debt showing a clear ability to manage debt load Provide 12 months cancelled checks for housing history – no live with parents or family No gifts allowed 6 months reserves in addition to LP requirements Borrower must have a strong employment history with 2+ years of stable, strong employment/income
	Annuity/Retirement/ Distribution Income	<ul style="list-style-type: none"> Any distribution that is being used to qualify must be established prior to the application date Copy of the distribution schedule must be provided Copy of at least one month's distribution check must be provided Assets being depleted due to distribution cannot be used for reserves
	Self-employed Borrowers	<ul style="list-style-type: none"> Corporate tax returns are required for the time period being considered in the income calculation for any borrower who is more than 25% owner of an LLC, 1120S or 1120 corporation. This requirement may be waived if the borrower is paying all of the down payment from his/her own personal funds AND the borrower has been self-employed for at least 5 years AND the borrowers individual tax returns show an increase in self-employment income over the last two years. Business assets are permitted for cash to close and reserves if the borrower is 100% owner of the company and it is determined by the UW that the withdrawal of funds will not impact the borrower's business. A CPA letter verifying no impact to the business is acceptable; however, if no CPA letter is available the UW will review the tax returns of the business to determine any impact. Any significant withdrawal should be considered in relation to the overall strength of the borrower's company
Programs	Texas Section 50(a)(6)	Allowed subject to meeting all Texas State Law, SOCC Overlays, and the following additional requirements: <ul style="list-style-type: none"> Maximum loan amount: \$417,000 SOCC must provide closing documents approved by one of the following attorneys approved by SOCC Maximum 10 acres of land that is urban or suburban property - non agricultural. Ineligible: HPML, Power of Attorney, Temp buydowns, Leaseholds, 2-4 units, Properties Vested in Trust, Escrow Holdbacks, Gifts Fees: Fees must comply with state requirements in addition to RESPA/ECOA. Borrower paid fees are limited to 3% of the principal balance. Max Borrower paid fees includes the orig. fee. Loan application: Initial 1003 to be executed by MLO, borrower(s), all other parties on title, non-borrowing spouse. Final 1003 must be executed by borrower(s) and by MLO (or left blank by MLO).
	Ineligible Programs	<ul style="list-style-type: none"> Interest Only loan programs HPML/Section 32 Temporary Buydowns Leaseholds secured by Indian/Tribal lands Homestyle/Homepath Renovations MCC

Category	Guideline	Policy															
Borrower & Transaction Detail Overlays	At Interest Transactions	<ul style="list-style-type: none"> No Applicable On Open Access Program 															
	Conversion of Primary Residence	Agency requirements must be met.															
	Delayed Financing	<ul style="list-style-type: none"> Delayed financing is permitted subject to Freddie Mac requirements The original purchase transaction must have been an arms-length transaction. If the seller was an LLC the owners of the LLC must be documented The LTV/CLTV/HCLTV is based on the appraised value. The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing of closing costs, prepaid fees, and points on the new mortgage loan (subject to the maximum LTV/CLTV/HCLTV ratios for the cash-out transaction based on the current appraised value). 															
	Down Payment Assistance Program	Down Payment Assistance programs are considered an Interested Party Contribution (IPC). IPC's are permitted.															
	LP Warnings	If LP issues a warning for excessive LP runs, a written explanation must be provided by the originator.															
	Escrows / Escrow Holdbacks	Escrows: Tax and Insurance escrows are required on all loans greater than 80.00% loan to value; escrow waivers are allowed subject to a demonstrated ability by the borrower to manage lump sum tax and insurance payments.															
	Escrow Waiver Grid	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="3">Escrow Waiver Eligibility</th> </tr> <tr> <th>Primary Residence</th> <th>Second Home</th> <th>Investment</th> </tr> </thead> <tbody> <tr> <td>All states excluding CA and NM: <=80% LTV</td> <td>All states excluding CA: <=80% LTV</td> <td>All states excluding CA: <=80% LTV</td> </tr> <tr> <td>California: <=90% LTV</td> <td>California: <=90% LTV</td> <td>California: <=90% LTV</td> </tr> <tr> <td>New Mexico: <80% LTV</td> <td></td> <td></td> </tr> </tbody> </table>	Escrow Waiver Eligibility			Primary Residence	Second Home	Investment	All states excluding CA and NM: <=80% LTV	All states excluding CA: <=80% LTV	All states excluding CA: <=80% LTV	California: <=90% LTV	California: <=90% LTV	California: <=90% LTV	New Mexico: <80% LTV		
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	Ineligible Borrowers	Loans with title or interest held in various forms/legal entities such as Life Estates, Non-Revocable Trusts, Guardianships, LLC's, Corporations or Partnerships are not eligible															
	Number of Financed Properties	<ul style="list-style-type: none"> For Primary residences there is no limit to the number of properties financed/owned by the borrower. For Second Homes and Investment Properties, the maximum number of financed properties is 10, however special consideration and LTV restrictions apply to borrowers with more than 5 financed properties which are not recognized in LP findings. See Freddie Mac Guidelines for full requirements. <p>Note: These limitations apply to the borrower's ownership in one-to four unit properties or mortgage obligations on such properties and is cumulative for all borrowers.</p>															
	Mortgage Insurance	<ul style="list-style-type: none"> Mortgage Insurance from an approved provider is required on all loans over 80.00% loan to value. Standard coverage only <p>Refer to Freddie Mac Seller's Guide for Eligible types of Mortgage Insurance Policies and Approved Mortgage Insurance Companies.</p>															
	Multiple Borrowers/ # of Borrowers	There can be no more than 4 borrowers per loan															
	Multiple Mortgages to the Same Borrower	<p>Maximum of 2 financed units in a single condo project or PUD for one borrower.</p> <p>Borrowers are limited to four (4) loans or one million dollars (\$1,000,000) total in loans funded/purchased by SOCC.</p> <p>In addition, for Agency restrictions refer to Number of Financed Properties (above).</p>															
Non-Arms Length Transactions	Generally not allowed, but may be eligible on owner occupied purchase transactions with the full documentation of assets, income and appraisal – no waivers permitted. Freddie Mac guidance must be followed and the transaction must be approved by SOCC underwriting and executive staff																
Non-Owner Occupied	<ul style="list-style-type: none"> Non-arms length not permitted See Income from Rental Properties for additional details and requirements 																
Power of Attorney	Will be allowed subject to underwriter and title company approval.																
Sales Incentive	The maximum allowable sales incentive (commission, finder's fee, etc.) is limited to 8% of the sales price																
Subordinate Financing	New, Modified, and existing subordinate liens are permitted within the max CLTV tolerances noted in the Conventional matrix. A copy of the subordinating Note, Mortgage/Deed and Subordination Agreement is also required. See down payment assistance section for subordinating liens on purchase money transactions.																
Correspondent Seller Employee Loan	<p>Owner Occupied only. The following documentation is required:</p> <ul style="list-style-type: none"> 2 yrs personal 1040 tax returns 2 yrs business tax returns (if applicable) 2 yrs W2s & Paystub (current with YTD earnings) 2 months bank statements AVM / QC tool including validation of value 																