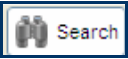


Option ARM Guidelines

The Credit Policy Manual makes reference to “The Lender”. The Lender shall at all times refer to the institution or business which is to ultimately fund or purchase the mortgage loan. Any outside business or entity involved, at any time, in the process of the originating, processing, underwriting, or closing of the mortgage must comply with The Lender’s credit policy as set forth in this manual.

Any discrepancies between this Credit Policy Manual and published Product Profiles will defer to whichever has the most recent revision date. This manual was last revised REVISION 7.6.2007.

To Search this manual, Click **Edit** on your menu bar, and then Click **Find**; or type **CTRL F**. Enter a simple keyword to search for. Adobe Acrobat will only search for the phrase exactly as you type it.

You may also click the Binoculars Icon  in Adobe Acrobat, which will provide more search options.

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OPTION ARM

SECTION 100.00 – INTRODUCTION

- The Option ARM program offers borrowers the advantage of a fixed interest rate period combined with flexible payment options during the Option Period.
- Beginning with the first payment the borrower may select each month, in addition to the required minimum payment, one (1) of three (3) additional payment options.
- IOTI is defined as Interest Only plus Taxes and Insurance Escrows

100.01 – Payment Period Type and Options

Option Period – The Option Period will remain in effect until the 60th month or until the loan reaches the negative amortization cap, whichever date is earlier.

Interest Only Period – the Interest Only Period will begin at the end of the Option Period and remain in effect until the 120th month.

Fully Amortizing Period – the Fully Amortizing Period will begin at the end of the Interest Only Period and remain in effect until the maturity of the loan.

Option Period

- The Option Period begins on the date of settlement and remains in effect (i) for 60 months, or (ii) until payment of the Minimum Payment on the next scheduled payment date would cause the principal balance to exceed 115% of the original loan balance; whichever event occurs first. The interest rate will not change during the Option Period.
- During the Option Period the borrower will have the option of paying one of the following monthly payments:
 - An interest only payment calculation based on the original loan amount and a rate that is 3 percentage points (3%) below the note rate. The result of this calculation is called the “Minimum Payment”.
 - An interest only payment calculated at the note rate based on the unpaid principal balance.
 - A fully amortizing payment based on a 15 year term to maturity.
 - A fully amortizing payment based on the actual remaining term to maturity.
 - The supplemental payment options are not available after the first five (5) years or at which time the loan reaches the negative amortization cap.

Interest Only Period

- At the conclusion of the Option Period, the monthly payment will increase substantially from the Minimum Payment. During the Interest Only Period, a monthly payment sufficient to pay the interest as it accrues each month will be due. Interest only payment will be made until the tenth anniversary of the loan (the “Interest Only Period”). The principal balance will not be decreased by an interest only payment.

Fully Amortization Period

- At the conclusion of the Interest Only Period; the monthly payment will be in an amount sufficient to repay the unpaid balance at the then existing interest rate for the remaining term in equal monthly installments.

*****Refer to Product Profile for Rate Change and Cap Information*****

100.02 – Property Eligibility

Eligible Properties

- Single Family 1-4 Unit
- Condos meeting Class I, II, or III requirements
- PUD

Option ARM Guidelines

Ineligible Properties

- Properties with square footage less than six hundred (600) square feet
- Manufactured Homes
- Rural property (Neighborhood Characteristics on Appraisal)
- Mixed-use property
- Condotels (Condo-Hotels)
- Log homes
- Unimproved land
- Mobile homes
- Kiddy condos
- Unique properties
- Tax-sheltered syndications
- Timeshare units
- Multi-family dwellings containing more than four (4) units
- Working farms
- Ranches and orchards
- Any residential properties zoned commercial
- Refinanced transactions on properties currently listed for sale or listed for sale within six (6) months prior to the loan application date
- Properties in Guam, PR, VI, WV, HI, ME, and NY
- Primary cash out in Texas
- Non-warrantable condos
- Leaseholds

Property Ownership Limits

There are no limitations on the number of owned or financed by the applicant. The Lender will finance a maximum of ten (10) loans for any one borrower.

Joint ownership is considered the same as total ownership of an individual, regardless of type or amount of property, and will count as one loan for the purpose of limitation.

100.03 – Borrower Eligibility

The Lender will purchase Mortgage Loans made to natural persons only. Title is required to be in the name of the individual borrowers. Inter-vivos revocable trusts are also acceptable provided the note and mortgage are executed as both borrower and trustee. Loans to corporations, limited partnerships or other entities are not eligible. Acceptable residency statuses are as follows. Restrictions may be imposed based on doc types and product as noted in the credit policy.

- U.S. Citizens
- Permanent resident aliens are allowed under same conditions as U.S. Citizens
- Non-permanent resident aliens (Foreign Nationals are not eligible)

Non-Permanent Resident Alien Borrowers

- Must have a minimum two (2) year employment history with a United States based employer. Income for qualifying purposes must be from the United States.
- Must be able to verify probability of continued U.S. employment with current employer for three (3) years.
- Single family detached primary residents only
- Must have a minimum two (2) year U.S. credit history
- Must have an established asset in the U.S. for at least two (2) years. Funds from outside the U.S. are not acceptable.
- A non-resident alien borrower who is the primary wage earner is eligible provided the minimum FICO is met.

First Time Homebuyer

Option ARM Guidelines

- All borrowers, including first time homebuyer(s), will be underwritten to the same standards. Careful risk analysis should be used when analyzing a borrower who is purchasing a home for the first time or does not have history of making housing payments. All borrowers must meet the mortgage/rental history requirements.

Non-Occupant Co-Borrower

Non-occupant co-borrowers are allowed provided:

- Maximum LTV/CLTV is limited to 80%
- 1-2 unit properties only
- High-rise condominiums are not eligible
- Non-occupant co-borrower must be an immediate family member (parent, child, brother, or sister)
- Total Debt to Income must meet overall DTI requirements for the program and occupying borrower must meet a 50% maximum DTI ratio
- Non-occupant co-borrower should add strength to the transaction by exhibiting stability, good credit history and strong asset base.
- Non-occupant co-borrower must have sufficient liquidity to assist the owner-occupant borrower should the need arise
- The Note and Security Instrument must be signed by both occupant and non-occupant borrowers
- Co-signers or guarantor not allowed

100.04 – Occupancy

Principal Residence - The property is occupied by the borrower as the primary residence.

Second Home - The property is occupied by the borrower from time to time and is suitable for year round use. (2-4 family properties are not allowed). Rental income may not be derived from a second home.

Investment Property - The property is not occupied by the borrower as a primary or second home and is owned for the purpose of generating positive net cash flow.

100.05 – Additional Guidelines

Subordinate Financing

- Subordinate and junior liens are allowed based on maximum CLTV for the program. (see Product Profile)
- In the case of a refinance, the subordinate Seller must execute a subordination agreement.
- A copy of the second lien note is required
- Loans with seller held or privately held subordinate financing are not eligible for purchase. A financial or government institution must hold the subordinate financing

Balloon Mortgage Loans

Balloon terms are not allowed on the Option ARM program.

Temporary Buydown Mortgage Loans

Temporary buydowns are not allowed on the Option ARM.

Mortgage Insurance

Mortgage Insurance is required on all Mortgage Loans with an LTV greater than 80.00%.

Required Coverage

	<u>30 Year</u>	<u>15 Year</u>
80.01% - 85.00%	12.00%	6.00%

Option ARM Guidelines

85.01% - 90.00%	25.00%	12.00%
90.01% - 95.00%	30.00%	25.00%
> 95%	35.00%	30.00%

“No MI” Feature

The “No MI” Feature is not available on the Option ARM program.

Contribution by Interested Third Party

Primary Residence and Second Homes

- CLTV > 90%, maximum contribution is three percent (3%)
- CLTV 75.01% - 90%, maximum contribution is six (6%).
- CLTV \leq to 75%, maximum contribution is nine percent (9%).

Investment Property

Maximum two percent (2%) contribution, regardless of the CLTV.

Assumability

Qualifying assumptions are permitted in accordance with the Note.

Escrow Holdbacks

- Escrow holdback must be reviewed by Credit Policy on an exception basis only.

SECTION 200.00 – REFINANCE TRANSACTIONS

200.01 – Limited Cash Out Rate/Term Transaction

Limited to:

- The pay-offs of the outstanding principal balance of an existing first mortgage loan
- The pay-off of the outstanding principal balance of any existing subordinate mortgage loan that is more than one (1) year old, as of the date of the new Refinanced Mortgage loan or was used to purchase the property in whole.
- The financing of closing costs (including prepaid expenses)
- Cash back to the borrower is an amount no greater than the lesser of one percent (1%) of the balance of the new Refinanced Mortgage Loan or \$2,000.00
- Loan to Value is based on current appraisal

200.02 – Cash Out Transaction

Cash out refinance transactions are allowed up to the LTV requirements indicated on the Product Guides. Cash out refinances allow for payoff of all items listed above as well as other debts and cash back.

200.03 – Seasoning Requirements

Rate and Term Refinances

- There are no seasoning requirements on Rate and Term

Cash-Out Refinances less than 6 months seasoned

- The LTV is based on the lesser of original purchase price or current appraised value

Option ARM Guidelines

If borrower has received ownership of property by transfer of title within the past 12 months, cash out is not allowed.

200.04 – New Construction

Construction-to-Permanent financing involves replacing interim construction financing, that the applicant obtained to fund the construction of a new residence, with a long-term mortgage. The applicant must be the primary obligor on the interim loan and the owner of the lot on which the residence is constructed. For purposes of computing the loan-to-value, the transaction will be treated as a refinance. The borrower's right of rescission does not apply to these transactions.

Construction to permanent loans will be handled as refinances and must meet the following conditions:

- Rate and Term- LTV based on the appraised value of the property at the time that the permanent loan is closed and the construction loan must be paid off as part of the closing;
- Cash Out- Acquisition costs must be fully documented. Cash out will be limited to the dollar amount of the amenities that have been paid in excess of the construction contract. The LTV will be based on the lower of the following:
 1. Appraised value is improved;
 2. Builder contract price plus the cost of the land;
 3. Builder contract price plus the market value of the land if owned for greater than 12 months;

Construction/acquisition costs (with documentation) plus the cost of the land. The cost of construction must be documented by adding the amount shown on the construction contract plus amounts shown on any receipts for borrower paid items. The overall cost must be supported by the final appraisal.

200.05 – Contract for Deed

- A mortgage loan that pays off a contract for deed is treated as a refinance transaction
- Twelve (12) months ownership seasoning is required and the LTV is based on the appraised value
- Twelve (12) months of cancelled checks are required

200.06 – Lease with an Option to Purchase

- The portion of a rental payment which exceeds fair market rent can be applied towards the applicant's down payment if there is a valid lease purchase agreement in effect; however, this amount may not exceed the amount of the credit as specified in the lease. The applicant must provide a copy of the lease purchase agreement along with copies of canceled checks or money orders for the past 12 months. The appraiser is to develop a figure for fair market rent. Documentation must be provided to support the applicant's own five (5%) percent down payment, including any allowable credit for payments made above the fair market rent.
- If the contract is less than twelve (12) months old, use the lesser of appraised value and purchase price to calculate the LTV
- The appraiser must provide evidence of Fair Market Rents
- If the borrower has occupied the property and paid on the contract for twelve (12) months or more, use the appraised value to calculate the LTV
- Cash-out to the borrower is not permitted

SECTION 300.00 – CREDIT

300.01 – Documentation Requirements – Mortgage / Rental History

- A verification of mortgage/rental history is required on all loans. Current balance, current status and payment amount must be verified. Exceptions are not allowed to the mortgage/rental history and verification requirements

Option ARM Guidelines

- Borrowers unable to provide a complete twelve (12) month mortgage/rental history are limited to:
 - Owner occupied primary residences only, regardless of documentation type
 - Verified asset documentation types
 - Verified reserves must be provided as follows:
 - CLTV>90% 6 months IOTI
 - CLTV<90% 2 months IOTI
 - FICO≥680 2 months IOTI, regardless of CLTV
- Verified assets must be reasonable with respect to the stated income for all stated income programs
- The mortgage/rental history must reflect 0x30 in the previous twelve (12) months
- In case of a recent refinance or account transfer, a combination of payment performance from multiple lenders for the same collateral may be used to complete the twelve-month (12) history requirement
- For a recent purchase, a combination of payment performance from a prior property or rental payments may be used to complete the twelve-month (12) history. A gap in mortgage/rental payment history of up to 6 months is allowed by obtaining the most recent eighteen-month (18) history
- Mortgage/rental history must be verified by a third party or credit bureau

Mortgage History

- A twelve-month (12) rating may be verified on the RMCR or merged in-file report; or
- Verification of mortgage completed by the holder of the mortgage
- No rolling lates in the last 12 months
- Mortgage loan must be current at the time of closing

Rental History

- If the landlord is a management company, the management company must be listed in the local telephone directory and the file must contain a copy of the listing. If the listing is not available, twelve months' (12) cancelled checks must be provided
- If the landlord is a non-related individual, a direct verification is allowed provided proof of landlord ownership is established
- All direct verifications must include the rental amount, payment history, and length of payment history
- If the landlord is related to the borrower, twelve months' cancelled checks must be provided
- If cancelled checks are used, copies (front and back) of twelve (12) month's consecutive (one (1) payment per month) rental payment cancelled checks are required.

Rolling Mortgage/Rental Delinquency

Rolling mortgage/rental delinquencies within the last 12 months and/or mortgage loans currently past due are not eligible for purchase.

300.02 – Credit History

Length of Credit History

- An established credit history is defined as a minimum of three (3) active traditional credit references that have been opened for at least twenty-four (24) months and have been active at some time during that period.
- A mortgage or rental history that is not reported on the credit report may be used to satisfy any of the above requirements with a satisfactory VOM/VOR or other acceptable documentation.
- Alternative/Non-Traditional Credit References may NOT be used to establish the minimum tradeline requirements. These include, but are not limited to, those payments made for utilities, cable/internet services, medical/auto/life insurance, tuition/child care or medical bills.

Definition of Adverse Credit

- No 30 day lates on mortgage in last 12 months
- No judgment, liens, public records, repossessions, etc. FILED in the last 24 months. Regardless of age, however, ALL of these must be paid off/satisfied by closing.
- No bankruptcy/Foreclosure in last 48 months (based on discharged date)

Bankruptcy

Option ARM Guidelines

- Combined loan amounts less than or equal to \$1,000,000 – bankruptcy discharged four (4) years with no late payments or derogatory credit over the prior four (4) year period. Borrowers with prior bankruptcies that do not meet the re-established criteria are not eligible.
- Combined loan amounts greater than \$1,000,000 – bankruptcy must be discharged seven (7) years with no late payments or derogatory credit over the prior seven (7) year period
- Chapter 7 is calculated from the discharge date
- Chapter 13 is calculated from the file date; however it must be discharged or the plan successfully completed prior to borrower closing
- Chapter 13 bankruptcies that are dismissed due to an unsatisfactory repayment of the plan will be calculated as of the dismissal date

Foreclosure

- Combined loan amounts less than or equal to \$1,000,000 – foreclosure must not be reported in the last four (4) years with no late payments or derogatory credit over the prior four (4) year period
- Combined loan amounts greater than \$1,000,000 – foreclosure must not be reported in the last seven (7) years with no late payments or derogatory credit over the prior seven (7) year period
- Foreclosure is defined as the earliest of the following:
 - Date of the most recent one hundred and twenty (120) mortgage late
 - Notice of Default
 - Deed in Lieu Date
 - Forbearance Agreement Date
 - Settlement on real estate secured tradeline date

Credit Re-establishment

- Minimum of four (4) active tradelines with a minimum of twenty-four (24) months history
- Re-established credit may include documented tradelines that were either reaffirmed tradelines from a bankruptcy or tradelines that were not included in the bankruptcy. The use of one (1) non-traditional tradeline for the four (4) tradeline requirements is allowed (verification of rent may be considered as the one non-traditional tradeline)

Public Records, Judgments, Liens and Collections

- Borrower must provide satisfactory explanation of any delinquent credit
- Borrower must pay off all delinquent credit – including delinquent taxes, judgments, charged-off accounts, tax liens, and mechanics or material man's liens – that has the potential to affect lien position or diminish the borrower's equity
- Collection accounts or charged-off accounts do not need to be paid off if the balance of an individual account is less than \$250.00 or if the total balance of all accounts is \$1,000.00 or less

SECTION 400.00 – LIABILITIES

Installment Debt

- Installment debts are included as monthly obligations if more than ten (10) payments remain.
- All car lease payments are included as a monthly obligation regardless of the number of payments remaining on the lease.
- Debts secured by a financial asset are not included as a monthly payment (401(k), Keogh, etc.).

Revolving Debt

- Included as monthly obligation regardless of the number of payments remaining.
- The monthly payment verified on the credit report may be used as the payment in calculating the total debt ratio.
- If the payment amount is not verified on the credit report, the payment disclosed by the borrower or five percent (5%) of the outstanding balance can be used.

SECTION 500.00 – INCOME

Option ARM Guidelines

Income Documentation Requirements

Income documentation must meet the requirements outlined in the income chart contained within this document.

Income Source

Income sources and the calculation of income must meet Freddie guidelines unless restricted based on documentation type/ Fixed income such as social security, VA benefits, pensions and annuity income, etc (the non-taxable portion) may be grossed-up twenty five percent (25%).

Non Arms Length Transactions

A non-arms length transaction occurs when there is a direct relationship between the borrower and any party to the transaction including, but no limited to:

- Property seller
- Builder
- Developer
- Employer
- Originating lender (owner, employees or family members)
- Real Estate Broker
- Closing agent
- Appraiser
- Renters buying from landlord
- Property trades with seller
- Employed by a family member

The following restrictions apply to all non-arms length transactions:

- Verified asset programs only
- Owner occupied properties only
- Relationships must be disclosed on the initial loan submission
- Loans made to principals or employees of the lender or service provider (appraiser, settlement agent, title agent, etc) cannot directly or indirectly provide these services on their own property.
- Additional risk factors are not present. Examples include, but are not limited to distressed sales, high amount of seller contributions and selling assets for down payment.
- In the case of a family transfer, a twelve-month (12) history of mortgage payments is required to ensure the loan is not a foreclosure bailout.
- Maximum seller contribution is 3%.

500.01 – Documentation Requirements

Full Doc

Salaried Borrowers:

- Complete, signed and dated application (1003)
- Most recent pay stub(s) covering a thirty-day (30) period with year to date earnings and W-2's from all employers for the past two years and Verbal VOE;
- or Written Verification of Employment
- Written Verification of Deposit (VOD) with two (2) months' average balance or most recent bank statements covering a two (2) month period.

Non Salaried Borrowers:

Option ARM Guidelines

- Complete, signed and dated application (1003)
- Two (2) years tax returns, including all schedules
- Year to date profit and loss statement
- Signed IRS 4506T
- Written Verification of Deposit (VOD) with two (2) months' average balance or most recent bank statements covering a two (2) month period.

Stated Income Verified Assets (SIVA)

- Complete, signed and dated application (1003) with employment and income stated.
- Income must be reasonable for salaried employment stated (a verification must be provided from an internet salary source such as Monster.com or Salary.com)
- Verbal VOE verifying employment
- CPA Certification or a copy of business license evidencing two year history for all self employed borrowers.
- Written Verification of Deposit (VOD) with two (2) months' average balance or most recent bank statements covering a two (2) month period.

500.02 – Rental Income

Full/Alt Doc

- Rental Income not used to qualify borrower
 - No form 998 required
 - Borrower is qualified with the IOTI
- Rental Income used to qualify the borrower
 - Form 998 required
 - Actual rents are established by Lease Agreement or IRS 1040/Schedule E
 - Market rents are established by Form 998 – Operating Income Statement supplied by the appraiser
 - Cash flow calculated as follows:
 - Purchase – Use (a) 75% of the actual rents or (b) 75% of market rent, whichever is less
 - Refinance owned < 1 year – use (a) 75% of actual rents, or (b) 75% of market rents, whichever is less.
 - Refinance owned = 1 year – use the net rental income as documented by IRS 1040/Schedule E, or if tax returns are not available, use 90% of the actual rents as evidenced by lease agreements.
- Negative cash flow is considered as part of the overall DTI calculation, therefore a limitation is not imposed.

SIVA

- Rental Income not used to qualify borrower
 - No form 998 required
 - Actual Rents are established by Lease Agreements or IRS 1040/Schedule E
 - Market rents are established by Form 998 – Operating Income Statement supplied by the appraiser
 - Cash flow calculated as follows:
 - Purchase – Use (a) 75% of the actual rents or (b) 75% of market rent, whichever is less
 - Refinance owned < 1 year – use a) 75% of actual rents, or b) 75% of market rents, whichever is less.
 - Refinance owned = 1 year – use the net rental income as documented by IRS 1040/Schedule E, or if tax returns are not available, use 90% of the actual rents as evidenced by lease agreements.
- Negative cash flow occurs when the rental amount is less than the IOTI.
- Negative cash flow equal to the vacancy factor – no further restrictions.
- If the negative cash flow exceeds the vacancy factor of 25% the borrower must show 12 months IOTI in reserves.

Option ARM Guidelines

Landlord Experience

The number of properties a borrower owns and the length of time the properties have been owned must be taken into consideration during the underwriting review. Borrowers who demonstrate a rapid acquisition (acquired within the most recent 24-month period) of investment property will be reviewed cautiously. TBW reserves the right to request documentation to evidence the borrower had the funds required to purchase any property and /or sufficient verified assets to provide 6 months reserves for the investment portfolio.

Loans to borrowers owning multiple investment properties must meet the following guidelines:

- Documented evidence of a minimum two (2) years experience managing multiple properties, **or**
- Borrower has purchased or is in the process of purchasing a maximum of (including subject property) either,
- Two or less investment properties within the last six (6) months; and/or
- Four or less investment properties within the last two (2) years.
- All financed 1-4 unit investment properties regardless of the source of financing will be considered in the above eligibility.

SECTION 600.00 – ASSETS

Sourcing and seasoning of Down Payment

- When a borrower is required to make a down payment, the source of assets must be seasoned for at least sixty (60) days before the date of the loan application.
- Funds needed for closing must be verified as required by the documentation type.
- Source of substantial increases in account balances or funds on deposit less than sixty (60) days must be verified.
- For loans with verified assets and a required down payment, the borrower must contribute a minimum of five percent (5%). Gift funds may not be used as noted below for the remaining down payment.
- No borrower down payment contribution is required when gift funds are at least twenty percent (20%) of the property value for both primary and second home loans.
- No borrower down payment contribution is required when secondary financing is allowed and the CLTV is one hundred percent (100%).
- Asset documentation must meet the requirements outlined in the documentation requirements section

Gift Funds

- Funds must come from an immediate family member or other appropriate relation.
- For loans with LTV of eighty percent (80%) or less, the entire down payment may be in the form of a gift.
- Gift from a family member who has resided with the borrower for at least twelve (12) months, and who will reside in the subject property, can be considered the same as the borrower's funds. Documentation must be obtained to verify that the family member has resided with the borrower for at least twelve (12) months.
- In all cases, the donor must execute a gift letter stating the donor's name and address, relationship to the borrower, amount of the gift and that no repayment is expected.
- Verification of transfer of gift funds is required.
- Gift funds may not be used to satisfy reserve requirements.

Gift of Equity

- The gift must come from an immediate family member or other appropriate relation.
- Property must be owner occupied residence.
- The donor must execute a gift letter stating the donor's name and address, relationship to the borrower, amount of the gift and that no repayment is expected.
- HUD-1 Settlement Statement must reflect the gift of equity.
- On purchase transactions, the contract of sale must also indicate the gift of equity.
- If a free and clear property is gifted within the most recent twelve (12) month period, the maximum LTV/CLTV is sixty percent (60%).

Option ARM Guidelines

Reserves

- Two months IOTI for owner occupied primary residences and second homes.
- Six months IOTI for investment properties. When multiple investment properties are owned by the same borrower, the borrower must satisfy this reserve requirement for all of the mortgaged properties.
- Gift funds may not be used to satisfy the reserve requirements.
- Source of reserves must be verified.

IRS 1031 Exchange

An IRS 1031 Exchange allows the borrower to place proceeds from the sale of a property into an escrow account until they are ready to purchase another like-kind property with the proceeds. The following documentation must be provided:

- New property must be of greater or equal value to the relinquished property.
- HUD-1 from the relinquished property.
- Copy of the exchange agreement.
- Statement from Accommodator verifying the available funds.

SECTION 700.00 – APPRAISALS

Appraisal Requirements

Full appraisals on form 70 URAR are required on all Option ARM loans. Schedules and Addenda documents must meet guidelines for full appraisals.

- Form 442 Completion Certificate (with photographs) required if the estimate of value is “Subject to repairs, alteration or conditions” or “Subject to completion per plans and specifications”. The original appraiser should prepare this certificate.
- Form 998 Operating Income Statement is required on all investment properties when rental income is being used to qualify the borrower.
- Form 1000 Comparable Rent Schedule if rental income is being used to qualify the borrower.
- Loans over \$650,000 require one full URAR and an AVM (when available) OR two full URAR appraisals required.
- Loans over \$1,000,000 must have two full URAR appraisals with interior photos.

Age of Appraisals

- Appraisal must be less than one hundred twenty (120) days old (180 days for New Construction) at time of closing
- A recertification of value is required over 120 days (180 days for New Construction) but not exceeding twelve (12) months
- A new appraisal is required after twelve (12) months.