



LYDIANTM
MORTGAGE



Flex Matrix

Revision 10 08-09-2007	Flex 97	Flexible 100	Flexible w/ Subordinate Financing³
Loan Purpose	Purchase and Limited cash-out Refi up to SFR conventional conforming limits *	Purchase and Limited cash-out Refi up to SFR conventional conforming limits	Purchase and Limited cash-out Refi up to SFR conventional conforming limits
Occupancy	Primary	Primary	Primary
Property Type	1-Unit (including condos, townhomes, PUDs) Co-ops and Manufactured homes are not allowed.	1-Unit (including condos, townhomes, PUDs) Co-ops and Manufactured homes are not allowed.	1-Unit (including condos, townhomes, PUDs) Co-ops and Manufactured homes are not allowed.
Loan Type ⁴	Fixed Rate: 15-, 20-, 30-year ARMS: 5/1, 7/1 and 10/1	Fixed Rate: 15-, 20-, 30-year ARMS: 5/1, 7/1 and 10/1	Fixed Rate: 15-, 20-, 30-year ARMS: 5/1, 7/1 and 10/1
LTV and CLTV	> 95% and ≤ 97%	97.01% to 100%	LTV ≤ 95% and CLTV > 95% (80 / 20; 70 / 30)
Expanded Downpayment Option - Purchases only LTV 90 - 95%	LTV ≥ 90% and ≤ 95% and borrower lacks 5% of own funds	N/A	LTV ≥ 90% and ≤ 95% and borrower lacks 5% of own funds Max CLTV 95% (ex 90/5)
Subordinate Financing	If secondary financing present, treat as a flexible w/subordinate financing and LTV is limited to 95%. Max CLTV for LTV's	If secondary financing present, treat as a flexible w/subordinate financing and LTV is limited to 95%.	100% CLTV* is permitted with an institutional second. Subject to loan level price adjustment. Seller held seconds are not eligible.
Credit Underwriting Type	DU TM Approve/Eligible / EA Level 1 Approval	DU TM Approve/Eligible / EA Level 1 Approval	DU TM Approve/Eligible -2nd may be HELOC / EA Level 1 Approval only - 2nd must be fixed closed end

Special Underwriting Requirements

Bankruptcy and/or foreclosure	Determined by DU TM ; ineligible if BK filed or foreclosure reported within prior 24 months	Determined by DU TM ; ineligible if BK filed or foreclosure reported within prior 24 months	Determined by DU TM ; ineligible if BK filed or foreclosure reported within prior 24 months
Min Fico (for all borrowers)	Per Guidelines	Per Guidelines	Per Guidelines
Mortgage Insurance (borrower paid)	35%	35%	35% If LTV > 80%
Non-Occupant Co-Borrower	Not Permitted	Not Permitted	Not Permitted
Interest Party Contribution (includes seller, builder, realtor, developer) ²	3% permitted for costs exceeding the borrower's minimum contribution. *The combination of LTV and interested party contributions cannot exceed 103% of the value of the property	3% permitted for costs exceeding the borrower's minimum contribution. *The combination of LTV and interested party contributions cannot exceed 103% of the value of the property	3% permitted for costs exceeding the borrower's minimum contribution. *The combination of LTV and interested party contributions cannot exceed 103% of the value of the property
Minimum Borrower Contribution	For purchase transactions, borrower must contribute an amount equal to 3% of the sales price from flexible ¹ sources for down payment or closing costs / prepaids	For purchase transactions, borrower must contribute a minimum of \$500 from own funds or an amount equal to 3% of the sales price from flexible ¹ sources for down payment or closing costs / prepaids	For purchase transactions, borrower must contribute a minimum of \$500 from own funds or an amount equal to 3% of the sales price from flexible ¹ sources for down payment or closing costs / prepaids
Temporary Buydowns	Not Permitted	Not Permitted	Not Permitted
Borrower income limitation	None	None	None
Home-Buyer Education	Not Required	Not Required	Not Required
Unacceptable Sources of Minimum Borrower Contributions	Interested Party Contributions; Premium Pricing; Any type of unsecured (revolving) debt; sweat equity;	Interested Party Contributions; Premium Pricing; Any type of unsecured (revolving) debt; down payment assistance programs; sweat equity;	Interested Party Contributions; Premium Pricing; Any type of unsecured (revolving) debt; down payment assistance programs; sweat equity;
Acceptable Sources for Downpayment or Borrower Contribution * Borrowers have option of contributi	Borrower own seasoned funds; loan secured by a CD; cash value of life insurance policy or other real estate; 401k loan; gift or unsecured loan from a relative, domestic partner, fiance, gift, grant from employer, public agency or nonprofit organization, unsecured loan from an employer, church or other non-profit organization (Not including Credit Unions)	Borrower own seasoned funds; loan secured by a CD; cash value of life insurance policy or other real estate; 401k loan; gift or unsecured loan from a relative, domestic partner, fiance, gift, grant from employer, public agency or nonprofit organization, unsecured loan from an employer, church or other non-profit organization (Not including Credit Unions)	Borrower own seasoned funds; loan secured by a CD; cash value of life insurance policy or other real estate; 401k loan; gift or unsecured loan from a relative, domestic partner, fiance, gift, grant from employer, public agency or nonprofit organization, unsecured loan from an employer, church or other non-profit organization (Not including Credit Unions) Secondary Financing - Lydian Heloc may be used on DU Approved Eligible. EA1 Eligibility permits fixed closed end second only.
Unacceptable Sources for Downpayment.	Interested-party contribution, premium pricing; any type of unsecured revolving debt; sweat equity, Seller- Held Mortgages on subject property	Interested-party contribution, premium pricing; any type of unsecured revolving debt; sweat equity, Seller- Held Mortgages on subject property	Interested-party contribution, premium pricing; any type of unsecured revolving debt; sweat equity, Seller- Held Mortgages on subject property
Acceptable Sources of funds for closing costs and prepaids	In addition to the acceptable sources for downpayment or borrower contribution, borrower may use following additional sources for closing cost funds. Interested-party contribution up to 3% of property sales price and can be applied to closing costs and prepaids. * Premium pricing allowed as long as the increase in the mortgage interest rate does not equate to more than 3% of the property's sales price and can be used to cover closing costs (not prepaids) above the borrower's minimum contribution per program. This includes additional closings costs in excess of borrower and interested party contributions.	In addition to the acceptable sources for downpayment or borrower contribution, borrower may use following additional sources for closing cost funds. Interested-party contribution up to 3% of property sales price and can be applied to closing costs and prepaids. * Premium pricing allowed as long as the increase in the mortgage interest rate does not equate to more than 3% of the property's sales price and can be used to cover closing costs (not prepaids) above the borrower's minimum contribution per program. This includes additional closings costs in excess of borrower and interested party contributions.	In addition to the acceptable sources for downpayment or borrower contribution, borrower may use following additional sources for closing cost funds. Interested-party contribution up to 3% of property sales price and can be applied to closing costs and prepaids. * Premium pricing allowed as long as the increase in the mortgage interest rate does not equate to more than 3% of the property's sales price and can be used to cover closing costs (not prepaids) above the borrower's minimum contribution per program. This includes additional closings costs in excess of borrower and interested party contributions.

¹ In addition to the borrower's own funds, the following flexible sources may be used for the borrower's minimum contribution: gifts, grants or unsecured loans from relatives or nonprofits, secured borrowed funds, employer assisted housing.

² Seller contributions are not permitted for any portion of the required minimum borrower contribution (at least \$500 from borrower's own funds for Flex 100 or 3% from flexible sources for Flex 97 or Flex 100)

³ Lydian second mortgage programs are permitted as a source of secondary financing and subject to HELOC Matrix eligibility. Maximum LTV when secondary financing is present is 95%

⁴ 15 yr fixed F15NF.1; 20 yr fixed F20NF.1; 30 yr fixed F30NF.1; 5/1 ARM F51NR.1; 7/1 ARM F71NR.1; 10/1 ARM F11NR.1; DU Approved / Eligible only; EA **Level 1** presently only 30 year fixed permitted