

# INTERBANK CONFORMING INTEREST ONLY QUICK REFERENCE GUIDE

	<b>5/1 LIBOR ARM - INTEREST ONLY</b>											
<b>PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Conventional Conforming interest-only for 10 years, then annual rate adjustments and the payments are fully amortizing over the remaining years.</li> <li>• 30 year term</li> <li>• Non-convertible</li> </ul>											
<b>PRODUCT CODES</b>	<b>153104</b> - 30 Year 5/1 FNMA LIBOR ARM											
<b>INDEX</b>	London interbank offered rate for twelve month United States dollar-denominated deposits, as published in the Wall Street Journal (Libor)											
<b>MARGIN</b>	<b>2.25%</b>											
<b>ANNUAL ADJUSTMENT CAP</b>	5% for first adjustment, 2% annual adjustment begins with second adjustment											
<b>LIFE ADJUSTMENT CAP</b>	5%											
<b>RATE ADJUSTMENT</b>	<ul style="list-style-type: none"> <li>• Initial Note rate in effect for first 60 months</li> <li>• First interest adjustment subject to 5% life cap</li> <li>• 2% annual adjustments begin with second adjustment</li> <li>• Rate is equal to the note margin plus index, rounded to the nearest .125%. Subject to annual/life caps.</li> </ul>											
<b>QUALIFYING RATE AND RATIOS</b>	<ul style="list-style-type: none"> <li>• Qualify using the greater of the fully indexed rate or the Note rate.</li> <li>• DU Approve/Eligible only – Ratios as evaluated by DU</li> </ul>											
<b>MAXIMUM LOAN AMOUNTS</b>	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #ADD8E6;">Property Type</th> <th style="background-color: #ADD8E6;">48 Contiguous States &amp; DC</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1 Unit</td> <td style="text-align: center;">\$417,000</td> </tr> <tr> <td style="text-align: center;">2 Units</td> <td style="text-align: center;">\$533,850</td> </tr> <tr> <td style="text-align: center;">3 Units</td> <td style="text-align: center;">\$645,300</td> </tr> <tr> <td style="text-align: center;">4 Units</td> <td style="text-align: center;">\$801,950</td> </tr> </tbody> </table>		Property Type	48 Contiguous States & DC	1 Unit	\$417,000	2 Units	\$533,850	3 Units	\$645,300	4 Units	\$801,950
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LOAN PARAMETERS	Owner Occupied (1)		Second Home (1)			Investment (2)		Maximum DTI		
	Maximum		Minimum FICO	Maximum		Minimum FICO (2)	Maximum			
	LTV	CLTV		LTV	CLTV		LTV		CLTV	Minimum FICO
<b>Purchase and Rate/Term Refinance (R/T) Transactions</b>										
1 Unit	90%	90%	620 (3)	90%	90%	620 (3)	70%	70%	620	Per AUS
2 Unit	90%	90%	620 (3)	Not Permitted			70%	70%	620	Per AUS
3 – 4 Unit	75%	75%	620				70%	70%	620	Per AUS
<b>Cash-Out (C/O) Transactions</b>										
1 Unit	80%	80%	620	70%	70%	620	70%	70%	620	Per AUS
2 Unit	80%	80%	620	Not Permitted			70%	70%	620	Per AUS
3-4 Unit										
<p><b>Notes:</b></p> <p><b>(1.)The maximum LTV for Condos is 75%</b>                      (2.) Condos are <b>not</b> permitted for Investment (non-owner occupied).                      (3.) Minimum Credit Score is 680 for LTVs &gt;80%</p> <ul style="list-style-type: none"> <li>Minimum FICO's as stated for loans exceeding 80.00% LTV are based on Stable Markets. Declining Markets will require a higher minimum FICO depending on MI company guidelines.</li> <li><b>Texas Section 50a6 (True Texas Cash Out) loans are not permitted</b></li> </ul>										
<b>ELIGIBLE PROPERTY TYPES</b>	Unless otherwise specifically restricted or not permitted by the applicable loan parameters, the following property types are acceptable to INTERBANK/agency Guidelines: <ul style="list-style-type: none"> <li>1-4 Unit Properties</li> <li>Condominiums (condo) to INTERBANK guidelines, regardless of AUS Findings (Low Rise and High Rise)</li> <li>Leasehold Estate properties must be common to the area.</li> <li>PUDs to applicable agency guidelines</li> </ul>									
<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary Residences</li> <li>Second Homes (1 unit)</li> <li>Investment Properties (Maximum LTV = 70%)</li> <li>3-4 Unit Investment Properties not permitted</li> </ul>									

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<b>TRANSACTION TYPES</b>	<ul style="list-style-type: none"> <li>• Purchase Transactions</li> <li>• Rate/Term or Limited Cash Out Refinance                             <ul style="list-style-type: none"> <li>Mortgage Amount: The mortgage amount is limited to:                                     <ul style="list-style-type: none"> <li>• The sum of the unpaid balance of the existing first mortgage, closing costs, points, pre-paid items, and, if applicable, the amount required to satisfy certain subordinate loans used for the original purchase of the property.</li> <li>• Any “cash” back to the borrower may not exceed the lesser of \$2,000 or 2% of the loan amount.</li> <li>• <b>Subordinated Second liens:</b> There are no seasoning requirements for current secondary liens that are being subordinated to the new loan.</li> </ul> </li> </ul> </li> <li>• <b>Cash Out Refinance</b> <ul style="list-style-type: none"> <li><b>Mortgage Amount:</b> <ul style="list-style-type: none"> <li>• The mortgage amount must be used to pay the current unpaid principal balance of the existing first mortgage; it may be used to pay closing costs, points, pre-paid items, subordinate mortgage liens and additional cash to the borrower.</li> <li>• All borrowers must have held title to the subject property for a minimum of 6 months</li> <li>• <b>Subordinate Liens:</b> No seasoning requirement.</li> <li>• <b>Texas Section 50(a)(6) cash-out refinances are not permitted</b></li> </ul> </li> </ul> </li> </ul>									
<b>ELIGIBLE STATES</b>	IL, CO, TX, WI									
<b>ASSUMPTIONS</b>	Not Permitted									
<b>PREPAYMENT PENALTIES</b>	None									
<b>TEMPORARY BUYDOWNS</b>	Temporary Buydowns are not allowed									
<b>SECONDARY FINANCING</b>	Permitted – See LTV Limitations Table for CLTV restrictions <ul style="list-style-type: none"> <li>• For Home Equity Lines of Credit (HELOCs), the Borrower's housing-expense to income ratio is based on the minimum required payment for the <b>entire</b> credit-line amount regardless of the outstanding balance of the HELOC.</li> </ul>									
<b>MORTGAGE INSURANCE</b>	<ul style="list-style-type: none"> <li>• Required for all loans exceeding 80% LTV</li> <li>• Approved MI Companies (InterBank orders the mortgage insurance)                             <ul style="list-style-type: none"> <li>○ Radian</li> </ul> </li> <li>• Primary and Second Homes only</li> <li>• Maximum DTI = 41%</li> <li>• Minimum Credit Score = 680</li> <li>• FNMA 1004 Appraisal required regardless of DU recommendation</li> <li>• Coverage Levels:                             <table border="1" style="margin-left: 20px; width: 100%; text-align: center;"> <thead> <tr style="background-color: #ADD8E6;"> <th>LTV Ranges</th> <th>10-20 Year Terms</th> <th>25-30 Year Terms</th> </tr> </thead> <tbody> <tr> <td>85.01 – 90.00%</td> <td>12%</td> <td>25%*</td> </tr> <tr> <td>80.01 – 85.00%</td> <td>6%</td> <td>12%</td> </tr> </tbody> </table> </li> </ul> <p style="margin-left: 20px;">Note: Reduced coverage is not allowed.</p>	LTV Ranges	10-20 Year Terms	25-30 Year Terms	85.01 – 90.00%	12%	25%*	80.01 – 85.00%	6%	12%
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<b>AUS DECISIONS</b>	DU Approve/Eligible only.									

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<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>• U.S. Citizens</li> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Aliens</li> <li>• Inter Vivos Revocable Trust</li> <li>• Illinois Land Trust</li> </ul>
<b>MULTIPLE MORTGAGES TO SAME BORROWER</b>	<p><b><u>Primary Residences:</u></b></p> <ul style="list-style-type: none"> <li>• Borrowers are limited to a maximum of 4 financed properties, including the primary residence.</li> </ul> <p><b><u>Second Homes &amp; Investment Properties:</u></b></p> <ul style="list-style-type: none"> <li>• Borrowers are limited to a maximum of 4 financed properties, including the primary residence.</li> <li>• 2 months PITIA if subject property is Second Home</li> <li>• 6 months PITIA if subject property is Investment Property</li> <li>• 2 months PITIA on each additionally financed Second Home or Investment Property</li> </ul>
<b>NON-ARMS LENGTH TRANSACTIONS</b>	<ul style="list-style-type: none"> <li>• Maximum 90.00% LTV/CLTV</li> <li>• Not permitted for Second Homes and Investment properties.</li> <li>• All assets needed to close loan must be documented, regardless of LTV.             <ul style="list-style-type: none"> <li>○ The accounts may not be co-mingled in joint accounts between the interested parties.</li> <li>○ The assets used to close the loan must be accessible to the borrower only (and not any of the other interested parties).</li> <li>○ The borrower's assets to close the loan must be documented.</li> </ul> </li> <li>• Full appraisal (1004D) required, regardless of AUS findings. The appraisal must acknowledge the non-arms length transaction and any impact on value.</li> <li>• A fully executed, legally binding purchase and sales agreement is required <b>and</b> the relationship between the parties must be disclosed.</li> </ul>
<b>NON-OCCUPANT CO-BORROWERS</b>	<ul style="list-style-type: none"> <li>• DU/LP findings must identify that a non-occupant co-borrower was used to qualify the loan.</li> <li>• Maximum 90.00% LTV</li> <li>• Single Unit Only</li> <li>• Primary Residence Only</li> <li>• Non-occupant co-borrower may not be an interested party to the sales transaction, such as the property seller, property builder, and real estate broker.</li> </ul> <p><b>Ratios:</b> LTV ≥ 80.00% the Owner Occupant must qualify at a max 35%/43%, regardless of AUS findings or LTV. LTV ≤ 80.00% as allowed by the AUS.</p> <p><b>Down Payment:</b> If the LTV is greater than 80.00%, the owner-occupant(s) must make the first 5% down payment from their own verified funds.</p>
<b>INTERESTED PARTY CONTRIBUTIONS</b>	<p>Maximum Contributions:</p> <ul style="list-style-type: none"> <li>• Primary Residence/Second Home             <ul style="list-style-type: none"> <li>○ 6% for CLTV = 75.01% – 90%</li> <li>○ 9% for LTV ≤ 75%</li> </ul> </li> <li>• Investment Property = 2%</li> </ul>

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<b>GIFTS</b>	<p>Acceptable for Primary Residences and Second Homes</p> <ul style="list-style-type: none"> <li>• Gifts must be from relatives, domestic partners, or fiancé/fiancée.</li> <li>• No portion of the down payment may be donated by interested parties to the transaction including sellers, realtors, brokers, or sales associates.</li> <li>• Generally, the borrower must invest at least 5% of his/her own funds toward the down payment unless the gift is 20% of the lesser of the sales price or appraised value of the property.</li> <li>• If the gift towards down payment is 20% or more, the borrower is not required to make an investment from his or her own funds.</li> </ul>																
<b>APPRAISAL REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>• Home Valuation Code of Conduct (HVCC) Compliance</li> <li>• Licensed Appraisers Only</li> </ul>																
<b>CREDIT</b>	<ul style="list-style-type: none"> <li>• DU Approve/Eligible – Minimum Credit Score = 620 regardless of DU Feedback</li> <li>• LTVs &gt; 80% - Minimum Credit Score = 680 regardless of DU Feedback</li> <li>• Mortgage/Rental Delinquencies – Loans will be ineligible:             <ul style="list-style-type: none"> <li>○ With one or more mortgage/rental delinquency of 60 days or more within 12 months of the Credit Report date.</li> <li>○ Short payoff related to a delinquent mortgage obligation within the last 7 years.</li> <li>○ Participation in a restructure of the mortgage due to delinquency                 <ul style="list-style-type: none"> <li>▪ Requires 48 month period to reestablish credit.</li> </ul> </li> </ul> </li> </ul>																
<b>BANKRUPTCY/ FORECLOSURE</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #ADD8E6;"> <th style="text-align: center;">Topic</th> <th style="text-align: center;">Requirements</th> </tr> </thead> <tbody> <tr> <td>Re-established Credit – Foreclosure &amp; Bankruptcy All but Chapter 13</td> <td><b>4-Years</b> <ul style="list-style-type: none"> <li>• Require a minimum 4-year period of re-established credit from the bankruptcy discharge or dismissal date.</li> </ul> </td> </tr> <tr> <td>Re-established Credit – Chapter 13</td> <td><b>2-Years from Discharge</b> <ul style="list-style-type: none"> <li>• <b>Discharge</b> is the <b>successful</b> completion of the Chapter 13 repayment plan. (Debts were repaid.) OR</li> <li>• <b>4 Years from Dismissal</b></li> <li>• Dismissal is the “forgiving” of an <b>unsuccessful</b> Chapter 13 plan. (Debts were not repaid and the <b>failed</b> Chapter 13 is dismissed.)</li> </ul> </td> </tr> <tr> <td>Re-established Credit – Chapter 13</td> <td>2-Years from Discharge/4-Years from Dismissal</td> </tr> <tr> <td>Extenuating Circumstances All Bankruptcy</td> <td>Minimum 2 years from discharge or dismissal. For all bankruptcy actions.</td> </tr> <tr> <td>Multiple Bankruptcy Filings</td> <td>Minimum 5-years re-established credit for borrowers with more than 1 bankruptcy filing in the past 7 years</td> </tr> <tr> <td>Foreclosure</td> <td>7 years from completion of foreclosure proceedings</td> </tr> <tr> <td colspan="2"><b>Notes:</b> <ul style="list-style-type: none"> <li>• INTERBANK will <b>not</b> refinance properties currently in foreclosure proceedings.</li> <li>• INTERBANK will not make a loan to a borrower involved in a “short-sale” situation within 4 years of the new application date.</li> </ul> </td> </tr> </tbody> </table>	Topic	Requirements	Re-established Credit – Foreclosure & Bankruptcy All but Chapter 13	<b>4-Years</b> <ul style="list-style-type: none"> <li>• Require a minimum 4-year period of re-established credit from the bankruptcy discharge or dismissal date.</li> </ul>	Re-established Credit – Chapter 13	<b>2-Years from Discharge</b> <ul style="list-style-type: none"> <li>• <b>Discharge</b> is the <b>successful</b> completion of the Chapter 13 repayment plan. (Debts were repaid.) OR</li> <li>• <b>4 Years from Dismissal</b></li> <li>• Dismissal is the “forgiving” of an <b>unsuccessful</b> Chapter 13 plan. (Debts were not repaid and the <b>failed</b> Chapter 13 is dismissed.)</li> </ul>	Re-established Credit – Chapter 13	2-Years from Discharge/4-Years from Dismissal	Extenuating Circumstances All Bankruptcy	Minimum 2 years from discharge or dismissal. For all bankruptcy actions.	Multiple Bankruptcy Filings	Minimum 5-years re-established credit for borrowers with more than 1 bankruptcy filing in the past 7 years	Foreclosure	7 years from completion of foreclosure proceedings	<b>Notes:</b> <ul style="list-style-type: none"> <li>• INTERBANK will <b>not</b> refinance properties currently in foreclosure proceedings.</li> <li>• INTERBANK will not make a loan to a borrower involved in a “short-sale” situation within 4 years of the new application date.</li> </ul>	
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<b>AGE OF DOCUMENTS</b>	<ul style="list-style-type: none"> <li>• 60 days old for standard credit documents at the time of underwriting. 90 days for new construction.</li> <li>• 90 days prior to the Funding Date for existing properties and Construction-To-Permanent. 120 days for new construction.</li> <li>• Appraisals: 90 days old for existing properties and Construction-To-Permanent. 120 days for new construction.</li> <li>• Pay Stubs must be within 30-days of underwriting.</li> <li>• Bank Statements must be within 45-days of underwriting.</li> </ul>																

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<b>INCOME/ASSET DOCUMENTATION</b>	<p><b>Income:</b></p> <ul style="list-style-type: none"><li>• VOE</li><li>• Current pay stub covering 1 month period</li><li>• W-2's for prior 2 years</li><li>• Self-employed: 2 years signed tax returns</li><li>• Verbal VOE completed by Broker</li><li>• Verbal VOE completed by InterBank prior to funding</li><li>• Signed 4506T to be executed at Underwriting</li><li>• Additional signed 4506T to be executed at closing</li></ul> <p><b>Assets:</b></p> <ul style="list-style-type: none"><li>• Primary Residence and Second Homes requires 5% from borrowers own funds</li><li>• Investment properties require 10% from borrower's own funds</li><li>• VOD</li><li>• Original bank statements for the most recent 2 months</li></ul> <p><b>Reserves:</b></p> <ul style="list-style-type: none"><li>• Additional reserves as required by DU</li><li>• 2 months PITIA if subject property is Second Home</li><li>• 6 months PITIA if subject property is Investment Property</li><li>• 2 months PITIA on each additionally financed Second Home or Investment Property</li></ul>
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