



# Conventional: Agency Jumbo Guidelines

## *Adjustable Rate*

### Product Description

- Agency Jumbo : 5 year / 1 year & 7 year / 1 year Adjustable Rate Mortgage (ARM)
- 30 year term
- Fully amortizing
- Non-convertible
- 5/1 ARM Plan # 3252
- 7/1 ARM Plan FM GENERIC 7 yr OR # 2727

### Product Codes

Adjustable Rate Mortgage – Fully Amortizing		
Product	Product Code	Loan Term
5/1 ARM	253100	30-Years
7/1 ARM	273100	30-Years

### Product Summary

- **Index:** London Interbank offered rate for twelve month United States dollar-denominated deposits, as published in the Wall Street Journal (Libor)
- **Margin:** 2.250%
- **Initial Cap:** 5%
- **Annual Cap:** 2%
- **Life Cap:** 5%
- **Rate at Adjustment:**
  - 5/1 ARM: Initial Note rate is in effect for 60 months; the first interest adjustment is subject to life cap, thereafter, a 2% annual adjustment cap begins with the second adjustment.
  - 7/1 ARM: Initial Note rate is in effect for 84 months; the first interest adjustment is subject to life cap, thereafter, a 2% annual adjustment cap begins with the second adjustment.
  - Rate is equal to the note margin plus index rounded to the nearest 0.125%. Subject to annual / life caps.
- **Qualifying Rate and Ratios:**
  - Qualifying Rate:
    - 5/1 ARM: Qualify using greater of the fully indexed/fully amortizing rate or Note rate + 2.0%.
    - 7/1 ARM: Qualify using greater of the fully indexed/fully amortizing rate or Note rate.
  - Ratios: DU Approve / Eligible only – Ratios evaluated by DU.

*Product summaries contain eligibility guidelines only. Consult the Interbank Broker Client Guide for full details; subject to change without notice.*

## Conventional: Agency Jumbo Guidelines - Adjustable Rate (Cont.)

### Maximum Loan Amounts

The following Maximum Loan Amounts are for all eligible states:

Property Types	General	High Balance Loans	
		Permanent High Cost	Temporary High Cost***
1 Unit	\$417,000	\$625,500	\$729,750
2 Unit	\$533,850	\$800,775	\$934,200
3 Unit	\$645,300	\$967,950	\$1,129,250
4 Unit	\$801,950	\$1,202,925	\$1,403,400

\*\*\* **Expiration:** Temporary loan limits are set to expire at the end of September. Loan amounts above the permanent limits of \$625,500 must have note dates on or before September 30, 2011.

- The maximum Agency Jumbo loan amount is based on the property location (by city / county) and the number of units. The loan amount must be above the Conventional Conforming Loan Limits but not above the High Cost Loan Limits established by FHFA and authorized by the American Recovery and Reinvestment Act (ARRA) of 2009.
- The table above is the general maximum, the permanent and temporary high balance maximum agency loan amounts. It is the Correspondent's responsibility to confirm the maximum loan amounts by County using from the efanniemae website.
  - Refer to the following link to determine maximum loan amount and county eligibility: <https://www.efanniemae.com/sf/refmaterials/loanlimits/>

### Loan Parameters

Purchase and Rate / Term Refinance (R/T) Transactions													
Units	Owner Occupied <sup>1</sup>				Second Homes				Investment				Max DTI
	Max LTV w/o*	Max LTV w/**	Max CLTV / HCLTV w/**	Min FICO	Max LTV w/o*	Max LTV w/**	Max CLTV / HCLTV w/**	Min FICO	Max LTV w/o*	Max LTV w/**	Max CLTV / HCLTV w/**	Min FICO	
1 Unit	75% <sup>1</sup>	75% <sup>1</sup>	75% <sup>1</sup>	680	65%	65%	65%	740	Not Permitted				Per AUS
2 Unit	75%	75%	75%	740	Not Permitted				Not Permitted				Per AUS
3 - 4 Unit	75%	75%	75%	740	Not Permitted				Not Permitted				Per AUS

\* Without Secondary Financing  
\*\* With Secondary Financing

Cash-Out (C/O) Refinance													
Units	Owner Occupied				Second Homes				Investment <sup>2</sup>				Max DTI
	Max LTV w/o*	Max LTV w/**	Max CLTV / HCLTV w/**	Min FICO	Max LTV w/o*	Max LTV w/**	Max CLTV / HCLTV w/**	Min FICO	Max LTV w/o*	Max LTV w/**	Max CLTV / HCLTV w/**	Min FICO	
1 Unit	60%	60%	60%	740	Not Permitted				Not Permitted				Per AUS

\* Without Secondary Financing  
\*\* With Secondary Financing

<sup>1</sup> Max Condo LTV 80% / CLTV 90% / HCLTV 90% (CA & MD: Max Condo LTV 70% / CLTV 80% / HCLTV 80%)

<sup>2</sup> Condos are not permitted for Investment (non-owner occupied).

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## Conventional: Agency Jumbo Guidelines - Adjustable Rate *(Cont.)*

Eligible Property Types	<p>Unless otherwise specifically restricted or not permitted by the applicable loan parameters, the following property types are acceptable to Interbank (IMC) / agency Guidelines:</p> <ul style="list-style-type: none"> <li>• 1-4 Unit Properties</li> <li>• Condominiums (condo) to IMC guidelines, regardless of AUS Findings (Low Rise and High Rise)</li> <li>• PUDs to applicable agency guidelines</li> </ul>
Occupancy	<ul style="list-style-type: none"> <li>• Primary Residences</li> <li>• Second Homes (1 Unit)</li> <li>• Investment Properties are not permitted</li> </ul>
Transaction Types	<ul style="list-style-type: none"> <li>• <b>Purchase Transactions</b> <ul style="list-style-type: none"> <li>○ No HUD owned properties</li> </ul> </li> <li>• <b>Rate / Term or Limited Cash-Out Refinance</b> <p><u>Mortgage Amount</u> – The mortgage amount is limited to:</p> <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>○ <u>Subordinate Second Liens</u>: There are no seasoning requirements for current secondary liens that are being subordinated to the new loan.</li> <li>○ If prior refinance transaction was treated as cash out in the last 6 months, then the current transaction will be considered cash-out</li> <li>○ Subject property cannot be currently listed for sale-must be taken off market minimum 1 day prior to date of application.</li> </ul> </li> <li>• <b>Cash-Out Refinance</b> <ul style="list-style-type: none"> <li>○ 1 unit primary residence only</li> </ul> <p><u>Mortgage Amount</u>:</p> <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>○ Borrower must be on title minimum 6 months for eligible cash-out transaction.</li> <li>○ <u>Subordinate Liens</u>: No seasoning requirements.</li> </ul> </li> </ul>
Eligible States	<ul style="list-style-type: none"> <li>• CA</li> <li>• CO</li> <li>• MD</li> </ul>
Assumptions	Permitted after first interest rate adjustment period. Creditworthy borrowers only.
Prepayment Penalties	None

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## Conventional: Agency Jumbo Guidelines - Adjustable Rate *(Cont.)*

Secondary Financing	<ul style="list-style-type: none"> <li>Permitted, see Loan Parameters section for CLTV restrictions.</li> <li>For Home Equity Lines of Credit (HELOCs), the Borrower's housing-expense to income ratio is based on the minimum required payment shown on the credit report. CLTV is based on current balance of HELOC and HCLTV based on total line amount.</li> </ul>
AUS Decisions	DU Approve / Eligible only.
Eligible Borrowers	<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 (primary and 2<sup>nd</sup>)</li> </ul>
Multiple Mortgages to Same Borrower	<ul style="list-style-type: none"> <li><b>Primary Residences:</b> There is no restriction to the number of financed properties.</li> <li><b>Second Homes &amp; Investment Properties:</b> <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 PITI if subject property is Second Home</li> <li>6 months PITI if subject property is Investment Property</li> <li>An additional 2 months PITI on all other financed REO's when subject is Second Home or Investment Property</li> </ul> </li> </ul>
Non-Arms Length Transactions	<ul style="list-style-type: none"> <li><b>Full documentation required regardless DU findings:</b> <ul style="list-style-type: none"> <li>2 years tax returns</li> <li>2 months statements all assets</li> <li>Full appraisal</li> <li>Lox disclosing relationship and must be acknowledged on sales contract and appraisal</li> <li>Primary residence and second home only</li> </ul> </li> <li>Loans with borrowers employed by family member / broker or purchase transactions FSBO (For Sale By Owner) will require full documentation requirements as above.</li> </ul>
Non-Occupant Co-Borrowers	<ul style="list-style-type: none"> <li>DU findings must identify the non-occupant co-borrower and the occupying borrower must meet DU's approval</li> <li>Single Unit only</li> <li>Primary Residences 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> <li><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.</li> </ul>
Interested Party Contributions	<p><b>Maximum Contributions:</b></p> <ul style="list-style-type: none"> <li><u>Primary Residence / Second Home:</u> <ul style="list-style-type: none"> <li>6% for CLTV = 75.01% - 90%</li> <li>9% for LTV ≤ 75%</li> </ul> </li> <li><u>Investment Property:</u> 2%</li> </ul>

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## Conventional: Agency Jumbo Guidelines - Adjustable Rate *(Cont.)*

<b>Gifts</b>	<p><b>Acceptable Primary Residences and Second Homes:</b></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>Appraiser / Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Home Valuation Code of Conduct (HVCC) Compliance</li> <li>• Licensed Appraisers only</li> <li>• Appraisals must be ordered through Interbank's management company</li> <li>• Investment properties require full appraisal and in addition, include both forms 216 (operating income statement) &amp; 1007 (rent schedule for 1 unit properties) regardless rental income being used.</li> <li>• <b>Full appraisals regardless of DU findings for <u>any</u> of the following:</b> <ul style="list-style-type: none"> <li>○ Investment property</li> <li>○ Cash-out</li> <li>○ MI required</li> <li>○ Condo</li> <li>○ Foreclosure</li> <li>○ Non-arms length</li> </ul> </li> </ul>								
<b>Credit</b>	<ul style="list-style-type: none"> <li>• DU Approve / Eligible – Per DU Feedback</li> <li>• Collections required to be paid in full if required by DU OR aggregate total is &gt;\$5000 for non-medical collections</li> <li>• No more than 0x60 days late on any mortgages</li> </ul>								
<b>Bankruptcy / Foreclosure</b>	<table border="1"> <thead> <tr> <th data-bbox="438 1304 834 1352">Topic</th> <th data-bbox="834 1304 1537 1352">Requirements</th> </tr> </thead> <tbody> <tr> <td data-bbox="438 1352 834 1509"> <b>Re-established Credit – Foreclosure &amp; Bankruptcy (All but Chapter 13)</b> </td> <td data-bbox="834 1352 1537 1509"> <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 data-bbox="438 1509 834 1808"> <b>Re-established Credit – Chapter 13</b> </td> <td data-bbox="834 1509 1537 1808"> <b>2-Years from Discharge</b> <ul style="list-style-type: none"> <li>• <u>Discharge</u> is the <u>successful</u> completion of the Chapter 13 repayment plan. (Debts were repaid.); OR</li> </ul> <b>4 Years from Dismissal</b> <ul style="list-style-type: none"> <li>• <u>Dismissal</u> is the “forgiving” of an <u>unsuccessful</u> Chapter 14 plan. (Debts were not repaid and the <u>failed</u> Chapter 13 is dismissed.)</li> </ul> </td> </tr> <tr> <td data-bbox="438 1808 834 1921"> <b>Re-established Credit – Chapter 13</b> </td> <td data-bbox="834 1808 1537 1921">                 2-Years from Discharge / 4-Years from Dismissal             </td> </tr> </tbody> </table>	Topic	Requirements	<b>Re-established Credit – Foreclosure &amp; Bankruptcy (All but Chapter 13)</b>	<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>	<b>Re-established Credit – Chapter 13</b>	<b>2-Years from Discharge</b> <ul style="list-style-type: none"> <li>• <u>Discharge</u> is the <u>successful</u> completion of the Chapter 13 repayment plan. (Debts were repaid.); OR</li> </ul> <b>4 Years from Dismissal</b> <ul style="list-style-type: none"> <li>• <u>Dismissal</u> is the “forgiving” of an <u>unsuccessful</u> Chapter 14 plan. (Debts were not repaid and the <u>failed</u> Chapter 13 is dismissed.)</li> </ul>	<b>Re-established Credit – Chapter 13</b>	2-Years from Discharge / 4-Years from Dismissal
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## Conventional: Agency Jumbo Guidelines - Adjustable Rate *(Cont.)*

Bankruptcy / Foreclosure <i>(Cont.)</i>	Topic	Requirements
	<b>Extenuating Circumstance (All Bankruptcy)</b>	Minimum 2-Years from discharge or dismissal. For all bankruptcy actions.
	<b>Multiple Bankruptcy Filings</b>	Minimum 5-Years re-established credit for borrowers with more than 1 bankruptcy filing in the past 7 years.
	<b>Foreclosure</b>	7-Years from completion of foreclosure proceedings.
Age of Documents	<p><b>NOTE:</b></p> <ul style="list-style-type: none"> <li>• Interbank will <u>not</u> refinance properties currently in foreclosure proceedings.</li> <li>• Interbank will <u>not</u> make a loan to a borrower involved in a “short-sale” situation within 4 years of the new application date.</li> <li>• Follow DU requirements if more restrictive than above.</li> </ul>	
Income / Asset Documentation	<ul style="list-style-type: none"> <li>• <b>Income:</b> <ul style="list-style-type: none"> <li>○ Full VOE if borrower’s paystubs are computer generated, but do not reflect employer’s name and address OR if using other income, such as overtime, bonus, or commission</li> <li>○ Current pay stub with YTD earnings</li> <li>○ W-2’s for prior 1 year</li> <li>○ Self-Employed: 1 year signed tax return or as required by DU findings</li> <li>○ Verbal VOE completed by Interbank prior to funding</li> <li>○ Signed 4506T to be executed at application</li> <li>○ Additional signed 4506T to be executed at closing</li> </ul> </li> <li>• <b>Assets:</b> <ul style="list-style-type: none"> <li>○ Bank statements for the most recent 1 month to support required funds to close / reserves. VOD’s are not accepted.</li> <li>○ Second homes require 2 months subject PITI + 2 months PITI all other financed REO.</li> <li>○ Investment properties require 6 months PITI + 2 months PITI all other financed REO.</li> </ul> </li> </ul>	

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