

# Conventional: Agency Jumbo Guidelines

*Interest Only*

## Product Description

- Agency Jumbo Interest Only for 10 years, then the rate begins to adjust annually and the payments are fully amortizing over the remaining years.
- 30 year term
- Non-convertible
- 5/1 ARM Plan # 3505
- 7/1 ARM Plan # 3518

## Product Codes

Product	Product Code	Loan Term
5/1 ARM	253104	30-Years
7/1 ARM	273104	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; initial adjustment is subject to the 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; initial adjustment is subject to the 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 the greater of the fully-indexed / fully-amortizing rate or the Note rate +2%
    - 7/1 ARM: Qualify using the greater of the fully-indexed / fully-amortizing rate or the Note rate
  - Ratios: DU Approve / Eligible only – Ratios evaluated by DU.

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## Conventional: Agency Jumbo Guidelines - Interest Only (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

\*\*\* **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				Second Homes			
	Max LTV w/o Sec Fin	Max LTV w/ Sec Fin	Max CLTV & HCLTV w/ Sec Fin	Min FICO	Max LTV w/o Sec Fin	Max LTV w/ Sec Fin	Max CLTV & HCLTV w/ Sec Fin	Min FICO
1 Unit	70%	65%	70%	720	65%	65%	65%	740
2-4 Unit	Not Permitted							

- Cash Out not permitted

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Available Markets	<ul style="list-style-type: none"> <li>Markets as determined by FHFA based on the High-Cost Area Provisions of HERA</li> <li>Texas 50(a)(6) loans are not permitted.</li> <li>Users are responsible for ensuring that individual mortgage loans do not exceed maximum County loan limits.</li> <li>Refer to: <a href="https://www.efanniemae.com/sf/refmaterials/loanlimits/">https://www.efanniemae.com/sf/refmaterials/loanlimits/</a></li> </ul>
Eligible Property Types	<ul style="list-style-type: none"> <li><b>Unless otherwise specifically restricted or not permitted by the applicable loan parameters, the following property types are acceptable to Interbank (IMC) / agency Guidelines:</b> <ul style="list-style-type: none"> <li>1 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> </li> <li><b>Ineligible Property Types:</b> <ul style="list-style-type: none"> <li>Co-ops</li> <li>Manufactured Homes</li> <li>2-4 Units</li> <li>Investment properties</li> </ul> </li> </ul>
Occupancy	<ul style="list-style-type: none"> <li>Primary Residences (1 unit)</li> <li>Second Homes (1 Unit)</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 and ineligible for an interest-only program. 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 transactions:</b> are not permitted.</li> </ul>
Eligible States	<ul style="list-style-type: none"> <li>CO</li> <li>MD</li> </ul>
Assumptions	Permitted after first interest rate adjustment period. Creditworthy borrowers only.
Prepayment Penalties	None
Temporary Buydowns	Not permitted.
Secondary Financing	<ul style="list-style-type: none"> <li>Permitted, see Loan Parameters LTV Limitations table for CLTV / HCLTV restrictions.</li> </ul>

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Mortgage Insurance	Not permitted.												
AUS Decisions	DU Approve / Eligible only.												
Eligible Borrowers	<ul style="list-style-type: none"> <li>• U.S. Citizens</li> <li>• Permanent Resident Aliens (verify Alien Registration Card if borrower does not live in the U.S.)</li> <li>• Non-Permanent Resident Aliens</li> <li>• Inter Vivos Revocable Trust</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 Properties:</b> <ul style="list-style-type: none"> <li>○ Borrowers are limited to a maximum of 4 financed properties, including the primary residence</li> </ul> </li> </ul>												
Non-Arms Length Transactions	Non-arms length transactions are not eligible for Interest Only transactions.												
Appraiser / Appraisal Requirements	<ul style="list-style-type: none"> <li>• Full appraisal required regardless DU findings</li> <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> </ul>												
Credit	<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 0 x 60 days late on any mortgages.</li> </ul>												
Bankruptcy / Foreclosure	<table border="1"> <thead> <tr> <th>Topic</th> <th>Requirements</th> </tr> </thead> <tbody> <tr> <td><b>Re-established Credit – Foreclosure &amp; Bankruptcy (All but Chapter 13)</b></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><b>Re-established Credit – Chapter 13</b></td> <td> <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><b>Re-established Credit – Chapter 13</b></td> <td>2-Years from Discharge / 4-Years from Dismissal</td> </tr> <tr> <td><b>Extenuating Circumstance (All Bankruptcy)</b></td> <td>Minimum 2-Years from discharge or dismissal. For all bankruptcy actions.</td> </tr> <tr> <td><b>Multiple Bankruptcy Filings</b></td> <td>Minimum 5-Years re-established credit for borrowers with more than 1 bankruptcy filing in the past 7 years.</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	<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.
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Bankruptcy / Foreclosure <i>(Cont.)</i>	Topic	Requirements
	Foreclosure	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> </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>○ 24 months PITI reserves required in addition to funds needed for closing.</li> <li>○ Subject second homes require additional 2 months PITI reserves for all other financed REOs.</li> </ul> </li> </ul>	

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