

# DU Refi Plus Guidelines

## Product Description

DU Refi Plus – Fixed Rate	DU Refi Plus – 5/1 & 7/1 Libor ARM
<ul style="list-style-type: none"> <li>Conventional Conforming: 30, 25, 20, 15, and 10 year terms</li> <li>Fully Amortizing</li> </ul>	<ul style="list-style-type: none"> <li>Conventional Conforming: 5 year / 1 year &amp; 7 year / 1 year Adjustable Rate Mortgage (ARM)</li> <li>30 year term</li> <li>Fully amortizing</li> <li>Non-convertible</li> </ul>

## Product Codes

DU Refi Plus – Fixed Rate		DU Refi Plus –ARM	
Product	Product Code	Product	Product Code
30-Year FRM	103008	5/1 Libor ARM	153108
25-Year FRM	105008	7/1 Libor ARM	173108
20-Year FRM	102008		
15-Year FRM	101008		
10-Year FRM	100008		

## Product Summary: Fixed Rate vs. ARM

	DU Refi Plus – Fixed Rate	DU Refi Plus –ARM
<b>Index</b>	N/A	London interbank offered rate for twelve month United States dollar-denominated deposits, as published in the Wall Street Journal (Libor)
<b>Initial Adjustment Cap</b>	N/A	5%
<b>Margin</b>	N/A	2.25%
<b>Annual Adjustment Cap</b>	N/A	2% annual adjustment begins with second adjustment
<b>Life Adjustment Cap</b>	N/A	5%
<b>Rate Adjustment</b>	N/A	<ul style="list-style-type: none"> <li>Initial Note rate in effect for first 60 months (for 5/1 ARM) or 84 months (for 7/1 ARM)</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>

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## DU Refi Plus Guidelines *(Cont.)*

<i>(Cont.)</i>	DU Refi Plus – Fixed Rate	DU Refi Plus –ARM
<b>Qualifying Rate and Ratios</b>	<ul style="list-style-type: none"> <li>Qualify at Note rate</li> <li><b>DU Approve / Eligible only:</b> Ratios as evaluated by DU</li> </ul>	<ul style="list-style-type: none"> <li><b>5/1 ARM:</b> Qualify using the greater of the fully indexed rate or the Note rate +2%.</li> <li><b>7/1 ARM:</b> Qualify using the greater of the fully indexed rate of the Note Rate.</li> <li><b>DU Approve / Eligible Only:</b> Ratios as evaluated by DU.</li> </ul>

### Maximum Loan Amounts

Property Type	48 Contiguous States & DC
1 Unit	\$417,000
2 Unit	\$533,850
3 Unit	\$645,300
4 Unit	\$801,950

### Loan Parameters

Occupancy	Property Type	Maximum LTV / CLTV / HCLTV	Minimum Credit Score
<b>Owner Occupied</b>	1-4 Unit	95%	660
<b>Second Homes</b>	1 Unit Only	95%	680
<b>Investment</b>	1-4 Unit	95%	680

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## DU Refi Plus Guidelines *(Cont.)*

Eligible Property Types	<p><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></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</li> </ul>
Transaction Types	<p><b>Rate / Term or Limited Cash-Out Refinance:</b></p> <ul style="list-style-type: none"> <li>• Rate and Term (no Cash-Out) refinance of existing Fannie Mae® owned loan deliver to Fannie Mae prior to June 1, 2009.</li> <li>• Existing loan being refinanced may not be subject to credit enhancement or current repurchase obligations.</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 DU Refi plus</li> <li>• Maximum cash back allowed to the borrower cannot exceed \$250.00 (\$0 for TX properties)</li> <li>• There must be a Tangible Net Benefit to the Borrower.</li> <li>• DU cannot require mortgage insurance.</li> </ul>
Eligible States	<ul style="list-style-type: none"> <li>• CA</li> <li>• CO</li> <li>• IL</li> <li>• IN</li> <li>• MD</li> <li>• MI</li> <li>• MN</li> <li>• OH</li> <li>• OR</li> <li>• TX</li> <li>• WI</li> </ul>
Assumptions	Not permitted.
Prepayment Penalties	None
Temporary Buydowns	Temporary Buydowns are not allowed.
Secondary Financing	<ul style="list-style-type: none"> <li>• New subordinate financing and/or payoff of existing subordinate financing with loan proceeds is <u>not</u> allowed.</li> <li>• Payoff of existing subordinate liens from the borrower's own funds is allowed.</li> </ul>
Mortgage Insurance	Loans cannot contain Mortgage Insurance.

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## DU Refi Plus Guidelines *(Cont.)*

AUS Decisions	DU Approve / Eligible only.
Eligible Borrowers	<ul style="list-style-type: none"> <li>Borrowers on existing mortgage <u>must</u> match borrowers on the new loan</li> <li>A borrower may be added, provided the original borrower remains.</li> <li>An existing borrower may be removed provided: The remaining borrower(s) meet the payment history requirement of making 12 months consecutive mortgage payments on the existing mortgage from his or her own funds.</li> <li><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 (1 unit primary and second home only)</li> </ul> </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	N/A.
Non-Occupant Co-Borrowers	<p><b>Acceptable subject to standard non-occupant co-borrower guidelines as follows:</b></p> <ul style="list-style-type: none"> <li>Occupant borrower must qualify for loan</li> <li>Non-occupant borrower must be on separate application</li> </ul>
Interested Party Contributions	N/A.
Seasoning Requirement	<ul style="list-style-type: none"> <li>No minimum season requirement for the existing loan.</li> <li>Properties listed for sale must have been taken off the market minimum 1 day prior to date of application.</li> </ul>
Appraisal Requirements	<ul style="list-style-type: none"> <li>Per DU recommendations, EXCEPT for condos</li> <li>Full appraisal for condos regardless DU findings</li> <li>Home Valuation Code of Conduct (HVCC) Compliance</li> <li>Licensed Appraisers only</li> </ul> <p><b>NOTE:</b> If Property Inspection Waiver (PIW) is exercised, IMC's Affidavit of Listing and Ownership Disclosure must be signed prior to closing. PIW is not permitted on condos.</p>
Credit	<ul style="list-style-type: none"> <li>DU Approve / Eligible – Per DU Feedback</li> </ul>

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## DU Refi Plus Guidelines *(Cont.)*

Credit <i>(Cont.)</i>	<ul style="list-style-type: none"> <li>Minimum Credit Score = 660 regardless of DU approval for primary homes, minimum credit 680 for second home and investment</li> <li>0 x 30 days late in past 12 months on all mortgage payment histories, regardless of DU.</li> <li>Collections required to be paid in full if required by DU OR aggregate total is &gt;\$5000 for non-medical collections</li> </ul>														
Bankruptcy / Foreclosure	<table border="1"> <thead> <tr> <th style="background-color: #003366; color: white;">Topic</th> <th style="background-color: #003366; color: white;">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> <tr> <td><b>Foreclosure</b></td> <td>7-Years from completion of foreclosure proceedings.</td> </tr> </tbody> </table> <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. Follow DU requirements if more restrictive than above.</li> </ul>	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.	<b>Foreclosure</b>	7-Years from completion of foreclosure proceedings.
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Age of Documents	<ul style="list-style-type: none"> <li>90 days old for standard credit documents at the time of closing (including new construction).</li> <li><b>Appraisals:</b> 90 days old for existing properties and Construction-to-Permanent (including new construction).</li> <li><b>Pay Stubs:</b> Must be within 30 days of signed application.</li> <li><b>Bank Statements:</b> Must be within 45 days of signed application</li> </ul>														

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## DU Refi Plus Guidelines *(Cont.)*

<b>Income / Asset Documentation</b>	<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>
<b>Condo / PUD Project Approval</b>	<ul style="list-style-type: none"> <li>• Condos to IMC guidelines, regardless of DU findings (Low Rise and High Rise).</li> <li>• HO-6 Coverage is required.</li> <li>• Full appraisals are required for condos regardless DU findings.</li> </ul>
<b>Note / Delivery Dates</b>	<p>New mortgage loans must close and have an original Note date on or before June 30, 2012.</p>

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