

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC
1. PRODUCT DESCRIPTION	<ul style="list-style-type: none"> Conventional Conforming Fixed Rate 10 to 40-year terms Fully amortizing 	<ul style="list-style-type: none"> Conventional Conforming Fixed Rate 10 to 30 year terms Fully amortizing
2. PRODUCT CODES	<ul style="list-style-type: none"> 10 Yr FNMA Fixed 15 Yr FNMA Fixed 20 Yr FNMA Fixed 30 Yr FNMA Fixed 40 Yr FNMA Fixed 15 Yr Fixed Conforming EA 30 Yr Fixed Conforming EA 	<ul style="list-style-type: none"> 10 Yr FHLMC Fixed 15 Yr FHLMC Fixed 20 Yr FHLMC Fixed 30 Yr FHLMC Fixed
3. INDEX	N/A	
4. MARGIN	N/A	
5. ANNUAL / ADJUSTMENT CAP	N/A	
6. LIFE CAP	N/A	
7. RATE AT ADJUSTMENT	N/A	
8. CONVERSION OPTION	N/A	
9. CONVERSION FEE	N/A	
10. DELIVERY	N/A	N/A
11. TEMPORARY BUYDOWNS	<p>Annual</p> <ul style="list-style-type: none"> Primary Residence and Second Homes Purchases and Rate & Term Refinances Maximum 1% per year Maximum 3% below note rate Refer to #15 Loan Amount and LTV Limitations for maximum LTV/CLTV. 	

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC
12. QUALIFYING RATE AND RATIOS	<p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify at note rate <p>Ratios</p> <ul style="list-style-type: none"> DU Approve Eligible and Expanded Approval Eligible loans – Ratios evaluated by DU with maximum DTI of 50% <p>With Temporary Buydown</p> <p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify at note rate <p>Ratios</p> <ul style="list-style-type: none"> DU Approve Eligible and Expanded Approval Eligible loans – Ratios evaluated by DU with maximum DTI of 50% 	<p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify at note rate <p>Ratios</p> <ul style="list-style-type: none"> LP Accept loans – Ratios evaluated by LP with maximum DTI of 50% <p>With Temporary Buydown</p> <p>Qualifying Rate</p> <ul style="list-style-type: none"> Qualify at note rate <p>Ratios</p> <ul style="list-style-type: none"> LP Accept loans – Ratios evaluated by LP with maximum DTI of 50%
13. TYPES OF FINANCING	<ul style="list-style-type: none"> Purchase Mortgages Rate and Term Refinance/Limited Cash Out Refinance <ul style="list-style-type: none"> HUD-1 settlement statement(s) required from any transaction within past 6 months. If previous transaction was a cash-out or if it combined a first and non-purchase money subordinate into a new first, loan to be coded cash out. If new transaction combines a first and non-purchase money subordinate into a new first loan, it is considered cash out. Pay off of the existing first mortgage regardless of seasoning Pay off existing subordinate liens that were used in whole to acquire the subject property Closing costs and prepaids may be financed into loan amount Cash out limited to the lesser of 2% of the principal amount of the new loan or \$2000 - Principal Curtailment to meet this requirement is not permitted Acceptable Continuity of Obligation. Properties that have been listed for sale within the last six months are eligible with the following restrictions: <ul style="list-style-type: none"> Property has been taken off the market on or before the application date. Borrower provides written confirmation of the intent to occupy if a primary residence Owner occupied properties located in Texas <ul style="list-style-type: none"> If the first or second Texas Section 50(a)(6) loan is being paid off, regardless of whether the borrower is getting any cash back, the loan is restricted to the Texas Home Equity product. If the first mortgage is not a Texas Section 50(a)(6) loan and the second mortgage is a Texas Section 50(a)(6), the second lien may be subordinated and is considered a rate and term refinance. The second lien must be subordinate to the Morgan Strause first mortgage and a subordination agreement must be executed. Borrower cannot receive any cash back from first mortgage transaction. If a Texas Section 50(a)(6) second lien is being paid off, the loan is restricted to the Texas Home Equity product. 	

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC																	
	<ul style="list-style-type: none"> The title policy will reference Texas Section 50(a)(6) Cash Out Refinance <ul style="list-style-type: none"> All borrowers must have held title (ownership) to the subject property for a minimum of six months. <ul style="list-style-type: none"> The 6 month is measured from previous note date to new application date. Acceptable Continuity of Obligation. Properties that have been listed for sale within the six months are eligible with the following restrictions: <ul style="list-style-type: none"> Maximum LTV/CLTV/HCLTV <= 70% Property has been taken off the market on or before the application date Borrower provides written confirmation of the intent to occupy if a primary residence Owner occupied properties located in Texas subject to Texas Section 50(a)(6) are NOT eligible. Paying off loans that are not Texas Section 50(a)(6) but are defined as a cash out refinance based on agency guidelines are eligible for this product. Borrower cannot receive any cash back from the transaction. 																		
14. MAXIMUM LOAN AMOUNT	<p>No minimum loan amount</p> <table border="1"> <thead> <tr> <th rowspan="2">Units</th> <th colspan="2">Maximum Loan Amount</th> </tr> <tr> <th>Continental US</th> <th>Alaska & Hawaii</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$417,000</td> <td>\$625,500</td> </tr> <tr> <td>2</td> <td>\$533,850</td> <td>\$800,775</td> </tr> <tr> <td>3</td> <td>\$645,300</td> <td>\$967,950</td> </tr> <tr> <td>4</td> <td>\$801,950</td> <td>\$1,202,925</td> </tr> </tbody> </table>		Units	Maximum Loan Amount		Continental US	Alaska & Hawaii	1	\$417,000	\$625,500	2	\$533,850	\$800,775	3	\$645,300	\$967,950	4	\$801,950	\$1,202,925
Units	Maximum Loan Amount																		
	Continental US	Alaska & Hawaii																	
1	\$417,000	\$625,500																	
2	\$533,850	\$800,775																	
3	\$645,300	\$967,950																	
4	\$801,950	\$1,202,925																	
15. LOAN AMOUNT AND LTV LIMITATIONS	<ul style="list-style-type: none"> Mandatory Review of MI Section Required Refer to #16 Secondary Financing HCLTV (HELOC CLTV) = first mortgage balance + total HELOC amount (funded + unfunded portion) divided by the lesser of the appraised value or sales price (if applicable) 	<ul style="list-style-type: none"> Mandatory Review of MI Section Required Refer to #16 Secondary Financing HCLTV (HELOC CLTV) = first mortgage balance + total HELOC amount (funded + unfunded portion) divided by the lesser of the appraised value or sales price (if applicable) 																	

MORGAN STRAUSE CONFORMING FIXED RATE

FANNIE MAE						FREDDIE MAC					
Fannie Mae DU Approve/Eligible						Freddie Mac LP Accept					
PRIMARY RESIDENCE						PRIMARY RESIDENCE					
Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score
Purchase and Rate & Term Refinance						Purchase and Rate & Term Refinance					
1	97%	92%	97%	97%	680	1	95%	90%	95%	95%	680
2	80%	75%	80%	80%	620	2-4	80%	75%	80%	80%	620
3-4	75%	70%	75%	75%	620						
Cash Out Refinance						Cash Out Refinance					
1	80%	80%	85%	85%	620	1	80%	75%	80%	80%	620
2-4	75%	70%	75%	75%	620	2-4	75%	70%	75%	75%	620
DU Expanded Approval/Eligible						DU Expanded Approval/Eligible					
Purchase and Rate & Term Refinance						Purchase and Rate & Term Refinance					
1-2	80%	80%	95%	95%	620						
Cash Out Refinance						Cash Out Refinance					
1	80%	N/A	N/A	N/A	620						
Fannie Mae DU Approve/Eligible						Freddie Mac LP Accept					
SECOND HOMES						SECOND HOMES					
Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score
Purchase and Rate & Term Refinance						Purchase and Rate & Term Refinance					
1	80%	85%	90%	90%	620	1	80%	80%	85%	85%	620
Cash Out Refinance						Cash Out Refinance					
1	75%	70%	75%	75%	620	1	75%	70%	75%	75%	620
DU Expanded Approval/Eligible						DU Expanded Approval/Eligible					
Purchase and Rate & Term Refinance						Purchase and Rate & Term Refinance					
1	80%	N/A	N/A	N/A	620						

MORGAN STRAUSE CONFORMING FIXED RATE

FANNIE MAE						FREDDIE MAC					
Fannie Mae DU Approve/Eligible						Freddie Mac LP Accept					
INVESTMENT PROPERTIES						INVESTMENT PROPERTIES					
Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score
Purchase											
1	80%	80%	85%	85%	620	1	80%	80%	85%	90%	620
2-4	75%	70%	75%	75%	620	2-4	75%	70%	75%	75%	620
Rate & Term Refinance											
1-4	75%	70%	75%	75%	620	1-4	75%	70%	75%	75%	620
Cash Out Refinance											
1	75%	70%	75%	75%	620	1	75%	70%	75%	75%	620
2-4	70%	65%	70%	70%	620	2-4	70%	65%	70%	75%	620
Fannie Mae Manually Underwritten						Freddie Mac Manually Underwritten					
PRIMARY RESIDENCE						PRIMARY RESIDENCE					
Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score
Purchase and Rate & Term Refinance											
1	80%	90%	95%	95%	660	1	80%	90%	95%	95%	660
	75%	70%	75%	75%	620		75%	70%	75%	75%	620
2	80%	75%	80%	80%	660	2	80%	75%	80%	80%	660
	75%	70%	75%	75%	640		75%	70%	75%	75%	640
3-4	75%	70%	75%	75%	660	3-4	75%	70%	75%	75%	660
Cash Out Refinance											
1	80%	80%	85%	85%	680	1	80%	75%	80%	80%	720
	75%	70%	75%	75%	620		70%	65%	70%	70%	620
2-4	75%	70%	75%	75%	680	2-4	75%	70%	75%	75%	720
							70%	65%	70%	70%	680

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE					FREDDIE MAC						
	Fannie Mae Manually Underwritten					Freddie Mac Manually Underwritten						
	SECOND HOME					SECOND HOME						
	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score
	Purchase and Rate & Term Refinance											
	1	80%	80%	90%	90%	680	1	80%	80%	85%	85%	680
		75%	70%	75%	75%	620		75%	70%	75%	75%	620
	Cash Out Refinance											
	1	75%	70%	75%	75%	680	1	75%	70%	75%	75%	720
								70%	65%	70%	70%	700
	Fannie Mae Manually Underwritten					Freddie Mac Manually Underwritten						
	INVESTMENT PROPERTIES					INVESTMENT PROPERTIES						
	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score	Units	LTV w/out Sec Fin	LTV w/ Sec Fin	CLTV w/ Sec Fin	HCLTV	Credit Score
	Purchase											
	1	80%	80%	85%	85%	680	1	75%	70%	75%	75%	620
		75%	70%	75%	75%	620		n/a	n/a	n/a	n/a	n/a
	2-4	75%	70%	75%	75%	660	2-4	75%	70%	75%	75%	660
	Rate & Term Refinance											
	1	75%	70%	75%	75%	640	1	75%	70%	75%	75%	640
	2-4	75%	70%	75%	75%	680	2-4	75%	70%	75%	75%	680
	Cash Out Refinance											
	1	75%	70%	75%	75%	700	1	75%	70%	75%	75%	720
	2-4	70%	65%	70%	70%	680	2-4	70%	65%	70%	70%	700
16. SECONDARY FINANCING	<ul style="list-style-type: none"> Permitted. See #15 Loan Amount and LTV Limitations. 											

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC
17. PROPERTY TYPES	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1 - 4 units • Modular Pre-Cut/Panelized Housing • Leasehold Estates • PUDs - Fannie Mae • Condos - Fannie Mae and Freddie Mac warrantable projects <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Co-ops • Manufactured homes • Condo Hotels 	
18. OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence • Second Homes • Investment Properties 	
19. GEOGRAPHIC LOCATIONS / RESTRICTIONS	<ul style="list-style-type: none"> • California, Texas and Colorado 	
21. ASSUMPTIONS	Not Permitted	
22. ESCROW WAIVERS	Allowed	
23. PREPAYMENT PENALTY	None	
24. UNDERWRITING	<p>Approved MI Companies</p> <ul style="list-style-type: none"> • RMIC 	<p>Approved MI Companies</p> <ul style="list-style-type: none"> • RMIC

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC												
	<p>Automated Underwriting</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Automated Underwriting Requirements</th> </tr> <tr> <th colspan="2">All loans must be submitted to Desktop Underwriter</th> </tr> <tr> <th>Acceptable Recommendations</th> <th>Unacceptable Recommendations</th> </tr> </thead> <tbody> <tr> <td>Approve/Eligible</td> <td>Approve/ineligible</td> </tr> <tr> <td>Expanded Approval I/Eligible</td> <td>Expanded Approval I/Ineligible</td> </tr> <tr> <td>Out of Scope</td> <td>Refer with Caution</td> </tr> </tbody> </table> <p>Automated Underwriting Requirements</p> <ul style="list-style-type: none"> Expanded Approval Levels I are eligible Inaccurate Credit Data - If a manual underwrite is required due to substantial inaccurate credit data or documented extenuating circumstances, the initial DU report must be included in the file. The underwriter must comply with the Comprehensive Risk Assessment and analyze all primary and contributory risk factors associated with the file (including those identified by DU) and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. May follow DU decision and documentation requirements for Approve/Eligible and Expanded Approval/Eligible recommendations. Refer to #28 Credit for credit requirements 	Automated Underwriting Requirements		All loans must be submitted to Desktop Underwriter		Acceptable Recommendations	Unacceptable Recommendations	Approve/Eligible	Approve/ineligible	Expanded Approval I/Eligible	Expanded Approval I/Ineligible	Out of Scope	Refer with Caution	<p>Automated Underwriting</p> <p>Automated Underwriting Requirements</p> <ul style="list-style-type: none"> All loans must be submitted to LP Inaccurate Credit Data - If a manual underwrite is required due to substantial inaccurate credit data or documented extenuating circumstances, the initial LP report must be included in the file. The underwriter must analyze all risk factors associated with the file (including those identified by LP) and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. May follow LP Accept decision and documentation requirements. Refer to #28 Credit for credit requirements
Automated Underwriting Requirements														
All loans must be submitted to Desktop Underwriter														
Acceptable Recommendations	Unacceptable Recommendations													
Approve/Eligible	Approve/ineligible													
Expanded Approval I/Eligible	Expanded Approval I/Ineligible													
Out of Scope	Refer with Caution													
25. PROCESSING STYLES	<ul style="list-style-type: none"> Standard 													
26. BORROWER ELIGIBILITY	<p>Permanent Resident Aliens</p> <ul style="list-style-type: none"> Verify Alien Registration Card if borrower is not living in the U.S. <p>Non-Permanent Resident Aliens</p> <ul style="list-style-type: none"> Refer to the Client Guide for eligibility guidelines. <p>Foreign Nationals</p> <ul style="list-style-type: none"> Not permitted 													
27. CO-BORROWERS	<ul style="list-style-type: none"> DU Approve/Eligible and Expanded Approval/Eligible loans – Co-borrower does not have to occupy the subject property Manually underwritten loans - Co-borrower must occupy. 	<ul style="list-style-type: none"> LP Accept loans – Co-borrower does not have to occupy the subject property Manually underwritten loans - Co-borrower must occupy 												

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC
28. CREDIT	<ul style="list-style-type: none"> • DU Approve <ul style="list-style-type: none"> • Refer to #15 for minimum credit score requirements • Manually Underwritten loans <ul style="list-style-type: none"> • Refer to LTV chart above for minimum credit score requirements. • The underwriter must comply with the Comprehensive Risk Assessment and analyze all primary and contributory risk factors associated with the file and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document. • Housing (Mortgage/Rental) Payment History (PITIA) is inclusive of all liens regardless of position, as well as all occupancy types. <ul style="list-style-type: none"> • <u>DU Approve/Eligible/DU Expanded Approval/Eligible</u> <ul style="list-style-type: none"> • Mortgage history evaluated by AUS • Mortgage/Rental Delinquencies - Loans will be ineligible with one or more mortgage/rental delinquency of 60, 90, 120,150 days or greater reported within 12 months of the date of the credit report. • <u>Manual Underwrite</u> <ul style="list-style-type: none"> • Mortgage/Rental history: 0 x 30 in last 12 months • Please inquire with your AE for specific guidelines on: <ul style="list-style-type: none"> • Bankruptcy • Foreclosure • Pre-Foreclosure • Deed-In-Lieu • Restructured Loans • Short Payoff 	<ul style="list-style-type: none"> • LP Accept loans <ul style="list-style-type: none"> • Refer to #15 for minimum credit score requirements • LP Caution loans - Caution is a strong indication that layers of risk are excessive and the acceptability and compliance with Freddie Mac is unlikely. The underwriter must analyze and document on the 1008, all risk factors present in the file including those identified in the credit risk comments and reason codes. Compensating factors must be documented by the underwriter and addressed on the 1008. Factors already considered by LP cannot be used as offsets for approving the transaction. In addition, Bankruptcy and Foreclosure guidelines must be met. • Manually Underwritten Loans <ul style="list-style-type: none"> • Refer to LTV chart above for minimum credit score requirements. • <u>The underwriter must analyze all risk factors associated with the file (including those identified in LP) and document appropriate offsets and rationale in the underwriting decision. In addition, Bankruptcy and Foreclosure guidelines must be met. Rationale may be documented on the 1008 or Approval document.</u> • Housing (Mortgage/Rental) Payment History (PITIA) is inclusive of all liens regardless of position, as well as all occupancy types. <ul style="list-style-type: none"> • <u>LP Accept</u> <ul style="list-style-type: none"> • Mortgage history evaluated by AUS • Mortgage/Rental Delinquencies - Loans will be ineligible with one or more mortgage/rental delinquency of 60, 90, 120,150 days or greater reported within 12 months of the date of the credit report. • <u>LP Caution/Manual Underwrite</u> <ul style="list-style-type: none"> • Mortgage/Rental history: 0 x 30 in last 12 months • Please inquire with your AE for specific guidelines on: <ul style="list-style-type: none"> • Bankruptcy • Foreclosure • Pre-Foreclosure • Deed-In-Lieu • Restructured Loans • Short Payoff
29. ASSETS	<p>Borrower Investment</p> <ul style="list-style-type: none"> • Primary residence with LTV greater than 95% require a 3% investment from the borrowers own funds. An additional 2% may come from gifts, grants, employer assistance, donated funds as well as other acceptable asset sources. Fannie Mae only • Primary residence and second homes require 5% from borrower's own funds • Investment property loans require entire down payment from borrower's own funds <p>Seller Contributions: Basis for the limit is on CLTV ratio</p> <ul style="list-style-type: none"> • <u>Primary Residence and Second Homes</u> 	

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC
	<ul style="list-style-type: none"> • 3% for CLTV > 90% • 6% for CLTV > 75% <= 90% • 9% for CLTV = < 75% • <u>Investment Properties</u> <ul style="list-style-type: none"> • 2% <p>Gifts</p> <ul style="list-style-type: none"> • <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> • Acceptable provided Borrower Investment is met. The Borrower Investment is waived on primary residences and second homes when gift funds reduce the LTV/CLTV to <= 80%. • <u>Investment Properties</u> <ul style="list-style-type: none"> • Gifts are not permitted. <p>Reserves</p> <ul style="list-style-type: none"> • Cash Out Refis – The cash out may not be used to meet the reserve requirement • See Section #30 for additional reserve requirements for multiple financed properties <ul style="list-style-type: none"> • <u>DU Underwritten Loans</u> <ul style="list-style-type: none"> • Additional reserves may be required by DU based on risk. • <u>Primary Residence</u> <ul style="list-style-type: none"> • 1 – 4 units - no minimum PITIA • <u>Second Homes (all transaction types)</u> <ul style="list-style-type: none"> • 2 months PITIA • <u>Investment Properties (all transaction types)</u> <ul style="list-style-type: none"> • 6 months PITIA • <u>LP and Manually Underwritten Loans</u> <ul style="list-style-type: none"> • If reserves are entered into LP, they must be documented • All reserves must be documented on a Manually Underwritten loan • <u>Primary Residence</u> <ul style="list-style-type: none"> • 1 unit – no minimum PITIA • 2-4 units - 6 months PITIA • <u>Second Homes (all transaction types)</u> <ul style="list-style-type: none"> • 2 months PITIA on subject property and 2 months PITIA for each financed second home or investment property • <u>Investment Properties (all transaction types)</u> <ul style="list-style-type: none"> • 6 months PITIA on subject property and 2 months PITIA for each financed second home or investment property 	
30. LIMITATIONS ON	Multiple Loans to the Same Borrower	

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC								
OTHER R.E. OWNED	<ul style="list-style-type: none"> Maximum 20% concentration in any one project or subdivision <u>Primary Residences</u> <ul style="list-style-type: none"> Up to 4 Morgan Strause financed properties (including the subject property) or \$2 million whichever is less <u>Second Homes & Investment Properties</u> <ul style="list-style-type: none"> Up to 4 financed properties, including the subject property (Max of \$2 million exposure to Morgan Strause) Two months PITIA if subject property is second home Six months PITIA if subject property is investment property Two months PITIA on each additionally financed second home or investment property New multiple loans must be underwritten simultaneously Refer to #24 Underwriting 									
31. APPRAISER REQUIREMENTS	Current license required									
32. APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> <u>LTV = < 80%</u> <ul style="list-style-type: none"> Follow DU/LP recommendation. Investment properties and New Construction in Texas require interior/exterior appraisal regardless of DU/LP recommendation. <u>LTV > 80%</u> <ul style="list-style-type: none"> Provide an appraisal with an interior and exterior inspection, regardless of DU/LP recommendation <ul style="list-style-type: none"> FNMA Form 1004/FHLMC Form 70 									
33. MORTGAGE INSURANCE	<p><u>Below guidelines supercede all other guidelines for LTV's >80% for the availability of MI</u></p> <p>Borrower Paid MI Option</p> <ul style="list-style-type: none"> Required for all loans exceeding 80% LTV Acceptable companies <ul style="list-style-type: none"> RMIC MI may be financed on 1 unit primary residence and second home purchase and rate & term refis. Expanded Approval loans are NOT eligible for financed MI. <ul style="list-style-type: none"> The mortgage amount and LTV <u>including</u> the financed premium may not exceed the limitations set forth in the program guidelines. MI coverage is based on LTV <u>excluding</u> the financed premium. Coverage <table border="0"> <thead> <tr> <th><u><=20 year</u></th> <th><u>Coverage</u></th> </tr> </thead> <tbody> <tr> <td>80.01% - 85%</td> <td>6%</td> </tr> <tr> <td>85.01% - 90%</td> <td>12%</td> </tr> <tr> <td>90.01% - 95%</td> <td>25%</td> </tr> </tbody> </table> 		<u><=20 year</u>	<u>Coverage</u>	80.01% - 85%	6%	85.01% - 90%	12%	90.01% - 95%	25%
<u><=20 year</u>	<u>Coverage</u>									
80.01% - 85%	6%									
85.01% - 90%	12%									
90.01% - 95%	25%									

MORGAN STRAUSE CONFORMING FIXED RATE

	FANNIE MAE	FREDDIE MAC
	<p>95.01% - 97% 35%</p> <p>>20 years <u>Coverage</u></p> <p>80.01% - 85% 12%</p> <p>85.01% - 90% 25%</p> <p>90.01% - 95% 30%</p> <p>95.01% - 97% 35%</p> <p>Acceptable BPMI Payment Options</p> <ul style="list-style-type: none"> • Monthly and Zero Monthly • Level Annual • Standard Annual • Split Premium (with or without options) • Single Premium 	
34. SPECIAL REQUIREMENTS / RESTRICTIONS	Form 4506-T must be processed prior to closing.	