

MORGAN STRAUSE HOMEPath CONFORMING FIXED AND ARM PRODUCTS

	HOMEPath FIXED RATE	HOMEPath 5/1 LIBOR ARM	HOMEPath 7/1 LIBOR ARM
1. PRODUCT DESCRIPTION	<ul style="list-style-type: none"> Conventional Conforming Fixed Rate 15 and 30 year terms Fully amortizing Eligible properties must be owned by Fannie Mae (as a result of foreclosure or other similar action such as deed-in-lieu of foreclosure), sold by Fannie Mae to the borrower(s), and designated by Fannie Mae as eligible for a HomePath Mortgage. Morgan Strause must document the file with the appropriate pages printed from www.homepath.com showing that the property was eligible for HomePath financing. Please note: Morgan Strause does not participate in the HomePath Renovation Mortgage Financing Product 	<ul style="list-style-type: none"> Conventional Conforming five year/one year adjustable rate mortgage 30 year term Fully amortizing Non-Convertible Eligible properties must be owned by Fannie Mae (as a result of foreclosure or other similar action such as deed-in-lieu of foreclosure), sold by Fannie Mae to the borrower(s), and designated by Fannie Mae as eligible for a HomePath Mortgage. Morgan Strause must document the file with the appropriate pages printed from www.homepath.com showing that the property was eligible for HomePath financing. Please note: Morgan Strause does not participate in the HomePath Renovation Mortgage Financing Product 	<ul style="list-style-type: none"> Conventional Conforming seven year/one year adjustable rate mortgage 30 year term Fully amortizing Non-Convertible Eligible properties must be owned by Fannie Mae (as a result of foreclosure or other similar action such as deed-in-lieu of foreclosure), sold by Fannie Mae to the borrower(s), and designated by Fannie Mae as eligible for a HomePath Mortgage. Morgan Strause must document the file with the appropriate pages printed from www.homepath.com showing that the property was eligible for HomePath financing.
2. PRODUCT CODES	<ul style="list-style-type: none"> HomePath 15 Yr Fixed Conforming HomePath 30 Yr Fixed Conforming HomePath 15 Yr Fixed Conforming EA HomePath 30 Yr Fixed Conforming EA HomePath High Balance 30 Yr Fixed 	<ul style="list-style-type: none"> HomePath 30 Yr 5/1 LIBOR ARM HomePath High Balance 5/1 LIBOR ARM 	<ul style="list-style-type: none"> HomePath 30 Yr 7/1 LIBOR ARM
3. INDEX	N/A	London interbank offered rate for twelve month United States dollar-denominated deposits, as published in the Wall Street Journal (Libor)	
4. MARGIN	N/A	2.250%	
5. ANNUAL / ADJUSTMENT CAP	N/A	2%	
6. LIFE CAP	N/A	5%	
7. RATE AT ADJUSTMENT	N/A	<ul style="list-style-type: none"> Initial note rate is in effect for the fixed term; 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 .125%. Subject to annual/life caps. 	
8. CONVERSION OPTION	N/A		
9. CONVERSION FEE	N/A		
10. DELIVERY	N/A		

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11. TEMPORARY BUYDOWNS	Annual <ul style="list-style-type: none"> Primary Residence and Second Homes Purchases Maximum 1% per year Maximum 3% below note rate Refer to #15 Loan Amount and LTV Limitations for maximum LTV/CLTV. 	Annual <ul style="list-style-type: none"> Qualify using the greater of the fully indexed, fully amortizing rate or Note rate + 2.0% Primary Residence and Second Homes Purchases Maximum 1% per year Maximum 3% below note rate Refer to #15 Loan Amount and LTV Limitations for maximum LTV/CLTV 	Annual <ul style="list-style-type: none"> Qualify at the Note rate Primary Residence and Second Homes Purchases Maximum 1% per year Maximum 3% below note rate Refer to #15 Loan Amount and LTV Limitations for maximum LTV/CLTV 																																									
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13. TYPES OF FINANCING	<ul style="list-style-type: none"> Purchase Mortgages 																																											
14. MAXIMUM LOAN AMOUNT	No minimum loan amount <u>Conforming</u> <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> High-Balance Area Loan Limits established by Federal Housing Finance Agency (FHFA) <table border="1"> <thead> <tr> <th rowspan="3">Units</th> <th colspan="3">Continental US</th> <th colspan="3">Alaska & Hawaii</th> </tr> <tr> <th rowspan="2">General</th> <th colspan="2">High-Balance Loans</th> <th rowspan="2">General</th> <th colspan="2">High-Balance Loans</th> </tr> <tr> <th>Permanent High-Cost</th> <th>Temporary High-Cost (ARRA)</th> <th>Permanent High-Cost (HERA)</th> <th>Temporary High-Cost*</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>\$417,000</td> <td>\$625,500</td> <td>\$729,750</td> <td>\$625,500</td> <td>\$938,250</td> <td>NA</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	Continental US			Alaska & Hawaii			General	High-Balance Loans		General	High-Balance Loans		Permanent High-Cost	Temporary High-Cost (ARRA)	Permanent High-Cost (HERA)	Temporary High-Cost*	One	\$417,000	\$625,500	\$729,750	\$625,500	\$938,250	NA
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15. LOAN AMOUNT AND LTV LIMITATIONS	<ul style="list-style-type: none"> Refer to the Expanded Approval Grid for Expanded Approval LTV/CLTVs (Fannie Mae only) Refer to #17 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) <p style="text-align: center;"><u>HOMEPATH STANDARD GRIDS</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="6">FIXED RATE, LIBOR ARM</th> </tr> <tr> <th colspan="6">PRIMARY RESIDENCES</th> </tr> <tr> <th>Units</th> <th>LTV W/O Sec Fin</th> <th>LTV W/ Sec Fin</th> <th>CLTV W/Sec Fin</th> <th>Max HCLTV</th> <th>Credit Score</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">Purchase</td> </tr> <tr> <td>1</td> <td>97%</td> <td>92%</td> <td>97%</td> <td>97%</td> <td>660</td> </tr> <tr> <td>1-2</td> <td>80%</td> <td>75%</td> <td>80%</td> <td>80%</td> <td>620</td> </tr> <tr> <td>3-4</td> <td>75%</td> <td>70%</td> <td>75%</td> <td>75%</td> <td>620</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="6">FIXED RATE, LIBOR ARM</th> </tr> <tr> <th colspan="6">SECOND HOMES¹</th> </tr> <tr> <th>Units</th> <th>LTV W/O Sec Fin</th> <th>LTV W/ Sec Fin</th> <th>CLTV W/Sec Fin</th> <th>Max HCLTV</th> <th>Credit Score</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">Purchase</td> </tr> <tr> <td>1</td> <td>90%</td> <td>85%</td> <td>90%</td> <td>90%</td> <td>660</td> </tr> <tr> <td>1</td> <td>80%</td> <td>75%</td> <td>80%</td> <td>80%</td> <td>620</td> </tr> </tbody> </table> <p>¹Guidelines listed are for second homes suitable for year-round occupancy. Refer to GMAC Bank Correspondent Lending Manual for definition and</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="6">FIXED RATE, LIBOR ARM</th> </tr> <tr> <th colspan="6">INVESTMENT PROPERTIES</th> </tr> <tr> <th>Units</th> <th>LTV W/O Sec Fin</th> <th>LTV W/ Sec Fin</th> <th>CLTV W/Sec Fin</th> <th>Max HCLTV</th> <th>Credit Score</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">Purchase</td> </tr> <tr> <td>1</td> <td>85%</td> <td>80%</td> <td>85%</td> <td>85%</td> <td>660</td> </tr> <tr> <td>1</td> <td>80%</td> <td>75%</td> <td>80%</td> <td>80%</td> <td>620</td> </tr> <tr> <td>2-4</td> <td>75%</td> <td>70%</td> <td>75%</td> <td>75%</td> <td>620</td> </tr> </tbody> </table> <p style="text-align: center;"><u>HOMEPATH HIGH BALANCE GRIDS</u></p>										FIXED RATE, LIBOR ARM						PRIMARY RESIDENCES						Units	LTV W/O Sec Fin	LTV W/ Sec Fin	CLTV W/Sec Fin	Max HCLTV	Credit Score	Purchase						1	97%	92%	97%	97%	660	1-2	80%	75%	80%	80%	620	3-4	75%	70%	75%	75%	620	FIXED RATE, LIBOR ARM						SECOND HOMES ¹						Units	LTV W/O Sec Fin	LTV W/ Sec Fin	CLTV W/Sec Fin	Max HCLTV	Credit Score	Purchase						1	90%	85%	90%	90%	660	1	80%	75%	80%	80%	620	FIXED RATE, LIBOR ARM						INVESTMENT PROPERTIES						Units	LTV W/O Sec Fin	LTV W/ Sec Fin	CLTV W/Sec Fin	Max HCLTV	Credit Score	Purchase						1	85%	80%	85%	85%	660	1	80%	75%	80%	80%	620	2-4	75%	70%	75%	75%	620
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	<p>  </p> <ul style="list-style-type: none"> • Morgan Strause does not participate in the HomePath Renovation Mortgage Financing Product which will display the following logo <p>  </p> <ul style="list-style-type: none"> • Morgan Strause will not purchase manufactured housing which is identified by the following logo: <p>  </p> <ul style="list-style-type: none"> • Morgan Strause must document the file with the appropriate pages printed from www.HomePath.com showing that the property was eligible for HomePath financing <p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1 - 4 units • Condos - Fannie Mae warrantable projects <ul style="list-style-type: none"> • Morgan Strause will obtain evidence of adequate hazard, homeowners, flood if applicable and that fidelity insurance exists. • PUDs - Fannie Mae warrantable projects <ul style="list-style-type: none"> • Morgan Strause will obtain evidence of adequate hazard, homeowners, flood if applicable and that fidelity insurance exists. • Modular Pre-Cut/Panelized Housing • Leasehold Estates <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Co-ops • Condo Hotels • Manufactured homes 		
18. OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence • Second Homes • Investment Properties 		

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19. GEOGRAPHIC LOCATIONS / RESTRICTIONS	<ul style="list-style-type: none"> California, Texas and Colorado 		
20. STATE SPECIFIC	N/A		
21. ASSUMPTIONS	Not Permitted	Permitted after first annual adjustment. Creditworthy borrowers only.	
22. ESCROW WAIVERS	Allowed		
23. PREPAYMENT PENALTY	None		
24. UNDERWRITING	<p>Automated Underwriting Requirements</p> <ul style="list-style-type: none"> Underwriting through DU is required DU recommendation of Approve/Eligible or EA-I/Eligible <ul style="list-style-type: none"> Note: All other findings are not permitted <p>The following DU messages may be disregarded, provided that the loan complies with all HomePath Mortgage requirements:</p> <ul style="list-style-type: none"> Any message relating to amount of MI required Any message that says the maximum allowable interested-party contribution has been exceeded on principal residence or second home with LTV >90% Any message related to the level of fieldwork recommendation 		
25. PROCESSING STYLES	<ul style="list-style-type: none"> Standard 	<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"> Allowed <p>Foreign Nationals</p> <ul style="list-style-type: none"> Not permitted <p>Trust Agreements</p> <ul style="list-style-type: none"> Refer to the Client Guide for eligibility guidelines 		
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 		
28. CREDIT	<ul style="list-style-type: none"> Minimum 620 credit score Refer to #15 for minimum credit score requirements DU Approve/Eligible Expanded Approval Loans (See Appendix for EA Eligibility Criteria) 		

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	HOMEPATH FIXED RATE	HOMEPATH 5/1 LIBOR ARM	HOMEPATH 7/1 LIBOR ARM
	<ul style="list-style-type: none"> EA is limited to an 80% LTV Mortgage Delinquencies - Loans will be ineligible with: <ul style="list-style-type: none"> 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. 		
29. ASSETS	<p>Borrower Investment</p> <p>No minimum borrower investment required when:</p> <ul style="list-style-type: none"> 1 Unit Primary Residence (excluding High Balance Mortgages > 80%) 2-4 units < = 80% Second Homes < = 80% <p>5% Investment from borrowers own funds required when:</p> <ul style="list-style-type: none"> 2 – 4 units Primary Residence > 80% High Balance Primary Residence > 80% Second Homes > 80% All Investment Properties <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. <u>Investment Properties</u> <ul style="list-style-type: none"> Gifts are not permitted. <p>Reserves</p> <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 Follow DU Asset requirements <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 		

MORGAN STRAUSE HOMEPath CONFORMING FIXED AND ARM PRODUCTS

	HOMEPath FIXED RATE	HOMEPath 5/1 LIBOR ARM	HOMEPath 7/1 LIBOR ARM
	<ul style="list-style-type: none"> See Section 30 for additional reserve requirements for multiple financed properties <p>Seller Contributions: Basis for the limit is now based on CLTV ratio</p> <ul style="list-style-type: none"> <u>Primary Residence and Second Homes</u> <ul style="list-style-type: none"> 6% for CLTV 75.01% - 97.00% 9% for CLTV < =75% <u>Investment Properties</u> <ul style="list-style-type: none"> 2% 		
30. LIMITATIONS ON OTHER R.E. OWNED	<p>Multiple Loans to the Same Borrower</p> <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 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	N/A		
32. APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> No appraisal is required except for the following: <ul style="list-style-type: none"> Owner-occupied and second home properties in West Virginia require a minimum of exterior appraisal (Form 2055) unless DU recommendation requires a full appraisal (Form1004) The sales price of the property (as evidenced by the sales contract between Fannie Mae and the buyer/borrower) will be used as the property value for purposes of loan delivery and for determining the LTV/CLTV Client is not required to represent and warrant the value or condition of the property If the borrower, at its option, chooses to obtain an appraisal, then: <ul style="list-style-type: none"> The borrower must order the appraisal from an appraiser selected by the borrower (and not one recommended by Morgan Strause), and the appraisal must be paid for by the borrower outside of the loan transaction Morgan Strause will not request a copy of the appraisal, but if one is provided by the borrower then it must be included in the loan file with a note that the appraisal was ordered by the borrower outside of the loan transaction and was not reviewed or approved by Morgan Strause The property value shown on the appraisal will not impact the LTV calculation Morgan Strause will inform the borrower that the purpose of the borrower-ordered appraisal and its contents are for the use and information of the borrower only, and will not be considered for purposes of the loan transaction <p>Fannie Mae requires delivery of property data such as the number of bedrooms and year built on the HomePath product. Since the HomePath product does not mandate an appraisal, it will be necessary to print out the property information containing number of bedrooms and year built and rental income, if required, from Fannie Mae's HomePath website. This information must be in the loan file when submitting to Morgan Strause for underwriting. If the information is not available on the HomePath website, alternative documentation such as the comparable rent schedule may be required to comply with this requirement.</p>		
33. MORTGAGE INSURANCE	N/A		
34. Xplore ELIGIBILITY	<ul style="list-style-type: none"> Loans are eligible for submission to Xplore. 		

MORGAN STRAUSE **HOMEPath CONFORMING FIXED AND ARM PRODUCTS**

	HOMEPath FIXED RATE	HOMEPath 5/1 LIBOR ARM	HOMEPath 7/1 LIBOR ARM
35. SPECIAL REQUIREMENTS / RESTRICTIONS	<p>Two Unit Second Homes</p> <ul style="list-style-type: none"> • Not permitted <p>Form 4506-T must be processed prior to closing</p> <ul style="list-style-type: none"> • A new IRS Form 4506 T is required to be signed with the closing package as well as at application even when the form has been processed 		

GMAC BANK WHOLESALE MORTGAGE LENDING CONFORMING FIXED RATE

FANNIE MAE HOME [®] PATH CONFORMING FIXED RATE EXPANDED APPROVAL MATRIX EA I Loan Eligibility					
Purpose	Occupancy	Units	LTV	CLTV	HCLTV
Purchase	Primary	1-2	80%	95%	95%
	Second Home	1	80%	90%	95%

Minimum FICO for EA is 620

Ineligible for EA decisions:

- Terms >30 years
- Manufactured Housing
- 3-4 unit properties
- Investment properties
- Co-ops
- New Construction (any loan with the purpose of new construction or construction to perm (CTP) that is under construction at time of application. End loans on newly built homes are not included.)

Expanded Approval Program

Under the Expanded Approval Program, loans run through Desktop Underwriter that would have received a Refer with Caution recommendation will now receive an Expanded Approval recommendation with a "Level".

Loans that receive a recommendation of INELIGIBLE are not deliverable under this program.

Loans receiving an Expanded Approval will receive a "Level" recommendation and must be registered and locked under the applicable Expanded Approval product code found on this product summary or GMAC Bank rate sheet.

Points and Fees - Pursuant to Lender Letter 00-03, a maximum of 5% may be charged for discount points and fees. Fees include origination fees, underwriting fees, broker fees, finder fees, and charges that the lender imposes as a condition of making the loan, whether they are paid to the lender or a third party.