



USA DIRECT PROGRAM GUIDELINES - JUMBO

MAXIMUM LOAN AMOUNT \$1.5 MILLION

Purchase and Rate/Term Refinances

Cash Out Refinances

Owner Occupied

Owner Occupied

Fixed Rate and Fixed Period ARM's

Fixed Rate and Fixed Period ARM's

Property Type	Max LTV/CLTV	Min Credit Score	Property Type	Max LTV/CLTV	Min Credit Score	Min Credit Score
1 Unit	85/85 ⁽¹⁾⁽²⁾	700 Fixed/720 ARM	1 Unit	70/70	\$400K-\$500k based on LTV ⁽³⁾	720

⁽¹⁾ 80.01-85% LTV: Purchase only, loan amount restrictions apply - see full Jumbo guide, section 825.50 "Loans with LTVs Greater Than 80%" for details ⁽²⁾ Attached condos with FICO 700-719 limited to 75% LTV
⁽³⁾ >65% LTV \$400,000 max cash out; 65% or less \$500,000 max cash out

Second Home

Second Home

Fixed Rate and Fixed Period ARM's

Property Type	Max LTV/CLTV	Min Credit Score	Min Credit Score
1 Unit	80% LTV/CLTV to \$650K, otherwise 75% LTV/CLTV to \$1.5million	700 Fixed/720 ARM	NOT APPLICABLE

DTI LIMITS

<u>Primary (Purchase/R&T)</u>	40% DTI (max 36% Housing Ratio)	<u>Primary Cash-out</u>	40% DTI (max 36% Housing Ratio)	<u>Second Home (Purchase/R&T)</u>	40% DTI (max 36% Housing Ratio)

BORROWER ELIGIBILITY

US Citizens, Permanent Resident Aliens and Non-Permanent Resident Aliens with a valid, acceptable visa.

RESERVE REQUIREMENTS

<u>Primary Residence</u>	<=\$1M: 12 months >\$1M - \$2M: 12 months At least 50% of the amount required for reserves must be in liquid form (non-retirement sources)	<u>Second Home</u>	<=\$1M: 18 months >\$1M - \$2M: 24 months	<u>Investment Property</u>	NA

Jumbo

USA DIRECT PROGRAM GUIDELINES - JUMBO

APPRAISAL REQUIREMENTS

Appraisal must be ordered through RELS EC or other acceptable AMC (PartnerConnect, RealEC)
 One appraisal required for loan amounts up to \$1M
 * For loan amounts >\$1M to \$1.5M, A Desk Review (\$115) is required in addition to the appraisal if the LTV exceeds 70%.

CREDIT SCORE/DEPTH REQUIREMENTS

<u>Primary (Purchase/R&T)</u>	700 (720 for Arms)	<u>Primary Cash-out</u>	720	<u>Second Home (Purchase/R&T)</u>	700 (720 for Arms)
-----------------------------------	--------------------	-------------------------	-----	---------------------------------------	--------------------

Credit Depth: Must have at least three tradelines, with a minimum of one tradeline having a 24-month history, AND at least one tradeline with activity in the most recent 12 months.

DEROGATORY CREDIT

<u>Housing Payment History</u>	no 30 day lates on any mortgage in the past 12 months	<u>BK/foreclosure/short sale/deed-in-lieu/etc</u>	USA Direct Funding does not allow any significant derogatory credit if the LTV/CLTV is >70%. If LTV is <=70%, they require 7 years from BK/foreclosure/short sale/deed-in-lieu/etc.
--------------------------------	---	---	---

INCOME REQUIREMENTS

<u>Profit and Loss Statement & Balance Sheet</u>	Required if app is dated more than 4 months after fiscal year end. Required for all sole proprietorships regardless of how long since fiscal year end. Must be prepared by an unrelated and qualified individual (e.g. accountant / bookkeeper), including employee of the applicant's business, particularly if that employee has filed tax documents with the IRS.	<u>Self-employment job history</u>	Two years' S/E recommended, down to one year possible with add'l criteria.	<u>Self-employment income calculation</u>	Uses the lesser of the Cash-Flow method and the Baseline method. After discussing with one of our UW the differences between the two, it appears that the Baseline method is more conservative and could cause files to exceed qualifying DTI versus the usage of the cash-flow method
<u>Continuance of income</u>	Requires five years' continuance of income to utilize unless the income source contributes 25% or less to the overall income	<u>Bonus/Commission/OT Income</u>	Can be considered between 13-24 months as eligible income if the UW can document the reason for using the income.	<u>Rental Income</u>	Must have two years' rental income showing on tax returns to be usable for qualifying.

HELOC PAYMENT CALCULATION

When no payment is reported on the credit bureau and the Note cannot be obtained, use the higher of:

- Full credit line limit
- 20-year amortization term
- Current prime rate + 1.5 margin + 2.0 qualifying economic adjuster
- OR-, 5% of the outstanding balance

Jumbo (con't)

USA DIRECT PROGRAM GUIDELINES - JUMBO

GIFT FUNDS FOR DOWN PAYMENT

Entire full down payment can be gifted for loans with an LTV/CLTV <=80%.

OTHER ADD'L PROPERTY INFORMATION

Jumbo (con't)

<p><u>Properties listed for sale</u></p>	<p>Will not allow if listed in the six months prior to application date.</p>	<p><u>Property Restrictions</u></p>	<p>No acreage limit</p>	<p><u>Other Real Estate Owned</u></p>	<p>Maximum 4 properties financed, including subject.</p>	<p><u>Conversion of Primary Residence to Second Home/Investment Property</u></p>	<p>Requires greater of 6 months PITIA for both properties, or the standard reserve requirements for the subject property. Must have two-year landlord history (via taxes), a fully executed lease agreement (with proof of security deposit deposited into borrower's account) AND document 30% equity with USA Direct Funding-approved AMC appraisal to use rental income to qualify.</p>
--	--	-------------------------------------	-------------------------	---------------------------------------	--	--	--