



## Jumbo Fixed and ARM Product Matrixes

Please note due to volatile and unfavorable pricing the ARM products are not being accepted until further notice.

Information as of Aug 8, 2007. Subject to change.

Jumbo First Lien Products:								
<ul style="list-style-type: none"> <li>Fixed-Rate, 5/1, 5/6, 10/1 and 10/6 Hybrid-LIBOR and 6-Month LIBOR Products</li> <li>10-Year Interest-Only Option Available on 30-Year Term Products</li> <li>3-Year Hard and 1-Year Hard Prepayment Penalty Options</li> </ul>								
FULL/ALT DOC								
Balance	Purch, R/T, EXPR/T		DC <sup>1</sup> , Cash Out <sup>1</sup>		Units	Occupancy	Credit Score <sup>2</sup>	DTI Ratio
	LTV	CLTV/ HCLTV	LTV	CLTV/ HCLTV				
\$500,000	95	95	80	90	1-2	O/O	680	45%
\$650,000	90	95	80	90	1-2	O/O	680	
\$1,000,000	80	90	75	90	1-2	O/O	680	
\$1,500,000	75	90	70	85	1-2	O/O	680	
\$2,000,000	70	90	65	70	1-2	O/O	680	
\$300,000	85	85	N/A	N/A	3-4	O/O	680	
\$400,000	80	85	N/A	N/A	3-4	O/O	680	
\$650,000	75	80	N/A	N/A	3-4	O/O	680	
\$2,000,000	65	80	N/A	N/A	3-4	O/O	680	
\$400,000	85	85	80	80	1	SH <sup>5</sup>	680	45%
\$650,000	80	85	75	80	1	SH <sup>5</sup>	680	
\$1,500,000	75	80	70	75	1	SH <sup>5</sup>	680	
\$2,000,000	65	80	N/A	N/A	1	SH <sup>5</sup>	680	
STATED DOC								
Balance	Purch, R/T, EXPR/T		DC <sup>1,4</sup> , Cash Out <sup>1,4</sup>		Units <sup>4</sup>	Occupancy	Credit Score <sup>2</sup>	DTI Ratio
	LTV	CLTV/ HCLTV	LTV	CLTV/ HCLTV				
\$400,000	85	95	80	90	1-2	O/O	680	45%
\$650,000	80	90	75	80	1-2	O/O	680	
\$1,000,000	80	90	70	75	1-2	O/O	680	
\$1,500,000	70	80	70	75	1-2	O/O	680	
\$2,000,000	65	80	60	70	1-2	O/O	680	

1 – Maximum \$200,000 cash out to borrower. Cash out includes proceeds used to pay off debt; 2 – Credit score for primary income borrower used for all loans (see Credit topic); 4 – 1-unit properties only for Debt Consolidation or Cash Out transactions; 5 – First time homebuyers (borrowers who have not previously owned a home in the last 3 years, or have owned a residential property for less than 12 months) are not eligible.

<b>GEOGRAPHIC RESTRICTIONS</b>	<b>Jumbo Product-Specific Restrictions:</b>	
	<ul style="list-style-type: none"> <li>• <b>Alaska:</b> Not eligible.</li> </ul>	
<b>DOCUMENTATION</b>	<ul style="list-style-type: none"> <li>• Full/Alt Doc and Stated Documentation programs available. Stated Documentation refers to loans processed with income, employment and asset documentation which are more relaxed than traditional FNMA or FHLMC Full Documentation requirements. Specific guidelines for Stated Doc type are outlined below.</li> <li>• Full/Alt Documentation may be required if: <ul style="list-style-type: none"> <li>• The initial application is incomplete or missing from the submission package.</li> <li>• Loan request is not commensurate with the borrower's credit profile.</li> <li>• Property is unique or otherwise has limited marketability.</li> <li>• File contains documentation which suggests borrower's income is not accurately stated on the signed 1003 (i.e., bank statements showing payroll direct deposits with a deposit amount significantly lower than that reported on the signed 1003).</li> <li>• Files that do not have valid or usable credit scores.</li> </ul> </li> <li>• When applicable, non-employment income sources will be closely reviewed for reasonableness. If reasonableness cannot be determined, underwriting reserves the right to require documentation to support the reasonableness (i.e., underwriting may request: recent account statement to support assets available after closing to generate stated interest income, evidence an income-generating property is owned free and clear, etc.).</li> </ul>	
<b>Full/Alt Doc</b>	<ul style="list-style-type: none"> <li>• Standard FNMA full or alternative documentation may be provided. Assets must be verified for reserves, closing costs, required down payment.</li> <li>• IRS 4506 is required when full doc.</li> <li>• Verbal VOE required 5 days prior to closing for wage-earner income sources.</li> <li>• Income, employment and assets are stated and verified.</li> <li>• Liabilities are itemized and real estate owned stated.</li> </ul>	
<b>Stated Doc</b>	<ul style="list-style-type: none"> <li>• Income/Employment: <ul style="list-style-type: none"> <li>• Employment must be disclosed on the signed 1003 covering a two-year period.</li> <li>• All income sources must be itemized on the signed 1003.</li> <li>• Verification of income is not required.</li> <li>• Income must be reasonable for employment disclosed.</li> <li>• 5 days prior to closing: Verbal VOE required or if self-employed, an independent written confirmation of self-employment is required (i.e., copy of business license, letter from CPA verifying length and existence of business, etc.). Two continuous years of self-employment in same business are expected.</li> <li>• IRS 4506 is not required.</li> </ul> </li> <li>• Liabilities are itemized – properties owned are stated.</li> <li>• Assets must be verified for reserves, closing costs and required down payment.</li> <li>• Ratios are calculated based on stated income.</li> </ul>	
<b>DESKTOP UNDERWRITER®</b>	<ul style="list-style-type: none"> <li>• Not Applicable.</li> </ul>	
<b>DU Decisions</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>	
<b>DU Full/Alt Doc</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>	
<b>DU Stated Doc</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>	
<b>PROPERTY TYPES</b> <i>(Refer to TLP Funding Underwriting Guidelines for additional details.)</i>		
<b>PROPERTY ELIGIBILITY</b>	Property Type <i>(See Underwriting Guidelines for additional details. See LTV/CLTV/HCLTV matrices for variances; i.e., second homes eligible for 1-unit only, etc.)</i>	<b>Eligible</b>
	Single Family Residence	Yes
	2 units	Yes
	3-4 unit Dwellings	Yes
	Warrantable: <ul style="list-style-type: none"> <li>• FNMA Types P, Q, R, S or T or FHLMC Class II or III Warrantable condo <ul style="list-style-type: none"> <li>• Minimum 600 square feet</li> <li>• Studio units are eligible</li> <li>• Site (Detached) Condos are eligible</li> </ul> </li> </ul>	Yes
	Non-Warrantable	No
	Condotels – See Condotel topic for LTVs	No
	Co-Ops – See Cooperative Program Profile	Yes
	PUDs meeting FNMA or FHLMC requirements	Yes
	Mixed-Use	Yes
	Model Home Lease Backs	No
	>10 acres (Note: regardless of acreage size, land value should not exceed 35%. Exceptions considered on a case-by-case basis)	No
	Rural – up to 10 acres allowed if supported by comparable sales.	Yes
	Mobile homes	No
	Manufactured homes	No
	Modular/Prefab	Yes
	Other property types considered case-by-case. See Underwriting Guidelines for additional information	No

<b>OCCUPANCY</b>	<ul style="list-style-type: none"> <li>Primary Residence (O/O) or Second Homes (SH) are eligible.</li> <li>Investment Properties (N/O/O) are not eligible.</li> </ul>	
<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>U.S. Citizens, Resident Aliens, Non-Occupying Co-Borrowers and Co-Signers.</li> <li>Title may be taken in the name of trustee for an Inter Vivos Revocable Trust (refer to Form 407 for complete eligibility details and Form 407-LivT for closing details). Title may not be taken in the name of a trustee for a Land or Blind Trust.</li> </ul>	
<b>First Time Homebuyer</b>	<ul style="list-style-type: none"> <li>First Time Homebuyers (FTHB): This status applies when all owner-occupant borrowers of the subject property have not previously owned a home in the last 3 years, or have owned a residential property for less than 12 months. FTHB are ineligible for financing SH properties.</li> <li>FTHB without 12 month housing history must be Full Doc and have 6 months reserves.</li> </ul>	
<b>Resident Aliens</b>	<ul style="list-style-type: none"> <li>Lawful resident aliens are eligible for the same financing as U.S. citizens if they can provide evidence of lawful residency and they meet all of the same credit standards as U.S. citizens.</li> <li>A copy of the borrower's identification or a processor's certification (<i>Form 408</i>) is required to verify review of the acceptable documentation that evidences borrower is eligible to lawfully reside in the U.S.</li> <li>Borrowers with diplomatic immunity are not eligible.</li> <li>Borrower must be employed in the U.S.</li> <li>Income must be likely to continue for at least 3 years.</li> </ul>	
<b>Non-Occupying Co-Borrowers</b>	<p>Non-occupying co-borrowers are acceptable when the following can be met:</p> <ul style="list-style-type: none"> <li>Occupant borrower's DTI ratio may not exceed 50%.</li> <li>Occupant borrower must contribute 5% from their own resources.</li> <li>All borrowers must be close relatives.</li> <li>Non-occupying co-borrower may be a co-signer/guarantor, obligated for repayment of the debt but not required to take title.</li> </ul>	
<b>QUALIFYING</b>	<ul style="list-style-type: none"> <li>Fixed-Rate and ARM without Interest only use the use the initial note rate. Fixed Interest Only product use the use Interest and Principal payment for Qualifying. Interest Only ARM use the higher of the note of fully indexed rate with P&amp;I.</li> </ul>	
<b>VALUE FOR LTV/CLTV/HCLTV CALCULATION</b>	See underwriting guideline for definitions.	
<b>Purchase</b>	<ul style="list-style-type: none"> <li>Use lesser of current appraised value or acquisition cost to calculate LTV/CLTV/HCLTV.</li> </ul>	
<b>Rate/Term and Expanded Rate/Term</b>	<ul style="list-style-type: none"> <li>Use current appraised value to calculate LTV/CLTV/HCLTV.</li> <li>Note: Additional refinance restrictions apply when property is located in Texas. Refer to TLP Funding Underwriting Guidelines and the <i>Texas Home Equity Program Profile</i> for guidelines.</li> </ul>	
<b>Debt Consolidation and Cash Out</b>	<ul style="list-style-type: none"> <li>LTV/CLTV/HCLTV &gt;75% and property owned &lt;12 months, use lesser of current appraised value or acquisition cost + cost of documented home improvements.</li> <li>LTV/CLTV/HCLTV ≤75%, use current appraised value.</li> <li>If property owned ≥12 months, use current appraised value.</li> <li>Note: Additional refinance restrictions apply when property is located in Texas. Refer to TLP Funding Underwriting Guidelines and the <i>Texas Home Equity Program Profile</i> for guidelines.</li> </ul>	
<b>MAXIMUM CASH OUT</b>	<ul style="list-style-type: none"> <li>Cash Out transactions– The borrower may receive up to \$200,000 loan proceeds unless otherwise limited by the applicable mortgage insurer.</li> <li>Debt Consolidation transactions– Loan proceeds used for the payoff of debt are limited to the maximum cash out limits per each Program Profile (i.e., if maximum cash out is \$200,000, only \$200,000 of the loan amount may be used for the payoff of debt). Cash out limits also include any incidental cash to borrower at closing which may not exceed the greater of 2% of the loan amount or \$2,000. See MI topic for company-specific requirements.</li> </ul>	
<b>TEMPORARY BUYDOWNS</b>	<ul style="list-style-type: none"> <li>Not permitted.</li> </ul>	
<b>CREDIT General</b>	<ul style="list-style-type: none"> <li>Credit Report—3 file merged credit report or RMCR required.</li> <li>Credit Score—Use lower of 2 or middle of 3 to determine each borrower's <i>representative</i> score.</li> <li>All loans: The score of the primary income borrower (occupant borrower who earns &gt;50% of the qualifying income) will be used for qualifying and pricing. If no occupant borrower earns &gt;50% of the qualifying income, use the lowest representative score of all borrowers. Credit of co-borrowers (but not credit score) is expected to meet the below-listed credit requirements.</li> <li>Only the primary income borrower must have a valid/useable credit score.</li> <li>A valid/usable credit score is one that is generated based on a minimum of 3 trade lines being at least 2 or more years old and accurately reflecting the borrower's credit history.</li> <li>Credit in accordance with below-listed guidelines is required (in addition to the minimum credit score) on all files.</li> <li>Additional credit information can be found in TLP Funding Underwriting Guidelines.</li> </ul>	
	<b>Total TLP Funding Financing &lt;\$1,000,000</b>	<b>Total TLP Funding Financing ≥\$1,000,000</b>
<b>Trade lines</b>	<ul style="list-style-type: none"> <li>Min. 5 trades (3 must be ≥2 yrs).</li> </ul>	<ul style="list-style-type: none"> <li>Min. 5 trades (3 must be ≥4 yrs).</li> </ul>
<b>Mortgage/Housing Documentation</b>	<ul style="list-style-type: none"> <li>12 months documentation</li> <li>Borrowers without a documented housing history accepted if Full Doc and 6 months reserves.</li> </ul>	<ul style="list-style-type: none"> <li>24 months documentation</li> <li>Borrowers without a documented housing history, including those not currently obligated for housing payments, are not eligible.</li> </ul>
<b>History</b>	<ul style="list-style-type: none"> <li>0x30 in past 2 years.</li> </ul>	<ul style="list-style-type: none"> <li>0x30 in past 4 years.</li> </ul>
<b>Installment<sup>1</sup></b>	<ul style="list-style-type: none"> <li>1x30 in past 2 years.</li> </ul>	<ul style="list-style-type: none"> <li>1x30 in past 4 years.</li> </ul>
<b>Revolving<sup>1</sup></b>	<ul style="list-style-type: none"> <li>2x30 &amp; 1x60 in past 2 years.</li> </ul>	<ul style="list-style-type: none"> <li>2x30 &amp; 1x60 in past 4 years.</li> </ul>
<b>Bankruptcy</b>	<ul style="list-style-type: none"> <li>None ever.</li> </ul>	<ul style="list-style-type: none"> <li>None ever.</li> </ul>
<b>Foreclosure</b>	<ul style="list-style-type: none"> <li>None ever.</li> </ul>	<ul style="list-style-type: none"> <li>None ever.</li> </ul>
<b>Major Derogatory<sup>1</sup></b>	<ul style="list-style-type: none"> <li>None in past 2 years.</li> </ul>	<ul style="list-style-type: none"> <li>None in past 4 years.</li> </ul>

(collections, judgments, etc.)		
1 –	Detailed review of installment, revolving and major derogatory accounts for credit determination may be waived if the borrower's credit score meets the minimum required and is not less than 660. However, all delinquent or derogatory credit must be reviewed for compliance with payoff requirements outlined in TLP Funding Underwriting Guidelines.	
<b>Total TLP Funding Financing ≥\$1,000,000</b>	<ul style="list-style-type: none"> <li>• Subject must be in a strong market of similarly-priced homes. The relationship between final value and predominant value should be reasonable.</li> <li>• If nature of borrower's employment is not evident, file should contain a brief narrative explaining it.</li> <li>• Borrowers are expected to have an above-average verified asset base. See Cash Reserves topic for additional details.</li> </ul>	
<b>CASH RESERVES</b>	<ul style="list-style-type: none"> <li>• Funds must be from borrower's own resources (not from borrower's business). Funds must be available to the borrower prior-to- and after-closing. Proceeds from the transaction (i.e., refinance proceeds, etc.) or sale of assets may not be used to meet cash reserves requirements.</li> <li>• FTHB without 12 month housing history must be Full Doc and have 6 months reserves.</li> <li>• Reserves requirements are based on Qualifying Housing Payment . Interest Only will be passed on P&amp;I payment. If ARM based on the higher of Fully Indexed or Note Rate P&amp;I.</li> </ul>	
<b>Total TLP Funding Financing &lt;\$1,000,000</b>	<ul style="list-style-type: none"> <li>• Full Doc, O/O: <ul style="list-style-type: none"> <li>• Purchase—Minimum 2 months PITI required for reserves.</li> <li>• Refinance—6 months cash reserves.</li> </ul> </li> <li>• Stated Doc, O/O and all SH Transactions: <ul style="list-style-type: none"> <li>• Minimum 6 months PITI required for reserves.</li> </ul> </li> </ul>	
<b>Total TLP Funding Financing ≥\$1,000,000</b>	<ul style="list-style-type: none"> <li>• Full Doc: <ul style="list-style-type: none"> <li>• Purchase—minimum 6 months PITI required for reserves.</li> <li>• Refinance—6 months cash reserves.</li> </ul> </li> <li>• <b>Stated Doc:</b> <ul style="list-style-type: none"> <li>• <b>6 months PITI if:</b> <ul style="list-style-type: none"> <li>• LTV/CLTV/HCLTV is ≤60%; or</li> <li>• LTV/CLTV/HCLTV &gt;60% when all of the following are present: <ul style="list-style-type: none"> <li>• Credit score is ≥720;</li> <li>• Purchase, Rate/Term or Expanded Rate/Term; and</li> <li>• No exceptions to loan amount or LTV have been granted.</li> </ul> </li> </ul> </li> <li>• <b>All other transactions require 12 months PITI.</b></li> </ul> </li> <li>• Subject must be in a strong market of similarly priced homes. The relationship between final value and predominant value should be reasonable.</li> <li>• If nature of borrower's employment is not evident, file should contain a brief narrative explaining it.</li> <li>• Borrowers expected to have above-average verified asset base. See Cash Reserves topic.</li> </ul>	
<b>REQUIRED DOWNPAYMENT</b>	<ul style="list-style-type: none"> <li>• If purchase, borrower must contribute at least 5% towards the transaction.</li> <li>• Full Doc, O/O: CLTV/HCLTV is ≤80% and there is no subordinate financing, the entire downpayment may be from a gift.</li> </ul>	
<b>GIFT FUNDS</b>	<ul style="list-style-type: none"> <li>• Donor must be a family member, domestic partner or someone with a demonstrated close relationship, non-profit organization, municipality or borrower's employer. However, seller-funded gift programs (such as Nehemiah) are not acceptable.</li> <li>• Gift letter required.</li> <li>• Transfer of funds or evidence of receipt must be documented.</li> <li>• Acceptable after a minimum downpayment has been made by the borrower from their own resources. Refer to Required Downpayment topic above.</li> <li>• Gift funds may not be used for meeting reserve requirements.</li> </ul>	
<b>CONTRIBUTIONS BY AN INTERESTED PARTY</b>	<ul style="list-style-type: none"> <li>• Contributions by an interested party may be used for closing costs, prepaids and other financing costs provided the maximum contribution does not exceed the limits below.</li> <li>• Total of the contribution percentage plus the LTV (or CLTV/HCLTV, if applicable) may not exceed 98%.</li> </ul>	
	<b>Full and Stated Doc</b>	
	<ul style="list-style-type: none"> <li>• 3% if CLTV/HCLTV &gt;90%</li> <li>• 6% if CLTV/HCLTV 75.01-90%</li> <li>• 9% if CLTV/HCLTV ≤75%</li> </ul>	
<b>SUBORDINATE FINANCING</b>	<ul style="list-style-type: none"> <li>• Private party subordinate financing is not permitted.</li> <li>• TLP Funding Mortgage Maker Piggyback loans are permitted behind the Jumbo First Lien. Refer to applicable Program Profile for details. Loans must meet the most restrictive of the parameters for either the First or Piggyback Lien product.</li> <li>• Terms of subordinate lien: No balloon within 5 years; payment must be sufficient to cover interest due.</li> <li>• Variable payments and Home Equity Lines of Credit are acceptable.</li> <li>• File must contain a copy of the note.</li> </ul>	
<b>MORTGAGE INSURANCE</b>	<ul style="list-style-type: none"> <li>• Loans with LTVs above 80% require mortgage insurance.</li> <li>• "No MI" pricing is not available.</li> <li>• Acceptable mortgage insurers are GE (Genworth), MGIC, RMIC, Radian, PMI, UG, Triad and CMG. Note: Not all MI companies will insure loans underwritten to these guidelines. See Form 449 regarding company-specific MI requirements for Jumbo loans. Clients should contact their local MI company for guidance.</li> </ul>	
<b>MI Coverage</b>	<b>LTV</b>	<b>Standard</b>
	80.01 - 85%	12%
	85.01 - 90%	25%
	90.01 - 95%	30%
		<b>Reduced Coverage 15 &amp; 20 Yr. Loans</b>
		6%
		12%
		25%
<b>APPRAISAL</b>		

<\$1,000,000 *Transaction Value	<ul style="list-style-type: none"> <li>One traditional, full appraisal completed by a state licensed or state-certified appraiser required.</li> </ul>									
≥\$1,000,000 *Transaction Value	<ul style="list-style-type: none"> <li>One traditional, full appraisal completed by a state-certified appraiser required.</li> </ul>									
	*Transaction Value = Greater of the sales price or appraised value.									
<b>Complex Properties</b>	<ul style="list-style-type: none"> <li>Appraisals must be completed by a state-certified appraiser.</li> </ul>									
>\$650,000 Loan Amount	<ul style="list-style-type: none"> <li>Interior photographs required.</li> </ul>									
<b>MAXIMUM EXPOSURE</b>	TLP Funding will limit its financing exposure to one borrower or group of borrowers as outlined below. This includes the total of all loans to all borrowers, including existing transactions (including loans serviced by other lenders on behalf of TLP Funding) and pending transactions. In the event of a concurrent Piggyback transaction, the Piggyback and First Lien loan will count as one loan. Maximum dollar thresholds still apply. Stand-alone transactions will be treated as individual loans even when placed behind an existing TLP Funding loan.									
	<table border="1"> <thead> <tr> <th></th> <th>O/O and SH</th> <th>N/O/O</th> </tr> </thead> <tbody> <tr> <td>Aggregate of all financed transactions provided by TLP Funding</td> <td>\$6,000,000<sup>1</sup></td> <td> <ul style="list-style-type: none"> <li>4 N/O/O loans not to exceed an aggregate amount of \$1,000,000 provided total exposure does not exceed \$6,000,000<sup>1</sup> (total exposure includes borrower's O/O and SH financed transactions); or</li> <li>1 N/O/O if loan is &gt;\$1,000,000 provided total exposure does not exceed \$6,000,000<sup>1</sup> (total exposure includes borrower's O/O and SH financed transactions).</li> </ul> </td> </tr> <tr> <td># of loans with Total TLP Funding Financing &gt;80% LTV/CLTV/HCLTV</td> <td colspan="2">Two loans, regardless of occupancy</td> </tr> </tbody> </table>		O/O and SH	N/O/O	Aggregate of all financed transactions provided by TLP Funding	\$6,000,000 <sup>1</sup>	<ul style="list-style-type: none"> <li>4 N/O/O loans not to exceed an aggregate amount of \$1,000,000 provided total exposure does not exceed \$6,000,000<sup>1</sup> (total exposure includes borrower's O/O and SH financed transactions); or</li> <li>1 N/O/O if loan is &gt;\$1,000,000 provided total exposure does not exceed \$6,000,000<sup>1</sup> (total exposure includes borrower's O/O and SH financed transactions).</li> </ul>	# of loans with Total TLP Funding Financing >80% LTV/CLTV/HCLTV	Two loans, regardless of occupancy	
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# of loans with Total TLP Funding Financing >80% LTV/CLTV/HCLTV	Two loans, regardless of occupancy									
	1— Once the aggregate exposure exceeds \$4,000,000, all additional loans must be either Jumbo or Alt-A/High LTV Alt-A.									
<b>Maximum Number of Financed Properties</b>	In addition to the maximum exposure limitations, the maximum number of financed 1-4 unit properties (regardless of lending source) a borrower or group of borrowers may own is limited as outlined below. The subject property, all borrowers' primary residence properties and any properties pending financing are included in this total.									
	<table border="1"> <thead> <tr> <th>O/O</th> <th>SH</th> <th>N/O/O</th> </tr> </thead> <tbody> <tr> <td>No limit</td> <td>10</td> <td>10</td> </tr> </tbody> </table>	O/O	SH	N/O/O	No limit	10	10			
O/O	SH	N/O/O								
No limit	10	10								
<b>SECTION 32 / HIGH COST LOAN</b>	<p>Sellers are responsible for identifying loans that are considered high cost loans as defined by federal and/or state laws and/or regulations. Purchaser does not purchase high cost loans as defined by federal regulations (Section 32) and/or state regulations. Upon delivery of all loans to Purchaser, the Seller represents and warrants:</p> <ul style="list-style-type: none"> <li>Loan is not a high cost loan as defined by Section 32 of the Federal Truth-in-Lending Act.</li> <li>Loan is not a high cost loan as defined by applicable state laws and/or regulations</li> <li>First Liens, Conforming Loan Amounts: Total points and fees may not exceed 5% of the loan amount. Loans with original principal balance "OPB" ≥\$75,000: Broker Compensation may not exceed 5% of the OPB. Broker Compensation refers to fees paid to the Broker either by the Lender or directly by the borrower, and often financed as part of the loan.</li> </ul>									
<b>INTEREST-ONLY (I-O)</b>	<ul style="list-style-type: none"> <li>Payments are interest-only for the first 10 years and fully-amortizing for the remaining 20-year term. No negative amortization.</li> <li>The interest-only monthly payment is calculated each month based on the current balance. If borrower makes voluntary prepayments of principal during Interest-Only period, the subsequent monthly payments will be based on the lower principal balance.</li> <li>All Fixed-Rate Interest-Only loans must be closed using the FNMA InterestFirst<sup>SM</sup> Note 3271 (and state-specific versions, as applicable, per FNMA) dated 1/01 or later.</li> </ul>									
<b>I-O ELIGIBILITY</b>	<table border="1"> <thead> <tr> <th>Period</th> <th></th> </tr> </thead> <tbody> <tr> <td>5-year I-O Period</td> <td>Not permitted</td> </tr> <tr> <td>10-year I-O Period</td> <td>All products with a 30-year term</td> </tr> </tbody> </table>	Period		5-year I-O Period	Not permitted	10-year I-O Period	All products with a 30-year term			
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<b>PREPAYMENT PENALTY</b>	<ul style="list-style-type: none"> <li>Permitted on transactions in accordance with state-specific restrictions as outlined on <i>Form 603A</i>.</li> <li>The prepayment penalty feature is an option, not a requirement. If a prepayment penalty feature is selected, the following overall (prepayment penalty period) and hard penalties should be selected. <ul style="list-style-type: none"> <li>All products <ul style="list-style-type: none"> <li>3-year overall with 3-year hard</li> <li>1-year overall with 1-year hard</li> </ul> </li> </ul> </li> </ul>									
<b>ESCROW ACCOUNT</b>	<ul style="list-style-type: none"> <li>When LTV ≤80%, borrowers may choose to waive monthly real estate tax and insurance impounds. Escrows may be waived on LTVs &gt;80% only when mandatory escrow is prohibited by state regulations. See Price Adjustment Factors on the daily rate sheet for any price differential.</li> </ul>									