

RCB FINANCIAL SERVICES

Manufactured Housing Program

New Product Announcement!

RCB Financial Services, through a relationship with a Strategic Alliance Member, is proud to announce the release of a *New Manufactured Housing Program*.

Product Overview:

- Up to 100% LTV...Purchase pr Rate/Term Refinance
- 100% LTV First Time Home Buyer Allowed
- Unlimited Cash Out Refinance... to 95%
- Minimum FICO Score of 640
- Maximum DTI 50%
- 30 Year Fixed Rate and 2/28, 3/27 LIBOR ARMS
- Full Doc/Lite Doc Programs
- Owner Occupied Second Homes
- Double-Wide or Larger
- Land/Home only – No Chattel

For more information, please fax this form to (706) 348-6968, or email responses to HAMJR1947@aol.com.

Bank: _____

Contact: _____

City: _____

State: _____

MH-Direct

Manufactured Housing Program

Highlights:

- **Credit score is primary credit determinate**
- Purchase, Rate/Term, and Expanded Rate/Term refinances up to **100% LTV**
- ARMs and 30 year terms are available
- **Cash Out refinances up to 95% LTV**

Important Procedural Steps:

- All Appraisals must be ordered through eAppraiseIT
- All Title Commitments must be ordered through First American

Full Doc

- 1 unit only if O/O and SH.
- Primary Borrower's Credit Score used for qualifying and pricing. **Co-borrower must have 620 min.**
- LTVs shown are for transaction types **Purchase, Rate/Term and Expanded Rate/Term. Cash Out up to 95% LTV.**
- Income/Employment Verification
 - Income and employment must be verified covering a two-year period.
 - Standard FNMA documentation may be provided.
 - Paystub 30 days at funding; all other verifications 60 days at funding.
 - Verbal VOE required. Verbal verification must be completed within 5 days of closing and include verification of current employment and start date. If self-employed, a third party verification of business (i.e., letter from company's CPA; copy of current and past business licenses evidencing in business at least 2 years).
 - IRS 4506-T must be signed by the borrower on all files.
 - If borrower is using rental income, file must contain complete copies of the borrower's personal tax returns.
- Asset Verification
 - All funds for closing must be sourced and seasoned 60 days.
 - Refer to Asset topic for exceptions.
- **Subordinate financing is not permitted.**



Credit Score	720	680	640
Occupancy	O/O	O/O	O/O
Loan Amount	LTV / CLTV	LTV / CLTV	LTV / CLTV
350,000	100 / NA	100 / NA	100 / NA
450,000	95 / 95	95 / 95	95 / 95
500,000	95 / 95	95 / 95	90 / 90
550,000	95 / 95	90 / 90	85 / 85
650,000	90 / 90	80 / 80	80 / 80
Occupancy	SH	SH	SH
450,000	85 / 85	85 / 85	85 / 85
DTI	38% (50% w / Compensating Factors - 45% First-time homebuyers) (see Credit Section – Compensating Factors)		
Cash Out	UNLIMITED - Up to 95% LTV		

Lite Doc

- 1 unit **O/O** only.
- Primary Borrower's Credit Score used for qualifying and pricing. **Co-borrower must have 620 min.**
- LTVs shown are for transaction types **Purchase, Rate/Term and Expanded Rate/Term. Cash Out up to 90% LTV.**
- Income and employment must be verified for the most recent 6-month period.
 - **Wage Earner:**
 - Current paystub with year to date earnings covering past 6 months.
 - If paystub does not reflect at least 6 months of income, provide past year's W-2.
 - Verbal VOE required. Verbal verification must be completed within 5 days of closing and include verification of current employment and start date.
 - Paystub 30 days at funding; all other verifications 60 days at funding.
 - **Self-employed:**
 - Provide personal tax returns for the past year; and
 - Year-to-date profit and loss statement.
 - A third party verification of business (i.e., letter from company's CPA; copy of current and past business licenses evidencing in business at least 1 year).
 - IRS 4506-T must be signed by the borrower for all files.
 - If borrower is using rental income, file must contain complete copies of the borrower's personal tax returns.
- Asset Verification–All funds for closing must be sourced and seasoned.
- **Subordinate financing is not permitted.**

Credit Score	720	680	640
Occupancy	O/O	O/O	O/O
Loan Amount	LTV / CLTV	LTV / CLTV	LTV / CLTV
325,000	100 / NA	100 / NA	95 / 95
450,000	95 / 95	95 / 95	85 / 85
500,000	95 / 95	95 / 95	80 / 80
550,000	90 / 90	85 / 85	80 / 80
650,000	85 / 85	80 / 80	75 / 75
DTI	38% (50% w / Compensating Factors - 45%First-time homebuyers) (see Credit Section – Compensating Factors)		
Cash Out	UNLIMITED - Up to 90% LTV		

GENERAL UNDERWRITING REQUIREMENTS	
General Description	<ul style="list-style-type: none"> World Net Capital I, LLC (WNCI) will only purchase a loan secured by a double-wide or larger manufactured home placed on a permanent foundation. Please see WNCI product profile description herein for specific details regarding the MH-Direct Program. <p>Manufactured Housing: Any dwelling unit built on a permanent chassis and attached to a permanent foundation system is a “manufactured home” for purposes of underwriting.</p> <p>Manufactured Housing Criteria:</p> <ul style="list-style-type: none"> The manufactured home unit must be permanently affixed to a foundation and must assume the characteristics of site-built housing. The wheels, axles, and trailer hitches <u>must be removed</u> when the unit is placed on its permanent site. All foundations, both perimeter and piers, must have footings that are located below the frost line. If piers are used, they should be placed where the unit manufacturer recommends. If state or local law requires anchors, they must be provided. See <i>Appraisal and Documentation</i>, and <i>Additional Requirement</i> sections for more detailed specific criteria.
Product Parameters Special Note ➡	<ul style="list-style-type: none"> For WNCI to consider for purchase of a manufactured home the following criteria must be met: <ul style="list-style-type: none"> Principal residences and Second Homes only – <u>no investment properties</u>. NO SUBORDINATE FINANCING PERMITTED WITH MANUFACTURED HOMES. Purchase and Rate / Term up to and including 100% LTV. Cash Out Refinance up to 95% LTV. Minimum 640 credit score for primary borrower and 620 min for co-borrower. All closing documents must be ordered through Q2 Group.
Transaction Parameters Purchase	<ul style="list-style-type: none"> Purchase money transactions are those in which the proceeds are used to finance the purchase of the Manufactured home. Proceeds may also be used to purchase the land, or the land may be previously owned by the borrower, either free of any mortgage or subject to a mortgage that will be paid off with the proceeds of the new purchase money mortgage. The borrower cannot receive any cash back with a purchase money transaction. The sales price of the manufactured home may also include bona fide and documented transportation site preparation, and dwelling installation at the site. <u>When paying off a builder or manufactured home distributor, loan must be treated as a purchase.</u> The LTV for a newly built manufactured home that is being attached to a permanent foundation system in connection with a purchase transaction will be based on the lower of: <ul style="list-style-type: none"> the sales price of the manufactured home plus (if the land was purchased in the 12 months preceding the loan application date) the lowest sales price at which the land was sold during that 12 month period or (if the land was purchased more than 12 months preceding the loan application date) the current appraised value of the land; or

<p>Rate / Term and Expanded Rate / Term</p> <p>Special Note </p> <p>Cash Out and Debt Consolidation</p> <p>Special Note </p>	<p>the “as completed” appraised value of the manufactured home and land.</p> <ul style="list-style-type: none"> • The LTV for a loan secured by a manufactured home that already exists on its foundation will be based on the lowest of: <ul style="list-style-type: none"> • the sales price of the manufactured home and land; or • the current appraised value of the manufactured home and land; or • if the manufactured home was built in the 12 months preceding the loans application date, the lowest price at which the home was previously sold during that 12 month period plus the lower of the current appraised value of the land, or the lowest price at which the land was sold during that 12 month period (if there was such a sale). • Rate and Term refinances involve paying off an existing mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate liens). • The LTV for a rate and term refinance for a loan secured by a manufactured home will be based on the current appraised value. <p>Manufactured homes owned for less than 12 months <u>are not</u> eligible.</p> <ul style="list-style-type: none"> • Cash Out transactions <ul style="list-style-type: none"> • Unlimited up to 95% LTV for Full Doc and 90% LTV for Lite Doc • Debt Consolidation <ul style="list-style-type: none"> • Loan proceeds used to payoff debt are limited to the maximum cash out limits listed above. Borrower(s) DTI must qualify before the debts are paid off. <p>You <u>can not</u> payoff debt to have a borrower(s) meet DTI requirements. DTI requirements must be met as if debt was left open.</p>
GEOGRAPHIC RESTRICTIONS	<ul style="list-style-type: none"> • Alaska: Not eligible. • Florida—Dade and Broward Counties: Full doc only. Assets must be verified. • Hawaii: Not eligible. • Montana: Lot size of the property may not exceed 40 acres. • All States: <ul style="list-style-type: none"> • Section 32 loans are not eligible. • High Cost Loans as defined by applicable state and/or local regulations are not permitted. • State Specific restrictions
APPRAISAL AND DOCUMENTATION	<ul style="list-style-type: none"> • A manufactured home must be a one-family dwelling unit that assumes the characteristics of site-built housing and is legally classified as real property. The purchase, conveyance, and financing (or refinancing) of the land and the manufactured home, which must be evidenced by a valid and enforceable first lien mortgage or deed of trust that is recorded in the land records, must represent a single real estate transaction under applicable state law. A combination chattel and real estate mortgage is not acceptable. • The Q2 Group Underwriting Department requires complete title work prior to closing to be reviewed by Underwriting on all manufactured home transactions, in addition to a copy of the homeowners’ insurance policy showing the Dwelling coverage equal to at least the mortgage balance or replacement cost new generated by the appraiser. Guaranteed Replacement Cost Endorsements are non-existent on manufactured homes and are therefore not acceptable. • The appraiser must state the subject property is taxed as Real Property, or if the property is new co policy as the insured property includes the manufactured housing unit located on the land at the date of the policy.

<p>ADDITIONAL REQUIREMENTS</p>	<ul style="list-style-type: none"> • The following additional requirements must be met: <ul style="list-style-type: none"> • The purchase of the land and the unit must represent a single real estate transaction under applicable state law and be taxed as improved real estate. • The financing must be evidenced by a mortgage or deed of trust recorded in the land records. A combination of chattel and real estate mortgage is not acceptable. • It is built in compliance with the National Manufactured Housing Construction and Safety Standards promulgated by the Department of HUD established in 1976. A "certification label" that is permanently affixed to each transparent section of the manufactured home must evidence compliance with these standards. World Net Capital I will not accept any manufactured home built before June 1976. • The manufactured home must be permanently affixed to a foundation system that is appropriate for the soil conditions for the site and is designed to meet local and state codes. • The mortgage amount cannot include the financing of furniture, mortgage life insurance, or any other form of insurance (other than hazard, flood, mortgage, and title insurance). However, the financing of kitchen and laundry appliances and carpeting may be included in the mortgage. • The borrower must sign a written statement acknowledging his or her intent that the unit is a fixture and part of the real property securing the mortgage. • The manufactured home must be permanently connected to a septic tank or sewage system and to other utilities in accordance with local and state requirements. • Property is zoned 1-4 family residential. • The manufactured home is a structure that is built on a permanent chassis. • <u>The manufactured home must have a pitched roof with overhang. The roof covering must be standard composition shingle (asphalt or fiberglass) or better.</u> • <u>The maximum acreage that can be given value is 10.</u> • <u>The manufactured home must be at least 22 feet wide and have a minimum of 600 square feet of gross living area.</u> • <u>If the property is not situated on a publicly dedicated and maintained street, then it must be situated on a street that is community owned and maintained or privately owned and maintained. There must be adequate vehicular access and there must be an adequate and legally enforceable agreement for vehicular access and maintenance.</u> • The appraiser must also include in the appraisal report the manufacturer's name, the model name, the year of manufacture, and the serial number for the subject property. This information can be verified by reviewing the Date Plate/Compliance Certificate that is located inside the manufactured home. • The appraiser must address both the marketability and comparability of a manufactured home by using comparable sales or similar manufactured homes. If at least three comparable sales of manufactured homes are not available, the appraiser may use either site-built housing or a different type of factory-built housing as one of the comparable sales. When that is the case, the appraiser must use at least two comparable sales of similar manufactured homes, explaining why site-built housing or a different type of factory-built housing is being used for the one comparable sale, and make (and support) appropriate adjustments in the appraisal report. If the appraiser is unable to find two comparable sales of similar manufactured homes, the mortgage is not eligible for delivery to us since the market value of the property cannot be adequately measured and supported. • The appraiser must not create comparable sales by combining vacant land sales with the contract purchase price of factory-built home (although this type of information may be included as additional supporting documentation). • The mortgage must be covered under a standard real estate title insurance policy that covers the manufactured home as part of the real property that secures the mortgage. This is evidenced by an ALTA 7 endorsement (or any other endorsements required in the applicable jurisdiction for manufactured homes that are treated as real estate). • The appraisal must be performed on form 1004 (no "streamlined" appraisals will be accepted
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	<p><u>such as a 2055); in addition the appraiser must supply appraisal addendum 1004C (note: 70B is not acceptable).</u></p> <ul style="list-style-type: none"> • The appraiser must have been provided with a copy of the executed copy of contract for sale of the manufactured home and land, or if the manufactured home and land are being purchased separately, the executed contract for each. If the manufactured home is new, the appraiser must be provided with a copy of the invoice. The appraiser must provide his or her analysis in the appraisal report. • <u>Mortgages secured by manufactured homes located on leasehold estates or condominium projects are ineligible.</u> • World Net Capital I, LLC will also purchase loans secured by other types of factory-built housing – such as pre-fabricated, panelized, or modular housing – as long as the factory-built housing assumes the characteristics of site-built, meets local zoning and building codes, and the mortgage meets our normal eligibility criteria.
DU/LP®	<ul style="list-style-type: none"> • Not eligible
PROPERTY TYPES Eligible Property Types	<ul style="list-style-type: none"> • 1 unit, attached or detached dwellings. • 1 unit double or triple wide manufactured homes on a permanent foundation on land owned by borrower. • PUDs • Acreage given value should not exceed 10 and land value must be typical for subject market area; loan amounts may be reduced on properties where land values exceed 35%. • Properties listed for sale within the last 6 months are permitted provided the file contains a copy of the canceled listing and a satisfactory explanation from the borrower. <ul style="list-style-type: none"> • If listed within the last 6 months, the following restrictions apply: <ul style="list-style-type: none"> • Rate/term and Expanded Rate/Term: Maximum LTV is 85%. • Debt Consolidation or Cash out not permitted. • Appraised value may not exceed 90% of list price.
Ineligible Property Types	<ul style="list-style-type: none"> • Single wide manufactured housing. • Manufactured housing not a permanent foundation (i.e. homes set on concrete blocks with or without anchors and with or without skirting). • Cooperatives. • Model-home lease-backs. • Manufactured housing built before June 1976. • Unique or properties with limited marketability.
OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence (O/O) • Second Homes (SH) <ul style="list-style-type: none"> • Second home occupancy is a single family dwelling that the borrower occupies in addition to his or her primary residence. Typical second home criteria: <ul style="list-style-type: none"> ○ Located in a resort area or where applicant regularly conducts business affairs. ○ Should be a remote distance from borrower's primary residence. ○ The property must be suitable for year-round occupancy. ○ (see underwriting guidelines for other common criteria) • Non-Owner Occupied (N/O/O) is not eligible.

ELIGIBLE BORROWERS	<ul style="list-style-type: none"> • U.S. Citizens, Resident Aliens • First-time homebuyers <ul style="list-style-type: none"> • 38% DTI (45% max w/compensating factors) see credit – compensating factors
Inter Vivos Revocable Trust (Living Trust)	<ul style="list-style-type: none"> • Not eligible.
Resident Aliens	<ul style="list-style-type: none"> • Lawful permanent aliens are eligible for the same financing as U.S. Citizens if they meet all of the same credit requirements as U.S. Citizens. • Nonpermanent resident aliens are not permitted. • <i>Processor's Certification</i> is required to verify review of the acceptable documentation which evidences borrower is eligible to lawfully reside in the U.S. • Files may not contain copies of their identification. • Borrowers with diplomatic immunity are not eligible. • Borrower must be employed in the U.S. • Income must be likely to continue for at least 3 years.
Non-Occupying Co-Borrower/Co-Signers	<ul style="list-style-type: none"> • Not permitted.
QUALIFYING	<ul style="list-style-type: none"> • Fixed Rate; Qualify at the note rate. • ARM Rate; Qualify at 1st adjustment rate. • Debt to Income Ratio (DTI) is the sum of all PITI plus all long-term obligations divided by borrower's gross income. • Payment Shock: The increase in new housing payment (including taxes and insurance) over a borrower's current housing payment. Payment shock should not exceed 35%. Files with payment shock exceeding 35% that also contain any of the following features will be closely reviewed and may result in reason for denial. <ul style="list-style-type: none"> • Excessive or unreasonable job gaps • Exceed DTI • Have delinquent or limited credit • Limited assets
Piggyback Transactions	<ul style="list-style-type: none"> • Second liens not permitted.
PURCHASE VALUE	<ul style="list-style-type: none"> • Use lesser of current appraised value or documented acquisition cost to calculate LTV. See section on "Appraisal and Documentation."
REFINANCE VALUE	<ul style="list-style-type: none"> • If owned <12 months, NOT ELIGIBLE. • If owned ≥12 months, use current appraised value. • Loans are classified as a refinance when the borrower holds title to the property. • Debt Consolidation transactions are not permitted for O/O dwellings located in Texas.

<p>CREDIT General</p>	<ul style="list-style-type: none"> • Credit report – tri-merge credit report (Credit Bureau Report, CBR) is required for all borrowers. • Credit report may be no more than <i>120 days</i> old at closing. • Credit report is utilized for review of credit histories, as well as credit determinations.
<p>Credit Scores</p> <p>Special Note →</p>	<ul style="list-style-type: none"> • The credit score is the primary factor used to determine acceptable credit risk. As a result, files without sufficient traditional trades to generate a valid credit score are not eligible for this product. • Credit Score – minimum of 2 valid/usable scores are required for each applicant; the lower of 2 or middle of 3 will determine each borrower's <i>representative</i> score. • Full/Alt Doc & Lite Doc: <ul style="list-style-type: none"> • The score of the primary income borrower (occupant borrower who earns >50% of the qualifying income) will be used for qualifying and pricing. <p>Co-borrower min FICO is 620</p> • If no borrower earns >50% of the qualifying income, use the lowest representative score of all borrowers. • A valid/usable credit score is one that is generated based on a minimum of 3 tradelines being at least 2 or more years old and accurately reflecting the borrower's credit history. When the file contains scores, which vary by more than 30 points from each other, the underwriter will review the credit report and determine which score is most representative. • If less than 2 year history <u>or</u> less than 3 trades: <ul style="list-style-type: none"> • Full Doc <ul style="list-style-type: none"> • Max 80% CLTV. • Lite Doc <ul style="list-style-type: none"> • Max 75% LTV. • Not eligible if less than 2 years history <u>and</u> less than 3 trades. • Scores obtained from Experian (FICO), Trans Union (Empirica) and Equifax (Beacon) will be acceptable.
<p>Compensating Factors</p>	<ul style="list-style-type: none"> • DTI from 38.01% to 50.00% requires an exception and compensating factors to support such an exception. Compensating Factors included but are not limited to: <ul style="list-style-type: none"> • Length of employment and or potential for increased earnings • Length of residency • Reserves • Overall credit profile, including score, number of trade lines, available credit, etc. • Actual LTV • Change in housing expense • Compensating factors are not absolute and are subject to underwriter interpretation. The presence or lack of factors does not constitute an approval or denial.
<p>Delinquency and Derogatory Credit</p>	<ul style="list-style-type: none"> • All delinquent trade lines need to be brought current PRIOR TO CLOSING (not with proceeds). • All debts that are in default, that are not dischargeable through a bankruptcy must be paid at closing. Exceptions may be permitted if an existing repayment plan is in place. File must contain evidence that plan has been paid as agreed for the last 6 months. The outstanding balance must also be included in the CLTV calculations. Debts which cannot be discharged through a bankruptcy include: <ul style="list-style-type: none"> • Child support. • Student loans. • Federal and state tax liens.

	<ul style="list-style-type: none"> • Charge-offs and collections: <ul style="list-style-type: none"> • Opened \leq 12 months, all must be paid (excluding medical). • Opened $>$ 12 months, can be left open as long as the cumulative total of all accounts does not exceed \$1,000 (excluding medical).
Foreclosure/Deeds-In-Lieu/Nods	<ul style="list-style-type: none"> • NOT ALLOWED
Bankruptcy	<ul style="list-style-type: none"> • First Liens: Consummated \geq 12 months. • Consummated is defined as: <ul style="list-style-type: none"> • Chapter 13 use filing date and file must contain documentation to evidence a 12-month satisfactory payment history • Chapter 7 use discharge date
Consumer Credit Counseling	<ul style="list-style-type: none"> • Same as Chapter 13 bankruptcy guidelines.
Mortgage History	<ul style="list-style-type: none"> • The credit score is the primary tool used to determine acceptable credit risk. However, a 12-month mortgage history is required when the borrower owns a financed property. The mortgage verification may be on the credit report. However, if a written verification, the credit report must adequately reflect the mortgage history of the written verification or the credit report must be rerun. • Mortgage loans being paid off may not be delinquent at time of closing. No more than 30 days interest should appear on the closing statement. • Private landlord, need 12 months canceled checks with 90.01% LTV and over. • All non-subject delinquent mortgages must be brought current.
TEMPORARY BUYDOWNS	<ul style="list-style-type: none"> • Not permitted.
ASSETS	<ul style="list-style-type: none"> • All funds required to complete the transaction must be sourced and seasoned for 60 days. • Acceptable documentation includes two months bank statements. Verification may not be more than 60 days old at closing. • Source and seasoning may be waived if the file contains a copy of the certified check evidencing the funds were drawn on the account listed on the application and all of the following are met: <ul style="list-style-type: none"> • O/O; • Full doc; • LTV \leq 90%
REQUIRED DOWNPAYMENT	<ul style="list-style-type: none"> • None when qualifies for 100% LTV.
GIFT FUNDS	<ul style="list-style-type: none"> • Donor must be an immediate family member (parent, child, sibling, legal guardian). • Gift letter required. • O/O only. • Full or Lite doc only. • Gift of equity <ul style="list-style-type: none"> • Non-ARMS length, full doc required.

	<ul style="list-style-type: none"> • Need field review. • Max 80% LTV.
CONTRIBUTIONS BY AN INTERESTED PARTY	<ul style="list-style-type: none"> • On purchase transactions, 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. • Total of the contribution percentage plus the LTV may not exceed 103% <ul style="list-style-type: none"> • 3% if LTV >90%. • 6% if 75.01 to 90% LTV • 9% LTV ≤75%.
SUBORDINATE FINANCING	<ul style="list-style-type: none"> • Subordinate financing is not permitted.
MORTGAGE INSURANCE	<ul style="list-style-type: none"> • Mortgage insurance can only be obtained through The PMI Group for a loan secured by a manufactured home. The following mortgage insurance criteria (if applicable), must be met: <ul style="list-style-type: none"> • For LTV's of 80.01 – 85.00%, 25% coverage is required. • For LTV's of 85.01 – 90.00%, 30% coverage is required. • For LTV's of 90.01 – 95.00%, 35% coverage is required. • For LTV's of 95.01 – 100.00%, 40% coverage is required. • Q2 Group Underwriting will order all MI policies.
APPRAISAL Special Note ➡	<ul style="list-style-type: none"> • All appraisals must be ordered through eAppraiseIT (NO EXCEPTIONS) via the MFDconnect web site at www.mfdconnect.com • See appraisal requirements in Additional Requirements section. • Purchaser reserves the right to require additional appraisal reviews/reports at the underwriter's discretion.
TITLE REQUIREMENTS Special Note ➡	<ul style="list-style-type: none"> • All Title work must be ordered through The First American Corporation (NO EXCEPTIONS) via the MFDconnect web site at www.mfdconnect.com
UNDERWRITING	<ul style="list-style-type: none"> • Loan must be prior approved by Q2 Group underwriting. • Delegated Underwriting may be permitted provided: <ul style="list-style-type: none"> • Seller has been granted delegated underwriting authority; and • Seller has received special approval by WNCI for delegated underwriting on MH-Direct Loans.
SERVICING OPTIONS	<ul style="list-style-type: none"> • Eligible for Servicing released only.
MULTIPLE PROPERTIES/LOANS	<ul style="list-style-type: none"> • No limit on the number of other properties a borrower may own.

	<ul style="list-style-type: none"> First Lien: Purchaser will limit financing to 1 O/O and 1 SH not to exceed an aggregate amount of \$650,000 to all borrowers as one.
LANDLORD EXPERIENCE	<ul style="list-style-type: none"> Loans made to borrowers owning N/O/O properties must meet the following: <ul style="list-style-type: none"> At least 50% of the properties must have been owned at least two years as of the date of closing, including subject property and any concurrent transactions. All financed 1- to 4- unit investment properties, including borrower's primary residence and regardless of the source of financing will be considered in the above eligibility determination.
SECTION 32	<ul style="list-style-type: none"> Section 32 loans are not permitted.
HIGH COST LOAN	<ul style="list-style-type: none"> High Cost Loans are defined by applicable state and/or local regulations are not permitted.
PREPAYMENT PENALTY	<ul style="list-style-type: none"> Prepayment penalty feature is permitted at the borrower's option on First Lien transactions. Prepayment penalties are subject to Purchaser-defined state restrictions. "Hard" prepays only with penalty period equal to the prepayment penalty term. Eligible prepayment penalty terms are: <ul style="list-style-type: none"> 2/2 (2 years 2% original balance) on 2/6 Hybrid-LIBOR ARM. 3/2/1 (3 years 3% year 1, 2% year 2, 1% year 3) on all others.
ESCROW ACCOUNT	<ul style="list-style-type: none"> First Lien loans–Borrowers may choose to waive monthly real estate tax and insurance impounds at all LTVs (Subject to state specific guidelines). Refer to Price Adjustment Factors on the daily rate sheet for any price differential.
FIRST LIEN LEGAL DOCUMENTS	<ul style="list-style-type: none"> Unless specified otherwise in this product profile or in the grid below, loans must close using most recent FNMA approved legal documents (state specific or modified multi-state where <i>required</i> by FNMA). Includes all: notes, riders, security instruments. Q2 Group will prepare all closing documents

FIRST LIENS	Caps ¹	Floor	Index	Margin	FNMA Note ²	WNCI Note Addend.	FNMA Rider ²	WNCI Rider	Disclosure ³	Assumable	Convertible
Fixed-Rate 30 yr. 15 yr.	N/A	N/A	N/A	N/A	3200	None	None	None	None	No	No
2/6 Hybrid-LIBOR ARM	3/1/6	Start Rate	6-Month LIBOR	See Rate Sheet	3520 ⁴	1201	3138 ⁴	1202	1219	No	No
3/6 Hybrid-LIBOR ARM	3/1/6	Start Rate	6-Month LIBOR	See Rate Sheet	3520 ⁴	1201	3138 ⁴	1202	1220	No	No

1. Caps = **Initial Cap** (Max increase or decrease at first Change Date)/**Periodic Cap** (Max periodic increase or decrease after the first Change Date)/**Life Cap** (Max increase in interest rate over the start rate during the life of the loan).
2. State-specific forms or multi-state modified for state-specific use as identified by Fannie Mae must be used.
3. May use any format provided disclosures are in full compliance with all federal regulations and given to the borrower within required time frame.
4. May use FHLMC 3590 and FHLMC 3192.