



PRODUCT GUIDELINES

FHLMC FIXED RATE CONFORMING

30-25 YEAR	3601
15 YEAR	3602
20 YEAR (including non-owner occupied)	3604
10 YEAR (including non-owner occupied)	3619
30 YEAR NON-OWNER OCCUPIED	3610
15 YEAR NON-OWNER OCCUPIED	3611

REVISED 01/02/2018

Several states and local municipalities have enacted legislation that define High Cost loans based on APR and fee thresholds which may or may not relate to the HOEPA thresholds. These types of loans typically have various restrictions. **It is the policy of U.S. Bank Home Mortgage not to purchase any loan defined as "high cost" under any federal or state law/regulation or local ordinances, and any subsequent amendments thereto.**

PRODUCT	FOOTNOTES																					
Description	Fixed rate, fully amortizing with level payments for life of loan. This program is for conventional conforming loan amounts.																					
Maximum Loan Amount	Conforming Limits																					
LP/DU Eligibility	<p>LP Accept allowed</p> <p>DU Approve is allowed. Although USBHM utilizes LP as its primary AUS system, this product may also utilize Fannie Mae's DU. However, if using DU, the only response allowed is an Approve classification. DU Expanded Approvals are not allowed. Specific provisions in this guideline requiring an LP Accept also allow a DU Approve.</p>																					
Purchase/Rate Term Refinance Primary: 1- Unit Primary: 2-4 Unit 2 nd Home: 1 Unit ^{3, 4} 2 nd Home: 1 Unit ³ Investment: 1-Unit ³ Investment: 2-4 Unit ³ (Continued on next page)	<table border="0"> <thead> <tr> <th></th> <th style="text-align: center;"><u>LTV</u></th> <th style="text-align: center;"><u>TLTV / HTLTV ^{1, 2}</u></th> </tr> </thead> <tbody> <tr> <td>Primary: 1- Unit</td> <td style="text-align: center;">95%</td> <td style="text-align: center;">95%</td> </tr> <tr> <td>Primary: 2-4 Unit</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td>2nd Home: 1 Unit ^{3, 4}</td> <td style="text-align: center;">90%</td> <td style="text-align: center;">90%</td> </tr> <tr> <td>2nd Home: 1 Unit ³</td> <td style="text-align: center;">85%</td> <td style="text-align: center;">85%</td> </tr> <tr> <td>Investment: 1-Unit ³</td> <td style="text-align: center;">85%</td> <td style="text-align: center;">85%</td> </tr> <tr> <td>Investment: 2-4 Unit ³</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">75%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> - Rate/Term refinance transactions limited to the following: - The pay off of the outstanding principal balance of an existing first mortgage, - The pay off of the outstanding principal balance of any existing subordinate mortgage that was used in whole to acquire the subject property, - The financing of closing costs (including prepaid expenses), and - Cash back to the borrower in and amount no more than the lesser of 2% of the balance of the new refinance mortgage or \$2,000. - Each Borrower and all borrowers collectively may not own and /or be obligated on more than six (6) 1-4 unit financed properties (including primary residence) if loan is secured by second home or investment property. - Refer to Contributions By Interested Parties section further in this guideline for additional information and restrictions. <p>¹ TLTV (Total Loan to Value) ratio is calculated by adding the first lien mortgage amount to disbursed amount of the HELOC plus any other secondary financing, and dividing that sum by the lesser of the value of the mortgaged premises or purchase price. Both TLTV and HTLTV ratio requirements must be met when secondary financing is in the form of a HELOC.</p> <p>² HTLTV (HELOC Total Loan to Value) ratio is calculated by adding the HELOC credit line limit to the mortgage amount plus any secondary financing, and dividing that sum by the lesser of the value of the mortgaged premises or the purchase price. Both TLTV and HTLTV ratio requirement must be met when secondary financing is in the form of a HELOC.</p> <p>³ For newly constructed homes that are purchase transactions, borrower(s) may NOT have an affiliation or relationship with the builder, developer or seller of the subject property..</p>		<u>LTV</u>	<u>TLTV / HTLTV ^{1, 2}</u>	Primary: 1- Unit	95%	95%	Primary: 2-4 Unit	80%	80%	2 nd Home: 1 Unit ^{3, 4}	90%	90%	2 nd Home: 1 Unit ³	85%	85%	Investment: 1-Unit ³	85%	85%	Investment: 2-4 Unit ³	75%	75%
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<p>Purchase/Rate Term Refinance (cont.)</p>	<p>⁴ For Second Homes with LTV/TLTV/HTLTV >85 and <=90%:</p> <ul style="list-style-type: none"> • Minimum 720 FICO required • Properties in Florida not allowed • Second Homes not suitable for year-round use not allowed • Borrowers with more than 4 financed properties not allowed • US Bank will accept loans with an LP Accept/ineligible with Ineligible Status Message for LTV/TLTV only. 															
<p>Cashout Refinance ³</p> <p>Primary: 1- Unit ^{4, 6}</p> <p>Primary: 1- Unit ⁴</p> <p>Primary: 2 - 4 Unit ⁴</p> <p>2nd Home: 1 Unit ⁴</p> <p>Investment: 1- Unit ⁵</p> <p>Investment: 2 - 4 Unit ⁵</p>	<table border="0"> <thead> <tr> <th style="text-align: center;"><u>LTV</u></th> <th style="text-align: center;"><u>TLTV / HTLTV</u> ^{1, 2}</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">85%</td> <td style="text-align: center;">85%</td> </tr> <tr> <td style="text-align: center;">80%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">75%</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">75%</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">75%</td> <td style="text-align: center;">75%</td> </tr> <tr> <td style="text-align: center;">70%</td> <td style="text-align: center;">70%</td> </tr> </tbody> </table>	<u>LTV</u>	<u>TLTV / HTLTV</u> ^{1, 2}	85%	85%	80%	80%	75%	75%	75%	75%	75%	75%	70%	70%	<ul style="list-style-type: none"> - Each Borrower and all borrowers collectively may not own and/or be obligated on more than six (6) 1-4 unit financed properties (including primary residence) if loan is secured by second home or investment property. - See Secondary Marketing – Exhibits – FHLMC Delivery Fees. - Refer to Contributions By Interested Parties section further in this guideline for additional information and restrictions. <p>¹ TLTV (Total Loan to Value) ratio is calculated by adding the first lien mortgage amount to disbursed amount of the HELOC plus any other secondary financing, and dividing that sum by the lesser of the value of the mortgaged premises or purchase price. Both TLTV and HTLTV ratio requirements must be met when secondary financing is in the form of a HELOC.</p> <p>² HTLTV (HELOC Total Loan to Value) ratio is calculated by adding the HELOC credit line limit to the mortgage amount plus any secondary financing, and dividing that sum by the lesser of the value of the mortgaged premises or purchase price. Both TLTV and HTLTV ratio requirements must be met when secondary financing is in the form of a HELOC..</p> <p>³ See Credit / FICO section for cash out refinance FICO restrictions.</p> <p>⁴ Primary Residence and Second Homes: At least one Borrower must have been on the title to the subject property for at least six months prior to the Note date of the new cash out refinance mortgage. Exceptions are allowed as specified in Chapter 4301.5 of the Freddie Mac Guide.</p> <p>⁵ Investment Properties: At least one Borrower must have been on the title to the subject property for at least six months prior to the Note date of the new cash out refinance mortgage.</p> <p>⁶ LTV/TLTV/HTLTV >80 and <= 85% require a minimum 740 FICO score. US Bank will accept loans with an LP Accept/Ineligible with <u>Ineligible Status Message for LTV/TLTV only</u>. DU maximum LTV 80%. Manufactured Home properties are not allowed and for Condos, the project must be an approved project as found on the Condo Reviewed List in the Seller Guide. Streamlined project reviews are not allowed.</p>
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<p>Subordinate Financing</p>	<ul style="list-style-type: none"> - Secondary financing must meet FHLMC standard secondary financing guidelines. Additional delivery fees may apply. <p>Subordinate financing may come from the following sources:</p> <ol style="list-style-type: none"> 1. Non-USBHM second mortgage or HELOC 2. USBHM second mortgage or HELOC. Refer to second mortgage or USBHM HELOC guidelines. 									
<p>Underwriting Submission</p>	<p>Loans can be submitted to your assigned USBHM Underwriting Department, or if you have received delegated underwriting authority from USBHM, or one of the USBHM approved MI companies for contract underwriting (provided they are willing to perform such service under agreement/approval between you and that MI provider).</p> <p>Sellers awarded Delegated Underwriting authority levels 3, 5 & 6, by USBHM, can underwrite <u>up to their specific level of authority</u>.</p>									
<p>General Underwriting</p>	<p>Underwritten to FHLMC guidelines except as outlined in this product guideline or in the Conventional Underwriting Guidelines – Conventional Underwriting.</p> <p>LP Accept or DU Approve is required.</p> <p>When tax returns are used to qualify (rental income, etc.), the borrower must sign IRS Form 4506T at closing.</p>									
<p>Eligible Borrowers</p>	<ul style="list-style-type: none"> - Non-occupant co-borrowers are not permitted in cashout refinances in Texas - Inter vivos trust are not permitted on cashout refinances in Texas. - Power of Attorney not permitted on cashout refinances in Texas. - See Conventional Underwriting Guidelines – Eligible Borrowers 									
<p>Eligible Properties</p>	<p>1-4 Unit Primary Residence 1 Unit Second Home 1-4 Unit Investment</p> <p>Manufactured Housing is not allowed. Standard FHLMC eligible properties as stated in the Conventional Underwriting Guidelines – Eligible Properties.</p> <p>Condominium requirements listed in the Conventional Underwriting Guidelines – Condominiums & PUDS section. Non-Warrantable condos not allowed.</p>									
<p>Eligible States</p>	<p>See applicable State Table</p>									
<p>Credit / FICO</p>	<ul style="list-style-type: none"> - If DU Approve is obtained, the minimum FICO Score is 620. - A minimum FICO Score of 620 is required on cash out refinance transactions. 									
<p>Qualifying Ratios</p>	<ul style="list-style-type: none"> - Maximum DTI is determined by LP or DU. 									
<p>Qualifying Rate</p>	<table border="0"> <tr> <td>Note Rate</td> <td>-</td> <td>Temporary Buydown</td> </tr> <tr> <td></td> <td></td> <td><u>2-1 Buydown:</u> Note Rate</td> </tr> <tr> <td></td> <td></td> <td><u>3-2-1 Buydown:</u> Note Rate</td> </tr> </table>	Note Rate	-	Temporary Buydown			<u>2-1 Buydown:</u> Note Rate			<u>3-2-1 Buydown:</u> Note Rate
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<p>Investment Property Underwriting</p>	<p>Standard FHLMC Requirements except as described in the Underwriting Guidelines.</p> <p>USBHM will require a Freddie Mac form 998/Fannie Mae form 216 Operating Income Statement, on a purchase transaction, to determine operating expenses and market rent(s) for 1-4 Unit subject investment properties regardless of whether or not rental income is being used for qualifying. USBHM also requires the use of the Operating Income Expenses be added to PITIA for qualifying when not using rental income. Freddie Mac Guide Chapter 5306.1: Rental Income contains language allowing omission of the Form 998 / 216 however, USBHM will require the form for determining operating expenses for qualifying purposes and for reporting the Current Rent or Market Rent (use the lower if not equal) for Secondary Market loan delivery purposes.</p>												
<p>Trailing Co-Borrower</p>	<p>- Not Allowed</p>												
<p>Funds to Close/Reserves</p>	<ul style="list-style-type: none"> - Reserves are not required for owner occupied 1-unit properties, however, reserves should be considered in the underwriting process. If reserves are submitted to Loan Prospector they must be verified. - Primary residence 2-4 Units: Borrower(s) must have 6 months PITI in reserves regardless of whether rental income is used to qualify the borrower(s). - Second Home - Borrower(s) must have 2 months PITI in reserves for subject property. In addition, Borrower(s) must have additional 2 months PITI in reserves for each other financed second home and/or 1-4 unit Investment Property in which the Borrower(s) have an ownership interest OR on which the Borrower is obligated. - Investment property (subject property): Borrower(s) must have 6 months PITI in reserves regardless of whether rental income is used to qualify the borrower(s). In addition, Borrower(s) must have additional 2 months PITI in reserves for each other financed second home and 1-4 unit Investment Property in which the Borrower(s) have an ownership interest OR on which the Borrower is obligated. 												
<p>Processing Options</p>	<p>- Follow AUS Feedback.</p>												
<p>Mortgage Insurance</p>	<table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;"><u>LTV</u></th> <th style="text-align: center;"><u><= 20 Yr. Term</u></th> <th style="text-align: center;"><u>> 20 Yr. Term</u></th> </tr> </thead> <tbody> <tr> <td>90.01%-95.0%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">30%</td> </tr> <tr> <td>85.01%-90.0%</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">25%</td> </tr> <tr> <td>80.01%-85.0%</td> <td style="text-align: center;">6%</td> <td style="text-align: center;">12%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> - Refundable and Non-Refundable Upfront Single Premium MI is allowed if the full premium is included in the QM and High Cost Points and Fees test AND the policy provides for a refund of unused premium as required by HOPA. - Split Premium is allowed. - Borrower Paid and Seller Paid (must comply with seller concession rules) MI is allowed. - Financed MI is allowed on Purchase and Rate/Term Refinance transactions, Primary or Second Home 1-unit properties provided the gross LTV (base mortgage amount plus single financed MI premium) does not exceed 95%. Split premium cannot be financed. Base loan amount plus financed MI cannot exceed maximum loan limits. - A-Minus loans: Base LTV cannot exceed the lower of max LTV as specified in product guidelines or 90%. - Custom or Reduced MI not allowed. 	<u>LTV</u>	<u><= 20 Yr. Term</u>	<u>> 20 Yr. Term</u>	90.01%-95.0%	25%	30%	85.01%-90.0%	12%	25%	80.01%-85.0%	6%	12%
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Contributions By Interested Parties	<ul style="list-style-type: none"> - Standard FHLMC Requirements - A gift, including a gift of equity, from a related person who is also the seller of the subject property is not subject to Freddie Mac's Interested Party Contribution restrictions provided that : <ul style="list-style-type: none"> • The Related Person is not, and has no affiliation with, the builder, real estate agent or any other interested party (as defined by Freddie Mac) to the transaction; and • Loan must comply with all Freddie Mac requirements pertaining to gifts.
Temporary Buydowns	<p>Maximum 3%</p> <ul style="list-style-type: none"> - Not allowed on investment property. - Not allowed on cashout refinances. - Not allowed on no cashout refinances with a buydown plan funded from premium financing. <p>Not available in our Wholesale Lending Channel</p>
IFI Codes (For US Bank Internal Use Only)	<p>Previously Referred to as Special Characteristic Codes</p> <p>http://allregs.com/AO/Viewform.aspx?formid=00024194&formtype=agency</p>
Well and Septic Requirements	See Conventional Underwriting Guidelines – Well & Septic Requirements
Termite Inspection	See Conventional Underwriting Guidelines – Termite Inspection
Work Completion Escrows	See Conventional Underwriting Guidelines – Work Completion Escrows
Shared Roads, Well and Septic Systems	See Conventional Underwriting Guidelines – Shared Roads, Well & Septic Systems
Assumability	- Not assumable.
Escrow Waivers	- Escrows may be waived on LTV of 80% or less and TLTV of 95% or less. The borrower must sign an Agreement for Waiver of Loan Escrows.
Amortization	- 10, 15, 20, 25 and 30 year amortization. No negative amortization.
Prepayment Penalty	- None
Late Charges	- 5% or the highest allowed by state law.
Extended Lock Options	Extended locks are available on NEW CONSTRUCTION ONLY under plans 3601 and 3602. Refer to the USBHM Extended Lock Matrix
Disclosures	<p><u>Cash out Refinance in Texas:</u></p> <ul style="list-style-type: none"> - Notice Concerning Extensions of Credit Defined by Section 50(a)(6), Article XVI, Texas Constitution (aka 12 day notice) - Texas Home Equity Acknowledgement of Receipt of Final Itemized Disclosure - Acknowledgement as to Fair Market Value of Homestead Property





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<p>Closing Documents</p>	<p>Use most current version required by FHLMC/FNMA for the following documents:</p> <ul style="list-style-type: none"> - Note: <ul style="list-style-type: none"> - Multistate or state specified, if applicable - Fixed Rate Note FNMA/FHLMC 3200 series. - Rider to Mortgage: <ul style="list-style-type: none"> - PUD units only - FNMA/FHLMC 3150 Multistate Planned Unit Development Rider. - CONDO units only - FNMA/FHLMC 3140 Condominium Rider. - 2nd Home Rider - FHLMC 3890 Second Home Rider. - For Investment and 2-4 Unit Properties - FNMA/FHLMC 3170 Multistate one-to-four family Rider. - Security Instrument: <ul style="list-style-type: none"> - In all states, use the state-specific FNMA/FHLMC Mortgage/Deed of Trust.
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