

# TWSB Conforming Jumbo Fixed-Rate

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## Program Description

The Conforming Jumbo Fixed-Rate program provides a fixed interest rate and level payments for the life of the loan.

The information below applies to all programs listed above. Any differences are noted in the footnotes, which appear on the next page. Guidelines specific to each program are covered throughout this section.

<p><b>Loan Purpose</b></p> <ul style="list-style-type: none"> <li>• Purchase</li> <li>• Rate and term refinance</li> <li>• Cash-out refinance</li> </ul> <p><b>Loan Term</b></p> <p><a href="#">ASK SECONDARY</a></p> <p><b>Occupancy</b></p> <ul style="list-style-type: none"> <li>• Owner-occupied primary residences</li> <li>• Second homes</li> <li>• Investment properties</li> </ul> <p><b>Eligible Borrowers<sup>1</sup></b></p> <ul style="list-style-type: none"> <li>• U. S. Citizens</li> <li>• Permanent resident aliens</li> <li>• Non-permanent resident aliens</li> <li>• Inter vivos revocable trusts</li> </ul>	<p><b>Max Loan Amount</b></p> <p><a href="#">ASK UNDERWRITER</a></p> <hr/> <p><b>Secondary Financing</b></p> <p><a href="#">ASK UNDERWRITER</a></p> <p><b>Temporary Buydowns</b></p> <p>Not allowed</p> <p><b>Interested Parties' Contributions</b></p> <p><a href="#">ASK UNDERWRITER</a></p> <p><b>Ineligible Borrowers</b></p> <ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Corporations</li> <li>• Non-Revocable Inter Vivos Trusts</li> <li>• Non-occupant co-borrowers</li> </ul>	<p><b>Eligible Properties</b></p> <ul style="list-style-type: none"> <li>• Attached SFRs</li> <li>• Detached SFRs</li> <li>• Attached PUDs</li> <li>• Detached PUDs</li> <li>• Low-Rise Condos</li> <li>• High-Rise Condos</li> </ul> <p><b>Ineligible Properties</b></p> <ul style="list-style-type: none"> <li>• 2-4 Units</li> <li>• Cooperatives</li> <li>• Factory Built housing</li> <li>• Manufactured housing</li> </ul> <p><b>Prepayment Penalty</b></p> <p>Not allowed.</p> <p><b>Assumability</b></p> <p>Not allowed.</p> <p><b>Homebuyer Education</b></p> <p>Not required.</p>
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<sup>1</sup> Allowed with valid Social Security number.

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## Program Restrictions

### Underwriting Method

Loans may be underwritten by the methods noted as eligible in the table. To be eligible for purchase by investor, loans that are submitted through an automated underwriting system (AUS) must receive the indicated AUS result.

Underwriting Method	Eligible	Acceptable AUS Result
Manual	Yes	N/A
AUS	Yes	Approval

Note: Full or Alt documentation is required. Document waivers from the AUS are not allowed.

### First-time Homebuyers

First-time homebuyers allowed only on 1-unit, owner-occupied properties.

A 12-month housing payment history is required showing no late payments. If payment history requirement is not met, the loan is not eligible for purchase.

### Geographic Restrictions

[ASK UNDERWRITER](#)

### Maximum Number of Financed Properties

For all property types, the borrower may have no more than 4 financed properties total.

### Mortgage Credit Certificates

Not allowed.

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## Program Guidelines

### Credit

Borrowers are subject to all of the following credit requirements:

- All borrowers must meet the minimum credit score requirements shown in the [Maximum LTV/CLTV](#) tables.
- May not be delinquent currently on their mortgage or housing payment.
- The usable credit score must be determined based on certain requirements - ask underwriter [Additional credit history requirements](#) are detailed in the following table.

CREDIT HISTORY	
Credit Issue	Requirement
Revolving and Installment	Late payments are considered accounted for in the credit score.
Mortgage Lates/Rental Payments	No mortgage lates or rental late payments are permitted in the previous 12 months.
Bankruptcy, Foreclosure, Deed-in-Lieu, Short Sale	Subject to individual evaluation. _____
History of Credit Counseling	Subject to individual evaluation. _____
Judgments, Collections, Charge-Offs	Subject to individual evaluation. _____
Non-Traditional Credit Report	Non-traditional credit is ineligible. All borrowers must have a credit score.

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## TWSB Conforming Jumbo Fixed-Rate

### Program Guidelines, Continued

#### Minimum Loan Amount

\$417,001.

The Conforming Jumbo program requires loan amounts between \$417,001 and \$729,750 (Loan amount ceiling may be higher in AK & HI).

#### Maximum Loan Amount

Maximum loan amounts vary by area. Ask underwriter.

#### Maximum LTV/CLTV

Type	Purchase		Rate-and-Term Refinance <sup>2,3</sup>		Cash-Out Refinance <sup>1,2,4</sup>	
	Max. LTV/CLTV	Min. Credit Score	Max. LTV/CLTV	Min. Credit Score	Max. LTV/CLTV	Min. Credit Score
Owner-Occupied	90/90%	700 or as determined by AUS	90/90%	700 or as determined by AUS	75/75%	720 or as determined by AUS
	80/80%	660 or as determined by AUS	75/75%	660 or as determined by AUS		
Second Homes and Investments	60/60%	660 or as determined by AUS	60/60%	660 or as determined by AUS	N/A	N/A

<sup>1</sup>Maximum Cash-out: \$100,000.

The following situations are not considered a cash-out transaction:

- Payoff of the first lien of the subject property.
- Payoff of a second lien on the subject property if the funds were used entirely to purchase the subject property.
- Payment of related closing costs, financing costs, and prepaids.

<sup>2</sup>Six-months seasoning required since purchase or previous refinance.

<sup>3</sup>Resubordination of existing second lien is allowed. If second lien is being paid off, the loan being refinanced must have been originated to purchase the subject property.

<sup>4</sup>Consolidation of first and second liens allowed. The transaction can be considered a rate-and-term refinance provided both the first and second liens being consolidated were obtained to purchase the subject property. Otherwise the transaction must be considered a cash-out refinance.

#### Secondary Financing

Allowed to the maximum CLTV limits as shown in the [Maximum LTV/CLTV](#) heading.

Note: Community Seconds are not allowed.

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## TWSB Conforming Jumbo Fixed-Rate

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### Program Guidelines, Continued

#### Loan Term

30- and 40-year terms only.

#### Qualifying Ratio

Maximum debt-to-income qualifying ratio: 45%

#### Mortgage Insurance

Mortgage insurance coverage requirements are listed in the table below.

LTV Ranges	MI Coverage
85.01 – 90%	25%
80.01 – 85%	12%

- Single Premium Lender Paid MI (SP LPMI) is allowed.
- Financed single premium MI (FSPMI) is not allowed.

#### Gift Funds

Gift funds are allowed subject to the additional restrictions noted in the following table.

Gift Funds	
Occupancy	Owner-occupied primary residence
Source	Relatives, domestic partner or fiancé / fiancée only
Percentage of Borrower's Own Funds Required on the Loan Transaction	Borrower must contribute at least 5% from their own funds regardless of the LTV

Ineligible for Gift Funds: Second homes and investment properties.

#### Cash Reserves

Owner-Occupied	Second Home	Investment
2 months	6 months	6 months

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# TWSB Conforming Jumbo Fixed-Rate

## Program Guidelines, Continued

### Interested Parties' Contributions

The following contribution limits are allowed regardless of the LTV/CLTV.

- Primary residences and Second Homes: 3%
- Investment Properties: 2%

### Appraisals

Property Value	Appraisal Requirement
Less than \$1,000,000	One full appraisal by a licensed appraiser. <sup>2</sup>
Greater than or equal to \$1,000,000 and LTV/CLTV is greater than or equal to 75%	One full appraisal by a licensed appraiser. <sup>2</sup> And One field review <sup>1</sup> <ul style="list-style-type: none"><li>• The field review must be completed by a TWSB -approved review appraisal company.</li><li>• Seller continues to represent and warrant the property's value, condition, and marketability.</li></ul>

- Appraisals must be less than 120 days old at closing. Recertifications are not allowed.

<sup>1</sup>For property values over \$1,000,000 use the lowest of the current appraised value, field review value, or sales price (on purchase transactions). A reconciliation of all values is not allowed.

<sup>2</sup>The following requirements apply:

- The appraiser performing the appraisal must be qualified to perform appraisals without oversight/supervision by a supervisory or review appraiser.
- Condos: Appraisal must contain at least 2 comparables outside of the project.

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# TWSB Conforming Jumbo Fixed-Rate

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## Program Guidelines, Continued

### Temporary Buydowns

Not allowed.

### Prepayment Penalty

Not allowed.

### Energy Efficient Mortgages

Not allowed.

### Documentation Type

Full and Alternative documentation is allowed. Alternative documentation is not allowed for self-employed borrowers.

### Seasoning Requirements

Six-months seasoning required since purchase or previous refinance.

### Spot Relocation Mortgages

Not allowed.

### Condo Project Warranty

Project must be approved TWSB.

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\*\*Oftentimes, TWSB is asked to meet the needs of borrowers outside of the products we offer. In this case, we refer to each of our investor's niche products - and underwrite according to that investor's guidelines, while applying our standard layering of risk considerations, such as:

- The capacity of the borrower, or income from the underlying property, to adequately service the debt.
- The value of the mortgaged property.
- The overall creditworthiness of the borrower.
- The level of equity invested in the property.
- Any secondary sources of repayment.
- Any additional collateral or credit enhancements (such as guarantees, mortgage insurance or takeout commitments).