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Kinecta Client Product & Eligibility Matrix

Agency Fixed Rate (Wholesale, Correspondent)

First-lien fixed rate loans: 10, 15, 20, 25, and 30 year amortization terms

Occupancy

Primary residence	Second/vacation home	Investment property (maximum 15 year term)
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase, Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Transaction	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$417,000	Purchase, rate/term refinance	97%	DU Approve/Eligible	620
1	Owner-occupied	\$417,000	Purchase, rate/term refinance	95%	DU Approve/Eligible	620
2	Owner-occupied	\$533,850	Purchase, rate/term refinance	85%	DU Approve/Eligible	620
3	Owner-occupied and investment	\$645,300	Purchase, rate/term refinance	75%	DU Approve/Eligible	620
4	Owner-occupied and investment	\$801,950	Purchase, rate/term refinance	75%	DU Approve/Eligible	620
1	Investment	\$417,000	Purchase	80%	DU Approve/Eligible	620
1	Investment	\$417,000	Rate/term refinance	75%	DU Approve/Eligible	620
2	Investment	\$533,850	Purchase, rate/term refinance	75%	DU Approve/Eligible	620
1	Second/vacation home	\$417,000	Purchase, rate/term refinance	90%	DU Approve/Eligible	620

Cash-Out Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$417,000	80%	DU Approve/Eligible	620
2	Owner-occupied	\$533,850	75%	DU Approve/Eligible	620
3	Owner-occupied	\$645,300	75%	DU Approve/Eligible	620
4	Owner-occupied	\$801,950	75%	DU Approve/Eligible	620
1	Second/vacation home and investment	\$417,000	75%	DU Approve/Eligible	620
2	Investment	\$533,850	70%	DU Approve/Eligible	620
3	Investment	\$645,300	70%	DU Approve/Eligible	620
4	Investment	\$801,950	70%	DU Approve/Eligible	620

Minimum Loan Amount

\$25,000

Maximum Loan Amounts

- See Fannie Mae [Loan Limits](#) webpage.
- See Fannie Mae [Loan Limit Geocoder](#) to look up loan limits based on specific (or a batch of) addresses.

Kinecta Client Product & Eligibility Matrix

Agency Fixed Rate (Wholesale, Correspondent)

Underwriting Guidelines

- Underwrite to current Fannie Mae guidelines.
- Must be DU Approve/Eligible.
- No manual underwrites.
- An individual ALTA title policy is required for each loan.

Refinance (General)

- Maximum cash-out follows DU findings.
- 80%/80%/80%: pay-off of second lien is permitted.

Rate/Term Refinance

- A property listed for sale w/in last six months is eligible if:
 - The property is off the market before the funding date.
 - The borrower provides written confirmation of intent to occupy (if a primary residence)
- (Essent only) For loans with MI, the property cannot be listed for sale.
- For LTVs > 95%, the mortgage being refinanced must be owned or securitized by Fannie.

Cash-Out Refinance

- A property listed for sale w/in last six months is eligible if:
 - The property is off the market before the funding date.
 - The borrower provides written confirmation of intent to occupy (if a primary residence)
 - Maximum LTV/CLTV/HCLTV \leq 70%
- (Radian or MGIC only) For loans with MI, the property may not have been purchased or listed within six months of the application date.
- Fannie Mae Delayed Financing Rule applies.

Credit Eligibility

- If a borrower does not have a credit score, see the Fannie Mae Selling Guide for DU credit score requirements.
- For more guidance on bankruptcy, foreclosure, pre-foreclosure, deed-in-lieu, short payoff, and restructured loans, see the Fannie Mae [Selling Guide](#).

Student Loans

For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the lender must use the greater of the following to determine the monthly payment to be used as the borrower's recurring monthly debt obligation:

- 1% of the outstanding balance
- The actual documented payment (documented in the credit report, in documentation obtained from the student loan lender, or in documentation supplied by the borrower).

If the payment currently being made cannot be documented or verified, the Underwriter must use 1% of the outstanding balance.

Exception: If the actual documented payment is less than 1% of the outstanding balance and it will fully amortize the loan with no payment adjustments, the Underwriter may use the lower, fully-amortizing monthly payment to qualify the borrower.

Kinecta Client Product & Eligibility Matrix

Agency Fixed Rate (Wholesale, Correspondent)

Subordinate Financing

Outside HELOC	Kinecta HELOC
Per DU requirements.	Allowable CLTV/HCLTV varies from 60%/89.90% based on loan amount. See the Piggyback matrix for loan amount limits and HELOC details.

Reserves

Per DU

Principal, Interest, Taxes, Insurance, and Association (PITIA): Multiple Financed Properties

Occupancy Type	Units	Comments	
Owner-occupied	1-4	Per DU	
Second/vacation home	1	1-4 financed properties, including subject property:	
		Property	PITIA
		Subject	Greater of 2 months or per DU
		Other financed	2 months per property
		Property	PITIA
		Subject	Greater of 2 months or per DU
		Other financed	6 months for each property
Investment	1-4	1-4 financed properties, including subject property:	
		Property	PITIA
		Subject	Greater of 6 months or per DU
		Other financed	2 months per property
		Property	PITIA
		Subject	Greater of 6 months or per DU
		Other financed	6 months per property

Appraisal Requirements

- Per DU.
- UAD ratings C1-C4 are acceptable "as is."
- UAD ratings C5 and C6 are unacceptable and "subject to completion of repairs."
- Appraisal reports more than 120 days old as of the date of the Note require an appraisal update, which includes an exterior inspection of the subject property and review of current market conditions to determine if the property declined in value since the date of the original appraisal.

Kinecta Client Product & Eligibility Matrix

Agency Fixed Rate (Wholesale, Correspondent)

Assets

Minimum Borrower Contribution

LTV/CLTV/HCLTV	Occupancy	Minimum Borrower Contribution
≤ 80%	<ul style="list-style-type: none"> 1-4 unit owner-occupied Second/vacation home 	A minimum contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
> 80%	1-unit owner-occupied	A minimum contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
> 80%	<ul style="list-style-type: none"> 2-4 unit owner-occupied Second/vacation home 	The borrower must make a 5% minimum contribution from his or her own funds. After the minimum borrower contribution is met, the borrower can use gifts funds to supplement the down payment, closing costs, and reserves.

Interested Party Contribution

Occupancy	LTV/CLTV	Seller Contribution
Owner-occupied and second/vacation home	> 90%	3%
Owner-occupied and second/vacation home	75.01-90%	6%
Owner-occupied and second/vacation home	≤ 75%	9%
Investment	All CLTVs	2%

Assumable

Not assumable

DTI

Maximum 43% DTI or per DU

First Time Homebuyer

- Follow DU findings and requirements.
- For 97% LTV purchase transactions, at least one borrower must be a first-time home buyer as indicated on the 1003

Geographic Restrictions

Refer to the appraisal to determine whether market conditions are stable.

Non-Occupant Co-Borrower

- The Underwriter may not use non-occupant co-borrower income for qualifying purposes.
- Assets used towards reserves are allowed.

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Kinecta Client Product & Eligibility Matrix

Agency Fixed Rate (Wholesale, Correspondent)

Number of Financed Properties

Maximum number of financed properties, including subject property:

Primary Residence	Second Home and Investment
No limit on number of financed properties	10

For more information, see Fannie Mae *Selling Guide* Sections:

- [B2-2-03, Multiple Financed Properties for the Same Borrower](#)
- [B3-4.1-01, Minimum Reserve Requirements](#)

For second home/investment 1-4 financed properties, standard underwriting applies.

Second Home/Investment: 5-10 Financed Properties

Units	Occupancy Type	Transaction Type	Max LTV/CLTV/ HCLTV	Credit Score
1	<ul style="list-style-type: none"> • Second/vacation home • Investment 	<ul style="list-style-type: none"> • Purchase • Rate/term refinance 	75%	720
		Cash-out refinance (only allowed with Delayed Financing Exception)	70%	
2-4	Investment	<ul style="list-style-type: none"> • Purchase • Rate/term refinance 	70%	
		Cash-out refinance (only allowed with Delayed Financing Exception)	65%	

Kinecta Client Product & Eligibility Matrix

Agency Fixed Rate (Wholesale, Correspondent)

Mortgage Insurance

Underwriting Guidelines	Requirements
<ul style="list-style-type: none"> Radian One Underwrite MGIC Go! 	<ul style="list-style-type: none"> Only use Radian or MGIC for LPMI. Must receive DU Approve/Eligible Minimum credit score 620 for LTVs ≤ 95% Excluded: <ul style="list-style-type: none"> Investment properties 3-4 unit properties DU Refi Plus All funds needed to complete a transaction on a primary residence can come from gift funds. Always use Radian or MGIC for credit scores between 620 and 659
Essent Clear to Close	<ul style="list-style-type: none"> Not available for LPMI. Must receive DU Approve/Eligible 1-unit primary residence: Can be all gift funds for > 80% LTV if the relationship is a parent/child Second/vacation home: Minimum 5% contribution from borrower's own funds Minimum income/asset documentation per DU permitted. All DU findings must be satisfied. The DU decision must be included in the file. All funds needed to complete a transaction on a primary residence can come from gift funds.

All other occupancy and transaction types are not eligible for MI.

All files:

- Eligible BPMI: single up front, monthly.
- Eligible LPMI: single up front only. **Radian or MGIC only.**
- No split premium.
- Maximum cash out \$150,000.
- Full appraisal required. All other appraisal types ineligible (including 2075, AVM, PIW, Property Inspection, BPO).
- Borrower with diplomatic immunity ineligible.
- Non-permanent resident alien: see full guidelines at Radian, MGIC, and Essent.

LPMI Coverage for First Mortgages

Term	LTV Range	MI Coverage
≤ 20 years	95.01-97%	35%
	09.01-95%	25%
	85.01-90%	12%
	80.01-85%	6%
> 20 years	95.01-97%	35%
	90.01-95%	30%
	85.01-90%	25%
	80.01-85%	12%

Kinecta Client Product & Eligibility Matrix

Agency Fixed Rate (Wholesale, Correspondent)

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> • Detached SFRs • 1 unit PUDs • Warrantable condos • 2-4 units 	<ul style="list-style-type: none"> • Co-ops • Manufactured homes • Mixed use • Condos in litigation • Condos with one or more units < 400 sq. ft. • Condotels • Construction • 2-4 unit PUDs • Leaseholds

Kinecta Client Product & Eligibility Matrix

Agency ARM (Wholesale, Correspondent)

First-lien adjustable rate loans: 30 year amortization term, initial fixed rate periods of 3, 5, 7, and 10 years

Occupancy

Primary residence	Second/vacation home
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase and Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$417,000	90%	DU Approve/Eligible	620
2	Owner-occupied	\$533,850	75%	DU Approve/Eligible	620
3	Owner-occupied	\$645,300	65%	DU Approve/Eligible	620
4	Owner-occupied	\$801,950	65%	DU Approve/Eligible	620
1	Second/vacation home	\$417,000	80%	DU Approve/Eligible	620

Cash-Out Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$417,000	75%	DU Approve/Eligible	620
2	Owner-occupied	\$533,850	65%	DU Approve/Eligible	620
3	Owner-occupied	\$645,300	65%	DU Approve/Eligible	620
4	Owner-occupied	\$801,950	65%	DU Approve/Eligible	620
1	Second/vacation home	\$417,000	65%	DU Approve/Eligible	620

ARM Specifics

Type	Margin	Caps: Initial / Annual / Life	Floor
3/1	2.250%	2 / 2 / 6	2.250%
5/1		2 / 2 / 5	
7/1, 10/1		5 / 2 / 5	

Item	Description
Index	1-year London Interbank Offered Rate as published by the Wall Street Journal; referenced on the rate sheet.
Rounding	Fully indexed rate is equal to Note margin plus index, rounded to the nearest .125%. Subject to annual / life cap.

Minimum Loan Amount

\$25,000

Maximum Loan Amounts

- See Fannie Mae [Loan Limits](#) webpage.
- See Fannie Mae [Loan Limit Geocoder](#) to look up loan limits based on specific (or a batch of) addresses.

Kinecta Client Product & Eligibility Matrix

Agency ARM (Wholesale, Correspondent)

Underwriting Guidelines

- Must be DU Approve/Eligible.
- No Fannie variances allowed.
- No manual underwrites.
- An individual ALTA title policy is required for each loan.

Qualifying Rate

Type	Description
3/1 and 5/1	Greater of the fully indexed rate or Note rate + 2%
7/1 and 10/1	Greater of the Note rate or the fully indexed rate

Refinance

If any transaction combines a first and a non-purchase money subordinate second is considered cash-out:

- Pay off existing first mortgage regardless of seasoning.
- Pay off existing subordinate liens that were used in whole to acquire the subject property.
- Closing costs and prepaid fees may be financed into the loan amount.
- Rate/term transactions are limited to the lesser of 2% of the principal amount of the new loan or \$2,000.
 - If the cash back exceeds this amount, a principal curtailment is permitted up to a maximum \$500.
 - The principal curtailment should show on the HUD-1. If not, the borrower must provide evidence of source of funds and documentation that the funds came from the borrower.

Rate/Term Refinance	Cash-Out Refinance
A property listed for sale w/in last six months is eligible if: <ul style="list-style-type: none"> • The property is off the market before the funding date. • The borrower provides written confirmation of intent to occupy (if a primary residence) 	<ul style="list-style-type: none"> • Fannie Mae Delayed Financing Rule applies. • A property listed for sale w/in last six months is eligible if: <ul style="list-style-type: none"> ○ The property is off the market before the funding date. ○ The borrower provides written confirmation of intent to occupy (if a primary residence) ○ Maximum LTV/CLTV/HCLTV ≤ 70%.

Delayed Financing

Follow Fannie Mae guidelines in addition to:

- The LTV/CLTV/HCLTV must be based on the lesser of the original sales price or the current appraised value.
- If the purchase was an arms-length transaction, and the property seller was an LLC, the Underwriter must identify the LLC principals.

Credit Eligibility

- All borrowers must have a credit score.
- Housing payment history (PITIA) is inclusive of all liens regardless of position.
- The borrower must explain have any housing delinquencies (0x30) within the last 12 months.
- Disputed accounts: Maximum \$500 with written explanation and supporting documentation.
- Adverse credit: Follow DU requirements.
- The borrower can pay common and customary fees outside of escrow with a credit card, up to a maximum 2% of the loan amount.
- For more guidance on bankruptcy, foreclosure, pre-foreclosure, deed-in-lieu, short payoff, and restructured loans, see the Fannie Mae [Selling Guide](#).

Kinecta Client Product & Eligibility Matrix

Agency ARM (Wholesale, Correspondent)

Student Loans

For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the lender must use the greater of the following to determine the monthly payment to be used as the borrower's recurring monthly debt obligation:

- 1% of the outstanding balance
- The actual documented payment (documented in the credit report, in documentation obtained from the student loan lender, or in documentation supplied by the borrower).

If the payment currently being made cannot be documented or verified, the Underwriter must use 1% of the outstanding balance.

Exception: If the actual documented payment is less than 1% of the outstanding balance and it will fully amortize the loan with no payment adjustments, the Underwriter may use the lower, fully-amortizing monthly payment to qualify the borrower.

Subordinate Financing

Outside HELOC	Kinecta HELOC
Per DU requirements	Allowable CLTV/HCLTV percentages vary from 60%/89.90% based on loan amount. See the Piggyback matrix for loan amount limits and HELOC details.

Reserves

Per DU

Principal, Interest, Taxes, Insurance, and Association (PITIA): Multiple Financed Properties

Occupancy Type	Subject Property Units	Subject Property PITIA	Finance Properties Units	Financed Properties PITIA
Primary residence	1-4	Per DU		N/A
Second/vacation home	1	Greater of 2 months or per DU	1-4	2 months per property
Second/vacation home	1	Greater of 2 months or per DU	5-10	6 months per property
Investment	1-4	Greater of 6 months or per DU	1-4	2 months per property
Investment	1-4	Greater of 6 months or per DU	5-10	6 months per property

Appraisal Requirements

- Full Interior/Exterior required.
- BPOs, PIW and Short Form appraisals not allowed.
- UAD ratings C1-C4 are acceptable "as is."
- UAD ratings C5 and C6 are unacceptable and "subject to completion of repairs."
- Appraisal reports more than 120 days old as of the date of the Note require an appraisal update, which includes an exterior inspection of the subject property and review of current market conditions to determine if the property declined in value since the date of the original appraisal.

Kinecta Client Product & Eligibility Matrix

Agency ARM (Wholesale, Correspondent)

Assets

Minimum Borrower Contribution

LTV/CLTV/HCLTV	Occupancy	Minimum Borrower Contribution
≤ 80%	<ul style="list-style-type: none"> 1-4 unit owner-occupied Second/vacation home 	A minimum contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
> 80%	1-unit owner-occupied	A minimum contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
> 80%	<ul style="list-style-type: none"> 2-4 unit owner-occupied Second/vacation home 	The borrower must make a 5% minimum contribution from his or her own funds. After the minimum borrower contribution is met, the borrower can use gifts funds to supplement the down payment, closing costs, and reserves.

Interested Party Contribution

Occupancy	LTV/CLTV	Seller Contribution
Owner-occupied and second home	> 90%	3%
Owner-occupied and second home	75.01-90%	6%
Owner-occupied and second home	≤ 75%	9%
Investment	All CLTVs	2%

Assumable

3/1	5/1, 7/1, 10/1
Assumable anytime	Due on sale during the initial fixed period, assumable afterwards

DTI

Maximum 43% DTI or per DU

First Time Homebuyer

Eligible

Non-Occupant Co-Borrower

- The Underwriter may not use non-occupant co-borrower income for qualifying purposes.
- Assets used towards reserves are allowed.

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Number of Financed Properties

Maximum number of financed properties, including subject property:

Primary Residence	Second Home
No limit on number of financed properties	4

Maximum of \$2 million financed with any one single investor

Kinecta Client Product & Eligibility Matrix

Agency ARM (Wholesale, Correspondent)

Mortgage Insurance

Underwriting Guidelines	Requirements
<ul style="list-style-type: none"> Radian One Underwrite MGIC Go! 	<ul style="list-style-type: none"> Only use Radian or MGIC for LPMI. Must receive DU Approve/Eligible Minimum credit score 620 for LTVs ≤ 95% Excluded: <ul style="list-style-type: none"> Investment properties 3-4 unit properties DU Refi Plus All funds needed to complete a transaction on a primary residence can come from gift funds. Always use Radian or MGIC for credit scores between 620 and 659
Essent Clear to Close	<ul style="list-style-type: none"> Not available for LPMI. Must receive DU Approve/Eligible 1-unit primary residence: Can be all gift funds for > 80% LTV if the relationship is a parent/child Second/vacation home: Minimum 5% contribution from borrower's own funds Minimum income/asset documentation per DU permitted. All DU findings must be satisfied. The DU decision must be included in the file. All funds needed to complete a transaction on a primary residence can come from gift funds.

- All other occupancy and transaction types are not eligible for MI.
- All transaction types:
 - ARMs for 2-4 units are not eligible for MI.
 - 3-4 units are not eligible for MI.

All files:

- Eligible BPMI: single up front, monthly.
- Eligible LPMI: single up front only. **Radian or MGIC only.**
- No split premium.
- Financed MI not permitted.
- Maximum cash out \$150,000.
- Full appraisal required. All other appraisal types ineligible (including 2075, AVM, PIW, Property Inspection, BPO)
- Borrower with diplomatic immunity ineligible.
- Non-permanent resident alien: see full guidelines at Radian, MGIC, and Essent.

LPMI Coverage for First Mortgages

Term	LTV Range	MI Coverage
> 20 years	85.01-90%	25%
	80.01-85%	12%

Kinecta Client Product & Eligibility Matrix

Agency ARM (Wholesale, Correspondent)

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> • Detached SFRs • 1 unit PUDs • Warrantable condos • 2-4 units 	<ul style="list-style-type: none"> • Co-ops • Manufactured homes • Mixed use • Condos in litigation • Condos with one or more units < 400 sq. ft. • Condotels • Construction • 2-4 unit PUDs • Leaseholds

Kinecta Client Product & Eligibility Matrix

Super-Conforming Fixed Rate (Wholesale, Correspondent)

First-lien fixed rate loans: 15, 30 year amortization terms

Occupancy

Primary residence	Second/vacation home	Investment property (maximum 15 year term)
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase and Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$625,500	90%	DU Approve/Eligible	620
2	Owner-occupied	\$800,775	75%	DU Approve/Eligible	620
3	Owner-occupied	\$967,950	75%	DU Approve/Eligible	620
4	Owner-occupied	\$1,202,925	75%	DU Approve/Eligible	620
1	Second/vacation home and Investment	\$625,500	65%	DU Approve/Eligible	620
2	Investment	\$800,775	65%	DU Approve/Eligible	620
3	Investment	\$967,950	65%	DU Approve/Eligible	620
4	Investment	\$1,202,925	65%	DU Approve/Eligible	620

Cash-Out Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$625,500	60%	DU Approve/Eligible	620

Minimum Loan Amount

\$25,000

Maximum Loan Amounts

- See Fannie Mae [Loan Limits](#) webpage.
- See Fannie Mae [Loan Limit Geocoder](#) to look up loan limits based on specific (or a batch of) addresses.

Underwriting Guidelines

- Underwrite to current Fannie guidelines.
- Must be DU Approve/Eligible.
- No manual underwrites.
- An individual ALTA title policy is required for each loan.

Rate/Term Refinance

A property listed for sale w/in last six months is eligible if:

- The property is off the market before the funding date.
- The borrower provides written confirmation of intent to occupy (if a primary residence)

Kinecta Client Product & Eligibility Matrix

Super-Conforming Fixed Rate (Wholesale, Correspondent)

Cash-Out Refinance

- A property listed for sale w/in last six months is eligible if:
 - The property is off the market before the funding date.
 - The borrower provides written confirmation of intent to occupy (if a primary residence)
 - Maximum LTV/CLTV/HCLTV ≤ 70%
- Fannie Mae Delayed Financing Rule applies.
- Cash-out and maximum cash-out follow DU findings.

Credit Eligibility

- All borrowers must have a credit score.
- For more guidance on bankruptcy, foreclosure, pre-foreclosure, deed-in-lieu, short payoff, and restructured loans, see the Fannie Mae [Selling Guide](#).

Student Loans

For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the lender must use the greater of the following to determine the monthly payment to be used as the borrower's recurring monthly debt obligation:

- 1% of the outstanding balance
- The actual documented payment (documented in the credit report, in documentation obtained from the student loan lender, or in documentation supplied by the borrower).

If the payment currently being made cannot be documented or verified, the Underwriter must use 1% of the outstanding balance.

Exception: If the actual documented payment is less than 1% of the outstanding balance and it will fully amortize the loan with no payment adjustments, the Underwriter may use the lower, fully-amortizing monthly payment to qualify the borrower.

Subordinate Financing

Outside HELOC	Kinecta HELOC
Per DU requirements	Allowable CLTV/HCLTV varies from 60%/89.90% based on loan amount. See the Piggyback matrix for loan amount limits and HELOC details.

Reserves

Per DU

Principal, Interest, Taxes, Insurance, and Association (PITIA): Multiple Financed Properties

Occupancy Type	Subject Property Units	Subject Property PITIA	Financed Properties	Financed Properties PITIA
Primary residence	1-4	Per DU		N/A
Second/vacation home	1	The greater of 2 months or per DU	1-4	2 months per property
			5-10	6 months per property
Investment	1-4	The greater of 6 months or per DU	1-4	2 months per property
			5-10	6 months per property

Kinecta Client Product & Eligibility Matrix

Super-Conforming Fixed Rate (Wholesale, Correspondent)

Appraisal Requirements

- Per DU or underwriting requirements
- UAD ratings C1-C4 are acceptable "as is."
- UAD ratings C5 and C6 are unacceptable and "subject to completion of repairs."
- Appraisal reports more than 120 days old as of the date of the Note require an appraisal update, which includes an exterior inspection of the subject property and review of current market conditions to determine if the property declined in value since the date of the original appraisal.

Assets

Minimum Borrower Contribution

LTV/CLTV/HCLTV	Occupancy	Minimum Borrower Contribution
≤ 80%	<ul style="list-style-type: none"> 1-4 unit owner-occupied Second/vacation home 	A minimum contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
> 80%	<ul style="list-style-type: none"> 1-4 unit owner-occupied Second/vacation home 	The borrower must make a 5% minimum contribution from his or her own funds. After the minimum borrower contribution is met, the borrower can use gifts funds to supplement the down payment, closing costs, and reserves.

Assumable

Not assumable

DTI

Maximum 43% DTI or per DU

First Time Homebuyer

Eligible

Geographic Restrictions

Refer to the appraisal to determine whether market conditions are stable.

Non-Occupant Co-Borrower

- The Underwriter may not use non-occupant co-borrower income for qualifying purposes.
- Assets used towards reserves are allowed.

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Kinecta Client Product & Eligibility Matrix

Super-Conforming Fixed Rate (Wholesale, Correspondent)

Number of Financed Properties

Maximum number of financed properties, including subject property:

Primary Residence	Second Home and Investment
No limit on number of financed properties	10

For more information, see Fannie Mae *Selling Guide* Sections:

- [B2-2-03, Multiple Financed Properties for the Same Borrower](#)
- [B3-4.1-01, Minimum Reserve Requirements](#)

For second home/investment 1-4 financed properties, standard underwriting applies.

Second Home/Investment: 5-10 Financed Properties

Units	Occupancy Type	Transaction Type	Max LTV/CLTV/HCLTV	Credit Score
1	<ul style="list-style-type: none"> • Second/vacation home • Investment 	<ul style="list-style-type: none"> • Purchase • Rate/term refinance 	65%	720
2-4	Investment	<ul style="list-style-type: none"> • Purchase • Rate/term refinance 	65%	720

Kinecta Client Product & Eligibility Matrix

Super-Conforming Fixed Rate (Wholesale, Correspondent)

Mortgage Insurance

Underwriting Guidelines	Requirements
<ul style="list-style-type: none"> Radian One Underwrite MGIC Go! 	<ul style="list-style-type: none"> Only use Radian or MGIC for LPMI. Must receive DU Approve/Eligible Minimum credit score 620 for LTVs ≤ 90% Excluded: <ul style="list-style-type: none"> Investment properties 3-4 unit properties DU Refi Plus All funds needed to complete a transaction on a primary residence can come from gift funds. Always use Radian or MGIC for credit scores between 620 and 659
Essent Clear to Close	<ul style="list-style-type: none"> Not available for LPMI. Must receive DU Approve/Eligible 1-unit primary residence: Can be all gift funds for > 80% LTV if the relationship is a parent/child Second/vacation home: Minimum 5% contribution from borrower's own funds Minimum income/asset documentation per DU permitted. All DU findings must be satisfied. The DU decision must be included in the file. All funds needed to complete a transaction on a primary residence can come from gift funds.

- All other occupancy and transaction types are not eligible for MI.
- All transaction types:** 2-4 units, second/vacation homes, and investment properties not eligible for MI.

All files:

- Eligible BPMI: single up front, monthly.
- Eligible LPMI: single up front only. Maximum 43% DTI or per DU. **Radian or MGIC only.**
- No split premium.
- Cash out: max cash out \$150,000.
- Full appraisal required. All other appraisal types ineligible (including 2075, AVM, PIW, Property Inspection, BPO)
- Borrower with diplomatic immunity ineligible.
- Non-permanent resident alien: see full guidelines at Radian, MGIC, and Essent.

LPMI Coverage for First Mortgages

Term	LTV Range	MI Coverage
≤ 20 years	85.01-90%	12%
> 20 years	85.01-90%	25%

Kinecta Client Product & Eligibility Matrix

Super-Conforming Fixed Rate (Wholesale, Correspondent)

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> • Detached SFRs • PUDs • Warrantable condos • 2-4 units 	<ul style="list-style-type: none"> • Co-ops • Manufactured homes • Mixed use • Condos in litigation • Condotels • Construction • Leaseholds

Kinecta Client Product & Eligibility Matrix

Super-Conforming ARM (Wholesale, Correspondent)

First-lien adjustable rate loans: 30 year amortization term, initial fixed rate periods of 5, 7, and 10 years

Occupancy

Primary residence	Second/vacation home
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase and Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$625,500	75%	DU Approve/Eligible	620
2	Owner-occupied	\$800,775	65%	DU Approve/Eligible	620
3	Owner-occupied	\$967,950	65%	DU Approve/Eligible	620
4	Owner-occupied	\$1,202,925	65%	DU Approve/Eligible	620
1	Second/vacation home	\$625,500	65%	DU Approve/Eligible	620

Cash-Out Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	DU Finding	Min Credit Score
1	Owner-occupied	\$625,500	60%	DU Approve/Eligible	620

ARM Specifics

Type	Margin	Caps: Initial / Annual / Life	Floor
5/1	2.250%	2 / 2 / 5	2.250%
7/1, 10/1		5 / 2 / 5	

Item	Description
Index	1-year London Interbank Offered Rate as published by the Wall Street Journal; referenced on the rate sheet.
Rounding	Fully indexed rate is equal to Note margin plus index, rounded to the nearest .125%. Subject to annual / life cap.

Minimum Loan Amount

\$25,000

Maximum Loan Amounts

- See Fannie Mae [Loan Limits](#) webpage.
- See Fannie Mae [Loan Limit Geocoder](#) to look up loan limits based on specific (or a batch of) addresses.

Underwriting Guidelines

- Must be DU Approve/Eligible
- No Fannie variances allowed
- No manual underwrites
- An individual ALTA title policy is required for each loan.

Kinecta Client Product & Eligibility Matrix

Super-Conforming ARM (Wholesale, Correspondent)

Qualifying Rate

Type	Description
5/1	Greater of the fully indexed rate or Note rate + 2%
7/1 and 10/1	Greater of the Note rate or the fully indexed rate

Refinance

Not eligible if original principal balance exceeded \$1million.

If any transaction combines a first and a non-purchase money subordinate second is considered cash-out:

- Pay off existing first mortgage regardless of seasoning.
- Pay off existing subordinate liens that were used in whole to acquire the subject property.
- Closing costs and prepaid fees may be financed into the loan amount.
- Rate/term transactions are limited to the lesser of 2% of the principal amount of the new loan or \$2,000.
 - If the cash back exceeds this amount, a principal curtailment is permitted up to a maximum \$500.
 - The principal curtailment should show on the HUD 1. If not, the borrower must provide documentation of source of funds and verification that the funds came from the borrower.

Rate/Term Refinance	Cash-Out Refinance
A property listed for sale w/in last six months is eligible if: <ul style="list-style-type: none"> • The property is off the market before the funding date. • The borrower provides written confirmation of intent to occupy (if a primary residence) 	<ul style="list-style-type: none"> • Fannie Mae Delayed Financing Rule applies. • A property listed for sale w/in last six months is eligible if: <ul style="list-style-type: none"> ○ The property is off the market before the funding date. ○ The borrower provides written confirmation of intent to occupy (if a primary residence) ○ Maximum LTV/CLTV/HCLTV ≤ 70%.

Delayed Financing

Follow Fannie Mae guidelines with the following additional items:

- The LTV/CLTV/HCLTV must be based on the lesser of the original sales price or the current appraised value.
- If the purchase was an arms-length transaction, and the property seller was an LLC, the Underwriter must identify the LLC principals.

Credit Eligibility

- All borrowers must have a credit score.
- The borrower must explain any housing delinquencies (0x30) within the last 12 months.
- Disputed accounts: maximum \$500 with written explanation and supporting documentation.
- Adverse credit: follow DU requirements.
- The borrower can pay common and customary fees outside of escrow with a credit card, up to a maximum 2% of the loan amount.
- For more guidance on bankruptcy, foreclosure, pre-foreclosure, deed-in-lieu, short payoff, and restructured loans, see the Fannie Mae [Selling Guide](#).

Kinecta Client Product & Eligibility Matrix

Super-Conforming ARM (Wholesale, Correspondent)

Student Loans

For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the lender must use the greater of the following to determine the monthly payment to be used as the borrower's recurring monthly debt obligation:

- 1% of the outstanding balance
- The actual documented payment (documented in the credit report, in documentation obtained from the student loan lender, or in documentation supplied by the borrower).

If the payment currently being made cannot be documented or verified, the Underwriter must use 1% of the outstanding balance.

Exception: If the actual documented payment is less than 1% of the outstanding balance and it will fully amortize the loan with no payment adjustments, the Underwriter may use the lower, fully-amortizing monthly payment to qualify the borrower.

Subordinate Financing

Outside HELOC	Kinecta HELOC
Per DU requirements.	Allowable CLTV/HCLTV percentages vary from 60% to 75% based on loan amount. See the Piggyback matrix for loan amount limits and HELOC details.

Reserves

- Per DU
- Gift funds allowed per Fannie Mae guidelines

Principal, Interest, Taxes, Insurance, and Association (PITIA): Multiple Financed Properties

Occupancy Type	Subject Property Units	Subject Property PITIA	Finance Properties Units	Financed Properties PITIA
Primary residence	1-4	Per DU		N/A
Second/vacation home	1	Greater of 2 months or per DU	1-4	2 months per property
Second/vacation home	1	Greater of 2 months or per DU	5-10	6 months per property
Investment	1-4	Greater of 6 months or per DU	1-4	2 months per property
Investment	1-4	Greater of 6 months or per DU	5-10	6 months per property

Appraisal Requirements

- Full Interior/Exterior required.
- BPOs, PIW and Short Form appraisals not allowed.
- UAD ratings C1-C4 are acceptable "as is."
- UAD ratings C5 and C6 are unacceptable and "subject to completion of repairs."
- Appraisal reports more than 120 days old as of the date of the Note require an appraisal update, which includes an exterior inspection of the subject property and review of current market conditions to determine if the property declined in value since the date of the original appraisal.

Kinecta Client Product & Eligibility Matrix

Super-Conforming ARM (Wholesale, Correspondent)

Assets

Minimum Borrower Contribution

LTV/CLTV/HCLTV	Occupancy	Minimum Borrower Contribution
≤ 75%	<ul style="list-style-type: none"> 1-4 unit owner-occupied Second/vacation home 	A minimum contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.

Assumable

Due on sale during the initial fixed period then assumable afterwards

DTI

Maximum 43% DTI or per DU

First Time Homebuyer

Eligible

Non-Occupant Co-Borrower

- The Underwriter may not use non-occupant co-borrower income for qualifying purposes.
- Assets used towards reserves are allowed.

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Number of Financed Properties

Maximum number of financed properties, including subject property:

Primary Residence	Second Home
No limit on number of financed properties	4

Maximum of \$2 million financed with any one single investor

Kinecta Client Product & Eligibility Matrix

Super-Conforming ARM (Wholesale, Correspondent)

Mortgage Insurance

Underwriting Guidelines	Requirements
<ul style="list-style-type: none"> Radian One Underwrite MGIC Go! 	<ul style="list-style-type: none"> Only use Radian or MGIC for LPMI. Must receive DU Approve/Eligible Minimum credit score 620 for LTVs ≤ 95% Excluded: <ul style="list-style-type: none"> Investment properties 3-4 unit properties DU Refi Plus All funds needed to complete a transaction on a primary residence can come from gift funds. Always use Radian or MGIC for credit scores between 620 and 659
Essent Clear to Close	<ul style="list-style-type: none"> Not available for LPMI. Must receive DU Approve/Eligible 1-unit primary residence: Can be all gift funds for > 80% LTV if the relationship is a parent/child Second/vacation home: Minimum 5% contribution from borrower's own funds Minimum income/asset documentation per DU permitted. All DU findings must be satisfied. The DU decision must be included in the file. All funds needed to complete a transaction on a primary residence can come from gift funds.

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> Detached SFRs 1 unit PUDs Warrantable condos 2-4 units 	<ul style="list-style-type: none"> Co-ops Manufactured homes Mixed use Condos in litigation Condos with one or more units < 400 sq. ft. Condotels Construction 2-4 unit PUDs Leaseholds

Kinecta Client Product & Eligibility Matrix

DU Refi Plus (Wholesale, Correspondent)

- First-lien fixed rate loans: 10, 15, 20, 25, and 30 year amortization terms.
- The DU Refi Plus program is offered on applications dated on or before 12/31/16 by Fannie Mae as a benefit to borrowers whose loans are owned by Fannie Mae. The borrower must benefit from either:
 - Reduced monthly PITI
 - Reduced rate
 - Reduced term
 - More stable product (for example fixed rate mortgage from ARM)

Occupancy

Primary residence	Second/vacation home	Investment property (10, 15 year only)
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Rate/Term Refinance (Original Loan Serviced by Kinecta)

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1	Owner-occupied, second/vacation home, and investment	\$417,000	125%	Per DU
2	Owner-occupied, investment	\$533,850	125%	Per DU
3	Owner-occupied, investment	\$645,300	125%	Per DU
4	Owner-occupied, investment	\$801,950	125%	Per DU

Rate/Term Refinance (Original Loan Not Serviced by Kinecta)

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1	Owner-occupied and second/vacation home	\$417,000	125%	Per DU

Minimum Loan Amount

\$25,000

Maximum Loan Amounts

- See Fannie Mae [Loan Limits](#) webpage.
- See Fannie Mae [Loan Limit Geocoder](#) to look up loan limits based on specific (or a batch of) addresses.

Underwriting Guidelines

- All borrowers must have a credit score.
- No manual underwrite.
- An individual ALTA title policy is required for each loan.
- DU Approve/Eligible required.
- Exceptions to LTV/CLTV/HCLTV considered for loans serviced by Kinecta.
- No outstanding repurchase requests are allowed.
- The following existing mortgage loan types are ineligible for DU Refi Plus:
 - Mortgages currently subject to any outstanding repurchase request from Fannie Mae
 - Reverse mortgages
 - Second mortgages
 - Government mortgages

Kinecta Client Product & Eligibility Matrix

DU Refi Plus (Wholesale, Correspondent)

Subordinate Financing

- Existing subordinated financing must be re-subordinated.
- Ineligible subordinate financing: "Wrap-around" terms that combine the indebtedness of the first mortgage and the subordinate mortgage.
- New subordinate financing not allowed.

Seasoning Requirements

The first-lien mortgage must have been purchased by Fannie Mae before June 1, 2009. A DU finding of "DURP eligible" confirms this requirement is met.

Reserves

The greater of three months or DU requirement

Appraisal Requirements

- Per DU.
- If a PIW is offered, Kinecta:
 - Must resubmit the loan to DU using the estimated value provided by DU if the borrower wants to exercise the waiver
 - Does not allow use of the PIW using the borrower's estimate or any other value obtained for the property
- If a PIW is not offered, Kinecta can either:
 - Resubmit the loan using the estimated value provided by DU
 - Obtain an appraisal (as indicated in the DU Underwriting Findings report)
- If DU states the loan is not eligible for a PIW, check that address in standardized format, re-submit.

Assets

Per DU

Assumable

Not assumable

DTI

Maximum 43% DTI or per DU

Escrow Waivers

Escrow waivers not allowed if Kinecta not original servicer and LTV > 80% (LTV > 90% California)

First Time Homebuyer

Not eligible

Non-Occupant Co-Borrower

Not allowed

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Kinecta Client Product & Eligibility Matrix

DU Refi Plus (Wholesale, Correspondent)

Number of Financed Properties

Maximum number of financed properties, including subject property:

Primary Residence	Second Home and Investment
No limit on number of financed properties	10

For second home/investment 1-4 financed properties, standard underwriting applies.

Second Home/Investment: 5-10 Financed Properties

Units	Occupancy Type	Transaction Type	Max LTV/CLTV/HCLTV	Credit Score
1	<ul style="list-style-type: none"> Second/vacation home Investment 	Rate/term refinance	75%	720
2-4	Investment		70%	

Private Mortgage Insurance

Allowed

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> Attached/detached SFRs PUDs Condos 	<ul style="list-style-type: none"> Condotels Houseboats Timeshare or segmented ownership projects Non Kinecta-serviced 2-4 unit Manufactured homes Co-ops Leaseholds

Condos/PUDs must have insurance for 100% of replacement cost of unit's interior as determined by insurer.

Kinecta Client Product & Eligibility Matrix

Jumbo Fixed Rate (Wholesale)

First-lien non-conforming fixed rate loan: 15 and 30 year amortization terms

Occupancy

Primary residence	Second/vacation home
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Primary Residence: Purchase and Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$1 million	80%	720
1	Owner-occupied	\$1 million	70%	700
1	Owner-occupied	\$1.5 million Not available to first time homebuyers	75%	720
1	Owner-occupied	\$2 million Not available to first time homebuyers	70%	720
2	Owner-occupied	\$1 million	75%	720
2	Owner-occupied	\$1 million	65%	700
2	Owner-occupied	\$1.5 million Not available to first time homebuyers	70%	720
2	Owner-occupied	\$2 million Not available to first time homebuyers	65%	720

Second/Vacation Home: Purchase and Rate/Term Refinance

To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1	Second/vacation home	\$1 million	75%	720
1	Second/vacation home	\$1.5 million Not available to first time homebuyers	70%	720
1	Second/vacation home	\$2 million Not available to first time homebuyers	65%	720

Primary Residence: Cash-Out Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$1 million	70%	720
1	Owner-occupied	\$1 million	65%	700
1	Owner-occupied	\$1.5 million Not available to first time homebuyers	60%	720
1	Owner-occupied	\$2 million Not available to first time homebuyers	55%	720

Minimum Loan Amount

- \$1 over agency maximum loan limit
- For properties located in an FHFA designated high cost area, \$1 over FHFA maximum high cost loan limit

Kinecta Client Product & Eligibility Matrix

Jumbo Fixed Rate (Wholesale)

Maximum Cash-Out Amount

\$250,000

Underwriting Guidelines

- Must have a DU Approve/Eligible finding. DU Approve/Ineligible for loan amount only.
- Full income and asset documentation required regardless of any DU waivers for reduced income or asset documentation. For example, if DU allows 1 year of tax returns, Kinecta requires 2 years of tax returns.
- No manual underwrites.
- An individual ALTA title policy is required for each loan.
- The payoff of an existing second lien with no draws in the past 12 months can be considered a rate/term refinance.

Cash-Out Refinance Requirements

- The borrower must have owned the property for at least 6 months to be eligible for cash-out.
- Seasoning of at least 6 months since prior finance or date of purchase is required to be eligible for cash-out.

Kinecta Client Product & Eligibility Matrix

Jumbo Fixed Rate (Wholesale)

Credit Eligibility

Credit history	<ul style="list-style-type: none"> • There can be no: <ul style="list-style-type: none"> ○ 30-day late payments in the last 24 months on any mortgage or rental accounts. ○ Major adverse credit reported in the last 24 months on revolving or installment accounts. • Minimum active 3 tradelines: <ul style="list-style-type: none"> ○ Two reported for at least 24 months and one in the last 36 months ○ 24 months of reporting for all 3 tradelines are acceptable if none of the following has occurred: <ul style="list-style-type: none"> ▪ Bankruptcy 7,11, or 13 ▪ Foreclosure ▪ Short sale or deed-in-lieu ▪ Loan modification, unless the modification is lender-initiated and the borrower provides documentation proving that it was not a distressed situation.
Prior bankruptcy, and modification	<ul style="list-style-type: none"> • Chapter 7 bankruptcies: at least 7 years must have elapsed since the bankruptcy discharge. • Chapter 13 bankruptcies: at least 5 years must have elapsed since the bankruptcy discharge, 7 years since dismissal. • The borrower must have re-established a satisfactory credit history and show the ability to manage his/her financial affairs since the time of the discharge. • The borrower cannot have been party to a loan that was modified due to unavoidable hardship and borrower inability to repay under the original loan terms within the last 24 months
Judgments, collection accounts, garnishments, or liens	<ul style="list-style-type: none"> • All of the following must be paid in full by or at closing: <ul style="list-style-type: none"> ○ Judgments ○ Charge-offs ○ Collection accounts ○ Garnishments ○ Liens • Kinecta does not require collections and/or charges-offs less than \$500.00 to be paid off if the borrower provides a satisfactory letter of explanation. • Borrowers with current or previous past due child support must provide evidence that all past due payments are current, unless the borrower is making payments according to a court-approved plan. In this case, the borrower must demonstrate that payments are current according to the plan. • No prior consumer credit counseling.
Short sales, deeds in lieu, and foreclosures	<ul style="list-style-type: none"> • The borrower cannot have had a foreclosure or deed in lieu of foreclosure within the 7 year period prior to the loan application. • The borrower cannot have been a party to a short sale within the last 48 months. NO EXCEPTIONS. • If the short sale occurred 4 or more years ago: <ul style="list-style-type: none"> ○ The Underwriter must validate extenuating circumstances. ○ The Underwriting Manager must approve.

Subordinate Financing

- Allowable to the maximum CLTV of 80%
- Not to exceed the allowable CLTV for declining market areas
- Subordinate liens must be recorded and clearly subordinate to the first mortgage lien.

Acceptable Subordinate Financing Types

- Mortgages with regular payments that cover at least the interest due so that negative amortization does not occur.
- Mortgage terms that require interest at a market rate.

Kinecta Client Product & Eligibility Matrix

Jumbo Fixed Rate (Wholesale)

Seasoning Requirements

For refinances, all borrowers must have held title to the subject property for a minimum of six months (Note date to application date).

Reserves

Occupancy	Loan Amount	Required Reserves
Primary residence	≤ \$1,000,000	6 months
	\$1,000,001 - \$1,500,000	9 months
	\$1,500,001 - \$2,000,000	12 months
Second/vacation home	≤ \$1,000,000	12 months
	\$1,000,001 - \$1,500,000	18 months
	\$1,500,001 - \$2,000,000	24 months

Business assets are not an acceptable form of reserves.

Appraisal Requirements

- Full Interior/Exterior required.
- In addition to the full appraisal, a field review must be performed if DU requires it.
- BPOs, PIW and Short Form appraisals not allowed.
- The appraisal must be dated within 120 days of the closing date. If the appraisal is beyond 90 days from the Note date, a recertification of value is required. The appraiser must inspect the exterior of the property and review current market data to determine whether the property has declined in value since the date of the original appraisal. This inspection and results of the analysis must be reported on the Appraisal Update and/or Completion Report.
- On purchase transactions, Kinecta must provide a copy of the sales contract to the appraiser.

Assets

Requires 5% of borrower's own funds

Assumable

Not assumable

DTI

Maximum 43% – **NO EXCEPTIONS**

First Time Homebuyer

First time homebuyers (borrowers who have not owned a property in the last 3 years):

- 12 months PITI reserves required
- Limited to a maximum loan amount of \$1 million

Geographic Restrictions

Refer to the appraisal to determine whether market conditions are stable.

Non-Occupant Co-Borrower

Not allowed

Kinecta Client Product & Eligibility Matrix

Jumbo Fixed Rate (Wholesale)

Non-U.S. Citizen

- All borrowers must have a Social Security Number or Taxpayer ID (ITIN).
- Permanent Resident Aliens allowed with proof of lawful permanent residence, green card, and a permanent right to work in the U.S.
- Non-Permanent Resident Aliens allowed with proof of lawful residency, work authorization, and an unexpired, valid acceptable visa with at least 3 years left to work in the U.S.

Number of Financed Properties

- Maximum of 4 financed properties, including subject property.
- Underwrite new multiple loans simultaneously.

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> • Detached SFRs • PUDs • Warrantable condos 	<ul style="list-style-type: none"> • Freddie Mac REOs • Co-ops • Manufactured homes • Mixed use • Condos in litigation • Construction • Leaseholds • Investment properties • Condotels • Time-share projects/units • Farms • Properties with less than 750 square feet of living area • Any property where the lot size is not typical for the neighborhood and not supported by comparables • Multifamily properties, 2 or more units • Commercial and mixed-use properties

Kinecta Client Product & Eligibility Matrix

Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM (Wholesale)

First-lien adjustable rate loans: 30 year amortization term, initial fixed rate periods of 5, 7, and 10 years

Occupancy

Primary residence

Purchase and Rate/Term Refinance

Radian or MGIC Standard Guidelines, Credit Union Rates

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$850,000	90%	720
1	Owner-occupied	\$750,000	85%	720

Kinecta Expanded Guidelines, National Rates

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$650,001-\$875,500	90%	760
1	Owner-occupied	\$750,001-\$875,500	85%	760

ARM Specifics

Type	Margin	Caps: Initial / Annual / Life	Floor
5/1	2.250%	2 / 2 / 5	2.250%
7/1, 10/1		5 / 2 / 5	

Item	Description
Index	1-year London Interbank Offered Rate as published by the Wall Street Journal; referenced on the rate sheet.
Rate at Adjustment	Fully indexed rate is equal to Note margin plus index, rounded to the nearest .125%. Subject to annual / life cap.

Minimum Loan Amount

- \$1 over agency maximum loan limit
- For properties located in an FHFA designated high cost area, \$1 over FHFA maximum high cost loan limit

Maximum Loan Amount

Maximum loan amount up to \$250,000 over FHFA high-balance limit

Underwriting Guidelines

- DU Approve/Ineligible (for loan amount only) required.
- No manual underwrites.
- An individual ALTA title policy is required for each loan.
- Cash-out is not available.
- NO EXCEPTIONS.

Kinecta Client Product & Eligibility Matrix

Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM (Wholesale)

Qualifying Rate

Type	Description
5/1	Greater of the fully indexed rate or Note rate + 2%
7/1 and 10/1	Greater of the Note rate or the fully indexed rate

Credit Eligibility

- All borrowers must have a minimum of 2 reported credit scores.
- All borrowers must have a minimum of 3 tradelines that have been active for 12 months.
- Borrowers may not have any housing delinquencies (0x30) within the last 12 months.
- The borrower cannot have been a party to a short sale within the last 48 months. **NO EXCEPTIONS.**
- Disputed accounts: Follow DU requirements.
- Adverse credit: follow DU requirements.
- Housing payment history (PITIA) is inclusive of all liens regardless of position.
- Borrowers can pay common and customary fees outside of escrow with a credit card, up to a maximum 2% of the loan amount.

Subordinate Financing

Not allowed

Seasoning Requirements

Purchase	Refinance
90 days	Borrower must be on title minimum 6 months (Note date to application date)

Reserves

Combined Loan Amount (including maximum credit line)	DTI	Requirements
< \$1 million	< 35	Greater of 6 months or DU finding
	≥ 35	Greater of 12 months or DU finding
≥ \$1 million	N/A	

Business assets are not an acceptable form of reserves.

Appraisal Requirements

- Full Interior/Exterior required.
- In addition to the full appraisal, a field review must be performed if DU requires it.
- BPOs, PIW and Short Form appraisals not allowed.
- Fannie 1004/ Freddie 70, regardless of DU recommendation.
- Appraisal must not age over 120 days. Otherwise, a recertification of value may be considered.

Assets

Requires 10% of borrower's own funds. Gift funds are acceptable afterwards.

Assumable

Due on sale during the initial fixed period then assumable afterwards.

Kinecta Client Product & Eligibility Matrix

Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM (Wholesale)

DTI

Maximum 43% - **NO EXCEPTIONS**

First Time Homebuyer

Eligible

Geographic Restrictions

Refer to the appraisal to determine whether market conditions are stable.

Non-Occupant Co-Borrower

- The Underwriter may not use non-occupant co-borrower income for qualifying purposes.
- Assets used towards reserves are allowed.

Non-U.S. Citizen

Non-permanent resident aliens not allowed

Number of Financed Properties

- Maximum of 4 financed properties, including subject property.
- Underwrite new multiple loans simultaneously.

Private Mortgage Insurance

MI Options

- Monthly paid
- Single premium paid up-front
- Split premium

MI Coverage

LTV	Coverage
80.01 - 85.00%	12%
85.01 - 90.00%	17%

No other options are allowed.

Kinecta Client Product & Eligibility Matrix

Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM (Wholesale)

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> Attached/detached SFRs PUDs GSE warrantable condos 	<ul style="list-style-type: none"> Co-ops Manufactured homes Mixed use Condos in litigation Condotels Construction

Condos/PUDs must have insurance for 100% of replacement cost of unit's interior as determined by insurer.

Kinecta Client Product & Eligibility Matrix

Jumbo ARM (Wholesale)

First-lien adjustable rate loans: 30 year amortization term, initial fixed rate periods of 3, 5, 7, and 10 years.

Occupancy

Primary residence	Second/vacation home
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase and Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Minimum Credit Score
1-2	Owner-occupied	\$1 million	80%	700
1-2	Owner-occupied	\$2 million	75%	720
1-2	Second/vacation home	\$650,000	80%	700
1-2	Second/vacation home	\$1 million	75%	700
1-2	Second/vacation home	\$1.5 million	70%	700
1-2	Second/vacation home	\$2 million	70%	720

Cash-Out Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Minimum Credit Score
1-2	Owner-occupied	\$650,000	75%	720
1-2	Owner-occupied	\$1 million	70%	720
1-2	Owner-occupied	\$2 million	65%	740
1-2	Second/vacation home	\$1 million	70%	740
1-2	Second/vacation home	\$1.5 million	65%	740

ARM Specifics

Type	Margin	Caps: Initial / Annual / Life	Floor
3/1	2.250%	2 / 2 / 6	2.250%
5/1		2 / 2 / 5	
7/1, 10/1		5 / 2 / 5	

Item	Description
Index	1-year London Interbank Offered Rate as published by the Wall Street Journal; referenced on the rate sheet.
Rate at Adjustment	Fully indexed rate is equal to Note margin plus index, rounded to the nearest .125%. Subject to annual / life cap.

Minimum Loan Amount

- \$1 over agency maximum loan limit
- For properties located in an FHFA designated high cost area, \$1 over FHFA maximum high cost loan limit

Maximum Loan Amounts

- See Fannie Mae [Loan Limits](#) webpage.
- See Fannie Mae [Loan Limit Geocoder](#) to look up loan limits based on specific (or a batch of) addresses.

Kinecta Client Product & Eligibility Matrix

Jumbo ARM (Wholesale)

Underwriting Guidelines

- DU Approve/Ineligible (for loan amount only) required.
- Full income and asset documentation required regardless of any DU waivers for reduced income or asset documentation. For example, if DU allows 1 year of tax returns, Kinecta requires 2 years of tax returns.
- No manual underwrites.
- An individual ALTA title policy is required for each loan.
- Second /vacation home: the second unit is not eligible as a rental unit.
- The payoff of an existing second lien with no draws in the past 12 months can be considered a rate/term refinance.
- Maximum cash-out is \$250,000. For exceptions, follow the normal exception request process, and provide compensating factors.

Qualifying Rate

Type	Description
3/1 and 5/1	Greater of the fully indexed rate or Note rate + 2%
7/1 and 10/1	Greater of the Note rate or the fully indexed rate

Kinecta Client Product & Eligibility Matrix

Jumbo ARM (Wholesale)

Credit Eligibility

Credit history	<ul style="list-style-type: none"> • There can be no: <ul style="list-style-type: none"> ○ 30-day late payments in the last 24 months on any mortgage or rental accounts. ○ Major adverse credit reported in the last 24 months on revolving or installment accounts. • Minimum active 3 tradelines: <ul style="list-style-type: none"> ○ Two reported for at least 24 months and one in the last 36 months ○ 24 months of reporting for all 3 tradelines are acceptable if none of the following has occurred: <ul style="list-style-type: none"> ▪ Bankruptcy 7,11, or 13 ▪ Foreclosure ▪ Short sale or deed-in-lieu ▪ Loan modification, unless the modification is lender-initiated and the borrower provides documentation proving that it was not a distressed situation.
Prior bankruptcy, and modification	<ul style="list-style-type: none"> • Chapter 7 bankruptcies: at least 7 years must have elapsed since the bankruptcy discharge. • Chapter 13 bankruptcies: at least 5 years must have elapsed since the bankruptcy discharge, 7 years since dismissal. • The borrower must have re-established a satisfactory credit history and show the ability to manage his/her financial affairs since the time of the discharge. • The borrower cannot have been party to a loan that was modified due to unavoidable hardship and borrower inability to repay under the original loan terms within the last 24 months
Judgments, collection accounts, garnishments, or liens	<ul style="list-style-type: none"> • All of the following must be paid in full by or at closing: <ul style="list-style-type: none"> ○ Judgments ○ Charge-offs ○ Collection accounts ○ Garnishments ○ Liens • Kinecta does not require collections and/or charges-offs less than \$500.00 to be paid off if the borrower provides a satisfactory letter of explanation. • Borrowers with current or previous past due child support must provide evidence that all past due payments are current, unless the borrower is making payments according to a court-approved plan. In this case, the borrower must demonstrate that payments are current according to the plan. • No prior consumer credit counseling.
Short sales, deeds in lieu, and foreclosures	<ul style="list-style-type: none"> • The borrower cannot have had a foreclosure or deed in lieu of foreclosure within the 7 year period prior to the loan application. • The borrower cannot have been a party to a short sale within the last 48 months. NO EXCEPTIONS. • If the short sale occurred 4 or more years ago: <ul style="list-style-type: none"> ○ The Underwriter must validate extenuating circumstances. ○ The Underwriting Manager must approve.

Subordinate Financing

Outside HELOC	Kinecta HELOC
Re-subordinate any HELOC subject to current LTV/CLTV limits. This also applies to HELOCs serviced by Kinecta.	Allowable CLTV/HCLTV varies from 60%/80% based on loan amount. See the Piggyback matrix for loan amount limits and HELOC details.

Kinecta Client Product & Eligibility Matrix

Jumbo ARM (Wholesale)

Reserves

Combined Loan Amount (including maximum credit line)	DTI	Requirements
< \$1 million	< 35	Greater of 6 months or DU finding
	≥ 35	Greater of 12 months or DU finding
≥ \$1 million	N/A	

Business assets are not an acceptable form of reserves.

Appraisal Requirements

- Full Interior/Exterior required.
- BPOs, PIW and Short Form appraisals not allowed.
- The appraisal must be dated within 120 days of the closing date. If the appraisal is beyond 90 days from the Note date, a recertification of value is required. The appraiser must inspect the exterior of the property and review current market data to determine whether the property has declined in value since the date of the original appraisal. This inspection and results of the analysis must be reported on the Appraisal Update and/or Completion Report.

Assets

- Primary and second home requires 5% of borrower's own funds.
- Gift funds are acceptable. Follow Fannie Mae policy.

Assumable

3/1	5/1, 7/1, 10/1
Assumable anytime	Due on sale during the initial fixed period, assumable afterwards

DTI

Maximum 43% – **NO EXCEPTIONS**

First Time Homebuyer

Eligible

Geographic Restrictions

Refer to the appraisal to determine whether market conditions are stable.

Non-Occupant Co-Borrower

- The Underwriter may not use non-occupant co-borrower income for qualifying purposes.
- Assets used towards reserves are allowed.

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Number of Financed Properties

- Maximum of 4 financed properties, including subject property
- Underwrite new multiple loans simultaneously.

Kinecta Client Product & Eligibility Matrix

Jumbo ARM (Wholesale)

Private Mortgage Insurance

Not applicable

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> • Attached/detached SFRs • PUDs • Warrantable condos • 2 units 	<ul style="list-style-type: none"> • Freddie Mac REOs • Co-ops • Manufactured homes • Mixed use • Condos in litigation • Condotels • Construction • Leaseholds

Condos/PUDs must have insurance for 100% of replacement cost of unit's interior as determined by insurer.

Kinecta Client Product & Eligibility Matrix

Asset Utilization Jumbo ARM (Wholesale)

First-lien adjustable rate loans: 30 year amortization term, initial fixed rate periods of 5, 7, and 10 years

Occupancy

Primary residence	Second/vacation home
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase and Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Max LTV	Min Credit Score
1-2	Owner-occupied, second home	\$1 million	70%	720
1-2	Owner-occupied, second home	\$2 million	65%	740
1-2	Owner-occupied, second home	\$3 million	60%	760

ARM Specifics

Type	Margin	Caps: Initial / Annual / Life	Floor
5/1	2.250%	2 / 2 / 5	2.250%
7/1, 10/1		5 / 2 / 5	

Item	Description
Index	1-year London Interbank Offered Rate as published by the Wall Street Journal; referenced on the rate sheet.
Rate at Adjustment	Fully indexed rate is equal to Note margin plus index, rounded to the nearest .125%. Subject to annual / life cap.

Minimum Loan Amount

- \$417,001
- For properties located in an FHFA designated high cost area, \$1 over FHFA maximum high cost loan limit

Maximum Loan Amount

See [Loan Limits](#).

Underwriting Guidelines

- DU Approve/Ineligible (for loan amount only) required.
- Underwrite to current Fannie guidelines.
- No manual underwrites.
- An individual ALTA title policy is required for each loan.
- Second /vacation home: the second unit is not eligible as a rental unit.
- The payoff of an existing second lien with no draws in the past 12 months can be considered a rate/terms refinance.
- Use the Asset Utilization Income Calculator to calculate the total monthly asset utilization income.
- Interest and dividend income is not allowed.

Qualifying Rate

Type	Description
5/1	Greater of the fully indexed rate or Note rate + 2%
7/1 and 10/1	Greater of the Note rate or the fully indexed rate

Kinecta Client Product & Eligibility Matrix

Asset Utilization Jumbo ARM (Wholesale)

Credit Eligibility

- All borrowers must have a credit score.
- Borrowers may not have any housing delinquencies (0x30) within the last 12 months.
- Disputed accounts: maximum \$500 with written explanation and supporting documentation.
- The borrower cannot have been party to a short sale within the last 48 months. **NO EXCEPTIONS.**
- Adverse credit: follow DU requirements unless total of all accounts is >\$5,000, in which case the borrower must pay all accounts in full.
- Housing payment history (PITIA) is inclusive of all liens regardless of position.
- Borrowers can pay common and customary fees outside of escrow with a credit card, up to a maximum 2% of the loan amount.

Subordinate Financing

Not allowed

Seasoning Requirements

Assets must be seasoned 60 days.

Reserves

- Borrowers must have a minimum of 24 months PITIA in liquid reserves.
- Business assets are not an acceptable form of reserves.

Appraisal Requirements

- Full Interior/Exterior required.
- In addition to the full appraisal, a field review must be performed if DU requires it.
- BPOs, PIW and Short Form appraisals not allowed.
- Appraisal must not age over 120 days. Otherwise, a recertification of value may be considered.
- If the value has declined, a new full appraisal is required.

Assets

- All assets need to be deposited in U.S. financial institutions; Verification consists of 3 consecutive months of bank statements or investment statements dated within 45 days of application.
- Any account that is pledged to secure a lien must be excluded from the total assets.
- Ineligible assets:
 - Business funds, stocks held by privately held corporations
 - Stock options
 - Non-vested restricted stock
 - Gift funds
 - Windfall assets (inherited funds, proceeds from a lawsuit, proceeds from a divorce settlement, lottery winnings)
 - Cash-out refinance proceeds
 - Non-financial assets (collectables, stamps, coins, artwork etc.)

Assumable

Due on sale during the initial fixed period then assumable afterwards

Kinecta Client Product & Eligibility Matrix

Asset Utilization Jumbo ARM (Wholesale)

DTI

Maximum 43% DTI - **NO EXCEPTIONS**

First Time Homebuyer

Not eligible

Geographic Restrictions

Refer to the appraisal to determine whether market conditions are stable.

Non-Occupant Co-Borrower

Not allowed

Non-U.S. Citizen

Non-permanent resident aliens and foreign nationals not allowed

Number of Financed Properties

- Maximum of 4 financed properties, including subject property.
- Underwrite new multiple loans simultaneously.

Private Mortgage Insurance

Not applicable

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> Attached/detached SFRs PUDs Warrantable condos 2 units 	<ul style="list-style-type: none"> Freddie Mac REOs Co-ops Manufactured homes Condos in litigation Condotels Construction Leaseholds

Condos/PUDs must have insurance for 100% of replacement cost of unit's interior as determined by insurer.

Kinecta Client Product & Eligibility Matrix

Savings Advantage (Wholesale)

First-lien ARMs: 30 year amortization term, initial fixed rate periods of 5, 7, & 10 yrs.

Occupancy

Primary residence	Second/vacation home
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase and Rate/Term Refinance

Units	Property	Occupancy	Max Loan Amount	Max LTV/CLTV	Min Credit Score
1	SFR/PUD	Owner-occupied	\$1.25 million	89%	720
1	Condo	Owner-occupied	\$1 million	89%	720
1	SFR/PUD	Second/vacation home	\$850,000	85%	740

ARM Specifics

Type	Margin	Caps: Initial / Annual / Life	Floor
5/1	2.250%	2 / 2 / 5	2.250%
7/1, 10/1		5 / 2 / 5	

Item	Description
Index	1-year London Interbank Offered Rate as published by the Wall Street Journal; referenced on the rate sheet.
Rate at Adjustment	<ul style="list-style-type: none"> 2% annual adjustment cap begins with the second adjustment. Fully indexed rate is equal to Note margin plus index, rounded to the nearest .125%. Subject to annual / life cap.

Minimum Loan Amount

- \$1 over agency maximum loan limit
- For properties located in an FHFA designated high cost area, \$1 over FHFA maximum high cost loan limit

Maximum Loan Amounts

- See Fannie Mae [Loan Limits](#) webpage.
- See Fannie Mae [Loan Limit Geocoder](#) to look up loan limits based on specific (or a batch of) addresses.

Underwriting Guidelines

- Non-delegated
- Must be underwritten by Essent
- An individual ALTA title policy is required for each loan.
- DU Approve/Ineligible (for loan amount only)
- DU waivers ineligible

Kinecta Client Product & Eligibility Matrix

Savings Advantage (Wholesale)

Rate/Term Refinance

A Savings Advantage refinance paying off a non-purchase money second is considered a rate/term refinance if all these requirements are met:

- There were no draws in the past 24 months.
- The second has a 24 month seasoning.
- The second was originally used for housing activities that can be documented with contractor bids, paid receipts, proof of work completed, or permits.

A property listed for sale w/in last six months is eligible if:

- The property is off the market before the funding date.
- The borrower provides written confirmation of intent to occupy (if a primary residence)

Qualifying Rate

Type	Description
5/1	Greater of the fully indexed rate or Note rate + 2%
7/1 and 10/1	Greater of the Note rate or the fully indexed rate

Credit Eligibility

- Payment history:
 - Mortgage: 0 X 30 last 12, 0 X 60 last 24 months
 - Installment/revolving: 0 X 60 last 12, 1 X 60 last 24 months
- Disputed accounts: maximum \$500 with written explanation and supporting documentation.
- The borrower cannot have been party to a short sale within the last 48 months. **NO EXCEPTIONS.**
- Adverse credit: follow DU requirements unless total of all accounts is >\$5,000, in which case the borrower must pay all accounts in full.
- Borrowers can pay common and customary fees outside of escrow with a credit card, up to a maximum 2% of the loan amount.

Student Loans

For all student loans, whether deferred, in forbearance, or in repayment (not deferred), the lender must use the greater of the following to determine the monthly payment to be used as the borrower's recurring monthly debt obligation:

- 1% of the outstanding balance
- The actual documented payment (documented in the credit report, in documentation obtained from the student loan lender, or in documentation supplied by the borrower).

If the payment currently being made cannot be documented or verified, the Underwriter must use 1% of the outstanding balance.

Exception: If the actual documented payment is less than 1% of the outstanding balance and it will fully amortize the loan with no payment adjustments, the Underwriter may use the lower, fully-amortizing monthly payment to qualify the borrower.

Subordinate Financing

Not allowed

Reserves

- Minimum 12 months Principal, Interest, Taxes, Insurance, and Association (PITIA) required
- Business assets are not an acceptable form of reserves.

Kinecta Client Product & Eligibility Matrix

Savings Advantage (Wholesale)

Appraisals

- Fannie Mae form 1004 or Freddie Mac form 70 including interior/exterior inspections and all required photos and exhibits
- AVMs, BPOs, and PIW/PIAs not eligible

Appraisal Requirements Based on Loan Amount

Loans ≤ \$1 Million	Loans > \$1 Million
One full appraisal required	<p>Two full appraisals required in a Restricted Market (see Geographic Restrictions)</p> <ul style="list-style-type: none"> • Must be from two independent appraisal firms • LTV calculated on lower of two appraisals <p>Two full appraisals are not required if all these requirements are met:</p> <ul style="list-style-type: none"> • One full appraisal • One field review with data validation via third party tools (such as RealQuest/DataQuick, MLS, or FNC QC Vigilance) • The appraisal and field review performed by a licensed Kinecta fee appraiser or AMC for areas where no Kinecta fee appraiser exists • Maximum DTI 38% • Minimum 24 months reserves

Assets

- Requires 10% of borrower's own funds
- No gift funds on loan amounts > \$1 million

Assumable

Not allowed

DTI

Maximum 41% DTI - **NO EXCEPTIONS**

First Time Homebuyer

Eligible

Kinecta Client Product & Eligibility Matrix

Savings Advantage (Wholesale)

Geographic Restrictions

Properties located within certain geographic areas require a reduction in the maximum allowable LTV/CLTV, subject to a 70% LTV/CLTV floor. In addition, these properties are subject to:

- Max DTI of 41%
- Two full appraisals, where the LTV/CLTV is calculated using the lower of the two appraised values

15% Reduction in LTV/CLTV	10% Reduction in LTV/CLTV	5% Reduction in LTV/CLTV
<ul style="list-style-type: none"> • Miami-Miami Beach-Kendall, FL (Metropolitan Division) • Naples-Marco Island, FL (MSA) • Las Vegas-Paradise, NV (MSA) • Reno-Sparks, NV (MSA) 	<ul style="list-style-type: none"> • Fort Lauderdale-Pompano Beach-Deerfield Beach, FL (MSA) • Orlando-Kissimmee-Sanford, FL (MSA) • West Palm Beach-Boca Raton-Boynton Beach, FL (Metropolitan Division) 	<ul style="list-style-type: none"> • Riverside-San Bernardino-Ontario, CA (MSA) • Stockton, CA (MSA) • Camden, NJ (Metropolitan Division) • Edison-New Brunswick, NJ (Metropolitan Division) • Ocean City, NJ (MSA) • Nassau-Suffolk, NY (Metropolitan Division) • New York-White Plains-Wayne, NY-NJ (Metropolitan Division)

Non-Occupant Co-Borrower

Ineligible

Non-U.S. Citizen

Permanent Resident Alien	Non-Permanent Resident Alien
Allowed	Not allowed

Number of Financed Properties

- Maximum of 4 financed properties, including subject property.
- Underwrite new multiple loans simultaneously.

Private Mortgage Insurance

- **Always** use Essent for the Savings Advantage loan product.
- LPMI only – no BPMI
- Single premium paid up-front
- No reduced coverage

Kinecta Client Product & Eligibility Matrix

Savings Advantage (Wholesale)

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> • SFRs • PUDs • Warrantable condos 	<ul style="list-style-type: none"> • 2-4 units • Co-ops • Manufactured homes • Non-warrantable condos • Mixed use • Condos in litigation • Apartment/hotel conversions • Condotels • Model home leasebacks • Vacant lots/land • Timeshares

Kinecta Client Product & Eligibility Matrix

Piggyback HELOC (Wholesale)

- Kinecta-originated, second-lien HELOC: 10 year interest only draw period, 20 year repayment period
- Must be subordinate to a Kinecta first lien: 15 - 30 year fixed rate term and 30 year ARMs

Occupancy

Primary residence	Second/vacation home
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase, Rate/Term Refinance with Agency Fixed Rate or ARM First Lien (89.90% CLTV Only)

Units	Occupancy	Max Loan Amount	Max CLTV	Min Credit Score
1	Owner-occupied and second/vacation home	\$400,000	89.90%	720

Purchase, Rate/Term Refinance with Non-Agency Fixed Rate or ARM First Lien

Units	Occupancy	Max Loan Amount	Max CLTV	Min Credit Score
1	Owner-occupied and second/vacation home	\$400,000	80%	720

HELOC Specifics

Margin	Caps: Life	Floor
Prime Rate Index Value	18.000%	5.000%

Item	Description
Index	Prime Rate as published by the Wall Street Journal; referenced on the rate sheet.
HELOC Terms	<ul style="list-style-type: none"> • Loan product adjusts monthly. • Minimum monthly payment is \$20.00. • Must be fully drawn • Average Daily Balance is used for computation. • See the Note and disclosure for fees and early termination specifics.

Minimum Loan Amount

\$20,000

Maximum Loan Amount

\$400,000

Kinecta Client Product & Eligibility Matrix

Piggyback HELOC (Wholesale)

Underwriting and Credit Guidelines

- First lien:
 - Underwrite to current Fannie guidelines.
 - Must be concurrent Kinecta Fixed Rate or ARM product.
 - For non-Agency first lien products with a $\leq 80\%$ CLTV Piggyback HELOC, the first lien cannot exceed \$1 million.
- HELOC is manually underwritten.
 - Qualify at greater of start rate or floor on total loan amount amortized over 20 years.
 - Qualify on total HELOC amount
 - Must be DU Approve/Eligible on Agency first lien loans.
 - Follow the first lien requirements for Piggyback HELOC credit eligibility requirements. See the rate sheet for maximum CLTV.
- The Piggyback HELOC is a separate, second loan file that requires the same set of documentation included in the first lien loan package.
- An individual ALTA title policy is required for each loan (first and second liens).
- A Piggyback HELOC may be taken out in the name of an inter vivos revocable trust. Kinecta follows Fannie Mae guidelines for inter vivos revocable trusts.
- **No exceptions** to loan program guideline, including maximum LTV/CLTV, loan amount and minimum credit score.
- Cash-out not permitted.

Rate/Term Refinance

- Both the first lien and the Piggyback HELOC are rate/term refinance, and must be fully drawn.
- For $\leq 80\%$ CLTV, payoff of the existing **non-purchase** money second through the proceeds of the new piggyback HELOC is acceptable.
- For $> 80\%$ CLTV-89.90% CLTV, the new piggyback HELOC proceeds can only pay off an existing **purchase** money second.

Up to 89.90% CLTV Only

- First lien for 89.90% CLTV must be concurrent Kinecta Agency or Super-Conforming loan.
- Kinecta will not accept submission/registration of a combo loan consisting of a Correspondent first lien and a Kinecta HELOC. Instead, the Correspondent lender must submit both the first lien and HELOC as brokered loans.
- First lien (such as Super-Conforming ARM) CLTV may restrict the Piggyback HELOC loan amount.
 - Refer to first mortgage product guidelines for maximum loan amount.
 - Reduce the Piggyback HELOC loan amount if first mortgage is less than 80% CLTV.
- Combined maximum loan amount not to exceed \$1 million.
- 80%-89.90% CLTV for purchase or rate/term refinance: Must be fully drawn at closing. No cash-out on both the Kinecta first mortgage and Piggyback HELOC. **NO EXCEPTIONS.**

Kinecta Client Product & Eligibility Matrix

Piggyback HELOC (Wholesale)

Fees

Fee Type	Description
Broker compensation/fees	Borrower-Paid LO Comp, not to exceed Lender-Paid Compensation Plan
Admin fee	No charge
Settlement fees	<ul style="list-style-type: none"> • Kinecta pays for tax service and flood. Charges must show on HUD (with lender credit). • The borrower pays all other fees, including: <ul style="list-style-type: none"> ○ Escrow ○ Title ○ Notary ○ Recording
Annual fee (paid by borrower)	\$75, waived if balance is \$10,000 during year
Termination fee (paid by borrower)	\$495 if account is closed by borrower within the first 3 years

See the rate sheet for fee amounts.

Subordinate Financing

When a borrower obtains new subordinate financing with the refinancing of a first mortgage loan, Fannie Mae treats the transaction as a limited cash-out (rate/term) refinance provided the first mortgage loan meets the eligibility criteria for a rate/term refinance transaction.

Seasoning Requirements

Follow first lien requirements.

Reserves

- Calculate reserves based on the combined loan amount, including maximum credit line.
- Minimum reserves per DU.

Appraisal Requirements

- Full Interior/Exterior required (same appraisal as first lien).
- BPOs, PIW and Short Form appraisals not allowed.
- Appraisal reports more than 120 days old as of the date of the Note require an appraisal update, which includes an exterior inspection of the subject property and review of current market conditions to determine if the property declined in value since the date of the original appraisal.

Assets

Follow DU requirements for first lien.

Minimum Borrower Contribution

CLTV/HCLTV	Occupancy	Requirement
≤ 80%	Owner-occupied	A minimum borrower contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
> 80%	Owner-occupied	The borrower must make a 5% minimum contribution from his or her own funds. After the minimum borrower contribution is met, the borrower can use gifts to supplement the down payment, closing costs, and reserves.

Kinecta Client Product & Eligibility Matrix

Piggyback HELOC (Wholesale)

Assumable

Not assumable

DTI

- Maximum 45% **and** DU Approve/Eligible
- Exceptions with a DU Eligible will be considered for a DTI of 45.01% - 50% with 3 of the following 4 compensating factors:
 - FICO >739
 - Maximum CLTV 80%
 - All borrowers have been employed for more than 5 years with the current employer
 - Minimum 12 months reserves

First Time Homebuyer

Eligible

Geographic Restrictions

See the rate sheet for state availability

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Number of Financed Properties

Follow first lien requirements

Private Mortgage Insurance

Not applicable

Property Types

Eligible	Ineligible
<ul style="list-style-type: none"> • SFRs • Attached/detached PUDs • Warrantable condos 	<ul style="list-style-type: none"> • 2-4 units • Co-ops • Manufactured homes • Mixed use • Condotels • Construction • Leaseholds

Condos/PUDs must have insurance for 100% of replacement cost of unit's interior as determined by insurer.

Kinecta Client Product & Eligibility Matrix

Fixed Second (Wholesale)

Kinecta-originated piggyback second-lien: 15 year full amortization term

Occupancy

Primary residence	Second/vacation home
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To be eligible for a loan term greater than 15 years on a second home, the borrower must certify that the second home is or will be the borrower's future principal residence.

Purchase, Rate/Term Refinance with Agency Fixed Rate or ARM First Lien (89.90% CLTV Only)

Units	Occupancy	Max Loan Amount	Max CLTV	Min Credit Score
1	Owner-occupied and second/vacation home	\$500,000	89.90%	720

Purchase with a Fixed Rate First Lien

Units	Occupancy	Max Loan Amount	Max CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$250,000	80%	720
1	Owner-occupied	\$300,000	75%	700
1	Owner-occupied	\$400,000	70%	680
1	Owner-occupied	\$500,000	65%	680
1	Second/vacation home	\$400,000	70%	700
1	Second/vacation home	\$500,000	65%	700

Purchase with an ARM First Lien

Units	Occupancy	Max Loan Amount	Max CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$300,000	75%	720
1	Owner-occupied, second/vacation home	\$400,000	70%	720
1	Owner-occupied, second/vacation home	\$500,000	65%	720

Rate/Term Refinance with a Fixed Rate First Lien

Units	Occupancy	Max Loan Amount	Max CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$400,000	70%	700
1	Owner-occupied	\$500,000	65%	700

Rate/Term Refinance with an ARM First Lien

Property	Occupancy	Max Loan Amount	Max CLTV/HCLTV	Min Credit Score
1	Owner-occupied	\$400,000	70%	720
1	Owner-occupied	\$500,000	65%	720

Minimum Loan Amount

\$15,000 - NO EXCEPTIONS

Maximum Loan Amount

\$500,000 - NO EXCEPTIONS

Kinecta Client Product & Eligibility Matrix

Fixed Second (Wholesale)

Underwriting Guidelines

- First lien:
 - Must be a Kinecta Fixed Rate or ARM product.
 - Underwrite to current Kinecta guidelines.
- Second is manually underwritten.
- An individual ALTA title policy is required for each loan (first and second liens).
- Qualify at 15 year fully amortized, based on interest rate.
- Qualifying loan amount: total loan amount
- The second is a separate, second loan file that requires the same set of documentation included in the first lien loan package.
- Cash-out not permitted.

89.90% CLTV Only

- First lien for 89.90% CLTV must be concurrent Kinecta Agency or Super-Conforming loan
- Kinecta will not accept submission/registration of a combo loan consisting of a Correspondent first lien and a Kinecta Fixed Second. Instead, the Correspondent lender must submit both the first lien and Fixed Second as brokered loans.
- First lien (such as Super-Conforming ARM) CLTV may restrict the Fixed Second CLTV.
- Combined maximum loan amount not to exceed \$1 million

Fees

Fee Type	Description
Broker compensation/fees	Borrower-Paid LO Comp, not to exceed Lender-Paid Compensation Plan
Settlement fees	<ul style="list-style-type: none"> • Kinecta pays for tax service and flood. Charges must show on applicable GFE and HUD (with lender credit). • The borrower pays all other fees.

Credit Eligibility

- All borrowers must have a credit score.
- Housing payment history (PITIA) is inclusive of all liens regardless of position.
- Follow the first lien requirements for Fixed Second credit eligibility requirements.

Subordinate Financing

When a borrower obtains new subordinate financing with the refinancing of a first mortgage loan, Fannie Mae treats the transaction as a limited cash-out (rate/term) refinance provided the first mortgage loan meets the eligibility criteria for a rate/term refinance transaction.

Seasoning Requirements

Follow the first lien requirements

Reserves

- Calculate reserves based on the combined loan amount, including maximum credit line.
- Minimum reserves per DU.

Kinecta Client Product & Eligibility Matrix

Fixed Second (Wholesale)

Appraisal Requirements

- Full Interior/Exterior required (same appraisal as first lien).
- BPOs, PIW and Short Form appraisals not allowed.
- Appraisal reports more than 120 days old as of the date of the Note require an appraisal update, which includes an exterior inspection of the subject property and review of current market conditions to determine if the property declined in value since the date of the original appraisal.

Assets

Follow Kinecta requirements for first lien.

Minimum Borrower Contribution

CLTV/HCLTV	Occupancy	Requirement
≤ 80%	Owner-occupied and second/vacation home	A minimum borrower contribution from the borrower's own funds is not required. All funds needed to complete the transaction can come from a gift.
> 80%	Owner-occupied and second/vacation home	The borrower must make a 5% minimum contribution from his or her own funds. After the minimum borrower contribution is met, the borrower can use gifts to supplement the down payment, closing costs, and reserves.

Assumable

Not assumable

DTI

Maximum 43% DTI

First Time Homebuyer

Eligible

Geographic Restrictions

Refer to the appraisal to determine whether market conditions are stable.

Non-Occupant Co-Borrower

Not allowed

Non-U.S. Citizen

Refer to Fannie Mae guidelines for non-U.S. citizen borrower eligibility requirements

Number of Financed Properties

Maximum four financed properties

Private Mortgage Insurance

Not applicable

Kinecta Client Product & Eligibility Matrix

Fixed Second (Wholesale)	
Property Types	
Eligible	Ineligible
<ul style="list-style-type: none"> Detached SFRs PUDs Warrantable condos 	<ul style="list-style-type: none"> 2-4 units Co-ops Manufactured homes Mixed use Condotels Construction Leaseholds

Condos/PUDs must have insurance for 100% of replacement cost of unit's interior as determined by insurer.

Kinecta Client Product & Eligibility Matrix

Government Fixed Rate (Wholesale)

First-lien government fixed and high balance fixed rate loans: 15 and 30 year amortization terms

Occupancy

Primary residence

Purchase

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1-4	Owner-occupied	Per state/county maximum. See FHA Mortgage Limits .	<ul style="list-style-type: none"> 96.50% LTV before upfront MIP 97.50% including MIP CLTV/HCLTV maximum 96.5% to 100% 	640

Rate/Term Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1-4	Owner-occupied	Per state/county maximum. See FHA Mortgage Limits .	<ul style="list-style-type: none"> 97.75% LTV before upfront MIP 98.75% including MIP CLTV/HCLTV Max is 97.75% 	640

Cash-Out Refinance

Units	Occupancy	Max Loan Amount	Max LTV/CLTV/HCLTV	Min Credit Score
1-4	Owner-occupied	Per state/county maximum. See FHA Mortgage Limits .	<ul style="list-style-type: none"> 85.00% LTV before upfront MIP 85.00% including MIP CLTV/HCLTV Max is 85% 	640

Minimum Loan Amount

\$25,000

Maximum Loan Amount

See [FHA Mortgage Limits](#)

Underwriting Guidelines

- No manual underwrites.
- An individual ALTA title policy is required for each loan.
- Underwrite to FHA's TOTAL Mortgage Scorecard through DU.
- All loans must receive an Approve/Accept FHA TOTAL Scorecard finding.
- Principal, Interest, Taxes, Insurance, and Association (PITIA) is inclusive of all liens regardless of position, as well as all occupancy types.
- State variances: West Virginia requires an appraisal for all transactions.
- Community property states: Non-purchasing spouse restrictions for debt, ratios, credit history and disputed accounts. See HUD 4155.1.4.C.2 for details.
- Refer any questions on any HUD employee loans to a DE Underwriter.
- See FHA Handbook 4155.1 REV-5 for detailed FHA Guidelines.

Kinecta Client Product & Eligibility Matrix

Government Fixed Rate (Wholesale)

Subordinate Liens

- Subordinate existing junior liens provided the homeowner qualifies for making scheduled payments on all liens.
- If the junior lien is a HELOC, the maximum CLTV is based on the full credit line amount.

Adverse/Derogatory Credit

- Borrowers with adverse credit such as past due, collections liens, and charge-off accounts must provide a written explanation of the reasons for major adverse credit and any minor derogatory credit within the past two years.
- Consider the borrower's regard for credit obligations in the underwriting analysis, and document the reasons for loan approval.
- Payoff of collection accounts or charge-off accounts is not required unless required by FHA TOTAL Scorecard.
- The following events makes the loan ineligible for financing regardless of receiving an Approve/Accept FHA TOTAL Scorecard finding:
 - Delinquent Federal Debt (reported by CAIVRS, Public Records, GSA/LDP lists)
 - Previous mortgage foreclosure, deed-in-lieu, short sale on delinquent mortgage within the previous 3 years
 - The credit report indicates that the borrower is disputing any credit accounts or public records
- If the borrower's credit history reflects any slow payments, judgments and/or delinquent accounts, significant compensating factors will be needed for loan approval consideration in addition to a DU/Scorecard Accept.

Ineligible Transaction Types

- HUD 184 program - Indian Reservation Land
- FHA Construction Permanent Program
- Loans based on non-traditional credit history
- FHA refinance for borrower in a negative equity position
- Re-negotiated purchase agreements that increase the sales price after the original appraisal was completed (refer any questions to a DE Underwriter)
- HOPE for Homeowner's program
- Loans to non-profit organization borrower

Purchase

- Borrowers must contribute 3.5% investment towards the transaction from their own funds or from another acceptable source.
- 3-4 unit properties: net rents from all units (including primary) must be equal to or exceed mortgage payment (net rent is calculated using the allowable vacancy factor for the applicable FHA HOC).

Refinance

- Loan must be current
- 0x30 late mortgage payments within last 12 months

Kinecta Client Product & Eligibility Matrix

Government Fixed Rate (Wholesale)

Refinance Type	Guidelines
3-4 unit properties (all refinance types)	<ul style="list-style-type: none"> Use net rental income as the denominator in the self-sufficient test. Self-sufficiency ratio above 100% is not eligible. Net rent is HOC vacancy factor subtracted from gross rent of the subject property. Borrowers must sign the Respect to Hotel and Transient Use of Property agreement.
Rate/term	<ul style="list-style-type: none"> Obtain up to a 12-month or life of loan payment history via a Residential Mortgage Credit Report, Tri-Merged in-file credit report, cancelled checks, or VOM. Maximum mortgage amount available for borrowers who re-occupy the subject investment property less than 12 months prior to the loan application date: rate/term refinancing only with an LTV not to exceed 85% Regardless of HELOC age, if the borrower makes draws in excess of \$1000 within the last 12 months for purposes besides repairs and rehab of the subject property, the HELOC is ineligible for inclusion in the new loan.
Cash-out	<ul style="list-style-type: none"> Cash to borrower is limited to no more than \$200,000. Any co-borrower/co-signer added must also occupy the property. Borrowers must own and occupy the subject property as their primary residence for at least 12 months preceding the date of the loan application to obtain the max 85% LTV. If borrowers owned and occupied the subject property as their primary residence less than 12 months preceding the date of the loan application, the mortgage amount is limited to the lesser of either 85% of the appraised value or the sales price of when the property was acquired (excludes inheritance situations). Treat payoff land contracts or properties subject to ground rents as cash-out refinances on properties held in fee simple. See HUD Handbook 4155.1.2.B.6.a. No exceptions on any requirements.

Subordinate Financing

- Modified and existing subordinate financing may remain in place.

Modified Subordinate Lien	Existing Subordinate Lien
Many subordinate lien holders are requesting modification to the terms of the lien (typically a reduction in the amount of the lien) in exchange for remaining in a subordinate position. Modifying the subordinate lien in this manner often results in re-executing at a closing, which is acceptable and is not considered a new subordinate lien.	<ul style="list-style-type: none"> Existing subordinate (junior) HELOC: the maximum credit line must be subordinated at closing. Use the full HELOC line to calculate CLTV/HCLTV Subordinate existing junior liens provided the homeowner qualifies for making scheduled payments on all liens.

- Seller-held seconds not allowed.
- See HUD Handbook 4155.1 Chapter 5 Section C for subordinate financing details.
- A family member may provide a second mortgage for the borrower's entire down payment requirement, closing costs, pre-paid expenses and discount points.
 - The DE Underwriter must examine a sample of the Note and deed to verify that the family member is the actual lien holder.
 - A copy of the fully-executed note is required prior to closing for refinances and at closing for purchase transactions.

Kinecta Client Product & Eligibility Matrix

Government Fixed Rate (Wholesale)

Seasoning Requirements

All borrowers must be on title for at least six months.

Purchase	Rate/Term and Cash-Out Refinance
<p>90 days, unless eligible flipping waiver. All of the following requirements must be met:</p> <ul style="list-style-type: none"> If the property is selling for a 20% or greater increase from the original value, order a second full FHA appraisal from Reis Valuations (www.reisvaluations.com or 1-877-844-8573). The appraisal acknowledgement form must be completed for all appraisals obtained. Transaction must be arms-length. No conflict of interest between parties participating in the sales transaction. The seller must hold title to the property. LLCs, corporations, or trusts as sellers must operate in accordance with applicable state & federal law. No pattern of previous flipping activity exists for the subject property, as evidenced by multiple title transfers within a 12 month time frame. The loan file must include evidence that the property was advertised and marketed openly and fairly through an MLS listing, auction, or FSBO. 	<ul style="list-style-type: none"> If the property was not upgraded, the appraiser must provide appropriate explanation of the increase in property value since the prior title transfer. The 6-month seasoning is from the Note date of the current loan to the application date of the new loan. Follow HUD requirements 4155.2.4.7.

Reserves

1-2 Units	3-4 Units
Follow FHA Scorecard reserve requirements	3 months reserves

If aggregate amount on all financed properties exceeds \$3,000,000, 36 months reserves or maximum 50% LTV/CLTV is required.

Appraisal Requirements

- Full Interior/exterior is required.
- The appraiser must be on FHA approved appraiser list.
- The appraiser and the Appraisal must comply with FHA Appraisal Independency Policy.
- A standard full appraisal from REL Valuation or a FNMA field review form 2000 or FHLMC form 1032 performed by RELS is required. High Balance Loans require either:
 - A full FHA appraisal and a desk review with data verification
 - Fannie Mae Field Review form 2000 with Reis Valuations (www.reisvaluations.com or 1-877-844-8573)
- 3-4 unit properties require Fannie Mae form 1025.
- All new construction properties require a compliance certification completed by an FHA Fee Inspector.
- Appraisal reports more than 120 days old as of the date of the Note require an appraisal update, which includes an exterior inspection of the subject property and review of current market conditions to determine if the property declined in value since the date of the original appraisal.
- For more information, see Appendix D of Handbook 4150.2, available online at www.hudclips.org/cgi/index.cgi.

Kinecta Client Product & Eligibility Matrix

Government Fixed Rate (Wholesale)

HUD REO Properties

- Condos: an Individual Loan Level Certification for HUD REO properties is required (contact the DE Underwriter for details regarding this certification).
- All repairs that affect livability, safety, or structural soundness on a HUD REO must be completed prior to closing.
- The purchase contract for the property must have no restrictions of any kind.
- Either of these are required from Reis Valuations:
 - A standard full appraisal
 - Fannie Mae Field Review form 2000 or FHLMC form 1032

Assets

Borrowers must contribute 3.5% investment towards the transaction from their own funds or from another acceptable source.

Seller Contribution

- Maximum 6% seller contribution
- Seller-funded down payment assistance programs ineligible

Purchase Loans with Gift Funds

- Loan must receive TOTAL Scorecard "Approve/Accept."
- Gift funds are acceptable for use toward the down payment, closing costs, and prepaid fees.
- The gift must come from a close family member or someone with a long standing relationship with the borrower, and this must be documented.
- See HUD Handbook 4155.1 5.B. 2.c for details on cash gifts.

Assumable

Subject to conditions, fees, and rate adjustments

DTI

- Maximum DTI is 50%.
- DTI in excess of 50% requires an FHA TOTAL Scorecard Approve/Accept with compensating factors.

First Time Homebuyer

Eligible

Geographic Restrictions

- Properties located in Special Flood Hazard Areas, areas determined by FEMA that are vulnerable to mass flooding and damage:
 - Mortgage will require Life-of-Loan flood zone determination services independent of assessments made by the appraiser.
 - Properties located in designated Coastal Barrier Resource Systems (CBRS) will not be eligible for FHA financing. Link to maps <http://www.fws.gov/habitatconservation/cbra2.html#Types>
- Refer to the appraisal to determine whether market conditions are stable.
- State variances: West Virginia requires an appraisal for all transactions.

Kinecta Client Product & Eligibility Matrix

Government Fixed Rate (Wholesale)

Non-Occupant Co-Borrower

Purchase	Cash-Out
Limited to 75% LTV if secured by 2-4 unit properties	Not allowed

Non-U.S. Citizen

Permanent Resident Alien	Non- Permanent Resident Alien
<ul style="list-style-type: none"> Same eligibility requirements as U.S. citizens Must provide a copy of the Alien Registration Card #I-551. 	Must have a Social Security Number and evidence that the borrower is eligible to work in the U.S., such as: <ul style="list-style-type: none"> An unexpired work authorization document issued by the U.S. Citizenship and Immigration Services (USCIS) A valid Employment Authorization Card #I-668B.

Refer to HUD Handbook 4155.1 REV-5 for specific requirements.

Number of Financed Properties

Up to four financed properties, including subject property

FHA-Mortgage Insurance Premium

Per Destiny

Property Types

Eligible Property Types	Ineligible Property Types
<ul style="list-style-type: none"> SFRs 1-unit PUDs 1-4 unit properties Condos 	<ul style="list-style-type: none"> Freddie Mac REOs Co-ops Manufactured homes Mixed Use Construction 2-4 unit PUDs Leaseholds Properties with a water purification system

Kinecta Client Product & Eligibility Matrix

General Underwriting Guidelines

- Underwrite to current Fannie Mae guidelines.
- Must be DU Approve/Eligible.
- Deed restrictions not allowed.
- In community property states where a spouse or registered domestic partner desires to maintain the property as his/her sole and separate property, the borrower must provide evidence of a newly recorded document to ensure clear title. The title company determines which document meets this requirement.

Buydowns

Not allowed

Community Seconds

Not allowed

Eligible States

AZ	IL	MN	OR
CA	IN	MO	PA
CO	KS	NJ	RI
CT	MA	NV	UT
FL	MD	NY	WA
IA	MI	OH	WI

Escrow Holdbacks

- Allowed on an exception basis.
- Only non-structural and non-safety issues will be considered.

Income

For all non-Agency mortgage products (including Jumbo Fixed Rate, Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM, Jumbo ARM, and Asset Utilization Jumbo ARM, Savings Advantage, and Piggyback HELOCs (behind a non-Agency first lien):

- Self-employed borrowers must provide all of the following documentation:
 - Signed, dated 1040 personal federal tax returns, with all applicable tax schedules for the most recent two years
 - For a corporation, S corporation, or partnership, signed copies of federal business income tax returns for the last two years, with all applicable tax schedules.
 - Year to date Profit and Loss (P&L) statement and balance sheet
- The borrower must provide all the following documentation to prove rental income:
 - IRS Form 1040 Schedule E
 - Current leases/rental agreements for all properties listed on 1040 personal federal tax returns regardless of property type

These requirements **do not** apply to Agency mortgage products. For Agency mortgage products, Underwriters will continue to underwrite to Agency guidelines and DU for rental income and self-employed income documentation requirements.

Loans on Owner-Occupied Properties

The borrower must:

- Occupy the property within 60 days of signing
- Occupy the property for at least 12 months after the date of occupancy

Kinecta must not originate multiple owner-occupied loans for the same borrower on different properties within 12 months unless the borrower is paying off or refinancing the existing owner-occupied loan.

Kinecta Client Product & Eligibility Matrix

General Underwriting Guidelines

Prepayment Penalty

Kinecta does not charge prepayment penalties.

Property Assessed Clean Energy Loans

Property Assessed Clean Energy (PACE) loans, such as the Home Energy Renovation Opportunity (HERO) program in California, finance purchase and installation of eligible energy efficient products in participating communities through the homeowner's property tax bill. These loans typically have automatic first lien priority over previously recorded mortgages.

Homes with PACE tax assessment liens are not eligible for purchase by Fannie Mae, Freddie Mac, or HUD unless the borrower pays the tax assessment lien in full to remove it from the property taxes.

Kinecta must attempt to qualify the borrower for either a cash-out or limited cash-out refinance to pay off the PACE tax assessment.

If the borrower is purchasing the property, the seller must pay the tax assessment lien in full to remove it from the property taxes.

Tax Transcripts

- Kinecta requires IRS transcripts on every loan as part of the income verification. The Underwriter determines the transcript type and number of years based on the loan product, the borrower's income sources, and DU Findings recommendations.
- For Agency and Government products, if the borrower is exclusively a W-2 wage earner and the DU Findings recommend W-2 documentation to substantiate income, only W-2 transcripts are required.
- For non-Agency products (Jumbo), when a borrower has 1120 and/or 1065 income, 1120/1065 transcripts are required.
- When a borrower has 1040 income, 1040 transcripts are required.
- DU Findings or product guidelines determine the number of years (one or two).
- Transcripts are required PTD.

Kinecta Client Product & Eligibility Matrix

2015 Revision History

Posted	Product	Modification
01/15/15	<ul style="list-style-type: none"> Agency ARM Super-Conforming ARM Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM Jumbo ARM Asset Utilization Jumbo ARM Savings Advantage 	Updated ARM qualifying rates to conform to Fannie Mae requirements.
01/15/15	HomePath	Removed the product.
03/03/15	Agency Fixed Rate	Corrected LTV/CLTV/HCLTV pay-off of second lien for a refinance.
03/03/15	<ul style="list-style-type: none"> Agency Fixed Rate DU Refi Plus Piggyback HELOC Fixed Second 	Removed the term limited cash-out, as it is redundant to rate/term.
03/03/15	<ul style="list-style-type: none"> Jumbo ARM Asset Utilization Jumbo ARM 	Changed the number of months with no draws for a rate/term refinance from 24 to 12 months, to match the Jumbo Fixed Rate.
03/03/15	Piggyback HELOC	Various updates, including: <ul style="list-style-type: none"> Added back refinance tables. Clarified minimum loan amount. Increased maximum loan amount to \$350,000.
03/03/15	Fixed Second	Clarified minimum loan amount.
04/01/15	<ul style="list-style-type: none"> Agency Fixed Rate Agency ARM Super-Conforming Fixed Rate 	Clarified LPMI coverage for first mortgages
04/01/15	All products except Piggyback HELOCs	Added transcript guidelines.
04/01/15	DU Refi Plus	Condensed tables due to removal of the term limited cash-out.
04/15/15	Piggyback HELOC	Increased the maximum loan amount to \$400,000.
04/15/15	<ul style="list-style-type: none"> Agency Fixed Rate Agency ARM Super-Conforming Fixed Rate Super-Conforming ARM Savings Advantage 	Updated student loan guidance.
06/17/15	All products	Editorial changes to enhance readability
06/17/15	DU Refi Plus	Added deadline.
06/17/15	<ul style="list-style-type: none"> Jumbo Fixed Rate Jumbo ARM 	Updated short sales requirements.
06/17/15	<ul style="list-style-type: none"> Jumbo Fixed Rate Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM Piggyback HELOC 	Updated DTI requirements.
06/17/15	<ul style="list-style-type: none"> Piggyback HELOC Fixed Second 	Provided guidance on a combo loan consisting of a Correspondent first lien and a Kinecta HELOC or Fixed Second.
06/26/15	Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM	Cleaned up LTV tables.

Kinecta Client Product & Eligibility Matrix

Posted	Product	Modification
08/06/15	<ul style="list-style-type: none"> • Super-Conforming Fixed Rate • Super-Conforming ARM 	Cleaned up DTI topic.
08/18/15	<ul style="list-style-type: none"> • Jumbo Fixed Rate • Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM • Jumbo ARM • Asset Utilization Jumbo ARM • Savings Advantage 	Updated short sale requirement from 36 months to 48 months.
09/08/15	<ul style="list-style-type: none"> • Jumbo Fixed Rate • Jumbo ARM 	Clarified collection/charge-off information.
09/08/15	General Underwriting Guidelines	<ul style="list-style-type: none"> • Updated the section. • Moved topics applicable to all products to this section. • Updated eligible states.
09/14/15	<ul style="list-style-type: none"> • Jumbo Fixed Rate • Jumbo to 90% 5/1, 7/1, 10/1 Non-Conforming ARM • Jumbo ARM • Asset Utilization Jumbo ARM • Savings Advantage 	Updated multiple financed properties guidance