

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

	FHA FIXED RATE
1. PRODUCT DESCRIPTION	<ul style="list-style-type: none"> FHA Fixed Rate Mortgage 5 to 30 year term in 5-year increments Fully amortizing
2. PRODUCT CODE	<ul style="list-style-type: none"> FHA Fixed Rate 15 Year (050) FHA Fixed Rate 30 Year (051) FHA Fixed Rate 15 Year \$100 Down (V38) - HUD REO Properties FHA Fixed Rate 30 Year \$100 Down (V39) - HUD REO Properties
3. INDEX	N/A
4. MARGIN	N/A
5. ANNUAL/ADJUSTMENT CAP	N/A
6. LIFE CAP	N/A
7. RATE AT ADJUSTMENT	N/A
8. CONVERSION OPTION	N/A
9. CONVERSION FEE	N/A
10. DELIVERY	Refer to GMAC Bank Broker/Correspondent Lending Manual for acceptable delivery time frame
11. TEMPORARY BUYDOWNS	<p>Annual</p> <ul style="list-style-type: none"> Purchases Maximum 1% per year Maximum 2% below note rate
12. QUALIFYING RATE AND RATIOS	<p>Ratios</p> <ul style="list-style-type: none"> AUS Approved loans – Ratios evaluated by AUS AUS Refer and manually underwritten loans – 31% / 43% The DTI ratio of 43% may be exceeded with significant compensating factors provided the DTI does not exceed 50% <p>Ratios >43% <=50% require significant documented compensating factors which may include:</p> <ul style="list-style-type: none"> Established history for the past 12-24 months of housing expense greater than or equal to the proposed housing payment Significant cash down payment (10% or more) on purchase of the property Demonstrated ability to accumulate savings and a conservative attitude toward the use of credit Previous credit history showing that the ability to devote a greater portion of income to housing expenses The borrower receives documented compensation or income not reflected in effective income, but directly affecting the ability to pay the mortgage There is only a minimal increase in housing expense Substantial documented cash reserves (at least 3 months) after closing. Substantial non-taxable income (if no adjustment was made previously in the ratio computations) Potential for increased earnings, as indicated by job training or education in the borrower's profession Purchase transaction as a result of relocation of the primary wage-earner, and the secondary wage-earner has an established history of employment, is expected to return to work, and the reasonable prospects exist for securing employment in a similar occupation in the new area. The underwriter must document the availability of such possible employment <p>With Temporary Buydown</p> <ul style="list-style-type: none"> AUS Approved loans – Ratios evaluated by AUS AUS Refer and manually underwritten loans – 31% / 43% Qualify at Note Rate

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13. TYPES OF FINANCING	<ul style="list-style-type: none"> • Purchase Mortgages • Refinances (Refer to GMAC Bank Refinance Options for complete guidelines and specific details on eligibility, restrictions, maximum mortgage calculations on all refinance options). <ul style="list-style-type: none"> Rate and Term Refinance (No Cash Out) <ul style="list-style-type: none"> • One year seasoning on junior liens unless documentation is provided to verify junior lien incurred for home improvements Streamline Refinances (FHA to FHA) <ul style="list-style-type: none"> • May be done with or without an appraisal • At the time of loan application, the borrower must have made at least 6 consecutive payments on the FHA-insured mortgage being refinanced. • No satisfaction of junior liens • Please refer to GMAC Bank Refinance Options Matrix for details Equity Refinances <ul style="list-style-type: none"> • Maximum Base LTV is 85%. • Six-month seasoning requirement for all cash out refinances. The six month time frame is from the note date of the current loan to the application date of the new loan. In addition, all Borrowers on the new loan must have been in title for at least six months. • If the subject property has been owned less than 12 months preceding the date of the loan application as the borrower's principal residence, the mortgage amount is limited to the lesser of 85% of appraised value or 85% of the sales price of the property when acquired. • Properties owned free and clear may be financed as cash-out transactions • Not permitted in Texas 																																		
14. MAXIMUM LOAN AMOUNT	<ul style="list-style-type: none"> • Maximum Base Loan Amount cannot exceed the FHA Statutory Mortgage Limits for each county and under no circumstances will a county's mortgage limit be less than the "floor" or greater than the "ceiling" as outlined in the table below. • To be eligible for closing under Product Code (050), the total loan amount may not exceed the amounts listed in the "Highest Maximum" column <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%;"></th> <th style="text-align: center;">Lowest Maximum ("Floor")</th> <th style="text-align: center;">Highest Maximum ("Ceiling")</th> </tr> </thead> <tbody> <tr> <td rowspan="4" style="text-align: center;">Continental US</td> <td>1 unit</td> <td style="text-align: right;">\$271,050</td> <td style="text-align: right;">\$417,000</td> </tr> <tr> <td>2 unit</td> <td style="text-align: right;">\$347,000</td> <td style="text-align: right;">\$533,850</td> </tr> <tr> <td>3 unit</td> <td style="text-align: right;">\$419,400</td> <td style="text-align: right;">\$645,300</td> </tr> <tr> <td>4 unit</td> <td style="text-align: right;">\$521,250</td> <td style="text-align: right;">\$801,950</td> </tr> <tr> <td colspan="4" style="text-align: center;"> </td> </tr> <tr> <td rowspan="4" style="text-align: center;">Alaska & Hawaii</td> <td>1 unit</td> <td></td> <td style="text-align: right;">\$625,500</td> </tr> <tr> <td>2 unit</td> <td></td> <td style="text-align: right;">\$800,775</td> </tr> <tr> <td>3 unit</td> <td></td> <td style="text-align: right;">\$967,950</td> </tr> <tr> <td>4 unit</td> <td></td> <td style="text-align: right;">\$1,202,925</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Purchase Mortgages using Sections 203b, 223e, 234c, and 238c¹ (excluding purchase transactions which do not permit maximum financing) <ul style="list-style-type: none"> • Maximum Base Loan Amount is calculated as the lesser of: <ul style="list-style-type: none"> • Sales price or appraised value 			Lowest Maximum ("Floor")	Highest Maximum ("Ceiling")	Continental US	1 unit	\$271,050	\$417,000	2 unit	\$347,000	\$533,850	3 unit	\$419,400	\$645,300	4 unit	\$521,250	\$801,950					Alaska & Hawaii	1 unit		\$625,500	2 unit		\$800,775	3 unit		\$967,950	4 unit		\$1,202,925
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	<ul style="list-style-type: none"> • Minus any adjustments for excessive seller contributions/inducements to purchase • Multiplied by the appropriate LTV factor. (See #15 Loan Amount and LTV Limitations) • Purchase Transactions not Permitting Maximum Financing (e.g., some identity of interest, non-occupant co-borrower transactions) <ul style="list-style-type: none"> • Maximum Base Loan Amount is calculated as the lesser of: <ul style="list-style-type: none"> • Sales price or appraised value • Plus borrower paid allowable closing costs • Multiplied by the appropriate LTV factor (See #15 Loan Amount and LTV Limitations) • Refinance Transactions • Refer to HUD Handbook 4155.1 Rev 5 and the FHA Refinance Options Matrix for more details on calculating the maximum mortgage for refinance transactions <p>¹ Refer to Special Requirements and Restrictions for geographic areas eligible for Section 238c processing.</p>																																																							
15. LOAN AMOUNT AND LTV LIMITATIONS	<p>Purchase Mortgages using Sections 203b, 234c, 238c¹ (excluding purchase transactions which do not permit maximum financing) Regardless of the property state:</p> <ul style="list-style-type: none"> • Maximum Base LTV is 96.5% • Maximum LTV (after adding <i>financed</i> UFMIP) is 100% <p>Purchase Transactions not Permitting Maximum Financing</p> <ul style="list-style-type: none"> • Compute LTV based on appropriate program calculations. Refer to HUD handbook 4155.1 <p>Refinance Transactions - Refer to the GMAC Bank Correspondent Funding Refinance Options Matrix for specific details</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="5" style="text-align: center;">PURCHASE</th> </tr> <tr> <th style="width: 15%;">Units</th> <th style="width: 15%;">Maximum Base LTV</th> <th style="width: 15%;">Total LTV including UFMIP</th> <th style="width: 25%;">Maximum CLTV³ W/Sec Fin from Govt Agency/Non-Profit considered an instrumentality of government</th> <th style="width: 30%;">Maximum CLTV W/Sec Fin from a non-profit Govt Agency not considered an instrumentality of government</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1- 4 units</td> <td style="text-align: center;">96.5%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% (of Cost to Acquire)</td> <td style="text-align: center;">96.5% (of Appraised Value or sales Price)</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th colspan="5" style="text-align: center;">REFINANCES</th> </tr> <tr> <th colspan="5" style="text-align: center;">Rate/Term Refinance</th> </tr> <tr> <th style="width: 15%;">Units</th> <th style="width: 15%;">Maximum Base LTV/Loan Amount</th> <th style="width: 15%;">Total LTV including UFMIP</th> <th style="width: 25%;">Maximum CLTV³ (Subordination of Existing second lien)</th> <th style="width: 30%;">Maximum CLTV (New second lien)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1- 4 units</td> <td style="text-align: center;">97.75%</td> <td style="text-align: center;">99.50%</td> <td style="text-align: center;">Unlimited CLTV³</td> <td style="text-align: center;">Unlimited CLTV³</td> </tr> <tr> <th colspan="5" style="text-align: center;">Streamline Refinance With Appraisal</th> </tr> <tr> <td style="text-align: center;">1- 4 units</td> <td style="text-align: center;">97.75%</td> <td style="text-align: center;">99.50%</td> <td style="text-align: center;">Unlimited CLTV³</td> <td style="text-align: center;">N/A</td> </tr> <tr> <th colspan="5" style="text-align: center;">Streamline Refinance Without Appraisal</th> </tr> <tr> <td style="text-align: center;">1-4 units</td> <td style="text-align: center;">N/A/ New base mortgage cannot exceed the Original amount of the</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Unlimited CLTV³</td> <td style="text-align: center;">N/A</td> </tr> </tbody> </table>	PURCHASE					Units	Maximum Base LTV	Total LTV including UFMIP	Maximum CLTV ³ W/Sec Fin from Govt Agency/Non-Profit considered an instrumentality of government	Maximum CLTV W/Sec Fin from a non-profit Govt Agency not considered an instrumentality of government	1- 4 units	96.5%	100%	100% (of Cost to Acquire)	96.5% (of Appraised Value or sales Price)	REFINANCES					Rate/Term Refinance					Units	Maximum Base LTV/Loan Amount	Total LTV including UFMIP	Maximum CLTV ³ (Subordination of Existing second lien)	Maximum CLTV (New second lien)	1- 4 units	97.75%	99.50%	Unlimited CLTV ³	Unlimited CLTV ³	Streamline Refinance With Appraisal					1- 4 units	97.75%	99.50%	Unlimited CLTV ³	N/A	Streamline Refinance Without Appraisal					1-4 units	N/A/ New base mortgage cannot exceed the Original amount of the	N/A	Unlimited CLTV ³	N/A
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<p>¹ Refer to Section 34 - Special Requirements and Restrictions for geographic areas eligible for Section 238c processing.</p> <p>² Refer to the GMAC Bank Correspondent Funding Refinance Options matrix for additional LTV restrictions on cash-out refinances</p> <p>³ Maximum LTV/CLTV in West Virginia is 100%</p> <ul style="list-style-type: none"> • Refinances and Purchase Transactions not Permitting Maximum Financing <ul style="list-style-type: none"> • Compute LTV based on appropriate program calculations. Refer to HUD Handbook 4155.1 for more details <p>Purchase Transactions involving \$100 Down Payment on HUD REO Properties – Fixed Rate Only</p> <p>The total loan amount after adding UFMIP may exceed 100% of the appraised value up to:</p> <ul style="list-style-type: none"> • 101.75% without inclusion of repairs OR • 110% with inclusion of repairs (203bwith Repair Escrow) • Maximum LTV/CLTV in West Virginia cannot exceed 100% of the appraised value <p>The maximum mortgage amount for a property sold under the \$100 Down Payment sales Incentive Program is calculated as follows:</p> <ul style="list-style-type: none"> • Without inclusion of repairs (line 4 of sales contract indicates 203b) <ul style="list-style-type: none"> • Base Mortgage is calculated as the Purchase Price minus Minimum Down Payment (\$100) • Base LTV is calculated by dividing the base mortgage into the lower of sales price or appraised value • Total Loan Amount is the Base Mortgage plus UFMIP <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <tr><td>Purchase Price</td><td style="text-align: right;">\$100,000</td></tr> <tr><td>Appraised Value ("as is" from M&M Contractor)</td><td style="text-align: right;">\$101,000</td></tr> <tr><td>Minimum Down Payment</td><td style="text-align: right;">\$100</td></tr> <tr><td>Maximum Base Mortgage</td><td style="text-align: right;">\$ 99,900</td></tr> <tr><td>Base LTV</td><td style="text-align: right;">99.90%</td></tr> <tr><td>UFMIP (\$99,900 x 1.75%)</td><td style="text-align: right;">\$1,648.25</td></tr> <tr><td>Total Loan Amount (including UFMIP)</td><td style="text-align: right;">\$101,648</td></tr> <tr><td>Total LTV (Total loan amount divided by appraised value)</td><td style="text-align: right;">100.64%</td></tr> </table> • With inclusion of repairs (line 4 of sales contract indicates 203b with Repair escrow) <ul style="list-style-type: none"> • Base Mortgage is calculated as the Purchase Price minus Minimum Down Payment (\$100) • Base LTV is calculated by dividing the base mortgage into the lower of sales price or appraised value • Total Loan Amount is the Base Mortgage plus cost of repairs up to \$5,000 and UFMIP <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <tr><td>Purchase Price</td><td style="text-align: right;">\$100,000</td></tr> <tr><td>Appraised Value ("as is" from M&M Contractor)</td><td style="text-align: right;">\$101,000</td></tr> <tr><td>Minimum Down Payment</td><td style="text-align: right;">\$100</td></tr> </table> 					Purchase Price	\$100,000	Appraised Value ("as is" from M&M Contractor)	\$101,000	Minimum Down Payment	\$100	Maximum Base Mortgage	\$ 99,900	Base LTV	99.90%	UFMIP (\$99,900 x 1.75%)	\$1,648.25	Total Loan Amount (including UFMIP)	\$101,648	Total LTV (Total loan amount divided by appraised value)	100.64%	Purchase Price	\$100,000	Appraised Value ("as is" from M&M Contractor)	\$101,000	Minimum Down Payment	\$100
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16. SECONDARY FINANCING	<ul style="list-style-type: none"> • The borrower may receive secondary financing to cover the entire cash investment requirement from the following sources <ul style="list-style-type: none"> • Federal, state or local governmental agencies¹ • FHA Approved Non-Profit agencies that are <u>considered instrumentalities of government</u>¹ • Borrower may also receive secondary financing from FHA Approved non-profit agencies NOT considered instrumentalities of government provided the <u>borrower makes a cash downpayment of at least 3.5%</u> of the sales price¹ • Other organizations and private individuals may provide secondary financing provided the combined amounts of the 1st and 2nd liens <u>do not</u> exceed the applicable LTV ratio and the statutory mortgage limit for the area • Secondary financing funds may be provided by a family member² <ul style="list-style-type: none"> • 100% of funds for down payment, closing costs, prepaid expenses and discount points may be from a secured or unsecured loan from a family member • The interest rate on the second mortgage may not exceed the interest rate on the 1st mortgage • Refer to HUD Handbook 4155.1, Chapter 5 Section C <p style="margin-left: 20px;">¹ The Secondary Financing Program must be approved by GMAC Bank</p> <p style="margin-left: 20px;">²Family member defined as a parent, grandparent, or a child, including son, daughter, stepson, stepdaughter, legally adopted child and foster child)</p> <p>Secondary Financing using First-Time Homebuyer Tax Credits¹ Consistent with existing FHA policy listed above, Federal, state or local governmental agencies and FHA approved non-profit agencies that are considered instrumentalities of government are eligible to provide secondary financing based on the first-time homebuyer tax credit as long as the following conditions and all existing polices are met:</p> <ul style="list-style-type: none"> • The tax credit advance, when combined with the FHA-insured first mortgage may not result in cash back to the borrower. • The second lien may not exceed the total amount needed for the down payment, closing costs, and prepaid expenses. • Secondary financing may be “soft” (silent) or require a monthly repayment. • If payments are required, they must be included within the qualifying ratios and, when combined with the first mortgage, cannot exceed the borrower’s reasonable ability to pay. • Payments must be deferred for at least 36 months to <i>not</i> be included in the qualifying ratios. • If the secondary financing has a short term for repayment, it must also provide that if the borrower fails to repay by the designated deadline, principal and interest payments begin automatically or the loan converts to a “soft” second. • The secondary financing may not require a balloon payment before ten years. 																

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	<ul style="list-style-type: none"> • An eligible taxpayer must buy or enter into a binding contract to buy a principal residence on or before April 30, 2010 and close on the home by June 30, 2010. • All loans using the first-time homebuyer tax credit must be purchased and funded by GMAC Bank on or before June 30, 2010 • No tax credit is available if the purchase price of the home exceeds \$800,000. Note: FHA Limits must be followed. • Modified adjusted gross income for individuals is up to a maximum \$145,000; however, tax credit is reduced above \$125,000. • Modified adjusted gross income for joint filers is up to a maximum \$245,000; however, tax credit is reduced above 225,000. • The definition of a purchase excludes property acquired from a related person • Home cannot be acquired by gift or inheritance • Non-resident aliens are ineligible for credit • In order to track the tax credit activities, the following information and supporting documentation must be obtained and kept in the loan file: <ul style="list-style-type: none"> ○ Name and EIN of the party providing the secondary financing ○ The amount of the anticipated credit from IRS Form 5405 ○ The amount the homebuyer paid for the secondary financing services • Complete the FHA FIRST-TIME HOMEBUYER TAX CREDIT CHECKLIST <p>¹ The Secondary Financing Program must be approved by GMAC Bank</p>
17. PROPERTY TYPES	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1-4 units <ul style="list-style-type: none"> • See Special Requirements/Restrictions for 3 & 4 unit properties • PUDs • Condos <ul style="list-style-type: none"> • Must be on FHA approved list or eligible for FHA spot loan approval (for case number assignments on or before February 2, 2010) <ul style="list-style-type: none"> • If not, subject project must be reviewed for project approval. Refer to the Correspondent Funding Client Guide for the HUD Review and Approval Process (HRAP) and Direct Endorsement Lender Review and Approval Process (DELRAP) • Site Condos do not require condominium project approval • Modular Pre-Cut/Panelized Housing <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Co-ops • Manufactured homes
18. OCCUPANCY	Primary Residence
19. GEOGRAPHIC LOCATION / RESTRICTIONS	<ul style="list-style-type: none"> • Continental US, Hawaii and Alaska • Loan amounts in West Virginia are prohibited where the value is less than the combined loan amount. Therefore, LTV/CLTVs cannot exceed 100%. • State specific regulatory requirements for all loans can be viewed at the following link. These restrictions supersede all underwriting guidelines set forth by GMAC Bank. State Specific Requirements
20. ASSUMPTIONS	Permitted – Credit worthy borrowers only
21. ESCROW WAIVERS	Not permitted

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22. PREPAYMENT PENALTY	Not permitted. However, if refinancing and the payoff check for the existing loan is not received by the servicing lender by the first day of the month, the lender may collect interest on the existing loan through the end of the month.
23. UNDERWRITING	<ul style="list-style-type: none"> • Loans must be underwritten by a DE Underwriter employed by GMAC Bank or by a GMAC Bank FHA Delegated Lender • May follow AUS Approve decision and documentation requirements. <ul style="list-style-type: none"> • Refer to Section 27 Credit for additional restrictions <p>Underwriting HUD Employee Loans</p> <ul style="list-style-type: none"> • If the applicant is an employee of HUD or a member of a HUD-employee's household (spouse, parent or child), the application must be submitted to the Homeownership Center for prior approval processing • The case number <u>must</u> be ordered via the FHA Connection as "HUD Processed" by entering "203" as the Section of the Act • The DE Underwriter employed by GMAC Bank or by a GMAC Bank FHA Delegated Lender should first review the loan file but not issue a decision • Submit a copy package of the credit file including the appraisal to the HOC in a bright colored binder clearly marked "HUD EMPLOYEE LOAN" • DO NOT SEND ORIGINALS. HUD will not return the package • Copies must be stamped as "true and certified" copies of the originals • Only the DE Underwriter is permitted to contact the HOC to discuss <p>Underwriting the HUD REO Loan (including properties sold under Special sales Incentives)</p> <ul style="list-style-type: none"> • The property is underwritten the same as other FHA mortgages. • Credit is evaluated the same as other mortgages, including calculation of the maximum mortgage, except the standard minimum investment requirement does not apply. This means the maximum LTV calculation does not apply. (refer to Section 15- Loan Amounts and LTV Limitation) • Complete the FHA Loan Underwriting and Transmittal Summary (HUD Form 92900-LT) the same as for any other purchase transaction <p>Automated Underwriting System/FHA TOTAL Scorecard</p> <p>The Automated Underwriting System may return an Ineligible recommendation due to the higher LTV and base mortgage amount. If the sole reason for the ineligibility is the LTV and the base mortgage amount:</p> <ul style="list-style-type: none"> • The Underwriter must make appropriate comments on the DU findings report next to the condition and in the Remarks section of the FHA Loan Underwriting and Transmittal Summary and proceed with the transaction.
24. PROCESSING STYLES	<ul style="list-style-type: none"> • Standard • Streamline

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

	FHA FIXED RATE
25. BORROWER ELIGIBILITY	<ul style="list-style-type: none"> • All borrowers must have a valid social security number. Validate the social security number using any one of the following: <ul style="list-style-type: none"> • Pay stub • W-2 • Passport • Valid tax returns • All borrowers must demonstrate 2 years of employment history <p>Permanent Resident Aliens</p> <ul style="list-style-type: none"> • Same terms as US Citizens • Evidence of lawful, permanent residency issued by the Bureau of Citizenship and Immigration Services (BCIS), formerly the INS. <ul style="list-style-type: none"> • Copy of the Alien Registration Receipt Card (Resident Alien card), I-551 <p>Non-Permanent Resident Aliens</p> <ul style="list-style-type: none"> • Primary residence • Borrower must be eligible to work in the U.S. • Evidence of valid Social Security number required • Evidence of residency and work status to be obtained through documentation from US Bureau of Citizenship and Immigration Services (BCIS) formerly INS <ul style="list-style-type: none"> • Copy of the Employment Authorization Card, I-688B. This card carries an expiration date. • A social security card is not acceptable as evidence of work status <p>Trust Agreements</p> <ul style="list-style-type: none"> • <u>Inter Vivos (Living) Trusts</u> <ul style="list-style-type: none"> • Refer to HUD Handbook 4155.1 • <u>Land Trusts</u> <ul style="list-style-type: none"> • Acceptable in states in which they are legally permitted, (such as Illinois) <u>as long as the true applicant mortgagor, the land trust beneficiary, executes the note, mortgage or deed of trust</u>
26. CO-BORROWERS	<ul style="list-style-type: none"> • Co-borrower does not have to occupy • Co-borrower must take title to the property <u>AND</u> sign the Note and the Mortgage • Co-signor <u>does not take title</u> to the property but <u>must</u> sign the loan application and the Note • The co-borrower or co-signor cannot be the seller, builder, real estate agent, etc • Loans involving non-occupant co-borrowers are subject to the following restrictions <ul style="list-style-type: none"> • One unit property if the LTV exceeds 75% • Co-borrower must be a close family member or have a long-standing relationship with the borrower <ul style="list-style-type: none"> • If the co-borrower is unrelated or does not have a long-standing relationship with the borrower, the maximum LTV is 75% • If a parent is selling to a child, the parent cannot also be the co-borrower with the child unless the new mortgage LTV is 75% or less. • Income, assets and debts from all borrowers (including co-signors) are used in qualifying • Co-borrower must have a principal residence in the US • Refer to HUD Handbook 4155.1 for details
27. CREDIT	<p>Housing (Mortgage/Rental) Payment History (PITIA) is inclusive of all liens regardless of position, as well as all occupancy types.</p> <ul style="list-style-type: none"> • AUS Approved loans – Credit evaluated by AUS, subject to clear CAIVRS, LDP and GSA search results <ul style="list-style-type: none"> • Housing (Mortgage/Rental) Delinquencies - Loans will be ineligible: <ul style="list-style-type: none"> • With one or more housing (mortgage/rental) delinquency of 60, 90, 120,150 days or greater reported within 12 months of the date of the credit report. • AUS Refer and manually underwritten loans

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

	FHA FIXED RATE
	<ul style="list-style-type: none"> • FHA Credit Standards apply, subject to clear CAIVRS, LDP and GSA search results. Refer to HUD Handbook 4155.1 for guidelines. • For purchase transactions: 12 month housing payment (mortgage/rental) history via a credit report, cancelled checks or VOM to reflect no more than 0 x 30 in the previous 12 months. • For refinance transactions: Refer to Refinance Options Matrix for housing payment history requirements • Non-Purchasing Spouses – Refer to #34 Special Requirements/Restrictions and HUD Handbook 4155.1 <p>Minimum Fico Score Requirements</p> <ul style="list-style-type: none"> • Regardless of AUS Decision and Manual Underwrite: 640 • Refer to FHA Refinance Options Matrix for additional requirements for refinance transactions • Non-traditional credit is ineligible
28. ASSETS	<p>Borrower Investment</p> <ul style="list-style-type: none"> • <u>Purchase Transactions with Maximum Financing - Sections 203b, 234c, 238c and 247</u> - except purchase transactions described below) <ul style="list-style-type: none"> • Minimum down payment is 3.5% of the sale price or appraised value, whichever is less • The 3.5% cannot be met by borrower-paid closing costs, prepaid expenses, commitment fees or discount points or premium pricing • <u>Refinances and Purchases not Permitting Maximum Financing</u> <ul style="list-style-type: none"> • No minimum borrower investment necessary • <u>Premium Pricing</u> <ul style="list-style-type: none"> • Prepaid expenses and/or closing costs may be paid with premium pricing • Lender funded buydowns may be paid with premium pricing as long as reduction is limited to 2% below the note rate <p>Seller Contributions</p> <ul style="list-style-type: none"> • 6% • Seller contributions limited to: <ul style="list-style-type: none"> • Buy down funds (if applicable) • Discount points • Seller-paid closing costs • Prepaid Expenses • UFMIP <p>Gifts</p> <ul style="list-style-type: none"> • Acceptable • Gift given in the form of CASH is not acceptable • Federal, State, local government agencies and FHA Approved non-profit agencies considered by FHA to be an instrumentality of the government may provide funds for down payment, closing costs and prepaid expenses • Charitable organizations may provide gift funds for down payment, closing costs and/or prepaid expenses. Funds derived from these sources cannot be used to payoff borrower's debts <ul style="list-style-type: none"> • Obtain Tax Identification Number for the charitable organization • Prior to loan underwriting approval, GMAC Bank must review the non-profit's gift documentation to ensure no repayment is required and no liens will be placed on the subject property as a result of the gift • Refer to HUD Handbook 4155.1 Section 5 for details

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

	FHA FIXED RATE
	<p>Reserves</p> <ul style="list-style-type: none"> • 1 & 2 units – None • 3 & 4 units – 3 months PITI • If using "significant reserves" as a compensating factor, a minimum 3 months PITI must be documented. • Only retirement accounts that are accessible for liquidation may be counted as reserves. Accounts that cannot be accessed for liquidation by the borrower until retirement age may not be counted as part of the borrower reserves
29. LIMITATIONS ON OTHER R.E. OWNED	<ul style="list-style-type: none"> • Borrower may own no more than one FHA loan with maximum financing • An eligible investor may own no more than seven rental units in a contiguous/adjacent area (defined as a 2-block radius)
30. APPRAISER REQUIREMENTS	<ul style="list-style-type: none"> • Appraisers must be on FHA's approved list on the FHA Connection with State Certification designation of Certified General or Certified Residential • When required, the second appraisal must also be completed by an FHA Approved Appraiser using Freddie Mac/Fannie Mae Form 70/1004. Refer to Section C602 C15 Property Flipping of the Correspondent Funding Client Guide for complete details • The assigned appraiser must perform the physical inspection of the property. He/she may not sign the appraisal performed by another appraiser
31. APPRAISAL REQUIREMENTS	<ul style="list-style-type: none"> • Refer to the National HOC Reference guide • Appendix D of Handbook 4150.2, CHG-1, Valuation Analysis for Home Mortgage Insurance for Single Family One- to Four- Unit Dwellings, has been updated and becomes effective for all appraisals performed on or after January 1, 2006. Revised Appendix D will be available online at: http://www.hudclips.org/cgi/index.cgi • All valuation conditions, including repairs, alterations and/or required inspections, will be reported within the appropriate section of the applicable Fannie Mae appraisal reporting form. <p>HUD REO Properties</p> <p>A new appraisal is not required unless one or more of the following applies:</p> <ul style="list-style-type: none"> • The current "as is" appraisal is over 6 months old and a valid HUD contract <u>was not executed prior to</u> the expiration date of the appraisal (In instances where the "as is" appraisal is more than 6 months old and a valid HUD sales contract <u>was executed prior to</u> the expiration date of the appraisal, the current "as is" appraisal should be used) • The current "as is" appraisal is over 6 months old and the purchasers have not already been approved for the loan • A copy of the appraisal was ordered from the "Marketing and Management (M&M) contractor" but the M&M contractor is unable to provide the report.

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

	FHA FIXED RATE																
32. MORTGAGE INSURANCE	<ul style="list-style-type: none"> • Mortgage Insurance is required on all loans. • New MIP factors apply for case numbers assigned on or after October 1, 2008 (Refer to the attached chart for details on UPMIP and monthly MIP) • The section of the Act under which the loan will be insured determines the mortgage insurance to be used. <ol style="list-style-type: none"> 1. Sections 203b, 203h and 234c (Condos) <ul style="list-style-type: none"> • Up Front MIP (UFMIP) is required • Monthly MIP is required • Refer to the attached chart for details on UPMIP and monthly MIP 2. Section 238c –Military Impact Areas <ul style="list-style-type: none"> • No Up Front MIP(UFMIP) is required • Monthly MIP is calculated at .50% of the base loan amount 																
33. INVESTOR ELIGIBILITY	FHA																
34. SPECIAL REQUIREMENTS / RESTRICTIONS	<p style="color: red;">Form 4506-T must be processed prior to closing.</p> <ul style="list-style-type: none"> • A new IRS Form 4506 T is required to be signed with the closing package as well as at application even when the form has been processed. <ul style="list-style-type: none"> • Refer to the GMAC Bank Broker Manual/ Correspondent Funding Client Guide for eligibility guidelines. <p>Section 238c - Mortgage Insurance in Military Impact Areas</p> <p>Geographic Restrictions</p> <ul style="list-style-type: none"> ▪ Section 238c loans are permitted in the following areas only: <table style="margin-left: 20px; border: none;"> <tr> <td style="padding: 2px;"><u>Georgia</u></td> <td style="padding: 2px;"></td> <td style="padding: 2px;"><u>New York</u></td> <td style="padding: 2px;"></td> </tr> <tr> <td style="padding: 2px;">Bryant</td> <td style="padding: 2px;">County</td> <td style="padding: 2px;">Jefferson</td> <td style="padding: 2px;">County</td> </tr> <tr> <td style="padding: 2px;">Camden</td> <td style="padding: 2px;">County</td> <td style="padding: 2px;">Lewis</td> <td style="padding: 2px;">County</td> </tr> <tr> <td style="padding: 2px;">Liberty County</td> <td style="padding: 2px;"></td> <td style="padding: 2px;">St.</td> <td style="padding: 2px;">Lawrence County</td> </tr> </table> <p>Refinancing a Section 238c Loan</p> <ul style="list-style-type: none"> ▪ Section 238c loans must be refinanced back into another 238c loan. <p>Mortgage Credit Certificate (MCC)</p> <ul style="list-style-type: none"> ▪ Mortgage Credit Certificate is not an eligible source of income. <p>CAIVRS, LDP and GSA Search</p> <ul style="list-style-type: none"> • Check the FHA Connection and document the results on the FHA Loan Underwriting and Transmittal Summary • A copy of the FHA Connection screen results for all searches must be in the loan file • If the name of any party to the transaction appears on any of the lists below, the application is not eligible for mortgage insurance. (An exception may be made when a seller appears on the LDP list and the property being sold is the seller's principal residence) <p>CAIVR System</p> <ul style="list-style-type: none"> • Access system for all borrowers on the transaction: All borrowers, co-borrowers and co-signors if applicable. Refer to HUD Handbook 4155.1 for further details <p>Limited Denials of Participation (LDP) List</p> <ul style="list-style-type: none"> • Examine/Search the list for all parties to the transaction: all borrowers, sellers, listing and selling real estate agents, Loan Officers. The appraiser, 	<u>Georgia</u>		<u>New York</u>		Bryant	County	Jefferson	County	Camden	County	Lewis	County	Liberty County		St.	Lawrence County
<u>Georgia</u>		<u>New York</u>															
Bryant	County	Jefferson	County														
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Liberty County		St.	Lawrence County														

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

	FHA FIXED RATE																													
	<p>termite co, and all licensed professionals contracted to provide mechanical certifications such as heating, plumbing, air conditioning, roofing and electrical companies should also be searched</p> <p>Government Services Administration's (GSA) Lists of Parties Excluded from Procurement or Non-procurement Programs</p> <ul style="list-style-type: none"> Examine/Search the lists for all parties to the transaction: All borrowers, sellers, realtors, appraiser, etc <p>Ordering Case Numbers</p> <ul style="list-style-type: none"> All property types except condos <ul style="list-style-type: none"> Enter 703 as the ADP code on the Case Number Assignment Screen in FHA Connection Condos <ul style="list-style-type: none"> Enter 734 as the ADP Code on the Case Number Assignment Screen in FHA Connection <p>3 & 4 Unit Properties</p> <ul style="list-style-type: none"> Net rents from all units (including primary unit) must be equal to or exceed mortgage payment (Net rent is calculated using the allowable vacancy factor for the applicable FHA HOC) If the Appraiser uses the URAR (1004) the Gross Rent Multiplier Form must be completed. See HOC Reference Guide <p>Non-Purchasing Spouse in a Community Property State</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"></td> <td style="width: 25%; text-align: center;">Property</td> <td style="width: 25%; text-align: center;">State</td> </tr> <tr> <td colspan="3">List of Community Property States</td> </tr> <tr> <td>Arizona</td> <td></td> <td>New Mexico</td> </tr> <tr> <td>California</td> <td></td> <td>Texas</td> </tr> <tr> <td>Idaho</td> <td></td> <td>Washington</td> </tr> <tr> <td>Louisiana</td> <td></td> <td>Wisconsin</td> </tr> <tr> <td>Nevada</td> <td></td> <td></td> </tr> </table> <p>If property is located in a community property state, or the borrower resides in a community property state, the following requirements apply</p> <ul style="list-style-type: none"> A credit report for the non-purchasing spouse is required to determine any joint or individual debts. The spouse's authorization to pull a credit report must be obtained. If the spouse refuses to provide authorization for the credit report, the loan must be rejected <ul style="list-style-type: none"> Even if the non-purchasing spouse does not have a social security number, the credit reporting company <u>should verify</u> that the non-purchasing spouse has no credit history and no public records recorded against him/her. Credit Company should be given non-purchasing spouse information: Name(s), address, birth date and any other significant information requested in order to do the records check. Except for those obligations specifically excluded by state law (see chart below for AZ, NV, WI), the debts of the non-purchasing spouse must be considered in the qualifying ratios. If the debts are the sole responsibility of the non-purchasing spouse, do not consider debt in the DTI. The greater of the monthly payment amount or 5% of the outstanding balance if minimum payment is not reflected on credit report if the non-purchasing spouse must be included in the qualifying ratios <ul style="list-style-type: none"> Disputed debts of the non-purchasing spouse need not be counted provided the file contains documentation to support the dispute. Credit history of the non-purchasing spouse should not be the basis for declining the loan. <u>The FICO score for the non-occupying co-borrower is not considered for eligibility or MIP.</u> 										Property	State	List of Community Property States			Arizona		New Mexico	California		Texas	Idaho		Washington	Louisiana		Wisconsin	Nevada		
	Property	State																												
List of Community Property States																														
Arizona		New Mexico																												
California		Texas																												
Idaho		Washington																												
Louisiana		Wisconsin																												
Nevada																														
		Arizona	California	Idaho	Louisiana	Nevada	New Mexico	Texas	Washington	Wisconsin																				
When are Community	Married and domicile in	Same	Same	Same	Same	Same	Same	Same	Same	Determination date (either day of																				

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

FHA FIXED RATE										
	Property State laws effective	same state								marriage and /or date domicile was established in WI or 1/1/1986 and later (effective date of the Marriage Property Act)
	Include debts in DTI analysis (ratios)	Yes, exclusions apply (see below)	Yes	Yes	Yes, unless spouse agrees to waive Homestead rights	Yes, exclusions apply (see below)	Yes	Yes	Yes, exclusions apply (see below), as long as proceeds are not provided to non-purchasing spouse or joint assets of the spouse and non-purchasing spouse are used in the transaction.	Yes
	Exclude debts in DTI analysis if acquired prior to the marriage	Yes	No. Can only be excluded with a specific Pre-marital agreement	No. Can be excluded with a specific Pre-marital agreement	No. Can be excluded with a specific Pre-marital agreement	Yes	No. Can be excluded with a specific Pre-marital agreement	No. Can be excluded with a specific Pre-marital agreement	Yes, As long as proceeds are not provided to non-purchasing spouse or joint assets of the spouse and non-purchasing spouse are used in the transaction.	Yes
	The Non-purchasing Spouse Can Sign the Mortgage (VA ONLY)	No	Yes	Yes	No, if waiving Homestead rights	Yes	Yes	Yes	No	Yes
<p style="text-align: center;">Additional State Specific restrictions:</p> <p>Arizona The satisfaction of collections and judgments of non-purchasing spouses for FHA loans in AZ will no longer be required under the following circumstances:</p> <ul style="list-style-type: none"> The non-purchasing spouse is not contributing towards any of the down payment or costs on the transaction (including gifts or monies from joint accounts) The non-purchasing spouse signs the title disclaimer in order to prevent any judgments from attaching to the property. (Condition at closing). The non-purchasing spouse cannot sign the Deed of Trust/Security Instrument. 										

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

	FHA FIXED RATE
	<p><u>California</u></p> <ul style="list-style-type: none"> All delinquent debts, including those of the non-purchasing spouse, must be satisfied prior to or at closing. <p><u>Louisiana</u></p> <ul style="list-style-type: none"> The non-purchasing spouse is permitted to sign or intervene in the mortgage to indicate his/her intention to waive homestead exemption rights. Item #23 on the Mortgage addresses the Waiver of Homestead. When the non-purchasing spouse chooses to intervene in the mortgage to waive homestead exemption rights: <ul style="list-style-type: none"> A copy of the recorded document ("Waiver of Interest and Ownership"), evidencing such waiver, must be included in the loan file. This document is executed and recorded at the time of the execution of the sales contract. The Direct Endorsement Underwriter must condition the file (closing condition) for evidence that the non-purchasing spouse signed the mortgage as the "Intervenor" Exclude debts of the non-purchasing spouse in the qualifying ratios. <p><u>Washington</u></p> <ul style="list-style-type: none"> Debts of the non-purchasing spouse are excluded from the qualifying ratios if the non-purchasing spouse receives no money from the transaction. When no funds are received from the transaction, the non-purchasing spouse may Quit Claim his/her interest to the purchasing spouse. <p>Wood Destroying Insects/Organism Requirements FHA no longer mandates automatic inspections. Inspections are required if:</p> <ul style="list-style-type: none"> Evidence of active infestation Mandated by the state or local jurisdiction Customary to the area At lender's discretion
35. INTERNET LINKS	To access Mortgagee Letters, National HOC Reference Guide, HOC Letters, Handbooks, go to: HUD Forms, Handbook & Mortgagee Letters

GMAC BANK CORRESPONDENT FUNDING FHA FIXED RATE PRODUCTS

For Case Number Assigned on or after 10/1/2008				
LTV Loan Term	Purchases & Full Credit Qualifying Refinances (Rate/Term and Cash-Out)		Streamline Refinances (With and Without Appraisal, Credit Qualifying)	
	UFMIP	Monthly	UFMIP	Monthly
>95% Greater than 15years	1.75%	.55%	1.50%	.55
≤ 95% Greater than 15 years	1.75%	.50%	1.50%	.50%
≥ 90% Less than or equal to 15 years	1.75%	.25%	1.50%	.25%
≤ 89.99% Less than or equal to 15 years	1.75%	None	1.50%	None