



Direct Mortgage  
Wholesale™

## Program Guidelines

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# 6212 Program Guideline

Non-Conforming  
Fixed

# 6212

## Non-Conforming Fixed

<b>Employment Income</b>	<ul style="list-style-type: none"> <li>• IRS 4506-T signed at closing is required on each borrower for personal federal tax returns</li> <li>• Most recent calendar year tax return if the loan is submitted for approval or origination prior to April 15 of the current year.</li> <li>• Most recent calendar year tax return is required if the borrower derives anything other than the salaried income for qualifying.</li> <li>• No tax return extensions are accepted. For loans under \$1,000,000, follow LP/DU income guidelines. For loans of \$1,000,000 and over, document income following “rule of two” procedure.             <ul style="list-style-type: none"> <li>○ Salaried Borrowers: LP/DU feedback plus verbal VOE (Freddie Mac form 90)</li> <li>○ Non-Salaried Borrowers: LP/DU feedback plus Freddie Mac Form 91 or Fannie Mae Form 1084 (Cash Flow Analysis)</li> </ul> </li> <li>• Future income is not allowed as qualifying income.</li> <li>• Non-occupant co-borrowers are not allowed.</li> <li>• Trailing co-borrower income is not allowed.</li> </ul>
<b>Assets/Reserves</b>	<ul style="list-style-type: none"> <li>• Five Percent (5%) liquid assets must be from borrower personal funds and not derived from recent undocumented, unsecured, unstable or business sources.</li> <li>• Full 20% gift from related family member not occupying the residence is allowed if LTV is 80% or less and the loan amount is \$650,000 or less.</li> <li>• Loan amounts of \$650,001 or more do not allow gift funds.</li> <li>• Assets to close must be proven to be liquidated regardless of LP/DU feedback. Source of assets must be borrower’s stable personal accounts. Liquid assets are checking, savings, liquidated mutual funds, liquidated cash value of life insurance, liquidated sale of a third party validated asset (vehicle, home).</li> <li>• Business assets are never permitted as funds to close or as funds to cover reserves. Value of IRA’s, 401K’s, 529 plans, annuities, unused credit lines, property equity, gifts, future income or deferred income sources are not allowed as funds to close or reserves.</li> <li>• Liquid assets equal to at least 6 months of PITI are required on loans up to \$1,000,000. Loans of \$1,000,000 and over require assets of %10 of loan amount.</li> <li>• Payment Shock: If the proposed housing expense is doubling by more than the highest previous housing payment, liquid reserves of 9 months are required on loans up to \$1,000,000 and 15% of the loan amount if the new loan is \$1,000,001 or greater.</li> <li>• For loans up to \$1,000,000, follow LP/DU feedback for asset documentation. For loans of \$1,000,000 and over follow “rule of 2” procedure.</li> </ul>
<b>Liabilities/Ratios</b>	<ul style="list-style-type: none"> <li>• Maximum DTI is 45%. Pay off or pay down of debt to reach 45% is not allowed</li> <li>• Unless the current residence is sold prior to closing, the mortgage payment is included in the 45% DTI. No lease offsets, MLS listings, proposed or actual rental agreements or relocation contracts will be accepted to offset the debt.</li> <li>• Twenty-four (24) month documented residency history is required from a financial institution or rental management company.</li> <li>• No delinquent payments within the last 24 months will be accepted. Private financing or landlord references will be allowed only with consecutive 24 month canceled personal checks (front and back) proving on time and consistent house payments.</li> <li>• Derogatory public records including judgments or bankruptcies within the last 5 years will not be accepted.</li> </ul>

<p><b>Liabilities/Ratios</b></p>	<ul style="list-style-type: none"> <li>• Borrowers with deeds in lieu of foreclosure, short sales, or other deficiency judgments on prior residences will be considered as derogatory history and will not be accepted.</li> <li>• Credit score minimums are at least 700 for primary residence and increase based on risk and loan amount. Refer to chapter 9:6 for matrix.</li> <li>• Cash-out proceeds may not be used to meet reserve requirements.</li> <li>• Cash-out proceeds may not be used to pay down debt for qualifying.</li> <li>• Purpose of cash-out statement is requires from borrower.</li> <li>• Cash out is only permitted within Chapter 9:6 matrix and can only be provided by financial institutions.</li> <li>• Private or builder held secondary financing is not allowed.</li> <li>• Non-Conforming properties are bound by the provisions of the most recent Declining Market policy.</li> </ul>
<p><b>Appraisal</b></p>	<ul style="list-style-type: none"> <li>• All non-conforming appraisals are subject to the declining market policy if the property falls within a designated county as noted on the list published on the website OR if the appraiser indicates a 6 month marketing trend, declining value, or over-supply.</li> <li>• Loan amounts up to \$1,000,000 require one appraisal. Loans of \$1,000,000 or higher require two full standard appraisals.</li> <li>• Final acceptance of risk for property is at the discretion of DMC.</li> </ul>
<p><b>Declining Market Policy</b></p>	<ul style="list-style-type: none"> <li>• Property located in a <b>Declining</b> market requires a 5% LTV/TLTV reduction from maximum allowed financing for the property and transaction type. <b>The LTV/TLTV may not exceed 80%</b>. For example, if the maximum LTV for the application is 80% LTV and 90% TLTV, the maximum allowed in a <b>Declining</b> market is 75% LTV and 80% TLTV. If the maximum LTV for the application is 90% LTV and 95% TLTV, the maximum allowed in a <b>Declining</b> market is 80% LTV and 80% TLTV.</li> <li>• Property located in a <b>Severely Declining</b> market requires a 10% LTV/TLTV reduction from maximum allowed financing for the property and transaction type. <b>The LTV/TLTV may not exceed 75%</b>. For example, if the maximum LTV for the application is 80% LTV and 90% TLTV, the maximum allowed in a <b>Severely Declining</b> market is 70% LTV and 75% TLTV. If the maximum LTV/TLTV for the application is 90% LTV and 95% TLTV, the maximum allowed in a <b>Severely Declining</b> market is 75% LTV and 75% TLTV.</li> <li>• If property is not on the list and the appraiser indicates a declining market or an oversupply of properties, the LTV/TLTV must be reduced by 5%.The LTV/TLTV may not exceed an 80% LTV/TLTV.</li> <li>• If the appraiser indicates that the Marketing Time is “over 6 months” on a non-conforming appraisal, the underwriter will use discretion and will consider acceptable loan risk tolerance. This may result in a reduction in allowable loan amount for LTV maximums.</li> </ul>
<p><b>Geographic Restrictions</b></p>	<ul style="list-style-type: none"> <li>• This loan program is not eligible for properties located in California, Hawaii, or Miami-Dade County, Florida.</li> </ul>

Eligible Loan Products	Fixed Rate Eligible ARMs			
Ineligible Loan Products	Balloons			
<b>PURCHASE/NO CASH-OUT REFINANCE</b>				
<b>Primary Residence</b> (1-unit)	<u>Loan Amount</u> 90/90% to \$625,000	<u>Middle Credit Score</u> 700	<u>DTI</u> 45%	<u>Required Reserves</u> 6 months' PITI
	80/85% to \$1,000,000	700	45%	6 months' PITI
	75/80% to \$1,500,000	700	45%	10% of loan amount
	70/75% to \$2,000,000	720	45%	10% of loan amount
<b>Primary Residence</b> (2-4 units)	<u>Loan Amount</u> 60/65% to \$1,500,000	<u>Middle Credit Score</u> 740	<u>DTI</u> 45%	<u>Required Reserves</u> 10% of loan amount
<b>Second Home</b> (1 unit only)	<u>Loan Amount</u> 80/80 to \$650,000	<u>Middle Credit Score</u> 700	<u>DTI</u> 45%	<u>Required Reserves</u> 6 months' PITI
	75/75% to \$1,000,000	740	45%	6 months' PITI
	60/60% to \$2,000,000	740	45%	10% of loan amount
<b>CASH OUT REFINANCE</b>				
<b>Primary Residence</b> (1-unit) Max Cash-Out \$500,000	<u>Loan Amount</u> 75/75% to \$650,000	<u>Middle Credit Score</u> 700	<u>DTI</u> 45%	<u>Required Reserves</u> 6 months' PITI
	75/75% to \$1,000,00	740	45%	6 months' PITI
	60/60% to \$2,000,000	740	45%	10% of loan amount

## At Risk Markets 10-9-2009

State	County	Severely Declining	Declining
Alabama	Greene		x
	Hale		x
	Lawrence		x
	Lee		x
	Mobile		Removed
	Morgan		x
	Tuscaloosa		x
Arkansas	Benton		x
	Cleveland		Removed
	Crittenden		x
	Garland		x
	Jefferson		Removed
	Lincoln		Removed
	Madison		x
	Washington		x
Arizona	Coconino	x	
	Maricopa	x	
	Mohave	x	
	Pima	x	
	Pinal	x	
	Yavapai	x	
	Yuma	x	
Colorado	El Paso		x
	Larimer		x
	Mesa		x
	Teller		x
	Weld		x
Connecticut	Fairfield	x	
	Hartford		x
	Middlesex		x
	New Haven	x	
	New London	x	
	Tolland		x
Dist of Columbia	District of Columbia	x	
Delaware	Kent	x	
	New Castle	x	
Florida	Alachua	x	
	Baker	x	
	Bay	x	
	Brevard	x	
	Broward	x	
	Charlotte	x	
	Clay	x	
	Collier	x	
	Duval	x	

Add  
 Changed  
 Removed

	Escambia	x	
	Flagler	x	
	Gadsden	x	
	Gilchrist	x	
	Hernando	x	
	Hillsborough	x	
	Indian River	x	
	Jefferson	x	
	Lake	x	
	Lee	x	
	Leon	x	
	Manatee	x	
	Marion	x	
	Martin	x	
	Miami-Dade	x	
	Monroe	x	
	Nassau	x	
	Okaloosa	x	
	Orange	x	
	Osceola	x	
	Palm Beach	x	
	Pasco	x	
	Pinellas	x	
	Polk	x	
	St. Johns	x	
	St. Lucie	x	
	Santa Rosa	x	
	Sarasota	x	
	Seminole	x	
	Volusia	x	
	Wakulla	x	
Georgia	Baker		x
	Barrow		x
	Bartow		x
	Bibb		Removed
	Brantley	x	
	Bryan		x
	Burke		Removed
	Butts		x
	Carroll		x
	Chatham		x
	Cherokee		x
	Clarke		x
	Clayton		x
	Cobb		x
	Columbia		Removed
	Coweta		x
	Crawford		Removed
	Dawson		x
	Dekalb		x
	Dougherty		x
	Douglas		x
	Effingham		x
	Fayette		x
	Forsyth		x

	Fulton		x
	Glynn	x	
	Gwinnett		x
	Hall	x	
	Haralson		x
	Heard		x
	Henry		x
	Houston		x
	Jasper		x
	Jones		Removed
	Lamar		x
	Lee		x
	Liberty		x
	Long		x
	Madison		x
	McDuffie		Removed
	McIntosh	x	
	Meriwether		x
	Monroe		Removed
	Murray		x
	Newton		x
	Oconee		x
	Oglethorpe		x
	Paulding		x
	Pickens		x
	Pike		x
	Richmond		Removed
	Rockdale		x
	Spalding		x
	Terrell		x
	Twiggs		Removed
	Walton		x
	Whitfield		x
	Worth		x
Idaho	Ada	x	
	Boise	x	
	Bonneville		x
	Canyon	x	
	Gem	x	
	Jefferson		x
	Kootenai	x	
	Owyhee	x	
Illinois	Bond		x
	Boone		x
	Calhoun		x
	Clinton		x
	Cook	x	
	DeKalb	x	
	DuPage	x	
	Grundy	x	
	Jersey		x
	Kankakee		x
	Kane	x	
	Kendall	x	

	Lake	x	
	Macoupin		x
	Madison		x
	McHenry	x	
	St. Clair		x
	Vermillion		x
	Will	x	
	Winnebago		x
Indiana	Boone		x
	Brown		x
	Clay		x
	Dearborn		x
	Elkhart		x
	Franklin		x
	Gibson		x
	Hamilton		x
	Hancock		x
	Hendricks		x
	Howard		x
	Jasper		x
	Johnson		x
	Lake		x
	LaPorte		Removed
	Madison		x
	Marion		x
	Morgan		x
	Newton		x
	Ohio		x
	Porter		x
	Posey		x
	Putnam		x
	Shelby		x
	St. Joseph		x
	Sullivan		x
	Tipton		x
	Vanderburgh		x
	Vermillion		x
	Vigo		x
	Warrick		x
Kansas	Douglas		x
	Franklin		x
	Geary		Removed
	Johnson		x
	Leavenworth		x
	Linn		x
	Miami		x
	Pottawatomie		Removed
	Riley		Removed
	Wyandotte		x
Kentucky	Boone		x
	Bracken		x
	Campbell		x
	Gallatin		x

	Grant		x
	Hardin		x
	Henderson		x
	Kenton		x
	Larue		x
	Pendleton		x
	Webster		x
Louisiana	Jefferson		x
	Lafourche		Removed
	Orleans		x
	Plaquemines		x
	St. Bernard		x
	St. Charles		x
	St. John the Baptist		x
	St. Tammany		x
	Terrebonne		Removed
Maine	Androscoggin	x	
	Penobscot		x
	Cumberland		x
	Sagadahoc		x
	York		x
Maryland	Anne Arundel	x	
	Baltimore	x	
	Baltimore City	x	
	Calvert	x	
	Carroll	x	
	Cecil	x	
	Charles	x	
	Frederick	x	
	Harford	x	
	Howard	x	
	Montgomery	x	
	Prince George's	x	
	Somerset		x
	Queen Anne's	x	
	Washington	x	
	Wicomico		x
Massachusetts	Barnstable		x
	Berkshire		x
	Bristol	x	
	Essex		x
	Franklin	x	
	Hampden	x	
	Hampshire	x	
	Middlesex		x
	Norfolk		x
	Plymouth		x
	Suffolk		x
	Worcester	x	
Michigan	Barry	x	
	Bay	x	

	Berrien		x
	Calhoun		x
	Cass		x
	Clinton	x	
	Eaton	x	
	Genesee	x	
	Ingham	x	
	Ionia	x	
	Jackson	x	
	Kalamazoo		x
	Kent	x	
	Lapeer	x	
	Livingston	x	
	Macomb	x	
	Monroe	x	
	Muskegon		x
	Newaygo	x	
	Oakland	x	
	Ottawa		x
	Saginaw	x	
	St. Clair	x	
	Van Buren		x
	Washtenaw	x	
	Wayne	x	
Minnesota	Anoka	x	
	Benton		x
	Carlton		x
	Carver	x	
	Chisago	x	
	Dakota	x	
	Dodge		x
	Hennepin	x	
	Isanti	x	
	Olmsted		x
	Ramsey	x	
	Scott	x	
	Sherburne	x	
	St. Louis		x
	Stearns		x
	Wabasha		x
	Washington	x	
	Wright	x	
Mississippi	Desoto		x
	Forrest		x
	George		x
	Hancock		x
	Harrison		x
	Jackson		x
	Lamar		x
	Marshall		x
	Perry		x
	Stone		x
	Tate		x

	Tunica		x
Missouri	Bates		x
	Caldwell		x
	Cass		x
	Clay		x
	Clinton		x
	Crawford		x
	Franklin		x
	Jackson		x
	Jefferson		x
	Lafayette		x
	Lincoln		x
	McDonald		x
	Platte		x
	Ray		x
	St. Charles		x
	St. Louis		x
	St. Louis city		x
	Warren		x
	Washington		x
Montana	Missoula		x
Nevada	Carson	x	
	Clark	x	
	Storey	x	
	Washoe	x	
New Hampshire	Hillsborough		x
	Rockingham	x	
	Strafford	x	
New Jersey	Atlantic	x	
	Bergen	x	
	Burlington	x	
	Camden	x	
	Cape May	x	
	Cumberland	x	
	Essex	x	
	Gloucester	x	
	Hudson	x	
	Hunterdon	x	
	Mercer	x	
	Middlesex	x	
	Monmouth	x	
	Morris	x	
	Ocean	x	
	Passaic	x	
	Salem	x	
	Somerset	x	
	Sussex	x	
	Union	x	
	Warren	x	
New Mexico	Bernalillo		x

	Dona Ana		x
	Sandoval		x
	Santa Fe		x
	Torrance		x
	Valencia		x
New York	Albany		x
	Bronx	x	
	Dutchess	x	
	Kings	x	
	Madison		Removed
	Nassau	x	
	New York	x	
	Onondaga		Removed
	Orange	x	
	Oswego		Removed
	Putnam	x	
	Queens	x	
	Rensselaer		x
	Richmond	x	
	Rockland	x	
	Saratoga		x
	Schenectady		x
	Schoharie		x
	Suffolk	x	
	Ulster	x	
	Warren		x
	Washington		x
	Westchester	x	
North Carolina	Anson		x
	Brunswick	x	
	Buncombe		x
	Cabarrus		x
	Cumberland		Removed
	Currituck		x
	Edgecombe		x
	Franklin		Removed
	Gaston		x
	Greene		x
	Haywood		x
	Henderson		x
	Hoke		Removed
	Johnston		Removed
	Madison		x
	Mecklenburg		x
	Nash		x
	New Hanover	x	
	Pender	x	
	Pitt		x
	Union		x
	Wake		Removed
Ohio	Belmont		x
	Brown		x
	Butler		x

	Carroll		x
	Clark		x
	Clermont		x
	Cuyahoga		x
	Delaware		x
	Erie	x	
	Fairfield		x
	Franklin		x
	Fulton		x
	Geauga		x
	Greene		x
	Hamilton		x
	Jefferson	x	
	Lake		x
	Licking		x
	Lorain		x
	Lucas		x
	Madison		x
	Morrow		x
	Medina		x
	Miami		x
	Montgomery		x
	Ottawa		x
	Pickaway		x
	Portage		x
	Preble		x
	Richland		x
	Stark		x
	Summit		x
	Union		x
	Warren		x
	Wood		x
Oklahoma	Comanche		x
Oregon	Benton		x
	Clackamas	x	
	Columbia	x	
	Deschutes	x	
	Jackson	x	
	Lane	x	
	Marion	x	
	Multnomah	x	
	Polk	x	
	Washington	x	
	Yamhill	x	
Pennsylvania	Berks		x
	Bucks		x
	Carbon	x	
	Chester		x
	Cumberland		x
	Dauphin		x
	Delaware		x
	Lancaster		x
	Lehigh	x	

	Montgomery		x
	Northhampton	x	
	Perry		x
	Philadelphia		x
	Pike	x	
	York		x
Rhode Island	Bristol	x	
	Kent	x	
	Newport	x	
	Providence	x	
	Washington	x	
South Carolina	Anderson		x
	Berkeley	x	
	Charleston	x	
	Dorchester	x	
	Greenville		x
	Horry	x	
	Laurens		x
	Pickens		x
	Spartanburg		Removed
	York		x
Tennessee	Bradley		x
	Cannon		x
	Cheatham		x
	Davidson		x
	Dickson		x
	Fayette		x
	Grainger		x
	Hamblen		x
	Hawkins		x
	Hickman		x
	Jefferson		x
	Macon		x
	Polk		x
	Robertson		x
	Rutherford		x
	Shelby		x
	Smith		x
	Sullivan		x
	Sumner		x
	Tipton		x
	Trousdale		x
	Williamson		x
	Wilson		x
Texas	Armstrong		Removed
	Bastrop		x
	Caldwell		x
	Carson		Removed
	El Paso		x
	Grayson		x
	Hays		x
	Hidalgo		x
	Potter		Removed

	Randall		Removed
	Travis		x
	Williamson		x
Utah	Davis		x
	Juab	x	
	Morgan		x
	Salt Lake	x	
	Summit	x	
	Tooele	x	
	Utah	x	
	Washington	x	
	Weber		x
Vermont	Chittenden		x
	Franklin		x
	Grand Isle		x
Virginia	Albemarle		x
	Alexandria (city)	x	
	Amelia		x
	Arlington	x	
	Bristol (city)		x
	Caroline		x
	Charles City		x
	Charlottesville (city)		x
	Chesapeake (city)		x
	Chesterfield		x
	Clarke	x	
	Colonial Heights (city)		x
	Cumberland		x
	Danville (city)	x	
	Dinwiddie		x
	Fairfax	x	
	Fairfax (city)	x	
	Falls Church (city)	x	
	Fauquier	x	
	Fluvanna		x
	Frederick	x	
	Fredericksburg (city)	x	
	Gloucester		x
	Goochland		x
	Greene		x
	Hampton (city)		x
	Hanover		x
	Harrisonburg (city)		x
	Henrico		x
	Hopewell (city)		x
	Isle of Wight		x
	James City		x
	King and Queen		x
	King William		x
	Loudoun	x	
	Louisa		x
	Manassas (city)	x	
	Manassas Park (city)	x	

	Mathews		x
	Nelson		x
	New Kent		x
	Newport News (city)		x
	Norfolk (city)		x
	Petersburg (city)		x
	Pittsylvania	x	
	Poquoson (city)		x
	Portsmouth (city)		x
	Powhatan		x
	Prince George		x
	Prince William	x	
	Richmond (city)		x
	Rockingham		x
	Scott		x
	Spotsylvania	x	
	Stafford	x	
	Suffolk (city)		x
	Surry		x
	Sussex		x
	Virginia Beach (city)		x
	Warren	x	
	Washington		x
	Williamsburg (city)		x
	Winchester City	x	
	York		x
Washington	Chelan		x
	Clark	x	
	Cowlitz	x	
	Douglas		x
	King	x	
	Kitsap	x	
	Pierce	x	
	Skagit		x
	Skamania	x	
	Snohomish	x	
	Spokane	x	
	Thurston	x	
	Whatcom		x
West Virginia	Berkeley	x	
	Brooke	x	
	Hampshire	x	
	Hancock	x	
	Jefferson	x	
	Marshall		x
	Morgan	x	
	Ohio		x
Wisconsin	Brown		x
	Columbia		x
	Dane		x
	Iowa		x
	Kenosha	x	
	Kewaunee		x

	Chippewa		x
	Eau Claire		x
	Fond du Lac		x
	Douglas		x
	Milwaukee		x
	Oconto		x
	Ozaukee		x
	Pierce	x	
	Racine		x
	Rock		x
	Sheboygan		x
	St. Croix	x	
	Washington		x
	Waukesha		x