

DU Refi Plus Overlay Conforming and High Balance

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1. Eligibility

Product Information

Product Description

A program of 15 or 30 year fixed, fully amortizing mortgage specifically designed to provide a flexible refinancing option for existing Fannie Mae-owned or securitized loans. This option is available for borrowers who have demonstrated an acceptable payment history on their mortgage but due to a decline in home prices, have been unable to refinance.

These transactions will be identified by FNMA with the following DU Findings Comment:

This loan casefile was underwritten according to the DU Refi Plus expanded eligibility guidelines offered on certain limited cash-out refinance loan casefiles where the borrower's existing loan is identified by DU as a Fannie Mae loan. This loan casefile must be delivered with Special Feature Code 147.

Overlay Requirements

All loans must follow conforming Agency Product Summary and guidelines and the FNMA High Balance Overlay, as applicable, unless specifically noted in this overlay.

Program Codes

DU Refi Plus 15 YR Fixed	WS-15DURP
DU Refi Plus 30 YR Fixed	WS-30DURP
DU Refi Plus High Balance 15 YR	WS-DURP-HB15
DU Refi Plus High Balance 30 YR	WS-DURP-HB 30

Maximum LTV and Credit Score Requirements

DU REFI PLUS Conforming		Rate/Term Refinance
Primary Residence		
Property Type	Maximum LTV/CLVT	Minimum Credit Score
1-4 Unit	95%/95%	640
Second Home		
1 Unit	95%/95%	680
Investment		
1-4 Unit	95%/95%	680
DU REFI PLUS High Balance		Rate/Term Refinance
Primary Residence		
1-2 Unit	95%/95%	640
Second Home		
1 Unit	95%/95%	680
Investment		
1-2 Unit	95%/95%	680

Mortgage Insurance

- If the existing loan *does not have mortgage insurance*, MI is not required on the new loan, regardless of LTV
- If the existing loan *has mortgage insurance* and the new LTV exceeds 80%, it is ineligible for financing through TMS Funding.

CLTV/Subordinate Financing

- TMS will allow CLTV as accepted by DU, not to exceed 95%.
- All subordinate liens must be subordinated or paid in full by borrower own resources. Can not use loan proceeds.
- No new subordinate financing allowed.

*Property Eligibility***Property**

Condominiums- Underwriter must certify property is not a Resort Condo or Condotel

Condominiums not available for High Balance

One to Four Unit Principal Residence

- One to Two Unit ONLY for High Balance

One Unit Second Home

One to Four Unit Investment Properties

- One to Two Unit ONLY for High Balance

PIW- Property Inspection Waivers-

- TMS will accept PIW waivers as allowed by DU, subject to the following:
- The Final Submission of the loan casefile submitted to DU resulted in a property fieldwork waiver.
- The property fieldwork waiver offer is not more than 90 days old based on the note date. If the DU Certificate will be more than 90 days old based on the note date the loan must be re submitted to DU.
- The property is not currently on the market for sale.
- Refinances where the most recent transaction was an REO Sale is not eligible for a Property Inspection Waiver.
- Borrowers must sign the Property Inspection Waiver Form found under "Forms" at www.tmsfunding.com
- Fee for PIW is \$75.00
- The following message should appear on the DU findings-
 - *Desktop Underwriter accepts the value submitted as the market value for the subject property on this limited cash-out refinance transaction where the borrowers existing loan is identified as a Fannie Mae loan. This loan is eligible for delivery to Fannie Mae without an appraisal or exterior-only property inspection if the DU Refi Plus property fieldwork waiver is exercised by the lender at the time of loan delivery to Fannie Mae. To exercise this waiver and be eligible for representation and warranty relief on the value, condition and marketability of the subject property, special Feature code 807 and the DU Casefile ID must be included in the loan delivery file. A fee will be charged to exercise this waiver.*

Borrower Eligibility

Occupancy

Owner Occupied, Second Homes & Investment

Borrower Requirements

All borrowers currently obligated on the existing loan must be borrowers on the new transaction. Additional borrowers may be added, but existing borrowers cannot be deleted.

Transaction Requirements

Rate/Term Refinance

Pay off first lien closing costs, discount points and any prepaid items, such as hazard insurance and property taxes for the current year. Incidental cash back may not exceed \$250.00. Any excess cash must be applied as a principal reduction of the new loan amount.

Benefit to Borrower

DU Refi Plus loans must provide a benefit to the borrower in the form of a reduced P & I payment or a more stable program (refinancing an ARM to a Fixed or shortening the term of the loan)

Financed Properties

Standard restrictions apply; refer to conforming fixed guidelines

Ineligible Transactions

- Cash out refinances
- Deleting Borrowers
- Loans not benefiting the borrower
- Loans with new subordinate financing
- Loans requiring M.I. to be transferred from existing loan to new loan
- Properties Currently Listed for Sale

2. Documentation

Underwriting Decision

All loans must be run through DU and receive and Approve/Eligible recommendation with the following: *This loan casefile was underwritten according to the DU Refi Plus expanded eligibility guidelines offered on certain limited cash-out refinance loan casefiles where the borrower's existing loan is identified by DU as a Fannie Mae loan. This loan casefile must be delivered with Special Feature Code 147.*

Fannie Mae Guidelines

All loans must meet Fannie Mae and TMS Guidelines. Loans that are underwritten using DU must be documented according to the requirements of the findings report.

Exceptions:

- **Salary/Bonus/Overtime:** Minimum of one current Paystub and a verbal VOE
- **Commission/Self-Employed:** One year's federal income tax returns.
- YTD P&L and balance sheet for applicable year(s) are required on self-employed borrowers whenever the closing date is more than 90 days after the most recent tax returns.
- A 4506-T must be executed before closing, with findings acceptably validated. An additional 4506-T must also be signed at closing.

Documents required from existing loan

Purpose	Documentation options or requirements
Confirm terms of existing loan	If payment coupon does not indicate loan type, provide the Note – to confirm the proposed refinance is providing a benefit to the borrower.
PIW waiver eligibility	If the last financing transaction was a purchase. HUD-1 or property recording information to confirm seller was not a foreclosing lender. Confirm from FEMA disaster list that the subject property county was not added as a disaster area within the last 12 months or since the subject property first lien financing, whichever is the most recent

Reserves

As required by DU.

Escrows

Required

Qualifying Ratios

Maximum qualifying ratios are determined by DU.

3. Credit

Credit and Credit Scores

All borrowers must have a minimum representative credit score as indicated in Product Eligibility Section.

Minimum trade lines

As required by DU

Mortgage History

Borrower must be 0X30 for the past 12 months on all mortgages.

Bankruptcy

- 48 months since discharge
- If multiple bankruptcies, 84 months since discharge

Foreclosure

- Includes Short Sales or Pre-Foreclosures, Short Pay-offs or Re-Structured Debt, Deed-in-Lieu of Foreclosures
- 84 months since discharge or final action

4. Process Requirements

Submissions

DU will determine if an appraisal is not required by this program by including the verbiage listed below. The Loan Submission form should indicate PIW Waiver and the borrower will be required to sign the PIW Waiver form found under the "Forms" Section of www.tmsfunding.com. If an appraisal waiver is not available a Full Appraisal with both interior and exterior inspection is required-FNMA Form 1004.

"Desktop Underwriter accepts the value submitted as the market value for the subject property on this limited cash-out refinance transaction where the borrowers existing loan is identified as a Fannie Mae loan. This loan is eligible for delivery to Fannie Mae without an appraisal or exterior-only property inspection if the DU Refi Plus property fieldwork waiver is exercised by the lender at the time of loan delivery to Fannie Mae. To exercise this waiver and be eligible for representation and warranty relief on the value, condition and marketability of the subject property, special Feature code 807 and the DU Casefile ID must be included in the loan delivery file. A fee will be charged to exercise this waiver."

Underwriting**PIW Waiver**

Underwriting will include a loan condition; "Loan has a PIW waiver. \$75.00 PIW fee to be charged at closing, borrower to sign PIW waiver form found on www.tmsfunding.com under "Forms".

Mortgage Insurance

DU 8.0 accurately determines if MI is required on loans exceeding 80% LTV. IF the DU findings say "Mortgage Insurance is not required on this loan," the loan may be accepted as DU Refi Plus loans without MI, and without requiring any additional information as to MI. *In all other cases, when the proposed LTV exceeds 80% and Mortgage insurance is required, the loan is not eligible for TMS Financing.*