

Minimum credit score: <b>620</b>	<b>Maximum Loan Amount**</b>	1 unit: 417,000 2 unit: 533,850	3 Unit: 645,300 4 Unit: 801,950	<b>Minimum Loan Amount</b>	<b>AUS: DU Approve/Eligible</b>
				\$75,000	

Standard Fixed, ARM <sup>4</sup>				
Principal Residence	Purpose*	Units	LTV	CLTV
	P	1	95% <sup>1</sup>	95%
		2	80%	80%
		3-4	75%	75%
	R	1	95% <sup>1</sup>	95%
2		80%	80%	
3-4		75%	75%	
C	1	85% <sup>2</sup>	85%	
	2-4	75%	75%	

Standard Fixed, ARM <sup>4</sup>				
Second Home	Purpose*	Units	LTV	CLTV
	P	1	90% <sup>1</sup>	90%
	R	1	90% <sup>1</sup>	90%
C	1	75%	75%	

Standard Fixed, ARM <sup>4</sup>				
Investment	Purpose*	Units	LTV	CLTV
	P	1	80%	80%
		2-4	75%	75%
	R	1	75%	75%
		2-4	75%	75%
C	1	75%	75%	
	2-4	70%	70%	

5/1 ARM I/O <sup>4</sup>				
Principal Residence	Purpose*	Units	LTV	CLTV
	P	1	70% <sup>3</sup>	N/A
	R	1	70% <sup>3</sup>	N/A
	C	N/A	N/A	N/A

5/1 ARM I/O <sup>4</sup>				
Second Home	Purpose*	Units	LTV	CLTV
	P	1	70% <sup>3</sup>	N/A
	R	1	70% <sup>3</sup>	N/A
	C	N/A	N/A	N/A

5/1 ARM I/O <sup>4</sup>				
Investment	Purpose*	Units	LTV	CLTV
	P	NA	NA	NA
	R	NA	NA	NA
	C	NA	NA	NA

\* Purchase ("P"), Limited Cash-Out Refinance ("R"), Cash-Out Refinance ("C")

Footnotes:

- LTVs > 80% are subject to MI availability and guidelines.
- Maximum DTI on cash-out is 45%.
- Minimum credit score 720. Twenty four months reserves required.
- ARMs ineligible in Massachusetts.

Loan Limits for Hawaii are as follows (subject to MI loan limits if LTV > 80%):

- 1 unit: \$625,500      2 unit: \$800,775
- 3 unit: \$967,950      4 unit: \$1,202,925

Minimum 620 credit score regardless of DU Findings

Minimum 600 sq ft for all units and property types

- Manufactured Homes, Non-warrantable condos, condos purchased at auction are ineligible.
- FL condos are limited to 80%/80% for O/O; 75%/75% for Second Homes (ARM loans - second home ineligible in FL);
- Investment condos in FL are not eligible.



Minimum credit score 620		Maximum LTV 95%	Minimum 1st loan amount: \$75k	AUS: DU Approve/Eligible
<b>Available Markets</b>	Eligible in all 50 states, except as follows: <ul style="list-style-type: none"> <li>Alaska, Guam, Puerto Rico, and the Virgin Islands are ineligible.</li> <li><b>Massachusetts ineligible when using an ARM product; must use fixed rate.</b></li> <li>Refer to Section 600 of Lending Guide for specific state restrictions</li> </ul>			
<b>Eligible Properties</b>	Single family residences, warrantable condos and PUDs, 1-4 family dwellings. SFR's on leased land are eligible, provided lease meets FNMA requirements. Refer to Section 600 of the Lending Guide for restrictions on FL condos. <b>ARMs:</b> The Condo Questionnaire for ARM products must be used for condominiums <b>AND</b> attached PUDs.			
<b>Ineligible Properties</b>	Non-warrantable condos, condos purchased at auction, non-warrantable PUDs, manufactured homes, modular homes, condotels, co-ops, working ranches, board and care homes, earth-berm homes, commercial properties, vacant land, leased land that does not meet FNMA requirements, unique properties, properties less than 600 sq ft including units less than 600 sq ft., investment condos in Florida. New condominium projects or condo conversions located in the state of Florida or Las Vegas, Nevada without a PERS approval. Newly converted non-gut rehab condo projects without a PERS approval. Attached condos with an LTV >80% are ineligible in Clark County, Nevada <b>ARMs:</b> Second homes secured by a condominium in Florida are ineligible. A Lender Full Review is required for all existing Florida condominium projects. A Limited Review is not acceptable. Properties with resale restrictions are not permitted. <b>Properties in Massachusetts using an ARM product. NOTE: Properties in MA eligible with fixed rate.</b>			
<b>Eligible Transactions</b>	Purchase, limited cash-out refinance, (rate/term) and cash-out refinances are eligible per program matrix. <b>ARMs:</b> Purchase transactions require proof the property seller has owned the property for 12 months. A transaction where the property has been sold within the last 12 months will require additional underwriter to review to ensure there has been no foreclosure bail-out, a distressed sale, inflated value due to unsubstantiated improvements, etc. Investment purchase transactions where the borrower does not currently own any other property, including a primary residence, the borrower must be qualified at the full PITIA payment. Rental income cannot be used to help qualify.			
<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>Non-arms length/at-interest transactions may be ineligible. Refer to Icon's Lending Guide Section 641.13 and 641.14 for eligibility requirements.</li> <li>Restructured loans are ineligible. A restructured loan is a mortgage loan in which the terms of the original transaction have changed resulting in the forgiveness of the mortgage or a restructure of the mortgage either through a modification or the origination of a new loan that results in any of the following:             <ul style="list-style-type: none"> <li>forgiveness of a portion of the principal and/or interest on either the first or second lien.</li> <li>application of a principal curtailment by or on behalf of the investor to simulate forgiveness.</li> <li>conversion of any portion of the original mortgage debt to a soft subordinate mortgage</li> <li>conversion of any portion of the original mortgage debt from secured to unsecured.</li> </ul> </li> <li>Second home and investment properties that are non-arms length transactions are ineligible.</li> <li>Purchase transactions where the Seller wants to lease back the subject property is not allowed.</li> <li>Conventional loan secured by a condominium using an FHA project approval.</li> <li>Interest-Only feature with subordinate financing</li> <li>Interest only on investment transactions.</li> <li>Cash-out on an Interest-Only transaction.</li> <li>ARM loan or IO product on a co-op.</li> <li>Investment property secured by a co-op</li> <li>Cash-out on a property with a deed restriction that is not the borrower's primary residence.</li> </ul>			
<b>Eligible Borrowers</b>	U.S. Citizens, permanent aliens, non- permanent resident aliens and FNMA eligible Revocable Inter-Vivos trusts are eligible. Non-permanent resident alien borrowers are required to provide an unexpired Employment Authorization Document (EAD) issued by the United States Citizenship and Immigration Services (USCIS) or one of the following unexpired visa types, H series, L, E-1, G series, or TN, as evidence of eligibility to work in the U.S.			
<b>Ineligible Borrowers</b>	<ul style="list-style-type: none"> <li>Foreign Nationals or borrowers with diplomatic immunity.</li> <li>Borrowers with no credit score and/or borrowers with alternative trades to meet credit requirements.</li> </ul>			
<b>Documentation Types</b>	Income and asset documentation is verified per DU Findings.			
<b>Automated Underwriting</b>	All loans require a DU "Approve/Eligible" Finding.			
<b>Credit Scores</b>	Fixed rate loans: Borrowers must meet the minimum credit score as outline on the matrix regardless of DU Findings. The lowest decision score among all borrowers is used for loan qualification. Borrower must have a minimum of one (1) credit score. <b>ARMs:</b> Each borrower must have a minimum of two (2) credit scores.			
<b>Rental/Mortgage Payment History</b>	Mortgage/rental payment history requirements are determined by DU Findings. Mortgage/rental rating cannot have any 60 or greater lates in the previous 12 months.			
<b>Credit History</b>	Trade line requirements are determined by DU Findings. Borrower must have good re-established credit since the bankruptcy and/or foreclosure. Foreclosures require a 7 year waiting period from the completion of the foreclosure action. Refer to Icon's Lending Guide Section 650.14.3 for detailed information regarding bankruptcy/foreclosure/deed-in-lieu of foreclosure and short sale requirements.			
<b>DTI</b>	<ul style="list-style-type: none"> <li>Maximum DTI per DU Findings for purchase and rate/term refinance transactions. Maximum DTI 45% for cash-out transaction regardless of DU Findings.</li> </ul>			
<b>Employment / Income</b>	A two year employment history with no gaps must be verified. Gaps greater than 30 days require a written explanation from the borrower. <ul style="list-style-type: none"> <li>Wage Earner / Salary Income:             <ul style="list-style-type: none"> <li>A 2 year employment history in the same line of work, as stated on the application, is required.</li> <li>A current paystub with YTD earnings and W2 are required regardless of DU Findings.</li> <li>A verbal verification of employment confirming the length of employment and position is required within 5 days of closing.</li> </ul> </li> <li>Self-Employed Income:             <ul style="list-style-type: none"> <li>Income documentation requirements are determined by DU.</li> <li>A verbal verification that the business has been in existence and operation for a minimum of 2 years is required within 5 days of closing.</li> </ul> </li> <li>Other sources of Income:             <ul style="list-style-type: none"> <li>Other source of income may be used to qualify. Documentation requirements are determined by DU. Verification of length of time received and continuation are verified per DU Findings.</li> </ul> </li> </ul> <b>ARMs:</b> <ul style="list-style-type: none"> <li>All disclosed non-taxable income <b>MUST</b> be grossed up.</li> <li>Royalty income requires a two (2) year history of receipt.</li> <li>Tip income must be documented with most recent two (2) year's personal income tax returns with all schedules.</li> </ul>			
<b>4506-T</b>	The 4506-T must be signed at application and at closing. Tax transcripts will be processed for the most recent 2-years unless DU Findings require less than 2-years of income and employment verification, then they will be processed for the most recent 1-year.			

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<b>MLS</b>	<ul style="list-style-type: none"> <li>Properties listed for sale within the last 6 months must have evidence the property is off the market. Borrower must provide written confirmation of intent to occupy the property if transaction involves a primary residence that was listed for sale within the previous 6 months.</li> <li>Maximum LTV for cash-out refinance is the lower of 70% or maximum LTV for product/occupancy/property type.</li> </ul>			
<b>Multiple Properties Owned</b>	<ul style="list-style-type: none"> <li>Fixed rate loans: Primary residence - no limit. <b>ARMs: Primary residence limited to a maximum of 4 properties owned.</b></li> <li>Second home and investment - maximum 4 financed properties including borrower's principal residence.</li> <li>If a property is held in the name of a corporation and borrower is the owner of the corporation, the property will not be included in the number of financed properties as long as there is no mortgage rating on the individual's credit report.</li> <li>Icon limits its exposure to a maximum of 4 loans per borrower with a total aggregate of \$2 million.</li> </ul>			
<b>Conversion of Principal Residence to Second Home or Investment Property</b>	<p>If borrower is retaining his current principal residence, the following applies:</p> <p><b>Current principal residence is pending sale</b> but the transaction will not be closed (with title transfer to a new owner) prior to the new transaction, then both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction. Borrower must have at least 6 months PITI reserves for both properties. 2 months PITI reserves are permitted provided the borrower has 30% equity in the current principal residence as evidence by a full appraisal or AVM. <b>BPOs are not allowed.</b></p> <ul style="list-style-type: none"> <li>Borrower can be qualified without using the PITI of the current principal residence provided borrower has 6 months PITI reserves for both properties (2 months with documented 30% equity) and lender has a copy of the executed sales contract for the current residence and there is evidence that all financing contingencies have been cleared.</li> </ul> <p><b>Conversion to a Second Home:</b></p> <ul style="list-style-type: none"> <li>Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction; and</li> <li>6 months of PITI for both properties is required to be in reserves. Lender may consider reduced reserves of no less than 2 months for both properties if there is documented equity of at least 30 percent in the existing property minus outstanding liens documented by a full appraisal or AVM. <b>BPOs are not allowed.</b></li> </ul> <p><b>Conversion to an Investment Property:</b></p> <p>Borrower may be qualified using 75% of the rental income to offset the mortgage payment if there is documented equity of at least 30% in the existing property minus outstanding liens documented by a full appraisal or AVM. <b>BPOs are not allowed.</b></p> <p>The rental income must be documented with:</p> <ul style="list-style-type: none"> <li>A copy of the fully executed lease agreement; and</li> <li>The receipt of a security deposit from the tenant and deposit into the borrower's account.</li> </ul> <p>If the 30 percent equity in the property cannot be documented, rental income may not be used to offset the mortgage payment.</p> <ul style="list-style-type: none"> <li>Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction; and</li> <li>6 months of PITI reserves for both properties is required.</li> </ul>			
<b>Assets</b>	<ul style="list-style-type: none"> <li>Fixed rate loans: Asset verification is required per DU Findings. <b>ARMs: If a VOD is provided for asset verification, 1-month's bank statement, at minimum, is also required regardless of DU Findings.</b></li> <li>All funds used to close the transaction must be disclosed on the application and input in DU. Funds coming from a source other than what is verified and disclosed are required to be re-run through DU and documented per the DU Findings.</li> <li>A copy of all funds used to close the transaction must be in the file at the time of closing/wire. Funds must be from a verified source.</li> </ul>			
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>LTVs &gt; 80%, gift funds are allowed only after the minimum down payment of at least 3% has been made from borrower's own funds.</li> <li>LTVs ≤ 80% per DU Findings.</li> <li>Not eligible on investment transactions.</li> </ul>			
<b>Cash Reserves</b>	<ul style="list-style-type: none"> <li>Reserve requirements are per DU Findings</li> <li>2-4 Unit primary home transactions require 6 months PITI cash reserves, when rental income from the units are used for qualifying.</li> <li>Minimum of 24 months reserves required based on fully amortizing PITI on Interest-Only transactions.</li> </ul>			
<b>Interested Party Contributions</b>	<ul style="list-style-type: none"> <li>Investment Property: 2%</li> <li>Primary Residence or Second Home: 75% CLTV or less = 9%; 75.01% CLTV - 90% CLTV = 6%; &gt; 90% LTV/CLTV = 3%.</li> </ul>			
<b>Amended Tax Returns</b>	<ul style="list-style-type: none"> <li>Tax returns filed prior to the application date: <ul style="list-style-type: none"> <li>The original filed tax return and the amended return are required. If the return was amended ≤ 60 days from the application, evidence of payment is required.</li> </ul> </li> <li>Tax returns filed after the application date: <ul style="list-style-type: none"> <li>Borrower to provide evidence of filing and payment (or ability to pay if the check has not cleared). Borrower must also provide a letter of explanation regarding the reason for the amended filing.</li> </ul> </li> </ul>			

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<b>Refinances</b>	<ul style="list-style-type: none"> <li>FNMA/FHLMC definition of cash out and limited cash-out refinance apply.</li> <li>6 month title seasoning required for all cash-out refinances transactions. Any refinance on the subject property must have closed 6 months prior to the application date of the new refinance transaction if the previous transaction was cash-out refinance.</li> <li>Limited cash-out refinance transactions use current appraised value to determine LTV/CLTV, regardless of the length of time the borrower has owned the property. Increase in property value must be supported.</li> <li>Cash-out refinance transactions use the current appraised value to determine LTV/CLTV when there is a lien against the property, regardless of the length of time the borrower has owned the property. If the property is owned free &amp; clear and was purchased within 6 - 12 months prior to the application date, the LTV is based on the lower of the sales price/acquisition price, documented by the HUD-1, or the current appraised value. Increase in property value must be supported. If the property was purchased within 6 months prior to the underwriting date, the loan is ineligible for cash out.</li> </ul>			
<b>Continuity of Obligation</b>	<ul style="list-style-type: none"> <li>To be eligible for a limited cash-out refinance, a continuity of obligation is required.</li> <li><b>A continuity of obligation exists when:</b> <ul style="list-style-type: none"> <li>At least one borrower on the existing mortgage is a borrower obligated on the new mortgage.</li> <li>The borrower on title has been on title (but is not on the existing mortgage) and has been occupying the subject property for at least 12 months and has paid the mortgage for the previous 12 months (cancelled checks, front and back, are required) or can demonstrate a relationship (spouse, relative or domestic partner) with the current obligor.</li> <li>The existing loan being paid off and the title have been held in the name of a natural person or a limited liability company (LLC) as long as the borrower was a member of the LLC prior to transfer. Transfer of ownership from or corporation to an individual does not meet the continuity of obligation requirement.</li> <li>The borrower recently inherited or was legally awarded the property (divorce/separation settlement).</li> </ul> </li> <li><b>If the borrower is on title (minimum 6 months) but there is no continuity of obligation, as detailed above, the loan will be treated as a cash-out refinance. The following applies:</b> <ul style="list-style-type: none"> <li>If the property is owned free &amp; clear and was purchased within 6 - 12 months prior to the application date, the LTV is based on the lower of the sales price/acquisition price, documented by the HUD-1, or the current appraised value.</li> <li>If the property is owned free &amp; clear and was purchased more than 12 months from the date of application, the LTV is based on the current appraised value.</li> <li>If the property has an exiting lien and the borrower has been on title for a minimum of 6 months the maximum LTV is 50%, based on the current appraised value.</li> </ul> </li> </ul>			
<b>Gift of Equity</b>	<ul style="list-style-type: none"> <li>Gifts of Equity are permitted provided the loan is a bona fide transaction.</li> <li>The gift of equity must be between family members (parent to a child, sibling to sibling, etc). A gift of equity between spouses is not permitted.</li> <li>A gift of equity may not be used to overcome a lack of continuity of obligation</li> <li>Ineligible on <b>second home</b> and non-owner occupied transactions.</li> </ul>			
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>Appraisal requirements per DU Findings. If a full appraisal is required it must include interior/exterior photos. NOTE: Properties located in Florida or Nevada will require a full appraisal, with interior/exterior photos, regardless of DU Findings.</li> <li>Form 1004 for SFRs and PUDs,</li> <li>Form 1073 for condos</li> <li>Form 1025, Small Residential Appraisal Income Report for 2-4 unit properties</li> <li>Form 1007, Market Rent Survey, required for investment properties for 1-unit properties.</li> <li>Form 216, Operating Income Survey, required for investment properties.</li> <li>Units must be a minimum 600 sq ft.</li> <li>Unit must contain a functional kitchen with a minimum of an oven/range and sink.</li> <li>With the exception of property located in Hawaii, all units must have a functional heat source.</li> <li>Market Condition Addendum is required on all appraisals</li> <li>Investment properties where the sales price or appraised value is &lt; \$100,000 will require a FULL second appraisal that is HVCC compliant be completed.</li> </ul>			
<b>Declining Markets</b>	<p>If the LTV &gt; 80%, the transaction is subject to MI guidelines and may require an LTV reduction. A property is considered to be in a declining market if:</p> <ul style="list-style-type: none"> <li>The appraiser states subject's market is declining or subject's neighborhood is declining.</li> <li>Web resources used by underwriting indicate the subject is in a declining market.</li> <li>MI specific declining market polices will apply &gt;80% LTV</li> </ul>			
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Eligible per DU Findings.</li> <li>Minimum term for 2nds is 5 years.</li> <li>Maximum term for 2nds is 30 years, with no call provision within the first 5 years. The term on the 2nd TD may not exceed the term of the 1st TD.</li> <li>Institutional financing must provide for minimum interest only payments, with no negative amortization.</li> <li>Seller carry back financing must provide for regular payments of principal and interest.</li> <li>Seller or financial institution may provide secondary financing. Seconds from other sources are not permitted.</li> </ul> <p>Refer to Icon's Lending Guide Section 680.02.19 Subordinate Financing for complete guidelines on subordinate financing eligibility.</p>			
<b>Interest-Only Feature Specific</b>	<ul style="list-style-type: none"> <li>1-unit primary residence and second home purchase and rate/term transactions only with a minimum credit score of 720. Cash-out is ineligible. Interest-only feature ineligible with a co-op.</li> <li>Maximum 70% LTV.</li> <li>Minimum of 24 months reserves required based on fully amortizing PITI.</li> <li>Subordinate financing ineligible.</li> </ul>			

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<b>Eligible Programs</b>	<ul style="list-style-type: none"> <li>Fixed Rate: 10, 15, 20, or 30 year term.</li> <li>ARMs: 3/1, 5/1, 7/1 ARMs available with 30 year term. LIBOR index. 3/1 caps: 2/2/6. 5/1 &amp; 7/1 caps: 5/2/5. <b>ARMs ineligible in MA.</b></li> <li>3 and 5 year ARMs: Qualify at the greater of the fully indexed, fully amortizing rate (index + margin) or the Note rate + 2%</li> <li>7 year ARM: Qualify at the Note rate.</li> <li>ARM: 5/1 Interest-Only. 30 year term with a 10 year IO period. Caps: 5/2/5. LIBOR index. Qualified at the greater of the fully indexed rate (index + margin) or the Note rate + 2% and the fully amortizing payment.</li> </ul>							
<b>Mortgage Insurance Coverage</b>	<p>LTVs &gt; 80% require Mortgage Insurance coverage per FNMA limits. Acceptable MI Companies are Essent, Genworth, MGIC, and Radian. All loans with LTVs &gt; 80% subject to MI guidelines and limitations. Refer to Section 700 of the Lending Guide for detailed information regarding MI.</p> <p>Eligible MI products:</p> <ul style="list-style-type: none"> <li>Borrower paid mortgage insurance (BPMI). Monthly, single and split premium are eligible. Split premium requires a minimum <b>680</b> credit score. Split premium is eligible on fixed rate products only. Refer to the chart below for credit score and premium requirements.</li> <li>Lender paid mortgage insurance (LPMI). Single-premium only. Eligible on fixed rate product only. Refer to Icon's rate sheet for required coverage amount and price adjusters.</li> </ul>							
<b>Split Premium Factors</b>						Split premium MI requires an upfront premium which is used to buy down the monthly premium. The monthly premium is determined by the upfront premium (cost) selected.		
<b>Upfront Cost</b>	<b>Monthly MI Premium ≥ 720</b>			<b>Monthly MI Premium 680-719</b>				
	80.01-85%	85.01-90%	90.01-95%	80.01-85%	85.01-90%			90.01-95%
0.75%	0.14%	0.24%	0.47%	0.21%	0.45%			0.77%
1.00%	0.05%	0.18%	0.40%	0.14%	0.36%			0.67%
1.25%	0.04%	0.12%	0.33%	0.08%	0.31%	0.61%		
<b>Required MI Coverage</b>								
		80.01-85%	85.01-90%	90.01-95%				
25 and 30 year term		12%	25%	30%				
10, 15 % 20 year term		6%	12%	25%				

<sup>1</sup> As defined by Fannie Mae.



***This guide is provided for your convenience and may not specify all rules and guidelines for a particular topic. Please reference Icon's Lending Guide for complete details or topics not addressed.***

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