ICON RESIDENTIAL

Portfolio High Balance Fixed Rate

Minimum credit score: **660** | Maximum LTV: **90%** | Minimum loan amount: **$417,001**

Maximum DTI: **45%** | Maximum CLTV: **90%** | Maximum loan amount: **$625,500*** | Doc type: **Full Doc**

Primary Residence						
Loan Type	**Units**	**LTV**	**CLTV**	**Min FICO**	**Loan Amount**	**Purpose**
Fixed	1-unit, PUD,Condo	90% [1]	90%	700	$625,500	P, R
Fixed	1-unit, PUD,Condo	75%	75%	660	$625,500	P,R
Fixed	2-4 units	75% [3]	75%	740	$625,500	P, R
Fixed	1-unit, PUD,Condo	60% [2]	60%	740	$625,500	C

Second Home						
Loan Type	**Units**	**LTV**	**CLTV**	**Min FICO**	**Loan Amount**	**Purpose**
Fixed	1-unit, PUD, Condo	65%	65%	740	$625,500	P, R
Fixed	2-4 units	N/A	N/A	N/A	N/A	N/A

Investment [4]						
Loan Type	**Units**	**LTV**	**CLTV**	**Min FICO**	**Loan Amount**	**Purpose**
Fixed	1-4 units	65%	65%	740	$625,500	P, R

* Maximum loan amount: Refer to HUDs website at: https://entp.hud.gov/idapp/html/hicostlook.cfm for eligible areas and loan limits that may be lower. Maximum loan amount can never exceed established limits for the property type and location.

Footnotes:

1. LTV's >80% are subject to MI availability and restrictions.
2. Maximum DTI is 45% on cash-out transactions.
3. 2-4 units maximum loan amount - refer to eFannieMae.com or HUDs website.
4. Investment properties acquired via auction require a 5% reduction in the LTV/CLTV

Florida Condominiums are limited to the following:

- Primary Residence - 80%/80%
- Second Home - 65%/65%
- Investment - ineligible

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Available Markets	Eligible in all 50 states, except as follows: • Alaska, Guam, Puerto Rico, and the Virgin Islands are ineligible. • Refer to Section 600 of Icon's Lending Guide for specific state restrictions
Eligible Properties	1-4 unit properties, single family residences, warrantable condos, and warrantable PUDs.
Ineligible Properties	• Manufactured homes, non-warrantable condos, investment condos in Florida, condotels & co-ops, non-warrantable PUD's, working ranches, board and care homes, earth-berm homes, commercial properties, vacant land. 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.
Eligible Transactions	• Purchase, Limited Cash out Refinance, and cash out refinances are eligible per program matrix. • Resale purchase transactions with less than 90 days seasoning.
High Balance Loan Geographical Eligible Areas	Only certain geographic areas and certain loan amounts are eligible for this program. Geographic eligibility and maximum loan amounts can be determined at: https://entp.hud.gov/idapp/html/hicostlook.cfm Note: In order to obtain the correct loan limits for this program, select "Fannie/Freddie" from the <Limit Type> field and Oct 1, 2011 - Dec 31, 2011 from the <Limit Year> field.
Ineligible Transactions	Non-arms length transactions may be ineligible. 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: • forgiveness of a portion of the principal and/or interest on either the first or second lien. • application of a principal curtailment by or on behalf of the investor to simulate forgiveness. • conversion of any portion of the original mortgage debt to a soft subordinate mortgage • conversion of any portion of the original mortgage debt from secured to unsecured. • Second home and investment properties that are non-arms length transactions are ineligible. • Conventional loan secured by a condominium using a FHA project approval.
Eligible Borrowers	U.S. Citizens, Permanent Resident Aliens, Non-permanent resident aliens and Fannie Mae Revocable Inter-Vivos trusts are eligible. First-time homebuyers with a recent 12 month housing payment. See First Time Homebuyer topic and Program Profile for additional information. Non-permanent resident aliens are required to provide either 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.
First Time Homebuyer	At Underwriter's discretion, a VOR and/or cancelled rent checks may be required.
Ineligible Borrowers	• Foreign Nationals and borrowers with diplomatic immunity • Borrowers with no credit score, or who do not meet minimum trade line requirements. • First-time homebuyers without a 12 month rental/mortgage payment history. • Non-occupying co-borrowers
Documentation Types	• Subject to DU Findings for employment and income documentation requirements.
Rental/Mortgage Payment History	• Verification of mortgage/rental history is per DU Findings. At underwriter's discretion, a VOR or cancelled checks may be required. • Mortgage/rental history must be verified for the previous 24 months if it does not appear on the credit report and is required by DU. Rental history can be verified through a legitimate property management company or cancelled checks. • First time homebuyers rental verification may be required. See FTHB section.
Credit Scores	• All borrowers whose income and/or assets are required to qualify must meet the minimum credit score requirements. Borrower must have a minimum of (1) credit score. If there are (3) credit scores for a borrower, the middle score is used. If there are (3) credit scores but two are duplicates, the duplicate is used. If there are (2) credit scores, the lower of the two scores is used. If there is (1) credit score, that score is used. The lowest decision score among all borrowers is used for loan qualification. • Minimum 720 credit score required for split premium MI.
Credit History	• No Major Adverse Credit reported in the past 24 months. • Collection and charge-off accounts, judgments, liens, delinquent property taxes, repossessions, garnishments and accounts showing 90 days or more delinquent are considered to be Major Adverse. (Note: adverse accounts over 24 months that do not affect title will not be considered in determining if borrower's credit is acceptable.) • Collections with total aggregate balance of less than $1000, and less than $250 per item are acceptable. Aggregate balance ≥ $1000 must be paid prior to close. • Tax liens, judgments or garnishments must be paid off, regardless of age.
Bankruptcy/Deed-in-Lieu/Short Sale	Refer to Icon's Lending Guide Section 650.14.3 for specific requirements.
Foreclosure	Requires a 7 year waiting period from the completion date of the foreclosure action. Exceptions may be made for extenuating circumstances. Refer to Icon's Lending Guide Section 650.14.3 for details.
Trade lines	• A minimum 2 year credit history. • A minimum of four rated trade lines. • One trade line must have been open and rated at least 24 months prior to application. • The other three trade lines must have been rated for at least 12 months. • All borrowers must meet minimum trade line requirements.
DTI	• Fully amortizing ARMS and Fixed Rate must be qualified at the Note Rate. • Maximum DTI per DU Findings with the exception of cash-out. Maximum DTI for cash-out transactions is 45% regardless of DU Findings.

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Cash Reserves	• Per DU Findings • When the subject property is a 2nd home or investment property, 6 months principal, interest, taxes, insurance and other assessments (PITIA) on all other financed properties required. • Business funds may not count toward required reserves. • Loan proceeds may not count toward required reserves.
Gift Funds	• > 80% LTV: Minimum 5% borrowers own funds required. • ≤ 80% No minimum required. • Document gift funds per DU Findings. • Gift funds are ineligible on investment transactions
MLS	• 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 occupyif the transaction involves a primary residence that was listed for sale in the previous 6 months. • Maximum LTV for cash-out refinance is the lower of 70% or maximum for product/occupancy/property type.

Interested Party Contributions	• Primary Residence and second home:
	  • > 90%: 3%
	  • 75.01% - 90%: 6%
	  • ≤ 75%: 9%
	• Investment Property
	  • Regardless of LTV: 2%

4506-T	• A completed and signed 4506-T is required. 4506-T will be processed per DU Findings.

Employment	• A two year employment history, with no gaps, must be verified. Gaps > 30 days require a written explanation from the borrower.
	• Wage earner/Salary Income
	  • A 2-year employment history, in the same line of work, as stated on the application, is required.
	  • Income documentation requirements are determined by DU.
	  • 4506-T will be processed per DU Findings.
	• Self-employed Income
	  • Income documentation requirements are determined by DU
	  • A verbal verification that the business has been in existence for a minimum of 2-years is required within 5-days of closing.
	  • 4506-T will be processed for the most recent 1-year or per DU Findings if more than 1-year required by DU. Tax returns that have been amended are ineligible.
	• Other Sources of Income
	  • Other sources of income may be used to qualify. Documentation requirements are determined by DU. Verification of length of time received and of continuation are verified per DU Findings.

Refinances	• FNMA definition of cash out and limited cash out refinance apply.
	· A continuity of obligation is required for limited cash out and cash out transactions. Refer to program profile for details.
	• 6 month title seasoning and 6 months mortgage payments required for all cash out refinances. 6 months seasoning already required for refinances in which the existing lien to be paid off was used for cash out.
	• Limited Cash Out transactions use current appraised value to determine LTV/CLTV, regardless of the length of time the borrower has owned the property.
	• Cash-Out – eligible for owner occupied transactions only. LTV based on the lower of sales price/acquisition or current appraised value if borrower on title less than 12 months.
	• Cash-out refinance on properties purchased within previous 6 months are eligible subject to the following:
	  • An "Approve/Eligible" Finding is required and transaction must meet all other cash-out requirements.
	  • Maximum amount of the new loan cannot be > the actual documented amount of the borrower's initial investment in purchaseing the property plus the financing of closing costs, prepaid fees, and points (subject to the limitation allowed by product)
	  • The original purchase transaction must have been an arms-length transaction.
	  • The HUD-1 from the original transaction must be provided to confirm there was no mortgage financing used to obtain the property
	  • The source of the funds to purchase the property can be documented (e.g. bank statements, personal lon documents, HELOC against another property, etc.)

Conversion or a Principal Residence to Second Home or Investment Property	• **Current principal residence** is pending sale but the transaction will not be closed (with title transfer to a new owner) prior to the new transaction. Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction. 6 months PITI reserves are required for both properties. 2 months PITI reserves for both properties are permitted provided the borrower has 30% equity minus any outstanding liens in the current principal residence documented by a full appraisal or AVM.
	BPOs are not allowed.
	Conversion to a Second Home:
	  • Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction; and
	  • 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 any outstanding liens documented by a full appraisal or AVM. **BPOs are not allowed**.
	Conversion to an Investment Property:
	Borrower can be qualified with up to 75% of the rental income being used to offset the mortgage payment if there is documented equity of at least 30% in the existing property minus any outstanding liens documented by a full appraisal or AVM.
	BPOs are not allowed.
	The rental income must be documented with:
	  • a copy of the fully executed lease agreement; and
	  • the receipt of a security deposit from the tenant and deposit into the borrower's account.
	If the 30% equity in the property cannot be documented, rental income may not be used to offset the mortgage payment.
	  • Both the current and the proposed mortgage payments must be used to qualify the borrower for the new transaction and
	  • 6 months of PITI for both properties is required for reserves.

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Multiple Properties Owned

- Primary residence - no limit
- Second home and investment - Borrowers with 5-10 financed properties are eligible. Full rental income documentation is required regardless of DU Findings. The following applies:
  - Minimum 740 credit score
  - No bankruptcy or foreclosure within the past 7 years
  - 0x30 mortgage lates within the past 12 months on any mortgage loan
  - Rental income must be documented with 2-years' signed federal income tax returns including Schedule E or for as long as the property has been owned if less than 2-years. If property was acquired subsequent to the tax return a copy of the lease agreement is required. If using the lease agreement to calculate monthly net rental income, only 75% of the gross rent may be used.
  - Rental income on subject property must be fully documented as noted above or by obtaining an appraiser's opinion of market rent, and if applicable, copies of the current lease agreements. The gross rental income from the property is equal to the lesser of the market rent determined by the appraiser or the current rent based on the existing lease agreement(s).
  - Reserve requirements per DU Findings.
- Icon limits its exposure to a maximum of 4 loans per borrower with a total aggregate of $2 million

Appraisals

- Appraisal requirements subject to DU Findings. NOTE: Properties located in the state of Florida and Nevada - full appraisal, with interior/exterior photos, is required regardless of DU Findings.
  - Form 1004 for SFRs and PUDs, Form 1073 for condos
  - Form 1007, Market Rent Survey, required for 1-unit investment properties

Field review required for:

- Appraised values ≥ $1mm and LTV/CLTV ≥ 75%
- Loan amount is ≥ $625,500 and the LTV/CLTV is > 80%

- Condominiums: appraiser to provide at least two sales outside of the subject project.
- Market Condition Addendum is required on all appraisals
- The appraiser performing the appraisal must be qualified to perform appraisals without oversight or supervision - NO TRAINEES allowed.
- Attached Condominiums require the appraiser to provide at least two comparable sales from outside the subject project and outside the influence of the developer, builder or property seller.

Note: Property Inspection Waivers are ineligible.

Subordinate Financing

- Eligible subject to DU Findings.
- Minimum term for 2nds is 15 years, with no call provision within the first 5 years.
- Terms must provide for minimum interest only payments, with no negative amortization.
- Seller or financial institution may provide secondary financing. Seconds from other sources not permitted.
- Seller carry seconds not permitted if FSBO.

Refer to Icon's Lending Guide Section 680.02.19 Subordinate Financing for complete guidelines on subordinate financing eligibility.

Eligible Programs

- Fixed rate: 15 and 30 year terms available
- ARMs are ineligible.

Mortgage Insurance Coverage

LTVs > 80% require Mortgage Insurance Coverage per standard FNMA limits through Genworth, MGIC and Radian. Standard Rates apply. Reduced Coverage or Lower Coverage MI is not available. Certain combination of features may be limited by MI Guidelines for mortgage insurance, including declining market restrictions. Refer to Section 700 of the Lending Guide for details.

Eligible MI products:

- Borrower paid mortgage insurance (BPMI). Monthly, single and split premium. Minimum 680 credit score with split premium MI.
- Lender paid mortgage insurance (LPMI) Single premium only. Eligible with fixed rate product only. Refer to Icon's rate sheet for required coverage amounts and price adjustors.

Split Premium Factor

Upfront Cost	Monthly MI Premium ≥ 720		Monthly MI Premium 680-719	
	80.01-85%	85.01-90%	80.01%-85%	85.01-90%
0.75%	0.14%	0.24%	0.21%	0.45%
1.00%	0.05%	0.18%	0.14%	0.36%
1.25%	0.04%	0.12%	0.08%	0.31%

Split Premium requires an upfornt premium (cost) which is used to buy down the monthly premium. The monthly premium is determined by the upfront premium selected.

Required MI Coverage

	80.01-85%	85.01-90%
25 and 30 year term	12%	25%
15 year term	6%	12%

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