

Minimum credit score: **620**

Maximum Loan Amount: **\$417,000**

Minimum Loan Amount: **\$75,000**

AUS: **DU Approve/Eligible**

Standard Fixed Rate			
Primary Residence ¹			
Purpose	Units	LTV	CLTV ²
Cash-out ³	1	80%	80%

A Texas Section 50(a)(6) mortgage is a mortgage originated under provisions of the Texas constitution which allows a borrower to take cash-out from a homestead property as long as specific requirements are met. Refer to the Program Notes for more detailed information.

Footnotes:

1. Property must be classified as a homestead under Texas law.
2. No new subordinate financing allowed.
3. Texas law determines if the mortgage is a Texas Section 50(a)(6) and the Texas definition of a cash-out refinance or a limited cash-out refinance may differ from standard agency definitions. Refer to the Program Notes for information.

Minimum 620 credit score and maximum 45% DTI regardless of DU Findings.

Minimum 600 sq ft for all property types



Copyright © 2010 Icon Residential Lenders, LLC.

This matrix is property of Icon Residential Lenders, LLC. It has been produced as a tool for use by mortgage professionals and should not be redistributed to the general public. Program parameters and pricing are subject to change without notice. Icon Residential Lenders, LLC Program Matrices are updated periodically. It is advisable to check the website for the most current matrix. Visit: www.iconwholesale.com

Minimum credit score 620 Maximum Ltv 80% Minimum 1st loan amount: \$75k AUS: DU Approve/Eligible	
Available Markets	The state of Texas
Eligible Properties	Single family residences, warrantable attached/detached condos and PUDs classified as a homestead under Texas law. The homestead must have access to and from a public roadway. Maximum 10 acres, no exceptions.
Ineligible Properties	Non-warrantable condos, non-warrantable PUDs, manufactured homes, condotels & co-ops, working ranches, board and care homes, earth-berm homes, commercial properties, property classified for agriculture use according to the ad valorem tax designation, properties exceeding 10 acres, vacant land, leased land, unique properties, properties less than 600 sq ft including units less than 600 sq ft., 2-4 units and properties without access to public roadway.
Eligible Transactions	<ul style="list-style-type: none"> Cash-out refinance. A DU "Approve/Eligible" Finding is required.
Ineligible Transactions	<ul style="list-style-type: none"> 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"> 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. Transactions secured by a second home and investment property. Conventional loan secured by a condominium using an FHA project approval. ARM products Interest-Only feature. Properties held in a trust. Government programs (FHA/VA) Transactions where title is held as Tenants in Common
Eligible Borrowers	<ul style="list-style-type: none"> U.S. Citizens, permanent resident aliens and non-permanent resident aliens. Acceptable evidence of legal right to work in the U.S. for non permanent resident aliens is an EAD (I-766 or I-688A card) with the applicant's photograph, one of the following valid visas: H-1A, H-1B, E-1, E-2, L-1, O-1, P-1, R-1, or TN. All borrowers must occupy the subject property.
Ineligible Borrowers	<ul style="list-style-type: none"> Foreign Nationals or borrowers with diplomatic immunity. Borrowers with no credit score and/or borrowers with alternative trades to meet credit requirements. Non-occupant co-borrowers.
Documentation Types	Full. Income and asset documentation is verified per DU Findings, however at minimum, a current paystub with YTD income, W2 and a VVOE is required.
Automated Underwriting	All loans require an "Approve/Eligible" Finding from DU.
Credit Scores	620, regardless of DU Findings. The lowest decision score among all borrowers is used for loan qualification.
Rental/Mortgage Payment History	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.
Credit History	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.
DTI	Maximum DTI 45% regardless of DU Findings.
Employment/ Income	<ul style="list-style-type: none"> A two year employment history with no gaps must be verified. Gaps greater than 30 days require a written explanation from the borrower. Wage Earner / Salary Income: <ul style="list-style-type: none"> 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. A paystub and W2 are required regardless of DU Findings. A verbal verification of employment confirming the length of employment and position is required within 5 days of closing. Self-Employed Income: <ul style="list-style-type: none"> Income documentation requirements are determined by DU. 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. Other sources of Income: <ul style="list-style-type: none"> 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. All disclosed non-taxable income MUST be grossed up. Royalty income requires a two (2) year history of receipt. Tip income must be documented with most recent 2 years personal income tax returns and all schedules.
MLS	<ul style="list-style-type: none"> 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. Maximum LTV for cash-out refinance is 70% when the property was listed for sale in the previous 6 months.
Multiple Properties Owned	Icon limits its exposure to a maximum of 4 loans per borrower with a total aggregate of \$2 million.
4506-T	The 4506-T must be signed at application and again at closing and 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.
Assets	<ul style="list-style-type: none"> Asset verification is required per DU Findings. 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. 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.
Cash Reserves	Per DU Findings

Minimum credit score 620	Maximum Ltv 80%	Minimum 1st loan amount: \$75k	AUS: DU Approve/Eligible
Cash-out Refinances	<ul style="list-style-type: none"> • Texas law determines if the mortgage is a Texas Section 50(a)(6) and their definition of a cash-out refinance or a limited cash-out refinance may differ from standard definitions. • 6 month title seasoning required for all cash out refinances transactions. • Cash-out refinance transactions use the current appraised value to determine LTV/CLTV, when there is a lien on the property, regardless of the length of time the borrower has owned the property. If the property is owned free & 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. • Twelve (12) month seasoning required when the existing loan is a Texas Section 50(a)(6) loan (first or second). • If the borrower has an existing Section 50(a)(6) second lien and the new first mortgage will be a cash-out then the existing second lien must be paid off. • The following are considered cash-out refinance transactions: <ul style="list-style-type: none"> • Borrower is paying off a first and/or second mortgage that is not a Texas Section 50(a)(6) loan AND getting cash-out from the refinance. • Borrower is paying off a first mortgage that is a Texas Section 50(a)(6) loan but is not getting any cash-out AND paying off a second lien that is not a Texas Section (50(a)(6) and was not used entirely to purchase the subject property or paying off a valid Texas home improvement loan. • Paying off a first mortgage that is not a Texas Section 50(a)(6) loan AND is paying off a second lien that is a Texas Section 50(a)(6) loan and: <ul style="list-style-type: none"> • The borrower is getting cash back from the refinance transaction, OR • The borrower is not getting cash-out but is paying off the Texas Section 50(a)(6) second mortgage. 		
Continuity of Obligation	<p>To be eligible for a limited cash-out refinance, a continuity of obligation is required.</p> <ul style="list-style-type: none"> • A continuity of obligation exists when: <ul style="list-style-type: none"> • At least one borrower on the existing mortgage is a borrower obligated on the new mortgage. • 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. • 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. • The borrower recently inherited or was legally awarded the property (divorce/separation settlement). • 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: <ul style="list-style-type: none"> • If the property is owned free & 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. • If the property is owned free & clear and was purchased more than 12 months from the date of application, the LTV is based on the current appraised value. • If the property has an existing 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. 		
Survey	<p>A survey or Survey Affidavit is required on all loans as follows:</p> <ul style="list-style-type: none"> • A Survey Affidavit, in lieu of a new survey, is acceptable if the original survey is ≤ 10 years old and the survey shows the property in its present condition and no changes in boundary lines, fences or other improvements have been made. The Survey Affidavit must be acceptable to the title company. • If the original survey is > 10 years old, a new survey will be required. The new survey must: <ul style="list-style-type: none"> • Provide a legal description of the property to be covered by the loan, • Exclude any property designated as "agricultural" or "timber" on tax records, • Be no more than 10 acres, • Show access to a public road, and • Exclude any rental use improvements or any other non-homestead use property. 		
Appraisals	<p>Full appraisal with interior and exterior inspection required regardless of the DU Findings. Acceptable forms are:</p> <ul style="list-style-type: none"> • Form 1004 for SFRs and PUDs, • Form 1073 for condos • Unit must be a minimum 600 sq ft. • Unit must contain a functional kitchen with a minimum of an oven/range and sink. • Market Condition Addendum is required on all appraisals. • The appraisal must be dated 120 days from the Note. If > 120 days from the Note, a new appraisal, with 3 additional comps, will be required. • The appraisal must not include any property other than the homestead. If adjacent land is owned by the borrower, the survey must indicate that the homestead is a separate parcel that does not exceed 10 acres. • Borrower(s) and lender must sign a written acknowledgement as to the fair market value of the property on the date the loan funds. A copy of the appraisal must be attached to the acknowledgement. 		
Subordinate Financing	<ul style="list-style-type: none"> • No new subordinate financing allowed. • Existing subordinate financing that is not a Section 50(a)(6) may be re-subordinated. 		

Minimum credit score 620		Maximum Ltv 80%		Minimum 1st loan amount: \$75k		AUS: DU Approve/Eligible	
Special Requirements and Restrictions	<ul style="list-style-type: none"> The proceeds from a Texas Equity Loan first mortgage must not be used to improve the homestead if a mortgage for that purpose could have been made under the authority of Article XVI, Sections 50(a) (1) through (5) of the Texas constitution. Only one Section 50(a)(6) loan may be secured by the property at any time. The fees and charges on the loan cannot exceed 3% of the loan amount. The 3% limit excludes prepaid items and YSP. Bona fide discount points used to reduce the interest rate are not included in the 3% however discount points used for closing costs must be included in the 3%. Fees to third parties (e.g. appraisal, credit report, origination, pest control, title report, title insurance, third party closing costs, survey, etc.) may be paid by the borrower but are part of the 3% limitation. If closing costs are > 3%, fees must be reduced prior to close. Refunds to the borrower are not permitted. Premium pricing is allowed if it is disclosed to the borrower at time of initial application. NOTE: For discount points charged on the HUD-1 Settlement Statement to be considered bona fide and not required to be part of the 3% test, the borrower must be provided a choice of an interest rate with or without discount points. If the borrower selects a rate that requires the payment of discount points, the borrower(s) will be required to sign an Election to Pay Discount Points affidavit at closing. The loan cannot close until twelve (12) days after the borrower has received and executed the Notice Concerning Extension of Credit. The loan file must contain the Notice Concerning Extension of Credit, individually signed and individually dated by all owners of the property and their spouses. The beginning of the 12-day waiting period will never begin prior to the following: <ul style="list-style-type: none"> The receipt of the full credit file, which includes the signed and dated Notice Concerning Extension of Credit. NOTE: If the signed a dated copy of the Notice Concerning Extension of Credit is not provided in the credit file, the 12-day waiting period will not begin until Icon receives the signed and dated Notice. There is a three (3) day right of rescission on all Section 50(a)(6) loans. The 3-day right of rescission cannot begin until the closing date, following the 12-day waiting period. There is no waiver of the rescission period. All individuals on title and their spouses must sign the Texas Home Equity Affidavit and Agreement (FNMA Form 3185). All spouses must execute the mortgage however they are not required to be on the Promissory Note. All individuals on title and their spouse must sign all Texas cash-out documents. Only homestead owners can be on title at closing. The borrower(s) must be provided a complete and accurate copy of the final HUD-1 or HUD-1A and closing cannot occur less than one (1) business day thereafter. Borrower(s) are required to sign the Borrower's Certification of Receipt of Settlement Statement and the Accuracy Thereof at closing. Any changes are made to the HUD-1 after the borrowers have signed will require an additional 24 hour waiting period. Borrower(s) must be provided with a copy of all documents signed at closing and are required to sign the Texas Home Equity Receipt of Documents. All loans must have a Texas Home Equity Loan Closing Instructions Addendum. A Texas Loan Policy of Title Insurance (Form T-2) is required. The policy must be supplemented by a Restrictions, Encroachments, Minerals Endorsement (Form T-19), an Equity Loan Mortgage Endorsement (Form T-42), including the optional coverage provided by paragraph 2(f) and a Supplemental Coverage Equity Loan Mortgage Endorsement (Form T-42.1). Deletions of the endorsements are not allowed The loan must be closed by an Icon approved attorney or an Icon approved title company, no exceptions. Power of Attorney not allowed. There are no restrictions on how loan proceeds may be used. 						
Prepayment Penalty	Not allowed.						
Assumable	No						
Eligible Programs	Fixed Rate : Fully amortizing 15 or 30 year term. Qualify at the Note rate.						

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.

Copyright © 2011 Icon Residential Lenders, LLC.

This matrix is property of Icon Residential Lenders, LLC. It has been produced as a tool for use by mortgage professionals and should not be redistributed to the general public. Program parameters and pricing are subject to change without notice. Icon Residential Lenders, LLC Program matrices are updated periodically. It is advisable to check the website for the most current matrix. Visit: www.iconwholesale.com