TPO PRODUCT GUIDE

TPO Product Guide

Wholesale & Correspondent Reference · A quick-reference guide for GMFS Partners clients

Version 9.3 Published August 2026
NMLS #64997

Let's Make Home Happen.

Announcements & Updates

GMFS updated our TPO Product Guide on 3/2026. Changes from the previous version include but are not limited to the following:

- ARM Details updated – see Conventional Products
- Other minor corrections and enhancements were made throughout the guide that were not material to the standard course of business.

Any announcements or updates that have been posted after the date of this guide supersede any information in this guide, as they will be included in the next update.

The Third Party Originator (TPO) Product Guide is applicable for all Wholesale and Correspondent Customers of GMFS. Please contact your District Director or Account Executive if you have any questions with respect to specific policies. Thank you for choosing GMFS LLC.

This Guide is intended for GMFS clients (mortgage professionals) only and is not for consumer distribution. Information in this guide is superseded by any subsequent bulletins or overlay matrices posted after the noted version and published date.

Table of Contents

SECTION 1

GMFS TPO Product Overview

Eligibility matrix, the product requirement summary, and general overlays that apply across programs.

Eligibility Matrix

› Product Eligibility Matrix — gmfspartners.com › Underwriting › Product Eligibility Matrix

Below is a summary of GMFS Overlays. Apply the following requirements along with additional requirements for unique programs such as High Balance, Streamline, etc. in the appropriate sections below.

> **NOTE** Information in this summary is not a complete representation of GMFS policy. In addition to applying these GMFS guidelines, clients must apply the Qualified Mortgage (QM) regulation, HUD, Freddie Mac and Fannie Mae guidelines to the appropriate program. For specialty products such as Jumbo or Grant Programs, please refer to separately provided guidelines. GMFS does not purchase/fund Section 32 loans.

GMFS Product Requirement Summary

Appraisal

Must use a GMFS approved AMC. The list is provided in the GMFS Correspondent or Wholesale Selling Guide, as applicable. To submit a new AMC for approval, contact your District Director for instructions. See Documentation Age (below) for additional appraisal requirements.

AUS / Credit

All CONVENTIONAL loans require AUS approval from DU/LPA or must meet the Conventional manual underwriting guidelines outlined below under Conventional Products.

- Conventional FICO 620 – Refer to Agency Guidelines where exceptions are made to their minimum FICO with AUS approval.
- Conventional Agencies allowing for the use of Average Median underwriting scores may be used for eligibility but must continue to use the lower median credit score to price.
- Manual Underwriting is eligible for Conventional conforming loans with FICO as low as 620 with additional restrictions.
- For future employment, GMFS allows Fannie Option 2 for eligibility and Freddie Option 1.
- Manual Underwriting is not eligible for Conventional High Balance loans.
- Non-Traditional Credit / No Credit Score – see Conventional Program section for specific credit requirements.
- USDA FICO as low as 620 with GUS Accept/Eligible or Refer/Eligible. All borrowers are required to have at least one credit score.
- FHA FICO as low as 580 with AUS approval (Manual Underwriting – see FHA product description in guide).
- VA FICO as low as 600 with AUS approval. Manual Underwriting is eligible for VA with minimum FICO of 620; Manual Underwriting is not eligible for VA High Balance loans, except IRRRLs.
- On all Programs (with the exception of the conventional no-credit program and USDA) – at least one borrower must have a minimum of two credit scores. Exceptions may exist on streamline products; see related sections below.

Community Seconds

Community Seconds for Down Payment are allowed in particular circumstances. Please contact Underwriting.

Debt Ratio

GMFS will not purchase loans outside of the QM Guidelines. These caps represent max DTI on QM-compliant loans. If not otherwise stated, GMFS follows AUS approval for DTI.

- ALL Manual and Section 35 are capped at 43% (VA is max 41% but can go to 43% with compensation factors).
- Conventional capped at 50% DTI (exclusions apply – see individual product manuals).
- USDA determined by GUS – for manual underwrite max DTI is 29/41 with non-traditional credit.
- VA is capped at 60% DTI with AUS approval.
- Additional DTI restrictions apply to FHA below 640; see FHA section of the guide for more details.

Disaster Policy

See Exhibit A at the end of this document for our disaster policy.

Documentation Age

Standard Agency requirements noted for your benefit:

Credit documents include credit reports and employment, income, and asset documentation. For all mortgage loans (existing and new construction), the credit documents must be no more than four months old on the note date. When consecutive credit documents are in the loan file, the most recent document is used to determine whether it meets the age requirement. For example, when two consecutive monthly bank statements are used to verify a depository asset, the date of the most recent statement must be no more than four months old on the note date.

When documenting with 30 days of consecutive paystubs, use the date of the most recent paystub to calculate the dates.

> **NOTE** Mortgage Note dates must be less than 30 days at time of submission and less than or equal to 120 days at time of loan purchase. Mortgage Note dates for files received between 30 and 120 days may be subject to exception pricing and require additional underwriting due diligence. USDA loans will not be eligible for purchase if the note date is greater than 45 days.

Geographical Restrictions

Florida Properties

Condos are restricted in the counties listed below — GMFS does not purchase loans on condominium units in those 7 counties. Max DTI is 50% on Investment properties. More restrictive condo review requirements apply — see the Fannie Selling Guide.

Illinois Properties

GMFS will not use any rental income for qualifying that is derived from a borrower's departing residence for properties in the state of Illinois, regardless of documentation provided.

Texas Properties

- Surveys required.
- Attorney must review loan package prior to closing; allow 48 hours.
- Client must have a separate approval from GMFS to offer TX50.

GMFS allows loans in the following states

Eligible States		
Alabama	Kentucky	Tennessee
Arkansas	Louisiana	Texas
Colorado	Mississippi	Utah
Florida**	North Carolina	Virginia

Eligible States		
Georgia	Oklahoma	
Illinois	South Carolina	

***Florida – Loans are restricted in the following counties: Broward, Lee, Palm Beach, Collier, Monroe, Hendry, and Miami-Dade.*

Geographical Restrictions (cont.) — Termite Certificate States

See the Insurance section of this guide for state-specific hazard insurance requirements for Illinois, Texas and Florida.

FHA — Termite Inspection Report required if any of the following exist: the purchase agreement requires one; the appraiser requires one; the appraiser notes a previous or active infestation of the property; the appraiser notes that the home has been treated for previous infestation; or another inspection reveals that a current or previous infestation exists or existed.

VA — Termite Inspection Report required for all loans excluding IRRRLs.

USDA — Termite Inspection Report required if the appraiser, inspector or State law requires the inspection to confirm the property is free of active infestation. A WDIR is also required if listed in the purchase agreement.

Income Restrictions

Borrowers cannot have any income linked or derived from the cannabis industry.

Multiple Properties

- For borrowers who own multiple properties, GMFS will not finance properties for borrowers who will have greater than 10 owned properties after the transaction.
- If borrowers on the loan, collectively, have ownership in more than 4 but up to 10 properties, then LoanBeam should be used for the rental income calculation on those loans prior to underwriting.

Non-owner / Multi-Unit

Non-Owner Occupied and/or 2-to-4 unit properties that do not require a Form 1007/216 must have documentation that indicates the current (or estimated market rent if not currently rented) rental amount of each unit of that property.

Occupancy Eligibility

See specific product description.

Property Type — General and Eligibility

- Recently listed properties must be off the market prior to the note date.
- Private Road requires Maintenance Agreements on Fannie Mae loans if LTV is > 70%.
- GMFS will not purchase loans where the mortgage contains private transfer fees.
- Unique property characteristics such as log, metal, earth, etc. are reviewed on a case-by-case basis with like comparables.
- No manufactured/mobile homes. No co-ops.

Property Type — Condo

Condominiums (eligibility matches Single Family unless otherwise noted below or in specific program parameters). Condos on investment property have the following restrictions: Min FICO 700 and cannot be located in a resort location.

- On Limited Review Condo — regardless of DU/LP findings the loan must meet Agency Guide. We recommend you review ineligible projects and specifically LTV restrictions for occupancy and/or state restrictions. DU/LP approval does not warrant condo acceptability.
- Conventional Condo must be Limited Review (DU) / Streamlined Review (LPA), or approved through Condo Project Manager (CPM), or meet Project Review Waiver Requirements (PIW & ACE).

- If Condo is not Limited Review (DU) or Streamlined Review (LPA), validation of CPM approval is required as part of the locking process and approval must specifically identify if it is eligible for Fannie/Freddie or both.
- To request CPM approval, have the HOA complete either the New or Established CPM submission form and submit to gmfscondos@gmfslending.com.
- Condo must be HUD approved for FHA; GMFS will not approve condos via DELRAP.
- Condo must be VA approved for VA.
- USDA Condo must be Fannie Mae, Freddie Mac, FHA or VA approved as applicable.

› FHA Condominium Lookup

› VA Condo/PUD Search

Tax Transcripts (4506-T Executed)

Conventional — Fixed or LPA ARMs — Tax return transcripts are not required to be executed, regardless of income source. GMFS will utilize the DU or LPA findings to determine income documentation requirements. If the loan has MI, must follow any MI overlay.

Conventional — DU ARMs — Tax return transcripts are required, regardless of income source.

FHA or VA Standard AUS Approved (also manual Streamline or IRRRLs when income is used to qualify) — Wage Earner (W2) and ≤25% Commission: tax return transcripts are not required; GMFS will utilize DU, LPA or TOTAL Scorecard findings. Self-Employed and >25% Commission: tax return transcripts are required.

FHA / VA Specialty and all FHA Manually Underwritten — Tax return transcripts are required, regardless of income source. If AUS findings result in a downgrade or documentation requirements change on resubmission, additional documentation will be assessed and required by the underwriter.

USDA/RD Standard GUS Approved or Jumbo — Tax return transcripts are required, regardless of income source. If amended tax returns are required to be filed, proof of filing amended tax returns must be obtained from the IRS prior to closing.

Conventional / Non-Agency — GMFS will follow investor guidelines related to the need for tax return transcripts. Refer to the applicable Program Guide for requirements.

Temporary Buydowns

Seller Paid Buydowns are available on Conventional, FHA, VA, and USDA non-specialty 30-year fixed purchase or rate-term refinance loans. Options include 3/2/1, 2/1, 1/1 or 1/0.

- Not eligible on investment properties.
- Minimum 640 FICO required on government loans.
- Buydown funds must be paid by the seller.
- Buydown must be reflected on the lock as BD-S.
- Buydown must be disclosed on the purchase agreement.
- Separate buydown agreement must be signed by the borrower, seller, and lender.
- 3/2/1 buydowns are limited to Conventional only and must have a 90% or lower LTV.

Lender Paid Buydowns are available on Conventional non-specialty 30-year fixed purchase or rate-term refinance loans. Options include 2/1, 1/1 or 1/0.

- Not eligible on investment properties.
- Buydown funds will be removed from the price of the loan.
- Buydown must be reflected on the lock as BD-L.
- Buydown must be disclosed on the purchase agreement.

- Separate buydown agreement must be signed by the borrower and lender.
- The GMFS Lender Paid Buydown Disclosure must be used.
- Streamline is not eligible for buydowns.

Title

Title must be in the name of the individual (no trust).

SECTION 2

Conventional Products

Conventional LTV matrix, ARM products, MI, LPA variances, manual underwriting, High Balance, HomeReady/Home Possible, RefiNow/Refi Possible, and non-traditional credit.

Conventional Products — Max LTV / CLTV / HCLTV

Product	Occupancy	# Units	Purchase	LCOR	Cash-out Refi
Conventional DU / Conventional High Balance (HB available for DU only)	Primary Residence	1 Unit	Fixed: 97% (HB 95%) / ARM: 95%	—	Fixed: 80% / ARM: 80%
		2 Unit	Fixed: 85% / ARM: 85%	—	Fixed: 75% / ARM: 75%
		3-4 Unit	Fixed: 75% / ARM: 75%	—	—
	Second Home	1 Unit	Fixed: 90% / ARM: 90%	—	Fixed: 75% / ARM: 75%
	Investment	1 Unit	Fixed & ARM: 85%	Fixed & ARM: 75%	Fixed: 75% / ARM: 75%
		2-4 Unit	Fixed: 75% / ARM: 75%	—	Fixed: 70% / ARM: 70%
Conventional LPA (no HB)	Primary Residence	1 Unit	Fixed: 95%* / ARM: 95%	—	Fixed: 80% / ARM: 80%
		2 Unit	Fixed: 85% / ARM: 85%	—	Fixed: 75% / ARM: 75%
		3-4 Unit	Fixed: 80% / ARM: 80%	—	—
	Second Home	1 Unit	Fixed: 90% / ARM: 90%	—	Fixed: 75% / ARM: 75%
	Investment	1 Unit	Fixed: 85% / ARM: 85%	—	Fixed: 75% / ARM: 75%
		2-4 Unit	Fixed: 75% / ARM: 75%	—	Fixed: 70% / ARM: 70%

**Conventional LPA loans with LTV between 95.01% and 97% that are not part of an Affordable Lending Program must be locked in as HomeOne loans in Encompass/Optimal Blue.*

ARM Products

ARM Product Details

Feature	Detail
Index Type	30-day average SOFR Index as offered by the New York Federal Reserve.
Margin	2.75% (same for margin floor).
Caps	5yr/6m ARM (2/1/5) – Caps qualifying rate: greater of fully indexed rate or note rate + 2%. 7yr/6m ARM (5/1/5) – Qualifying rate: no less than the note rate. 10yr/6m ARM (5/1/5) – Qualifying rate: no less than the note rate. Lock and program code must match cap structure.
Rates	The APR calculation for 5/6 ARMs requires the use of the maximum interest rate that would apply during the first five years as the interest rate for the full term of the loan. Fully indexed rate = index rate + margin.

Additional Requirements for ARMs

- If any tax return in the file shows a tax amount due of ≥ $10,000, proof must be provided that shows the borrower paid the tax bill in full or has an approved IRS repayment plan in place, and include this in DTI.
- Temporary buydowns are not allowed.
- US Citizens or Permanent Resident Aliens only.
- Escrow holdbacks are not allowed.

- Borrowers employed in the cannabis industry are not allowed.
- Manual underwriting is not allowed for ARMs.
- Fees-in is not allowed on ARMs.

Citizenship

Conventional financing is available for:

- United States Citizens, or
- Permanent resident aliens, who must provide a current, valid permanent resident card (Green Card / Form I-551) to be eligible.
    - If the expiration of the current resident card will occur within 3 months of closing, then provide either proof of filing Form I-90 for an extension, or provide the updated resident card showing an expiration date > 3 months from closing.
- Non-Permanent resident aliens as noted on the Non-Permanent Resident Alien Visa matrix (Exhibit B) found at the end of this guide.

Mortgage Insurance

Mortgage Insurance (MI) is required for all conventional loans with loan-to-value ratios exceeding 80%. Coverage must meet current GMFS Program Guidelines in addition to Fannie Mae/Freddie Mac requirements. The Client is responsible to ensure that all MI certificates are on Fannie/Freddie approved forms.

Standard Mortgage Insurance Coverage Requirements

Coverage	80.01–85%	85.01–90%	90.01–95%	95.01–97%
Fixed Rate ≤ 20 year	6%	12%	25%	35%
Fixed Rate > 20 year	12%	25%	30%	35%

The following conventional MI programs are QM-friendly and are exempt from the Points and Fees Test:

- Borrower Paid Monthly
- Lender Paid MI

All MI programs with a refundable upfront premium are not exempt. The upfront portion that exceeds the equivalent FHA 1.75% factor must be included in the test. All non-refundable premiums must be included in the Points and Fees Test in their entirety.

GMFS leverages the following quality MI companies to help ensure that clients are working with reliable providers:

- Arch
- Enact
- Essent
- National
- MGIC

NOTE GMFS will not purchase Reduced MI Options that require a Loan Level Price Adjustment.

Freddie LPA Guidelines and Variances

NOTE TPO lender must obtain separate approval to sell Freddie LPA prior to the submission of an LPA loan. Please contact your District Director for approval. Set up may take significant time depending on credit vendor. GMFS cannot accept underwriting submissions until an approval letter is issued.

GMFS will purchase Accept/Eligible Freddie LPA loans. LPA loans must meet all standard GMFS guidelines and LPA findings unless outlined in the Guide Plus Additional Provisions below:

- Single Family Detached or Condo (Condo must be approved by GMFS).
- Standard Conventional Program only.
- Accept/Eligible only.

Freddie DTI Consideration

Determining payment amounts on revolving accounts for calculating monthly debt payment-to-income ratio: when determining the borrower's monthly debt payment for purposes of calculating DTI, if the credit report does not indicate the required minimum monthly payment for any particular revolving or open-end account, you may consider the required monthly payment amount to be 5% of the outstanding balance of the account.

Special Offering on Conventional Products

The Conventional overlays above also apply to Specialty Products with the following additional guidelines.

Escrow Holdback for Home Repairs

Eligible under Conforming Business; see guidelines at the end of the product descriptions (Escrow Holdback section).

Fannie Mae Conventional Manual Underwriting Guidelines

Manual Underwriting — Max LTV, FICO & Required Reserves (months)

Max LTV	FICO (DTI ≤ 36%)	Reserves	FICO (DTI ≤ 45%)	Reserves
Purchase & Rate-Term Refinances				
75%	620-639	2	660-679	6
75%	640+	0	680+	0
95%	660-679	6	700-719	6
95%	680+	0	720+	0
Cash-Out Refinance				
75%	640-659	6	680+	2
75%	660+	0	—	—
80%	660-679	6	700+	2
80%	680+	0	—	—

FICO minimum for ARMs is 640 per Fannie Mae. A pricing adjustment will apply for all manual underwrites.

- Must have Approve/Eligible, Refer/Eligible, or Refer with Caution DU Findings.
- 0x30 mortgage/housing history (rental must be verified with institutional VOR or cancelled checks).
- Primary Residence only.
- Standard MI Coverage applies where MI is required.
- Single-Family Detached, Townhomes or Condo only (no 2-4 units).
- Open and active past-due accounts must be brought current prior to approval with sourced funds.
- Fixed-rate only.

- Minimum Credit Depth: 3 established tradelines with at least 12 months reported history on the bureau, of which one must have a high credit of at least $5,000. If the loan is for a refinance, the previous verified mortgage history alone will be sufficient if there is no more than a 15% increase in housing expense. (Deferred or authorized-user accounts may not be used to meet the minimum tradeline requirements.)
- Borrowers with no housing pay history in the past 12 months are capped at 80% LTV and no gift funds allowed.

Fannie Mae Conventional High Balance Loans

See the Conventional Product Matrix. High-balance mortgage loans must meet all standard Fannie Mae eligibility and underwriting requirements, in addition to the overlays above and what is noted in this section.

- Loans must be conventional first-lien mortgages only.
- Loans must meet the LTV, CLTV, HCLTV ratio, and minimum credit score requirements as outlined in the GMFS Product Eligibility Matrix.
- All borrowers must have a valid credit score.
- Not eligible for Manual Underwriting.
- Minimum FICO is 620 and must have a DU Approve/Eligible.

Appraisal Requirements

The following applies in addition to the standard appraisal requirements: A One-Unit Residential Appraisal Field Review Report (Form 2000) is required if the property is valued at $1,000,000 or more with an LTV, CLTV or HCLTV ratio greater than 75%. If the Field Review results in a different opinion of value than the appraisal, the lowest of the original appraised value, the Field Review value, or the sales price should be used to calculate the LTV ratios.

HomeReady / Home Possible

HomeReady / Home Possible — Max LTV / CLTV / HCLTV (Purchase)

Product	Occupancy	# Units	Purchase LTV/CLTV/HCLTV
HomeReady or Home Possible	Primary Residence	1 Unit	97%
		2-4 Unit	95% LPA (2-4 Unit) | 85% (2 Unit) DU or 75% (3-4 Unit) DU

HomeReady loans must meet all standard Fannie Mae eligibility and underwriting requirements and Home Possible loans must meet all standard Freddie Mac requirements, as well as the overlays listed below.

- 30-year Fixed Rate program only.
- Standard MI only (25% over 90% LTV is Standard on this program).
- Must be underwritten as a HomeReady/Home Possible product and receive an Approve/Eligible from DU or Accept/Eligible from LPA.
- No manual underwriting allowed for Home Possible loans.
- Manual underwriting is allowed for HomeReady loans, if the loan meets the manual underwriting requirements stated within the Conventional Manual Underwriting Guidelines.
- All standard GMFS overlays apply to this product, such as no trust, no temporary buydowns, no sweat equity, no community seconds for down payment, and no manufactured homes or co-ops.

Under the HomeReady program on Purchase Transactions, at least one borrower on the loan is required to complete an approved Homebuyer Training course. Proof of completion is required for eligibility. Courses are available through Framework or a HUD-approved provider (most MI companies are NOT HUD-approved; you must verify it is an eligible company). Homebuyer Training Courses must have been dated within 12 months of closing.

› Census Tract Lookup (FFIEC)

› [HomeReady Income Eligibility Lookup (Fannie Mae)]

Under the Home Possible program, if all borrowers are First Time Home Buyers, then at least one borrower on the loan is required to complete an approved Homebuyer Training course. Proof of completion is required for eligibility. Proof can be internet-based homeownership education programs developed by mortgage insurance companies; homeownership education programs that meet the National Industry Standards for Homeownership Education and Counseling; or Freddie CreditSmart. Must be dated within 12 months before closing date.

› [Freddie Mac CreditSmart]

Grant for HomeReady or Home Possible Loans

For loans that meet Agency <50% AMI, GMFS will be able to provide a $2,500 credit.

- At least one of the borrowers must be a First Time Home Buyer.
- The full amount of the credit must be provided directly to the borrower through the transaction, such as being applied to down payment and closing costs, including escrows and mortgage insurance premiums.
- The credit may be used to satisfy the 3% minimum contribution for all loans secured by one-unit properties, or loans secured by two- to four-unit properties with LTV ratios ≤ 80% – all additional funds must comply with the Selling Guide requirements for source of funds.
- The grant may not be used as a discount or origination fee.
- All other standard HomeReady/Home Possible guidelines apply.
- Must be entered in Section 4d of the URLA as a Grant.
- Must be locked in OB under the unique HomeReady/Home Possible Programs with Grant.

NOTE This program may expire upon notification from the Agencies.

RefiNow / Refi Possible

RefiNow / Refi Possible

Product	Occupancy	# Units	LCOR LTV/CLTV/HCLTV	Min FICO	Max DTI
RefiNow or Refi Possible	Primary Residence	1 Unit	97%	620	65%

- To qualify for RefiNow, the borrower must have a Fannie Mae-owned mortgage on a 1-unit primary residence. For Refi Possible, a Freddie Mac-owned mortgage on a 1-unit primary.
- Loan must be seasoned at least 12 months and no more than 10 years.
- Borrower must have zero missed payments on the mortgage in the last 6 months, and no more than one missed payment in the past 12 months.
- Loan must have documentation that the existing loan is currently owned by Fannie Mae or Freddie Mac (confirmed with the Fannie Mae or Freddie Mac Mortgage Loan Lookup, or information provided by the current servicer).
- Cash out limited to $250.
- Borrower can finance closing costs and prepaids up to $5,000.
- Standard MI and LLPA requirements apply.
- GMFS is not offering the Lender Credit for appraisal costs.
- Current income must be at or below 100% of Area Median Income.

NOTE AUS findings must say the loan is eligible for RefiNow/Refi Possible, and it must be locked as RefiNow/Refi Possible.

Non-Traditional Credit / No FICO Score

Freddie — LPA with Accept/Eligible only

Standard Freddie requirements noted for your benefit. No credit score, or with one usable credit score:

- Purchase or Limited COR only.
- 1 unit – Owner-Occupied only (all borrowers).
- Max LTV/CLTV 95%.
- Fixed Rate only.
- In addition, if the borrower without a usable credit score contributes 50% or more of the total monthly income, then:
    - Each borrower must have two payment references in the US and/or tradelines not appearing on the credit report.
    - Each reference must have existed for 12 months.
    - At least one borrower must have a housing payment history as one of the references (if more than one, all must be verified).
- All housing payment histories must have no 30-day delinquencies in the last 12 months.
- Each reference must meet Freddie written verification and age requirements.
- Each borrower must have no collections (other than medical) in the most recent 24 months.
- Must complete a homeownership course if the credit for all borrowers is non-traditional.
- If two or more borrowers have the same payment reference or housing payment reference, they may both count for each of those borrowers.

See: Written Verification 5102.3; Age of Documents 5102.4; Documentation of Tradelines and Payments 5202.1(b).

Where not all borrowers have usable credit (LPA)

- At least one borrower must have usable credit.
- Transaction must be purchase or “no cash-out” refinance.
- Must be a 1-unit property.
- For Mortgages other than Refi Possible® Mortgages, if borrowers without a usable credit score contribute 50% or more of the total monthly income, these additional requirements apply:
    - Must have 2 payment references in the US comprised of non-credit payment references and/or tradelines not appearing on the credit report.
    - If two or more borrowers without usable credit have the same payment reference, then the payment reference can count for both.
    - Each payment reference must have existed for at least the most recent 12 months.
    - For all housing payments there must be no delinquencies.
    - For all payments other than housing there may only be one 30-day delinquency and no 60-day or greater delinquencies.
    - Must have no collections (other than medical), judgments, or tax liens in 24 months.

Fannie Mae — DU with Approve/Eligible only

Standard Fannie requirements noted for your benefit.

DU Loan Casefiles: No Borrower Has a Credit Score

- Property must be a one-unit, principal residence and all borrowers must occupy the property.
- Transaction must be a purchase or limited cash-out refinance.
- High balance mortgage loans are not eligible.

- Loan must be a fixed rate mortgage.
- Maximum LTV, CLTV & HCLTV ratios are 95%.
- DTI must be less than 40%.
- Reserves may be required.
- Non-traditional credit history must be documented for each borrower without a credit score. A cash flow analysis and third-party asset verification report may be used to satisfy requirements.
- If MI applies, the loan may need to be submitted to the MI provider for prior approval.
- Without an Approve/Eligible, it may receive a more favorable return if a 12-month asset verification report is obtained. These files may still be eligible for manual underwriting.

Manual Underwriting (DU) – No Borrower Has a Credit Score

- The property must be a one-unit, primary residence.
- Non-occupant co-borrowers are permitted, provided they meet requirements (B2-2-04) and are also eligible.
- The transaction must be a purchase or limited cash-out refinance.
- High-balance mortgage loans are not eligible.
- The maximum debt-to-income ratio is 36%.
- There is no minimum reserve requirement if at least one borrower can document a housing payment history as one non-traditional credit reference. Otherwise, a minimum of 12 months reserves is required.
- A non-traditional credit history must be documented for each borrower without a credit score. See B3-5.4-03.
- Cannot be used if a credit score is available.

When At Least One Borrower Has No Credit Score and Another Borrower Has a Credit Score

- Property must be a one-unit, principal residence and all borrowers must occupy the property.
- Transaction must be a purchase or limited cash-out refinance.
- High balance mortgage loans are not eligible.
- Reserves may be required.
- If the borrower(s) with a credit score is contributing more than 50% of the qualifying income, the lender is not required to document a non-traditional credit history for the borrower(s) without a credit score.
- If the borrower(s) with a credit score is contributing 50% or less of the qualifying income, the lender must document a non-traditional credit history for each borrower without a credit score.
- If all borrowers on the loan are relying solely on non-traditional credit to qualify, at least one must complete homeownership education prior to closing.

> **NOTE** Non-traditional credit includes a price adjustment. See rate sheet for more information.

SECTION 3

FHA Programs

FHA eligibility, case numbers, credit depth, refinance seasoning, FICO tiers, Streamline, High Balance, and 203(h).

FHA — Max LTV / CLTV / HCLTV

Product	Occupancy	# Units	Purchase	LCOR	Cash-out Refi
FHA	Primary Residence	1-4 Unit	96.50%	97.75%	80%

Case Number

FHA requires all FHA loans to have an FHA case number. Clients must submit an FHA case assignment request form before submitting any FHA loans. The form may be found on the Client Portal › FHA › Case Assignment Request Form.

Disclosures and eSignatures

The FHA has granted expanded authority (Mortgagee Letter 2014-03) to lenders to accept electronic signatures (e-Signatures) on documents associated with mortgage loans. The policy allows e-Signatures on origination, servicing, and loss mitigation documents, as well as FHA insurance claims, REO sales contracts and related addenda.

Future Employment / Income

GMFS requires the borrower to be on the job prior to using income from the job in qualifying. We do not allow income from future jobs or future income.

Citizenship and Immigration Requirements

FHA-insured financing will be limited to the following citizenship statuses – all borrowers must meet these residency requirements:

- United States Citizens, OR
- Permanent resident aliens, who must provide a current, valid permanent resident card (Green Card / Form I-551) to be eligible.
    - If the expiration of the current resident card will occur within 3 months of closing, then provide either proof of filing Form I-90 for an extension, or provide the updated resident card showing an expiration date > 3 months from closing.

NOTE Non-Permanent resident aliens or persons with diplomatic immunity will not be eligible for FHA-insured financing.

Credit Depth

All FHA loans will be required to have at minimum the requirements listed below:

- Minimum of two credit scores reporting, regardless of AUS approval.
- For loans with multiple borrowers, each borrower must have two FICO scores unless the borrower that does not meet the above requirement is a co-borrower on the loan AND lives in the subject property as his/her primary residence along with the primary borrower.
- A borrower or co-borrower who has no score, and requires alternative credit, is not eligible.
- Borrowers who have been living rent-free are required to show at least 60 days of bank statements, or VOD with a 60-day average balance, to show a history/trend of savings. In some cases the underwriter may require longer periods.

NOTE 15 Year FHA loans are now available – additional overlays may be applicable.

Refinance Seasoning Requirement

All FHA Streamlined and Cash-Out Refinance loans must meet the following seasoning requirements:

- The borrower has made at least six consecutive monthly payments on the loan being refinanced (Initial Loan), beginning with the payment made on the first payment due date; AND
  - For Streamline: the first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the Initial Loan.
  - For Cash-Out: at least one borrower must be on the existing loan and living in the property as their principal residence for 12 months prior.

Escrow Holdback for Home Repairs (FHA)

- GMFS will limit the base loan amount to appraised value in any instance where there is a 203(b) with Repair Escrow. GMFS will not finance a repair escrow that causes the loan amount to exceed the appraised value of the property.
- Escrow holdbacks that are required for structural issues are not allowed.
- For more detail on escrow holdback and eligibility, see guidelines at the end of the section.

Requirements for all 620–639 FICO FHA Loans

In addition to the overlays above, additional requirements for FHA loans with FICO below 640 include:

- Manual Underwrite not allowed.
- If gift funds apply, no rent-free borrowers allowed. Verification of rental history is required, must be verified with VOR, and must be 0x30. VOR cannot be provided from an interested party or a family member.

Requirements for all 580–619 FICO FHA Loans

In addition to the overlays above, additional requirements for FHA loans with FICO below 620 include:

- Manual Underwrite not allowed.
- No rent-free borrowers allowed.
- Verification of rental history is required, must be verified with VOR, and must be 0x30. VOR cannot be provided from an interested party or family member.
- 3.5% minimum borrower’s own funds required for down payment.
- No gift funds allowed.

$100 Down HUD REO

- All borrowers must conform to FHA guidelines.
- Only available on select properties.
- Borrowers must plan to occupy the residence as a primary residence and qualify for an FHA loan.
- Up Front Mortgage Insurance Premiums (UFMIP) are available through FHA on these programs.
- Loan amount cannot exceed 100% of the current ‘as-is’ appraised value, including any fees, closing costs, or UFMIP.
- Property must be a HUD REO property and are sold as-is.
- These loans are not eligible to finance the closing costs or pre-paid expenses.

- Eligible LTVs begin at 97%.
- Must put a bid in on an eligible REO property through a HUD-approved real estate agent.
- In Optimal Blue, must lock as: FHA $100 Dollar Down 30 Year.

› HUD Homes (eligible properties)

› HUD Mortgagee Letter 11-19

FHA Streamline

FHA Streamline must follow the additional rules below, in addition to the FHA rules noted above.

FHA Streamline — Max LTV / CLTV / HCLTV

Product	Occupancy	# Units	LCOR
FHA Streamline	Streamline	1-4 Unit	97.75%

Streamline Refinance Additional Requirements

- LTV is based on the Original Property Value from the FHAC Refinance Authorization Results Form.
- 1x30 mortgage history for the last 12 months prior to the case assignment; and 0x30 in the last 6 months prior to the case assignment.
- A minimum of 620 FICO required for credit-qualifying FHA Streamline refinances. Minimum credit score for Non-Credit Qualifying is 640 minimum FICO.
- In conjunction with QM guidance, GMFS will require a tri-merge credit report with scores, making sure that the borrower’s credit other than the mortgage has not deteriorated to the point of concern. GMFS will not entertain requests that result in an increased monthly payment without credit-qualifying the applicant.
- For Non-credit qualifying streamline refinances – a tri-merge credit OR Mortgage-Only credit report with 3 FICO bureau scores pulled and mortgage history. Each borrower must have at least one credit score.
- GMFS will follow FHA Non-Credit Qualifying parameters based on the program selected in the Pricing Engine.
- Must meet all HUD guidelines, including Net Tangible Benefit requirements.
- See Refinance Seasoning Requirement listed above.
- VVOE or third-party verification for income is required even if income is not used.
- Buydowns are not allowed on streamline transactions.

FHA High Balance Government Loans

FHA High Balance — Max LTV / CLTV / HCLTV

Product	Occupancy	# Units	Purchase	Cash-out Refi
FHA High Balance	Primary Residence (no streamlines)	1-4 Unit	96.50%	80%

All loans must meet FHA published guidelines and the standard GMFS FHA guidelines. In addition, the following guidelines must be met:

- Minimum FICO – FHA is 660.
- Primary Residence only.
- No FHA Streamlines.
- COR – Foreclosure or Bankruptcy is not allowed within the most recent seven years.
- Seller-Funded DAPs are not allowed.
- No Leasehold.

- 30-year term only.
- All borrowers must have a credit score.
- FHA High Balance have a 720 FICO minimum and must meet all the requirements of the FHA section of the guidelines under the standard FHA program.

Appraiser / Appraisal Requirements

Standard Appraiser Requirements with the following additions:

- Loan amount(s) greater than $1 million up to and including $2 million: One Full FHA appraisal completed by a Certified Appraiser, and a desk review with data verification.
- FHA requires all of comps 1-3 to be < 12 months old from the effective date of the report for the property to be eligible for FHA financing.
- For loan amounts > $2,000,000: Two Full FHA appraisals needed with additional requirements. Please contact your designated GMFS representative.

> **NOTE** Regardless of whether a second appraisal is required, any time a second appraisal has been obtained it must be considered.

FHA 203(h) – Disaster Relief Loan

GMFS will be offering the FHA 203(h) disaster program for up to one year from the date the disaster area was declared. Guidelines include:

- 640 minimum FICO score.
- 100% Financing Available.
- No Down Payment Required.
- Previous residence (owned or rented) must have been located in a Federally Declared Disaster Area and be destroyed or damaged to such an extent that reconstruction or replacement is necessary.
- The purchased property must be a Single Family Property or a unit in an FHA-approved Condominium Project.
- These loans are for principal residences only. There is an occupancy requirement for the FHA 203(h).
- DU will have Approve/Ineligible status. LTV is the only allowed reason for Ineligible status.

SECTION 4

VA Programs

VA eligibility, sponsorship, COE, credit tiers, cash-out, IRRRLs, and High Balance/Jumbo.

VA — Max LTV / CLTV / HCLTV

Product	Occupancy	# Units	Purchase	LCOR	Cash-out Refi	Min FICO*	Max DTI
VA	Primary	1-4 Unit	100%	—	100%***	600	60%
	IRRRL	1-4 Unit	—	100%	—	620	60%

**VA guaranty plus cash/equity must be equal to at least 25% of the purchase price or Notification of Value (NOV), whichever is less, on purchases and non-IRRRL refinances. **The loan-to-value is the total loan amount, including the financed funding fee, divided by the lesser of the appraised value or purchase price. ***Cash-Out over 90% is priced as a standalone program with different pricing than standard VA programs.*

Sponsorship

NOTE Clients must have a VA sponsorship to close and fund VA loans. Please allow at least 30 days upon submitting a completed VA Sponsor Request form and required fee to the VA. The form may be found on the Client Portal › VA › VA Sponsor Request Form. Clients must also complete the annual renewal requirements and payment of fees prior to the end of each calendar year. GMFS will close up to four (4) VA loans once it has been validated that the sponsorship request is in process.

Certificate of Eligibility

At the time of closing the Certificate of Eligibility cannot be more than 90 days old.

All VA loan transactions delivered to GMFS must be eligible for VA guaranty. Therefore, VA loan transactions with application dates on or after February 15, 2019, must meet the requirements set forth by VA in the following circulars:

› VA Circular 26-18-30

› VA Circular 26-18-30 Change 1

Additional Requirements for VA between 600–619

- Purchase Money only.
- Must have a DU Approve/Eligible or LPA Accept/Eligible finding.
- No collections in the last 12 months (exception: medical collections).
- Max 1x30 mortgage in the last 12 months.
- No High Balance / Jumbo VA allowed.
- No disputed accounts.

Citizenship and Immigration Requirements

VA-insured financing will be limited to the following citizenship statuses – all borrowers must meet these residency requirements:

- United States Citizens, OR
- Permanent resident aliens, who must provide a current, valid permanent resident card (Green Card / Form I-551) to be eligible.

- If the expiration of the current resident card will occur within 3 months of closing, then provide either proof of filing Form I-90 for an extension, or provide the updated resident card showing an expiration date > 3 months from closing.

NOTE Non-Permanent resident aliens or persons with diplomatic immunity will not be eligible for VA-insured financing.

Cash-out Refinance

All VA Cash-Out refinances must meet the following conditions:

- Must meet all published VA guidelines including those in Circular 26-18-30.
- No new subordinations are allowed.
- LTV limited to 85% if property previously listed for sale and off market less than 90 days.
- 0x30 on mortgage over the last 12 months.

NOTE Optimal Blue cannot capture all the underwriting parameters, so please make sure the loan meets GMFS guidelines before locking.

IRRRLs

- All IRRRLs require a tri-merge credit report OR Mortgage-Only credit report with 3 FICO bureau scores pulled and mortgage history. Each borrower must have at least one credit score.
- The veteran must be 0x30 for the last 6 months and cannot be more than 1x30 in the last 12 months.
- Minimum 620 FICO.
- No temporary buydowns allowed.
- The proposed streamline refinance does not increase the principal balance outstanding on the prior existing residential mortgage loan except to the extent of fees and charges allowed by VA.
- Total points and fees payable in connection with the proposed refinance do not exceed 3% of the total new loan amount.
- The interest rate on the proposed refinance loan is lower than the existing rate on the loan being refinanced, unless the borrower is going from an ARM to a fixed rate.
- The new refinance is fully amortizing with no balloon payment features.
- The loan must not have cash back to the borrower. VA allows corrections not exceeding $500 if related to: computational errors; changes in payoff figures; upfront fees paid for appraisal/credit report added to the loan after the initial LE; refund of escrow balance on the old loan.

Additional Requirements for VA Refinance Loans

A loan is considered seasoned if both of the following conditions are met as of the date of the loan closing:

- The due date of the first monthly payment of the loan being refinanced is 210 days or more prior to the closing date of the refinance loan; and
- Six consecutive monthly payments have been made on the loan being refinanced.

NOTE This seasoning requirement applies to all refinances above.

Escrow Holdback for Home Repairs (VA)

Eligible under Government Business; see guidelines at the end of the product descriptions (Escrow Holdback section). See the GMFS construction resources for details on Construction or 2x Close loans.

VA High Balance and Jumbo Government Loans

VA High Balance — Max LTV / CLTV / HCLTV

Product	Occupancy	# Units	Purchase
VA High Balance	Primary Residence	1-4 Unit	100%

> **NOTE** If the property is not in a High Balance Area, regardless of loan amount, the VA guaranty plus cash/equity must be equal to at least 25% of the purchase price or Notification of Value (NOV), whichever is less, on purchases and non-IRRRL refinances. The loan-to-value is the total loan amount, including the financed funding fee, divided by the lesser of the appraised value or purchase price.

All VA High Balance/Jumbo Government Loans must meet VA published guidelines and the standard VA GMFS overlays. In addition, the following guidelines must be met:

- VA minimum FICO is 640 for loan amounts up to $1,000,000.
- VA max loan amount $1,500,000 with a qualifying credit score of 680.
- Primary Residence only.
- Foreclosure or Bankruptcy is not allowed within the most recent seven years.
- Seller-Funded DAPs are not allowed.
- Must have a DU Approve/Eligible or DU Approve/Ineligible (only due to loan balance).
- No refinance permitted within 90 days of property being listed for sale.
- VA IRRRL loans minimum 720 FICO and must meet all the requirements of the IRRRL section of the guidelines under the standard VA Program.

> **NOTE** For refinancing a construction loan, permanent financing can be done in one of two ways. Refer to the VA Permanent Financing Loan Comparison in the current posted materials for the options.

SECTION 5

USDA Guaranteed Loan Program

Rural Development eligibility, GUS, credit, tax transcripts, refinances, and Streamlined Assist.

USDA / Rural Development — Max LTV / CLTV / HCLTV

Product	Occupancy	# Units	Purchase
Rural Development	Primary Residence	1 Unit	100% / 102% after Guarantee Fee

Property and Income Eligibility

The subject property must be in an eligible location as determined by USDA. Household income must be less than the Rural Development County Income Limit for moderate-income families (based on number of members in household). Property and income eligibility can be determined on USDA’s website. Instructions may be found on the Client Portal › USDA/Rural Development › RD Property and Income Eligibility.

› USDA Eligibility Site

Pre-Qualification

GMFS does offer a pre-qualification system for USDA loans. The form may be found on the Client Portal › USDA/Rural Development.

GUS Approval

GMFS requires a GUS recommendation of Accept/Eligible or Refer/Eligible. GMFS will follow all instructions regarding policies and procedures issued by the USDA National Office and will not adopt any reduced documentation requirements that may be offered by an individual State Office.

Validated Credit Scores

All borrowers must have at least one credit score.

- Refer/Eligible – must have two trades on credit with a 12-month review history (can be open or closed, but self-reported and deferred accounts cannot be included). For borrowers that do not have the 2 traditional tradelines on the credit report, 3 tradelines are required. These three can be a combination of rental history, traditional and non-traditional credit. The non-traditional credit references must have a 12-month review history, cannot have been closed more than 6 months prior to submission, and 0x30.
- Maximum ratios on Refer/Eligible is 29/41 – higher ratios may be available with a DTI Waiver.
- Acceptable trades reporting on credit are Installment, Revolving and collection accounts.
- Acceptable non-traditional credit references are rent, utility payments, internet/cell phone, car insurance, non-payroll-deducted health insurance, child care, subscriptions, and gym memberships.
- Ineligible non-traditional credit references are alimony, child support, garnishments, and court-ordered debts.
- A new undisclosed debt does not require a file to be manually downgraded.

Tax Transcripts

Required for all borrowers and all household members 18 years of age and older. See USDA guidelines for specific requirements for full-time students.

eSignatures

RD 1980-21 was replaced with Form 3555-21 (Revised 10/2018) and will now allow eSignatures on this Form 3555-21.

USDA Refinances

- Unpaid fees, past-due interest, and late fees/penalties due the servicer cannot be included in the new loan amount.
- Secondary financing such as leveraged loans, down payment assistance or home equity lines of credit cannot be included in a new guarantee refinance loan. These types of financing must be subordinated to the new guaranteed loan or be paid in full.
- The interest rate of the new loan must be fixed and not exceed the interest rate of the refinanced loan.

USDA Streamlined Assist

Must follow all USDA refinance rules as outlined above.

- Minimum FICO is 620.
- Must have a tri-merge credit report OR Mortgage-Only credit report with 3 FICO bureau scores pulled and mortgage history.
- No temporary buydowns allowed on streamlines.
- Existing loans must have closed at least 180 days prior to submission to the agency with no defaults.
- Manual Underwrite only.
- Mortgage payment history: the existing loan must have closed at least 180 days prior to submission to the Agency and have a mortgage payment history which must not reflect a delinquency greater than 30 days within the previous 180-day period.
- DTI must be calculated and included on the 1008 for HMDA reporting purposes.
- Borrower must have a current and steady source of income (either employed at least part-time or receiving documented benefits). Income must be documented and must meet USDA's adjusted annual income limitations for eligibility purposes only.
- Net Tangible Benefit: $50 or greater reduction in new P&I payment plus the monthly fee as compared to the existing P&I payment plus the monthly fee.
- New borrowers may be added. All existing borrowers must remain on the new loan, unless an existing borrower is deceased.
- No appraisal required (except when refinancing a USDA Direct Loan in which the borrower received a subsidy).

USDA Citizenship Requirements

USDA-insured financing will be limited to the following citizenship statuses – all borrowers must meet these residency requirements:

- United States Citizens, OR
- Permanent resident aliens, who must provide a current, valid permanent resident card (Green Card / Form I-551) to be eligible.
    - If the expiration of the current resident card will occur within 3 months of closing, then provide either proof of filing Form I-90 for an extension, or provide the updated resident card showing an expiration date > 3 months from closing.

> **NOTE** Non-Permanent resident aliens or persons with diplomatic immunity will not be eligible for USDA-insured financing.

SECTION 6

Escrow Holdback for Home Repairs

Repair-escrow eligibility, fees, requirements, and the approval package.

HUD REO property forward transactions are eligible for purchase by GMFS, including escrow holdbacks for home repairs. The transaction must meet HUD requirements and standards. GMFS will escrow an amount equivalent to 1.1 times the cost to cure for FHA loans.

Conforming Conventional, VA and USDA loans are also eligible for escrow holdback for home repairs. GMFS will escrow an amount equivalent to 1.2 times the cost to cure.

The fee for an escrow holdback is $200 on most business and $500 on any loan that has structural issues or safety hazards that need to be repaired.

The loan must also meet the following GMFS requirements:

- 660 FICO.
- First-time homebuyer must have an institutional Verification of Rent or cancelled checks.
- Two (2) months reserves.
- Minimum installment trades of $5,000 minimum / 12-month installments.

The GMFS Construction Lending Department Manager must approve prior to loan submission. When sending a request in for approval, the Client should include the following documentation in an email request to escrowholdback@gmfslending.com:

- 1003
- Credit Report
- Purchase Agreement
- Contract or estimate for cost to cure
- Appraisal
- LE – Loan Officer must disclose the escrow holdback fee and the final compliance inspection report fee on their LE. For an FHA loan, this inspection must be performed by a HUD-approved Inspector.
- VOR if first-time homebuyer

The purchase file must contain a copy of the fully completed HUD Form 92300 Mortgagee’s Assurance of Completion. The 1004D Appraisal Update and/or Completion Report must be provided within 30 days of the closing transaction.

> **NOTE** For Conforming Conventional, VA, or USDA loans only: If the repairs are found to be structural in nature or pose a safety risk, a 30-day lock extension beyond the closing date will be required to allow time for the repairs to be finished and the 1004D to be completed. The loan will not be eligible for sale until the final 1004D has been delivered.

SECTION 7

Jumbo, Grant & Specialty Programs

Proprietary and specialty offerings available through your District Director.

Please contact your designated GMFS District Director or Account Executive for approval.

Reference the GMFS Proprietary Jumbo Guide or Specialty Program Guidelines for more information, or contact your District Director for more information.

SECTION 8

Insurance (All Products)

Escrow impounds, hazard/wind/hail, flood, state-specific requirements, taxes, title, and government MI.

Each borrower has the right to select his or her own insurance carrier to provide hazard insurance for the secured property. Clients must ensure that the insurance carrier, policy, and coverage meet GMFS' requirements. In some cases, GMFS may require additional coverage or consider coverage that differs from these requirements.

Escrow Impounds

GMFS purchases loans with and without taxes and homeowners insurance escrowed/impounded. For loans purchased with escrows/impounds, the Loan Officer must provide the borrower with an escrow disclosure statement indicating all terms to be escrowed. The escrow account and appropriate reserves must be established at the time of closing. An impound/escrow account is required over 80% LTV on all loan products (unless state law prohibits). Impounds can only be waived on Conventional loans.

- On purchase money loans, the first year's premium for all insurance policies must be paid in full before or at the time of closing, even if escrows are waived.
- Section 35 loans require an escrow account for five (5) years.
- Pricing adjustments apply when waiving escrows.

Hazard, Wind and Hail

- Must have Binder or Declaration page.
- Minimum coverage:
    - Conventional – 100% of the replacement cost value of improvement, or the unpaid principal balance of the loan provided it equals no less than 80% of the replacement cost value.
    - Government – Loan amount, or guaranteed replacement cost policy, or letter from the insurance company that coverage amount is "at least 80% of the maximum insurable value." Max deductible allowed: 5% dwelling coverage.
    - USDA – Replacement cost coverage in an amount that is AT LEAST equal to the guaranteed value for the improvements or the unpaid principal balance. Deductible(s) should not exceed 5% of the total coverage amount for HOI.
- If Wind and Hail coverage is not included, then a separate policy must be obtained.
- Condo policy must cover Inside Walls and Fixtures, or a separate policy must be obtained for at least 20% of appraised value. Also, must have $1,000,000.00 in liability coverage and must have the Unit # on the policy.
- Premiums: on purchases, evidence that the first year's premium has been paid. If the renewal date is within 60 days of closing date, will need either a paid receipt or premium must be collected and paid at closing.
- Mortgagee Clause: must have at least proof that a change request has been made by the insurance agent.
- "Accord" policies are not allowed for USDA, FHA, and VA loans.
- "Other structure coverage amounts" can only be used if there are additional separate structures on the property that were given value on the appraisal.
- "Content coverage" is not allowed to be used to meet GMFS minimum coverage requirements.

> **NOTE** Named Insured for Property and Flood: All persons on title to the subject property are named insureds on property and flood insurance policies. Notice of Cancellation: confirm that property insurance policies provide written notice to the named insured person and GMFS before an insurer can cancel a policy.

Flood

- Must have Binder or Declaration page, or signed application by both borrowers and agents.
- Minimum coverage is equal to the lesser of the following:
    - The unpaid principal balance of the mortgage, or
    - The maximum amount of coverage available under the NFIP for the type of improvements, or
    - The replacement cost of the improvements.
- Flood Zone on policy must match that on the Flood Hazard Determination.
- Max deductible allowed: $10,000, on all products.
- If the renewal date is within 60 days of closing date, will need either a paid receipt or premium must be collected and paid at closing.
- Mortgagee Clause: Same as Hazard Insurance.
- Private Flood insurance for FHA allowed only if the insurer has a B+ rating. For Fannie and Freddie, the minimum rating is dependent on the rating agency per section B7-3-01 & B7-03-06 of the Fannie guide and 4703.1 & 4703.3 of the Freddie guide. For USDA and VA, follow their guidelines.
- All properties located within a special flood hazard area are required to escrow for flood insurance, even if the requirement for escrows has been waived.
- “Accord” flood insurance policies are not allowed for USDA, FHA, and VA loans.

State-Specific Coverage Requirements

Illinois — Insurance coverage has to be at least 80% cost new or guaranteed replacement policy. Can’t require the greater of 80% or cost new.

Texas — In the state of Texas, a replacement cost policy is the same as a guaranteed replacement cost policy.

Florida — According to state law, no lender making a mortgage on a residential real estate transaction can require any amount in excess of the replacement value, even if the loan amount is higher. The lender also can’t request a copy of the replacement cost estimator. If the coverage does not cover the replacement cost on the appraisal, then the lender should contact the insurance agent and address the discrepancy to reach a mutual agreement.

Taxes

Proof of paid taxes must be provided on all closings that disburse on or after the tax due date. If taxes are due but the bill is not available on the date of disbursement, provide proof that sufficient funds are being held by the title company to cover the projected tax bill. Tax information, including tax due dates, must be completed on the title commitment by the closing agent. These amounts must also match the information on the tax information sheet that is returned with the closing package.

Mortgagee Clause

Refer to the Correspondent or Wholesale Selling Guide, as applicable.

Termite Certificate

Refer to the GMFS Product Requirement Summary — Geographical Restrictions (Section 1).

Title

- 24 months chain of title required on Title Commitment.
- Title Commitment may not be aged more than 60 days from the closing date.
- Licensed title agents have to be approved in advance by contacting the designated District Director or Account Executive.
- Standard Alt A endorsements must be issued by the closing agent when required by the nature of the subject property or otherwise required by the title insurer or lender. The Alt A 8.1 and 9.0 are required for all loans.

Government Mortgage Insurance and Guarantees

The client is responsible for paying the upfront premium on all FHA, VA, and USDA loans. GMFS will submit these loans for insuring/guarantee unless otherwise stated at time of contract.

> **NOTE** If the correspondent client's contract indicates insuring of their own files, the evidence of insurance/guarantee must be delivered to GMFS prior to loan purchase funding.

SECTION 9

Exhibits

Reference tables: disaster-area appraisal policy and eligible visa types.

Exhibit A – Disaster Policy (Appraisal Requirements for FEMA Declared Disaster Areas)

Properties in Impacted Areas	Conventional	FHA	USDA	VA	VA IRRRL
Loans in Pipeline – Not Closed	If appraisal was done prior to the end date of event, borrower to sign Customer Disaster Recertification Affidavit and provide date/timestamp photos.	Damage Inspection Report by original appraiser with interior/exterior photos must be completed after the end date of the event. Appraiser must note marketability not affected by disaster.	1004D completed by original appraiser, or if unavailable any licensed appraiser can perform the exterior inspection and pics dated after the event end date; OR if the inspection is ordered prior to the end date, a Customer Disaster Recertification Affidavit signed at closing.	Hurricane Disaster Inspection Report by a Non-VA Roster Appraiser with exterior inspection and date/timestamped photos dated after disaster end date.	For up to 1 year after the event, an inspection from a licensed inspector with photos and the borrower-signed Customer Disaster Recertification Affidavit if GMFS is not currently servicing the loan. If GMFS is currently servicing the loan: date and timestamp photos of front and rear of the home along with the Customer Disaster Recertification Affidavit is required; no licensed inspector report is required. If a VA appraisal was performed after the event date but prior to the GMFS IRRRL and GMFS is not the current servicer, that appraisal can be used in lieu of a licensed inspector's report.
Loans in Pipeline – Not Closed with PIW	Can honor PIW with date/timestamp photos & Customer Disaster Recertification Affidavit indicating no damage.	N/A	(For streamline with no appraisal) Photos of the property that clearly indicate the property address and Customer Disaster Recertification Affidavit signed at closing.	N/A	N/A
Loans Closed but Under Construction	Construction Department to obtain inspections and manage ext/deferments				
Homestyle Under Construction	Follow Fannie Mae guides for extensions/deferments				
Correspondent Loans Not Yet Purchased	PIW ok with date/timestamp photos and borrower cert. Appraisal done prior to the event, date/timestamp	Damage Inspection Report dated after end date with exterior photos.		1004D by a Non-VA Roster Appraiser with exterior inspection and pics dated after event end date.	Same as above

Properties in Impacted Areas	Conventional	FHA	USDA	VA	VA IRRRL
	photos and borrower cert.				

This information is intended for use by Mortgage Professionals only and not for distribution to the general public or as an advertisement to extend credit as defined by Reg Z. Program availability, parameters, rates, pricing, eligibility terms, and conditions are subject to change without notice and may not be offered in all states. GMFS LLC, 7389 Florida Blvd, #200A, Baton Rouge, LA 70806, NMLS #64997.

Exhibit B – Eligible Visa Matrix

Non-Permanent Resident Alien Eligible VISA Types for Conventional financing:

Visa Type	Description	Required Documentation
E-1	Treaty trader	Visa and EAD
E-2	Treaty investor	Visa and EAD
E-3	Specialty occupation	Visa and EAD
E-3D	Spouse of E-1, E-2 or E-3	Visa and EAD
G-1	Mission members of a NATO-recognized government to a specific international organization and immediate family members	Visa**
G-2	Representatives of a NATO-recognized government	Visa**
G-3	Representatives of a non-recognized government	Visa**
G-4	Appointed individuals of international organizations	Visa**
G-5	Employees of G1–G4 visa holders	Visa**
H-1B1	Employer-Sponsored Immigrant Worker	Visa
H-1B1	Specialty occupation	Visa
H-1B2	DFAS - Specialty Occupation	Visa
H-1B3	Fashion model of distinguished merit	Visa
H-1C	Dept of Labor - Registered Nurse	Visa
H-4	Spouse or child of H-1B visa holder	Visa and EAD
I	Foreign media outlet	Visa
K-1	Fiancé of a US citizen allowed in the US for the purpose of marriage	Visa and EAD
L-1	Intracompany Transfer	Visa
L-1A	Intracompany transfer - managerial/executive	Visa
L-1B	Intracompany transfer - specialized skill	Visa
L-2	Spouse of child of L-1A or L-1B	Visa
O-1A	Individuals with extraordinary ability in the sciences, education, business, or athletics	Visa
O-1B	Individuals with extraordinary achievement in the motion picture or television industry	Visa
P-1A	Internationally recognized athlete	Visa
R-1	Religious workers to temporarily entering the US	Visa and EAD
R-2	Spouse or child (u21) of R-1 visa holder	Visa and EAD
TN	Professional working under NAFTA	Visa
V-1	Spouse of a Legal Permanent Resident	Visa and EAD

**Regardless of VISA Type, individuals with Diplomatic Immunity are ineligible.*

***All G-type Visas listed (G1 through G5) require documentation that any diplomatic immunity status has been officially waived.*

1. The eligibility and/or required documentation requirements are subject to change without notice.

2. This information is not intended to be a complete representation of GMFS' documentation requirements as more documentation may be required for approval, and at underwriter's discretion.

Important Disclaimer

Equal Housing Lender