



Delayed Financing Exception C/O Refinance

Table of Contents

1. Delayed Financing Exception.....	2
2. Appraisal	2
3. Credit.....	2
4. Income Documentation	2
5. Loan Program.....	2
6. Loan Terms	2
7. LTV/CLTV.....	3
8. Mortgage Insurance	3
9. Occupancy.....	3
10. Requirements For A Delayed Financing Exception.....	3
11. Property Type	4
12. Subordinate Financing.....	4
13. Underwriting Method.....	4



Delayed Financing Exception C/O Refinance

DELAYED FINANCING EXCEPTION	Borrowers who purchased the subject property within the past six months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) are eligible for a cash-out refinance if all of the following requirements are met.
APPRAISAL	<ul style="list-style-type: none"> • Standard appraisal requirements are required on this program. • Appraisal form 1004 • Appraisal form 1073 • Appraisal form 1025
CREDIT	<ul style="list-style-type: none"> • The new loan amount cannot be more than the actual documented amount of the Borrower(s) initial investment in purchasing the property. • Financing of closing costs, prepaid fees and points are allowed (subject to the maximum LTV, CLTV, HCLTV for the transaction. • The LTV/CLTV/HCLTV must be based on the lesser of the original sales price or the current appraised value.
INCOME DOCUMENTATION	<ul style="list-style-type: none"> • Per DU/LP Findings • Additional Conditions/Restrictions may apply based on Underwriter’s discretion upon the completion of the loan credit risk analysis.
LOAN PROGRAM	<ul style="list-style-type: none"> • Delayed Financing Exception • This program is strictly for Borrower(s) who purchase the SUBJECT Property within the six months preceding the disbursement date of the new mortgage loan. • Borrower(s) would be eligible for cash-out refinance if ALL of the requirements in these guidelines are met. • High Balance is available see LTV/CLTV restrictions for additional guidelines
LOAN TERMS	<ul style="list-style-type: none"> • 30 year fixed • 15 year fixed • Fully amortizing ARM Products • NO interest only (I/O) transactions allowed.

LTV/CLTV	Conforming and High Balance Mortgage Loans				
	Transaction Type	Number of Units	Maximum LTV	Minimum Credit Score	
	Fannie Mae Cash-Out Refinance				
	Principal Residence	1 Unit	FRM: 80% ARM: 75%	Follow Standard Fannie Mae/Freddie Mac Guidelines	
		2-4 Units	FRM: 75% ARM: 65%		
	Second Home	1 Unit	FRM: 75% ARM: 65%	Follow Standard Fannie Mae/Freddie Mac Guidelines	
	Investment Property	1 Unit	FRM: 75% ARM: 65%	Follow Standard Fannie Mae/Freddie Mac Guidelines	
		2-4 Units	FRM: 70% ARM: 60%		
	MORTGAGE INSURANCE	Refer to QuickLook Manual, Classic Conforming Guidelines for Mortgage Insurance requirements.			
	OCCUPANCY	<ul style="list-style-type: none"> • Owner Occupied • Second Homes • Investment 			
REQUIREMENTS FOR A DELAYED FINANCING EXCEPTION	The original purchase transaction was an <u>arms-length transaction</u> .				
	<p>For this refinance transaction, the borrower(s) must meet PBM borrower eligibility requirements, The borrower(s) may have initially purchased the property as one of the following:</p> <ul style="list-style-type: none"> • A natural person; • An eligible <i>inter vivos</i> revocable trust, when the borrower is both the individual establishing the trust and the beneficiary of the trust; • An eligible land trust when the borrower is the beneficiary of the land trust; or • An LLC or partnership in which the borrower(s) have an individual or joint ownership of 100% 				
	The original purchase transaction is documented by a Settlement Statement, which confirms that no mortgage financing was used to obtain the subject property. (A recorded trustee's deed [or similar alternative] confirming the amount paid by the grantee to trustee may be substituted for a settlement statement if a settlement statement was not provided to the purchase at time of sale.)				

PROGRAM REQUIREMENTS FOR DELAYED FINANCED EXCEPTION CONTINUED	<p>The preliminary title search or report must confirm that there are no existing liens on the subject property.</p>
	<p>The sources of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property).</p>
	<p>If the source of funds used to acquire the property was an unsecured loan or a loan secured by an asset other than subject property (such as a HELOC secured by another property), the settlement statement for the refinance transaction must reflect that all cash-out proceeds be used to pay off or pay down, as applicable, the loan used to purchase the property. Any payments on the balance remaining from the original loan must be included in the debt-to-income ratio calculation for the refinance transaction.</p> <p>Note: Funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan.</p>
	<p>The new loan amount can be no more than the actual documented amount of the borrower's initial investment in purchasing the property plus the financing of closing cost, prepaid fees, and points on the new mortgage loan (subject to the maximum LTV/CLTV/HCLTV ratios for the cash-out transaction based on the current appraised value).</p>
	<p>All other cash-out refinance eligibility requirements are met. Cash-out pricing is applicable.</p>
PROPERTY TYPES	<ul style="list-style-type: none"> • Attached & Detached SFR and PUDs • Low/High-Rise Condos • 2 to 4 Units • Standard Condo/PUD documentation/guidelines required • CPM to be processed for condominium project and receive "Eligible" project status.
SUBORDINATE FINANCING	<ul style="list-style-type: none"> • Not Allowed
UNDERWRITING METHOD	<ul style="list-style-type: none"> • Loans must be underwritten through Desktop Underwriting (DU)