



## “100 Series” Alt A UNDERWRITING GUIDELINES

This section describes the program terms for the Alt A Conforming Program that provides Alt A documentation types and underwriting guidelines and limits the maximum mortgage amount to Fannie Mae / Freddie Mac Loan limits for property type and location.

### ELIGIBLE PRODUCTS:

**Fixed Rate Products:**

- 15 Year Fixed Rate
- 30 Year Fixed Rate

**ARM Products :**

- 3/1 LIBOR ARM
- 5/1 LIBOR ARM
- 7/1 LIBOR ARM

### INTEREST ONLY:

Not Permitted.

### Arm Margin, Caps & Index:

Please See USA Rate Sheet: [www.USADirectFunding.com](http://www.USADirectFunding.com)

### Minimum / Maximum Loan Amount

Maximum Loan Amount: Fannie Mae / Freddie Mac Loan limit for property type and location:

Number Of Units	Contiguous States & District of Columbia	Alaska & Hawaii
1	\$417,000	\$625,500
2	\$533,850	\$800,775
3	\$645,300	\$967,950
4	\$801,950	\$1,202,925

### LOAN PURPOSE:

**Purchase**

**No cash out refinance**

*Note: When a second mortgage is paid off with the proceeds of the refinance, a copy of the HUD-1 for the acquisition of the property is required to verify whether or not the 2nd mortgage was used in the original acquisition of the property. This requirement applies regardless of the age of the 2nd mortgage.*

**Cash out refinance**



Rates and terms are subject to change without notice. Loans subject to credit approval. This does not represent an offer to enter into a loan agreement with USA Direct Funding. For informational use by residential lending professionals only, and not for consumer use or distribution. Not all products are available in all areas. Information deemed reliable but not guaranteed. Thank you.



**“100 Series” Alt A  
UNDERWRITING GUIDELINES**

**ELIGIBLE BORROWER**

**Borrower Residency / Immigration Status**

U. S. citizens and permanent resident aliens only.

**Non-Occupying Co-Borrowers**

Not Permitted.

**First Time Homebuyer**

Not allowed. Borrowers must show a 12-month mortgage history in order to qualify for this program. Rental history does not count towards

**Business Entities**

Not permitted.

**OCCUPANCY TYPE:**

Primary residence (1-4 units, PUD, Condo)

Second home (SFR, PUD, Condo)

Investment Properties are not allowed.

**INTERESTED PARTY CONTRIBUTIONS (All LTV's):**

Primary residence (1-4 units, PUD, Condo) = 6%

Second home (SFR, PUD, Condo) = 6%

**BANKRUPTCY/FORECLOSURE/DEROGATORY CREDIT:**

Bankruptcies must be discharged at least 4 years before the application date.

Foreclosures must be settled at least 5 years before the application date.

Mortgage Lates: 0x30 allowed in the past 12 months, regardless of AUS findings.

**GIFT FUNDS:**


Not Allowed.



Rates and terms are subject to change without notice. Loans subject to credit approval. This does not represent an offer to enter into a loan agreement with USA Direct Funding. For informational use by residential lending professionals only, and not for consumer use or distribution. Not all products are available in all areas. Information deemed reliable but not guaranteed. Thank you.




# "100 Series" Alt A UNDERWRITING GUIDELINES

<b>PROPERTY TYPE:</b>	
<p>SFRs  PUDs  Low rise condominiums  2-4 units</p> <p><b>Acreage: 20 Acres Max</b></p>	
<b>INCOME DOCUMENTATION TYPES:</b>	
<p><b>Stated Income / Verified Assets*</b></p>	<p><i>(Salaried &amp; Self Employed Only)*</i></p>
<ul style="list-style-type: none"> <li>•*More than 50% of the total qualifying income for the loan must be derived from employment (base income, commission, overtime and /or bonus) or self- employment: and</li> <li>•*The additional qualifying income (i.e. passive income) both the amount of the income and the source – must be verified with Full/ Alternate documentation.</li> <li>•*We are defining Passive income as retirement ,social security, disability, trust, rental or other investments income, alimony, child support , etc.</li> </ul>	
<b>SUBORDINATE FINANCING:</b>	
<p>Permitted for O/O, 1-unit properties - see matrix for score requirements.</p>	
<b>PREPAYMENT PENALTY:</b>	
<p>Not Allowed.</p>	
 <p><small>Rates and terms are subject to change without notice. Loans subject to credit approval. This does not represent an offer to enter into a loan agreement with USA Direct Funding. For informational use by residential lending professionals only, and not for consumer use or distribution. Not all products are available in all areas. Information deemed reliable but not guaranteed. Thank you.</small></p>	



**“100 Series” Alt A  
UNDERWRITING GUIDELINES**

<b>DEBT TO INCOME RATIO:</b>											
<ul style="list-style-type: none"> <li>Fixed Rate Programs - max DTI is 38%, although up to 50% DTI allowed with AUS approval.</li> <li>ARM Programs - max DTI is 38%, although up to 45% DTI allowed with AUS approval.</li> </ul>											
<b>RECENTLY LISTED PROPERTIES:</b>											
<ul style="list-style-type: none"> <li>Rate &amp; Term Refinance and Cash-Out Refinances - must be 6 months off of listing.</li> <li>Owner Occupied &amp; 2nd Homes allowed.</li> <li>Must provide proof of cancellation of the RMLS listing</li> </ul>											
<b>REQUIRED RESERVES:</b>											
<table border="1"> <thead> <tr> <th>OCCUPANCY</th> <th># OF MONTHS REQUIRED</th> </tr> </thead> <tbody> <tr> <td align="center" colspan="2"><b>1-4 UNIT PRIMARY RESIDENCES &amp; ALL SECOND HOMES</b></td> </tr> <tr> <td colspan="2">Stated Income/Verified Assets:</td> </tr> <tr> <td align="center">Owner Occupied</td> <td align="center">3</td> </tr> <tr> <td align="center">Second Home</td> <td align="center">6</td> </tr> </tbody> </table>		OCCUPANCY	# OF MONTHS REQUIRED	<b>1-4 UNIT PRIMARY RESIDENCES &amp; ALL SECOND HOMES</b>		Stated Income/Verified Assets:		Owner Occupied	3	Second Home	6
OCCUPANCY	# OF MONTHS REQUIRED										
<b>1-4 UNIT PRIMARY RESIDENCES &amp; ALL SECOND HOMES</b>											
Stated Income/Verified Assets:											
Owner Occupied	3										
Second Home	6										
<p><b>NOTE: For All Stated Income / Verified Asset Loans, Additional Assets May be Required to Demonstrate Reasonability of Income. Business Funds cannot be used towards reserves.</b></p>											
<b>VERIFICATION OF FUNDS</b>											
Two months bank statements are required to verify funds - VODs are not allowed.											
<b>APPRAISAL / PROPERTY QUALIFICATIONS:</b>											
<p><b>Collateral Assessment Requirements</b> A Form 1004/70, 1073/465, 1025/72 or 2090, as applicable for the Subject Property type, is required.</p> <p><b>Declining Real Estate Markets</b> Properties located in declining real estate markets are subject to additional appraisal requirements, lower LTV/CLTV Limits (5% Automatic Reduction) and may be subject to state restrictions. Check with Underwriting for details.</p>											
<b>IRS FORM 4506-T</b>											
<p><b>Required.</b></p>											
 <p><small>Rates and terms are subject to change without notice. Loans subject to credit approval. This does not represent an offer to enter into a loan agreement with USA Direct Funding. For informational use by residential lending professionals only, and not for consumer use or distribution. Not all products are available in all areas. Information deemed reliable but not guaranteed. Thank you.</small></p>											