



"400 Series" JUMBO UNDERWRITING GUIDELINES

Last revised 08/04/08

Appraisal Requirements:	\$417,001 to \$750,000 – one full appraisal required regardless of automated findings. \$750,001 to \$1M - one full appraisal by an investor-approved appraiser. >\$1M to < \$1.5M - one full appraisal by an investor-approved appraiser OR by a normal certified appraiser with a Field Review performed by an approved vendor. >= \$1.5M to <= \$2M - one full appraisal done by an investor-approved appraiser. >\$2M - second appraisal required by an investor-approved appraiser.
Assumability:	Loans are not assumable.
Bankruptcy/Foreclosure:	\$417,001 to \$750,000 - no bankruptcy/foreclosure in past 7 years. >\$750,000 - no bankruptcy/foreclosure allowed.
Credit History:	Minimum 2 years established credit history required. Minimum 680 mid-score for all borrowers on the transaction required (certain LTV/CLTV restrictions apply.)
Declining Markets:	The following counties in Oregon and Washington have been designated as declining markets and are subject to the following maximum LTV/CLTV: 75% LTV/CLTV (OR): Benton, Clackamas, Columbia, Deschutes, Jackson, Lane, Marion, Multnomah, Polk, Washington, Yamhill 75% LTV/CLTV (WA): Asotin, Clark, Skamania 80% LTV/CLTV (WA): King, Pierce, Snohomish 85% LTV/CLTV (WA): Benton, Chelan, Cowlitz, Douglas, Franklin, Kitsap Skagit, Spokane, Thurston, Whatcom, Yakima (Declining Market LTV/CLTV reductions do not apply if the loan is a purchase, O/O, SFR with 720+ scores, 40% DTI Max, 3 months bank statements showing 6 mos PITI - other restrictions may apply)
Documentation:	\$417,001 to \$750,000 - document according to DU/LP findings with the following exceptions: <i>Minimum FICO 680</i> <i>Maximum Cash-Out as noted in the 'Refinance' section of guidelines</i> <i>Maximum DTI 50%</i> <i>No BK/Foreclosure in past 7 years</i> <i>Full Appraisal always required</i> <i>0x30 housing lates allowed in past 12 months</i>
Eligible Borrowers:	US Citizens and Permanent Resident Alients allowed. Non-Permanent Resident Alients and Foreign Nationals are not allowed.
Eligible Funds:	Funds must be verified by using two months bank statements (VOD not acceptable) Gifts are eligible after borrower puts 5% of their own funds down. Business Funds are not eligible for down payment or closing costs.
Interested-Party Contributions:	LTV/CLTV 75.01 to 90%: 6% allowed LTV/CLTV <=75%: 9% allowed



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Multiple Property Ownership:	Limit of 4 financed properties.
Non-Occupant Co-Borrower:	Primary Residence Only with the following restrictions: <i>Occupant Borrower must pay 5% from own sources if LTV >80%</i> <i>Max DTI for occupant borrower is 35%/43%</i>
Private Mortgage Insurance:	80.01 - 85%: 12% coverage for >20 yr term loans; 6% for <=20 yr term loans 85.01 - 90%: 25% coverage for >20 yr term loans; 12% for <=20 yr term loans
Property Type:	Primary Residence: 1-4 unit, Condo, PUD Second Home: 1-unit, Condo, PUD
Qualifying Ratios:	LA <\$750K with DU/LP approval: 50% max DTI LTV > 80% - 40% max DTI (can be exceeded with AUS approval for loan amount <=\$750K) LTV <=80% is as follows (can be exceeded with AUS approval for loan amount <=\$750K): <i>Total income <=\$75,000/yr = 40% DTI</i> <i>Total income >\$75,000 <= \$150,000/yr = 42% DTI</i> <i>Total income >\$150,000/yr = 44% DTI</i>
Refinance (Cash-Out):	6 months seasoning required before cash-out refinances are allowed. Maximum cash-out allowed (including non-first mortgage debt payoff) is limited to: LTV >80% - \$150,000 on a Primary Residence and on a Second Home. LTV <=80% - \$500,000 on a Primary Residence, and \$250,000 on a Second Home. If the borrower has owned the property with improvements for more than 6 months, LTV will be based on the current appraised value. Home improvements must be documented and noted in the new appraisal for the current value to be used. If the property has been owned less than 6 months, the value will be based on the lesser of the documented original purchase price plus the added value of any improvements, or the current appraised value.
Refinance (No Cash-Out):	6 months seasoning required before cash-out refinances are allowed. No more than 5% of the Loan Amount may be used towards customary closing costs (including Prepays). The lesser of 1% of the loan amount or \$5,000 may be received back by the borrower but that money would be counted towards the 5% limit mentioned above. If the property has been owned less than 6 months, the value will be based on the lesser of the documented original purchase price plus the added value of any improvements, or the current appraised value. Pay-off of a junior lien (i.e. second mortgage) that is more than 12 months old can be considered a rate/term refinance even if the junior lien was not used in its entirety to acquire the property. If the junior lien is a line of credit that has been used for more than \$2,000 in draws in the past 12 months, it will be considered a cash-out refinance.
Reserves (Fixed Rate):	<=\$500,000 - 2 months reserves required. >\$500,000 to \$3M - 6 months reserves required.
Reserves (ARM):	<=\$500,000 - 4 months reserves required. >\$500,000 to \$1.1M - 6 months reserves required. >\$1.1M to \$2.0M - 12 months reserves required.
Subordinate Financing:	Allowed per max CLTV as stated in the matrices. There may be a pricing adjustment for using subordinate financing.



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