

DU Refi Plus Program Guidelines



The following guidelines apply to all USA DIRECT FUNDING's DU Refi Plus loan programs. All loans must adhere to the criteria of these guidelines. This guide addresses the specific areas needed to facilitate a DU Refi Plus Loan and must be used in conjunction with USA DIRECT FUNDING Conforming Guidelines. While USA DIRECT FUNDING makes every attempt to include all guidelines, the user may also consult the FNMA SELLING GUIDE. Please note, however, that USA DIRECT FUNDING DU Refi Plus Guides will supersede any conflict with the FNMA SELLING GUIDE. USA DIRECT FUNDING may, at its discretion allow exceptions to the guidelines. Exceptions must be requested by a Loan Officer or Processor. Any exception granted will have a price adjustment. USA DIRECT FUNDING's philosophy is to consider all the risk factors inherent in the loan file. Consideration is given to each individual transaction, applicant profile, documentation provided, and collateral. Because each loan is unique, underwriters are expected and encouraged to use professional judgment in making a lending decision based on the entire profile presented and the relative risk for USA DIRECT FUNDING.

Our commitment to fairness and equal opportunity is clear. In keeping with that, all transactions/borrowers will be treated in a consistent and fair manner. And all customers/clients should receive the HIGHEST level of customer service.

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Appraisal	<p>General Guidelines</p> <ul style="list-style-type: none"> Property Inspection Waivers (PIW) will be permitted if the LTV is <=80%. A full 1004 Appraisal is required for LTV >80%. Age of appraisal – refer to conforming guidelines.
Credit History	<p>Acceptable Individual Credit Reports:</p> <ul style="list-style-type: none"> Residential Mortgage Credit Report Merged in-file credit report with information pulled from at least two (2) national credit repositories. Individual in-file credit reports from at least two (2) national credit repositories. <p>Credit Score Determination:</p> <ul style="list-style-type: none"> Use qualifying score criteria: lower of two (2), middle of three (3). The lowest middle score of all borrowers on the loan will be used. <p>Credit Score Requirements:</p> <ul style="list-style-type: none"> All borrowers must have a minimum of 3 trade lines with a 12 month history. All borrowers must have a minimum 620 credit score for primary residences, and a minimum 680 score for second homes and investment properties. The attached eligibility chart will provide more guidance. <p>The borrowers must meet the following criteria:</p> <ul style="list-style-type: none"> No lates on the current mortgage. No bankruptcy in the past 4 years. No foreclosures in the last 7 years.
Income documentation	<p>Only Full/Alt Documentation types are permitted.</p> <ul style="list-style-type: none"> 4506-T is required to be executed by all borrowers on all loans. <p>Refer to conforming guidelines for all other income documentation requirements.</p>
Loan Terms	<ul style="list-style-type: none"> 15, 20, 30, 40 year fixed rate; 5/1, 7/1 and 10/1 arms.
Mortgage Insurance	<p>Mortgage Insurance with loans over an 80% LTV is not required if the initial FNMA loan was done at an 80% or lower LTV. Underlying FNMA loans that had/have mortgage insurance are not eligible for this program.</p>
Occupancy	<p>Owner occupied, second homes and investment properties are eligible.</p>
Program Eligibility	<p>This program is available for rate and term refinances of an existing FNMA loan. To determine if the borrowers underlying loan is a FNMA loan, use the following link.</p> <p>http://loanlookup.fanniemae.com</p> <p>The new loan must pay off the existing balance of the underlying FNMA loan and customary</p>

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	<p>closing costs. Maximum incidental cash back to the borrower is \$250.</p> <p>This refinance must provide a benefit to the borrower in the form of reduced payments or a more stable loan term (moving from an ARM to Fixed).</p> <p>The borrowers on the Refi Plus loan must be identical to those on the loan being refinanced.</p>
Ratios	The lesser of 55% or DU findings.
Reserve Requirements	Borrower must have 2 months PITI reserves after loan closing if the LTV is > 80%
Subordinate Financing	Subordinate liens <i>may not be paid off</i> with this loan and must be re-subordinated.
Underwriting	<ul style="list-style-type: none"> • DU Findings with "Approve" Determination.

ELIGIBILITY MATRIX- USA DIRECT FUNDING DU REFI PLUS			
Primary Residence			
Transaction Type	# of units	Max LTV/CLTV/HLTV	Min Credit Score
Rate and Term Refi	1-4	95*/110*/110*	620
Secondary Residence			
Transaction Type	# of units	Max LTV/CLTV/HLTV	Min Credit Score
Rate and Term Refi	1	80*/110*/110*	680
Investment Property			
Transaction Type	# of units	Max LTV/CLTV/HLTV	Min Credit Score
Rate and Term Refi	1-4	80*/110*/110*	680
*Exceptions will be considered on a case by case basis. Pricing hits may apply.			