

Eligibility and Guideline Changes

Effective 2.20.09

Ineligible

- Manufactured Housing
- Construction-to-Permanent
- 2-unit properties
- Interest Only
- Third Party Originations
- Nontraditional credit

Credit Score

- Minimum 680 credit score will be required on all products and programs, with the exception of High Balance loans

High Balance Loans

- Minimum 740 credit score
- Minimum initial fixed period of 5 years on all ARM loans
- Maximum 3% Interested Party Contributions

Ineligible

- Loans with temporary buydowns
- Balloon mortgages
- Loans for properties in Arizona, California, Florida, Hawaii, Nevada and Rhode Island

Condominiums & Co-ops

- Maximum 90% LTV

Debt-to-Income Ratio

- Maximum 41% Debt-to-Income ratio; compensating factors will not be considered

Appraisal Requirements

- Reduced appraisal forms are ineligible, such as those that are DU®/LP-driven (e.g., Exterior-Only 2055, drive-by inspection, and Property Inspection Waivers/Alternatives)

Please note the following; Distressed Markets Policy List changes supersede the previously scheduled revisions effective 3.1.09:

- Maximum 90% LTV for all distressed markets
 - Maximum 85% LTV for condominiums & co-ops
- Minimum 700 credit score for all distressed markets
 - Minimum 720 credit score for properties in AZ, CA, FL, HI, NV and RI
- Minimum initial fixed period of 5 years on all ARM loans
- Maximum 3% Interested Party Contributions
- Attached Housing in the state of Florida is no longer eligible (this includes condominiums, attached PUDs, co-ops, 2- to 4-units, townhomes, and row houses)

■ The following MSA/MSADs have been removed from the Distressed Markets List:

- Terre Haute, IN
- Cleveland-Elyria-Mentor, OH
- Sandusky, OH
- Springfield, OH
- Kalamazoo-Portage, MI
- Niles-Benton Harbor, MI

■ The following states, MSA/MSADs, and non-MSA Areas have been added to the Distressed Markets List:

Entire States:

- Hawaii
- Rhode Island

MSA/MSADs:

- Bridgeport-Stanford-Norwalk, CT
- Hartford-West Hartford-East Hartford, CT
- New Haven-Milford, CT
- Dover, DE
- Atlanta-Sandy Springs-Marietta, GA
- Brunswick, GA
- Dalton, GA
- Gainesville, GA
- Macon, GA
- Savannah, GA
- Boise City Nampa, ID
- Coeur d'Alene, ID
- Champaign-Urbana, IL
- Danville, IL
- Decatur, IL
- Kankakee-Bradley, IL
- Peoria, IL
- Rockford, IL
- Anderson, IN
- Elkhart-Goshen, IN
- Kokomo, IN
- South Bend-Mishawaka, IN-MI
- Lewiston-Auburn, ME
- Baltimore-Towson, MD
- Hagerstown-Martinsburg, MD-WV
- Salisbury, MD
- Boston-Quincy, MA (MSAD)
- Peabody, MA (MSAD)
- Duluth, MN-WI
- Minneapolis-St. Paul-Bloomington, MN-WI
- St. Cloud, MN
- Manchester-Nashua, NH
- Camden, NJ (MSAD)
- Vineland-Millville-Bridgeton, NJ
- Elmira, NY
- Glens Falls, NY
- Kingston, NY
- Hickory-Lenoir-Morganton, NC
- Wilmington, NC
- Canton-Massillon, OH
- Eugene-Springfield, OR
- Medford, OR
- Anderson, SC
- Cleveland, TN
- Morristown, TN
- St. George, UT
- Harrisonburg, VA
- Virginia Beach-Norfolk-Newport News, VA
- Bellingham, WA
- Bremerton-Silverdale, WA
- Longview, WA
- Tacoma, WA