


GATEWAY MORTGAGE GROUP LLC UNDERWRITING SUMMARY MATRIX

The Program requirements for all FHA, VA, USDA, and FNMA loans are determined by the individual agencies and available on their respective websites; with the exception of the items listed:

Guideline	Product	Comment
AUS	ALL	Conventional/FHA/VA - DU Only (LP not allowed). USDA – GUS (Guaranteed Underwriting System).
4506-T	ALL	IRS Form 4506T must be submitted with all loan files. GMG will execute the form and order IRS Transcripts on all loans submitted. 4506T requires “live” borrower signatures...electronic signatures will not be accepted.
Amended Tax Returns	ALL	<ul style="list-style-type: none"> • If tax returns are filed prior to application date, the original files return and the amended return are required. If the returns were amended 60 days or less from the application, evidence of payment must also be provided. • If tax returns are filed with the IRS after application date, the tax returns may be acceptable with the following: <ol style="list-style-type: none"> 1. Evidence of filing 2. Payment and the ability to pay the tax if the check has not cleared 3. An LOE regarding the reason for the re-file. • The underwriter will use prudent judgment in reviewing the amended return. If the amended income is needed for qualification, an Underwriting Manager must approve the use of the amended income.
Asset Verification	ALL	A written VOD cannot be standalone documentation. At least one months bank statements is required on all loans, regardless of AU decision.
Income Verification	ALL	A written VOE cannot be standalone documentation. At least one paystub and W2 is required on all loans, regardless of AU decision. * When Tax Returns are required, ALL filed schedules must be submitted to Underwriting...regardless of the schedule, they must all be submitted.
Rental/Mortgage Verification	ALL	Institutional VOR/VOM or 12 months cancelled checks. If paying by cash, must obtain cash receipts and evidence of transaction through bank statements for most recent 12 months.
Non-Taxable Income	ALL	All disclosed non-taxable income may be grossed up, per standard agency guidelines. However, the ultimate decision on whether or not to allow the grossed up income is at the complete discretion of the underwriter.
Multiple Financed Properties	ALL	The total number of financed properties to one borrower is 4. Retail Only – Manager Exception may be granted to allow up to 10 financed properties (total).
Cash Out Refinance Seasoning	ALL	All borrowers must hold title to subject property for a minimum of 6 months.
Florida Condominiums	ALL	Not allowed.
Cooperatives	ALL	Not allowed.
Manufactured Homes	ALL	Not allowed.
Disputed Accounts	ALL	DU Approve/Eligible: Disputed accounts may remain open up to a maximum of \$500 cumulative with a written explanation from the Borrower and supporting documentation.
Credit Score Requirement	ALL - Wholesale	>=640
	FHA/VA/Conventional - Retail	>=620
	USDA	>=600 - Must have GUS approval/accept.
	FHA Sec. 184 – Indian Housing **	>=580
Closing Costs Paid with Credit Card	ALL	Not allowed. Borrower must pay closing costs with U/W verified assets.
Commission Income	ALL	Commission income must be reflected on the Borrower’s tax returns for a minimum of 12 months for all loans.
LTV	FHA	96.5% Purchase, 97.75% Rate/Term
	VA	100%
	USDA	103%
	Conventional	95%
	Conventional Cash Out Refinance	85% Retail 85% Wholesale, with Fico >700 -- <700 75% max
	FHA Sec. 184 – Indian Housing **	97.75% Purchase/Rate & Term 85% Cash Out
Mortgage Insurance	Conventional, DU Refi Plus	New mortgage insurance certificate must be obtained...transfers not allowed.
Property Inspection Waiver	Conventional	Must be allowed for in the DU findings. Disclosure required advising Borrower not to rely on waiver of appraisal to support value and that they may independently obtain an appraisal of value.

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Ordering Appraisal	FHA/Conventional/USDA	Retail – All appraisals should be ordered through Reliable Appraisal Management. Wholesale – All appraisals submitted must comply to current HVCC and HUD Appraiser Independence Guidelines.
Down Payment Assistance	FHA/VA/USDA	Gateway must approve all down payment assistance programs.
	Conventional	Not allowed.
DTI	ALL	Maximum DTI for FHA/VA loans is 55%. If manual underwrite, max DTI 45% (mgmt approval required for manual underwrite). Maximum DTI for Conventional loans is 50%. Mgmt approval required for DTI over 45%.  Effective with all new submissions 1/21/2011 and later, FHA/VA DTI >50% will require 2 months PITI reserves on purchase transactions.
Purchase & Rate/Term Refinance	FHA/VA	Manually underwritten loans are ineligible if there are any housing payment delinquencies 0x30 or greater within the past 12 months.
Non-Credit Qualifying Streamline Refinance	FHA/VA	All non-credit qualifying streamline refinances are ineligible. All streamlines must credit qualify.
Streamline Refinance	FHA/VA	Investment properties are not eligible for streamline refinance.
Conversion of Primary Residence to 2 nd Home/Investment Property	ALL	<ul style="list-style-type: none"> Qualify with current PITI and proposed PITI Allow use of rental income to offset PITI if borrower relocating to new geographic area due to employment or 30% equity is documented in the retained property Reserves for conversion to Second Home: 6 months PITI required for both properties OR 2 months if 30% equity is documented Reserves for conversion to an Investment Property: 6 months PITI is required for both properties OR no reserves if the borrower is relocating to a new geographic area and the property is rented OR 30% equity is documented in the retained property
First Time Homebuyer	FHA	<ul style="list-style-type: none"> Downpayment must come from personal funds (3.5%). Closing costs may be a gift or seller contribution. 2 months PITI must be proven in assets, either in liquid cash or investment account/401K, IRA, etc. 45% max DTI No collections/chargeoffs in last 24 months. Applies to credit scores 640-660. Above 660, standard eligibility criteria applies. Below 640, not eligible.
Eligibility by Location	ALL – WHOLESAL	<ul style="list-style-type: none"> Wholesale loans in Illinois are not eligible for financing. Effective 12/1/2010, Wholesale loans in Michigan are not eligible for financing. Wholesale loans in Martin, Palm Beach, Broward, Miami-Dade, and Monroe counties in Florida are not allowed...not eligible for financing.
Principle Reductions	ALL	Principle Reductions allowed up to \$400 max.
Fico Exception	FHA/VA – Retail Only	When a <620 Fico Exception is requested by RETAIL, the following minimum criteria must be met prior to granting the approval. If following cannot be met, exception can only be made by VP Operations or higher. <ul style="list-style-type: none"> 45% or less DTI 2 months PITI No lates in last 24 months on any existing mortgage, including mortgages that show “paid” on credit report. BK (any type), if any, discharged at least 24 months prior to application date.
VA-IRRL	VA-IRRL	<ul style="list-style-type: none"> Max \$250 back to borrower at closing. Funds over \$250 will be shown as principal reduction, or loan amount must be adjusted. Effective 11/9/2010, VA IRRL in Michigan or Miami Dade County FL are ineligible, unless active lock exists (not expired or unlocked). Effective 11/9/20910, new VA IRRL submissions in Midwest will require drive-by appraisals. VA IRRL in “declining market” will require a full appraisal.
Escrow Waiver	Conventional	Escrow waivers not allowed over 80%, unless all of the following criteria are met: <ul style="list-style-type: none"> Single premium paid for mortgage insurance...either Lender Paid or Borrower Paid 700+ FICO \$100K+ assets No Bankruptcy(s) showing in credit history for any borrower 90% max LTV 40% max DTI

** FHA Section 184 Indian Housing loans available to select Retail branches only.