

# GATEWAY MORTGAGE GROUP

## Wholesale Underwriting Matrix

*Program guidelines for 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
Eligible States	ALL	Alabama, Arkansas, California, Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Mexico, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming.
AUS	Conventional/FHA/VA USDA	<ul style="list-style-type: none"> <li>DU A/E Only (LP not allowed).</li> <li>GUS Accept (Guaranteed Underwriting System). Manual underwrite considered subject to USDA and Underwriting Manager 2<sup>nd</sup> review/approval.</li> </ul>
4506T	ALL	<ul style="list-style-type: none"> <li>Signed IRS Form 4506T must be submitted with all loan files. Gateway will execute the form and order 2 years IRS Transcripts on all transactions.</li> <li>The 4506T requires "live" borrower signatures...electronic signatures will not be accepted.</li> </ul>
Asset Verification	ALL	<ul style="list-style-type: none"> <li>A written VOD cannot be standalone documentation. At least one 30 day statement required for all assets used to qualify, regardless of AU decision.</li> </ul>
Income Verification	ALL	<ul style="list-style-type: none"> <li>A written VOE cannot be standalone documentation. At least one paystub and W-2 is required on all loans, regardless of AU decision.</li> <li>When Tax Returns are required, ALL schedules and attachments must be submitted to Underwriting.</li> </ul>
Rental/Mortgage Verification	ALL	<ul style="list-style-type: none"> <li>Verification of mortgage and / or rent required on all transactions. This may include Credit Report, VOM, VOR, or 12 months cancelled checks.</li> <li>If paying by cash, must obtain receipts and bank statements showing withdraws for most recent 12 months. (max DTI 45%, 2 months PITI reserves)</li> </ul>
Credit Reports	ALL	<ul style="list-style-type: none"> <li>For quality control, Gateway will pull a credit report on all transactions.</li> <li>Gateway will consider using the Broker provided credit report for pricing if the Broker credit report is &lt;15 days old at time of submission.</li> <li>Credit Reports are good for a maximum of 45 days, using report "pull date" as day 1...regardless of DU findings.</li> </ul>
Credit Score Requirement	ALL Products ----- FHA/VA Only ----- USDA	----- >=640 ----- 620 - 639 ----- <ul style="list-style-type: none"> <li>Max DTI 45%</li> <li>Minimum 1 month PITI documented reserve</li> <li>Down payment must come from own funds, no DPA or gift funds allowed</li> <li>No Foreclosure last 3 years</li> <li>Maximum Payment Shock 50%</li> </ul> ----- <ul style="list-style-type: none"> <li>Maximum 1 of the following USDA waivers considered per transaction:               <ul style="list-style-type: none"> <li>o FICO &lt; 640</li> <li>o DTI &gt; 29/41%</li> <li>o Payment Shock &gt;50%</li> </ul> </li> </ul>
Amended Tax Returns	ALL	<ul style="list-style-type: none"> <li>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.</li> <li>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"> <li>Evidence of filing</li> <li>Payment and the ability to pay the tax if the check has not cleared</li> <li>An LOE regarding the reason for the re-file.</li> </ol> </li> <li>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.</li> </ul>
Commission Income	ALL	Commission income must be reflected on the Borrower's tax returns for a minimum of 24 months for all loans.
Conversion of Primary Residence to 2 <sup>nd</sup> Home/Investment Property	ALL	<ul style="list-style-type: none"> <li>Qualify with current PITI and proposed PITI</li> <li>Allow use of rental income to offset PITI only if borrower relocating to new geographic area due to employment or 30% equity is documented in the retained property</li> <li>Reserves for conversion to Second Home: 6 months PITI required for both properties OR 2 months if 30% equity is documented</li> <li>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</li> </ul>

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Closing Costs paid with Credit Card	ALL	No reimbursement allowed on HUD-1 at closing.
Disputed Accounts	ALL	Per agency guidelines and DU Findings.
Down Payment Assistance	FHA/VA/USDA	All down payment assistant programs must be approved by Gateway. Government (Federal, State, County, etc.) approved DPA programs only. Max 45% DTI, and <30% payment shock. If living rent free, DPA not allowed.
	Conventional	DPA not allowed.
DTI	FHA/VA/USDA	<ul style="list-style-type: none"> <li>DTI &gt;50% requires 2 months PITI reserves on purchase transactions.</li> <li>Maximum DTI for DU approved FHA/VA loans is 55%. If manual underwrite, max DTI 45% (Credit Committee approval required).</li> </ul>
	Conventional	<ul style="list-style-type: none"> <li>Maximum DTI for Conventional loans is 50%. Credit Committee approval required for DTI over 45%.</li> </ul>
First Time Homebuyer	FHA	<ul style="list-style-type: none"> <li>Down payment must come from personal funds (3.5%). Closing costs may be a gift or seller contribution.</li> <li>Minimum 1 month PITI documented liquid reserves</li> <li>Maximum 45% DTI</li> <li>No collections/charge-offs in last 24 months</li> </ul>
	USDA	<ul style="list-style-type: none"> <li>Maximum 45% DTI</li> <li>Minimum 2 months PITI documented liquid reserves</li> </ul>
LTV Limits	FHA	Purchase 96.5%    Rate/Term 97.75% LTV / CLTV    Cash-out 85% LTV / CLTV
	VA	Purchase 100%    Rate/Term 100%,    Cash-out 90%
	USDA	Purchase 103%    Rate/Term 100%    Cash-out not allowed
	Conventional – owner occupied	Purchase 95%    Rate/Term 95%    Cash-out 80%
	Conventional – 2 <sup>nd</sup> home Conventional – DU Refi Plus	Purchase 80%    Rate/Term 75%    Cash-out 70% GMG Serviced 105%    Non-GMG Serviced 90%
Location Restrictions	ALL	<ul style="list-style-type: none"> <li>Wholesale loans in Illinois and Michigan not currently eligible for financing.</li> <li>Wholesale loans in Martin, Palm Beach, Broward, Miami-Dade, and Monroe counties in Florida are not current eligible for financing.</li> </ul>
Mortgage Insurance	Conventional, DU Refi Plus	<ul style="list-style-type: none"> <li>Approved MI companies – UGI, RMIC, Radian, and Genworth.</li> <li>New non-delegated mortgage insurance certificate must be obtained, transferred certificate not allowed.</li> </ul>
Multiple Properties	ALL	<ul style="list-style-type: none"> <li>Maximum 4 financed properties.</li> <li>Maximum 4 loans financed with Gateway Mortgage Group.</li> </ul>
Non-Taxable Income	ALL	Disclosed non-taxable income may be grossed up, per agency guidelines. However, the ultimate decision on whether or not to allow the grossed up income is at the discretion of the Gateway Underwriter.
Ordering Appraisal	FHA/Conventional/USDA	Appraisals should be ordered through Reliable Appraisal Management, and must be in compliant with agency (Fannie/HUD) Appraiser Independence Policies (formerly HVCC). Transferred appraisals may be considered on exception basis by Reliable Appraisal Management subject to confirming compliant.
Refinance Transactions	ALL	All borrowers must have 12 month payment history, no lates. (12 months on-time payments).
Non-Credit Qualifying Streamline Refinance	FHA	All non-credit qualifying streamline refinances must meet minimum credit standards. Credit report, income and asset documentation required.
Streamline Refinance	FHA	Investment properties are not eligible for streamline refinance.
VA-IRRRL	VA	<ul style="list-style-type: none"> <li>Max \$250 back to borrower at closing. Funds over \$250 will be shown as principal reduction, or loan amount must be adjusted.</li> <li>VA IRRRL not eligible in Michigan or Miami Dade County FL.</li> <li>VA IRRRL's require drive by appraisal w/ value. VA IRRRL in "declining market" will require a full appraisal.</li> </ul>
Leasehold	ALL	Leasehold requires prior approval by Gateway Legal Department.
Principle Reductions	ALL	Principle Reductions allowed up to \$400 max.

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Property Inspection Waiver	Conventional	Must be offered per 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.
Escrow Waiver	Conventional	Escrow waivers not allowed over 80%, unless all of the following criteria are met: <ul style="list-style-type: none"> <li>• Single premium paid for mortgage insurance...either Lender Paid or Borrower Paid</li> <li>• Minimum 700 FICO</li> <li>• \$100K+ assets</li> <li>• No Bankruptcy(s) showing in credit history for any borrower</li> <li>• Maximum 90% LTV</li> <li>• Maximum 40% DTI</li> </ul>
Not allowed	ALL Products	Cooperatives, Florida Condominiums, Manufactured Homes, Trust