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GUIDELINES	GUIDELINES	LTV LIMITATIONS																									
<p>ELIGIBILITY US Citizens, Permanent & Non-Permanent Resident Aliens, Non-Occupied Co-Borrowers – Owner Occupied Primary Residence only. Must have 2 years credit, employment & residence.</p> <p>AVAILABLE PROGRAMS 15, 20, 25 and 30 year fixed rate loans and 5/1 ARM (5/1 requires 640 min credit score). Loans with scores below 640 must be registered with the product code “GNMA 1”</p> <p>ALL FHA TRANSACTIONS</p> <ul style="list-style-type: none"> Minimum credit score is 620, unless otherwise indicated on the matrix. Three trade lines with at least a 12 month history are required unless one is a major account such as mortgage or an installment loan. Crescent will consider cases for borrowers with fewer trade lines on an exception basis. ALL loans must score “approve/eligible” or “accept/accept” through AUS. We can no longer approve “refer” loans. No non-traditional credit allowed – ALL borrowers must have credit score that meets Crescent’s minimum requirement. A fully complete & signed 4506-T is required for all submissions. Tax return transcripts will be ordered by Crescent. Any discrepancies must be reconciled prior to closing. Maximum of 4 financed properties, including the subject No Manufactured homes – No “on frame” modular homes All condominiums must be on FHA’s approved project list. All appraisals must comply with FHA’s Appraiser Independence and Portability requirements as described in Mortgagee Letters 09-28 and 09-29. No foreclosures, short sales or short payoffs within the most recent 3 years Units in attached PUDs or approved condominium projects must have 100% replacement cost coverage for the exterior AND the interior of the unit (HO-6 policy). See bulletin 01132012UW for more information about attached PUDs. <p>CREDIT SCORE 620-639</p> <ul style="list-style-type: none"> If the borrower has rented or has had a mortgage, verification must reflect that there have been no late payments in the last 24 months when applicable. FHA loans with credit scores 620-639 will require a 2nd signature by management. <p>RATIOS Maximum debt ratio is 50% for FHA loans with credit score of 620-639. Note: DTI to 55% will still be considered on loans with a minimum credit score of 640.</p> <p>MORTGAGE LIMITS Mortgage limits are set by FHA and vary based on the county where the subject property is located. See “FHA Mortgage Limits” on HUD’s website to check the limits in your area.</p> <p>DECLINING MARKETS Follow FHA guidelines for properties located in declining markets as described in Mortgagee Letter 2009-09.</p> <p>FHA-REO PROPERTIES Crescent will consider applications for purchase of FHA owned properties, including the \$100 down program, in accordance with current FHA guidelines. The following additional requirements apply:</p> <ul style="list-style-type: none"> 30 year fixed rate loan only Minimum credit score is 660 when LTV exceeds 96.5% Primary residences only Purchase agreement must indicate that the property is “insurable” Purchase agreement must indicate eligibility for \$100 down payment All borrowers must occupy Repair escrows will be considered, but cannot be financed if the LTV is greater than 96.5%. 	<p>FHA Lender Approval 2010-Information for Sponsored Originators FHA’s lender approval process changed as of October 4, 2010. Crescent has prepared a series of informative documents to assist you with the transition to be a Crescent Sponsored Originator for FHA loans and to lead you through the origination and submission process. FHA Road Map documents can be accessed by clicking on the link to Crescent’s Document Express. Once on the document website type “FHA Road Map” in the Title Search field. The list of available Road Map documents will appear just below the search field.</p> <p>PROPERTY FLIPPING – The property flipping waiver has been extended through 12/31/12. Crescent will consider loans on properties being resold by the seller less than 90 days after purchase under the temporary waiver to the flipping rule. See additional requirements below.</p> <ul style="list-style-type: none"> All requests should have the title work in file at the time of submission. If the new sales price is 20% or more above the seller’s acquisition cost a second appraisal is required and must be ordered through Crescent’s Appraisal Department regardless of your current terms of business. A property inspection ordered by Crescent will also be required. The second appraisal will be ordered by CMC once the loan is substantially complete and all significant conditions have been cleared. The cost of the second appraisal cannot be paid by the borrower. The cost of the inspection will be collected at closing Any and all property deficiencies identified by either appraiser or the inspector must be corrected prior to closing. A clear final inspection will be required prior to closing. Loans that require the waiver to the flipping rule must be registered and locked using the appropriate pricing adjustment. <p>See the complete document from HUD here for additional guidance and requirements... Property Flip Waiver ** WE STRONGLY URGE YOU TO ALLOW ENOUGH TIME FOR ALL STAGES OF THE PROCESS WHEN LOCKING YOUR LOANS AND SETTING CLOSING DATES! **</p> <p style="background-color: #008000; color: white; text-align: center; padding: 2px;">FHA HIGH BALANCE (loan amount greater than \$417,000)</p> <p>Minimum credit score 660 for all High Balance loans</p> <ul style="list-style-type: none"> 30 year fixed rate only No late housing payments in the last 12 months (all mortgages & rent payments). <p>If cash-out – No Bankruptcy or Foreclosure within most recent 7 years</p> <p>A second appraisal is required on any FHA loan (where case number is issued on or after April 1, 2008) when the following exist:</p> <ul style="list-style-type: none"> The base loan amount (excluding UFMIP) will exceed \$417,000; AND The LTV (Base Loan Amount) equals or exceeds 95%; AND The property is determined to be in a declining market. <ul style="list-style-type: none"> No second case number is to be requested for the second appraisal Underwriter will condition for evidence the appraisal has been paid for by the Borrower prior to close or the 2nd appraisal fee must be included in the cash to close. Repairs as noted on original FHA appraisal must be completed. If 2nd appraisal has an estimated value more than 5% lower than the original value, then the maximum mortgage is based on the lower of the 2 appraisals. No streamline refinances on loan amounts above \$417,000. <p>FHA 203H LOANS FOR DISASTER VICTIMS 100% LTV allowed for purchase transactions. There ARE additional guidelines and eligibility requirements. Please refer to 203H product guide for details.</p> <p>PLEASE NOTE: Any borrower who has been late on mortgage payments and/or who has a poor credit history could be denied regardless of AU findings</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #ffff00;"></th> <th style="background-color: #ffff00;">Credit Score</th> <th style="background-color: #ffff00;">LTV</th> <th style="background-color: #ffff00;">CLTV</th> <th style="background-color: #ffff00;">Hi-Balance** LTV/CLTV</th> </tr> </thead> <tbody> <tr> <td>Purchase - proposed and existing construction</td> <td>620</td> <td>96.50</td> <td>96.50</td> <td>96.50/96.50**</td> </tr> <tr> <td>R/T Refinance</td> <td>620</td> <td>97.75</td> <td>97.75</td> <td>97.75/100**</td> </tr> <tr> <td>Streamline w/o appraisal</td> <td>640</td> <td>N/A</td> <td>100*</td> <td>N/A</td> </tr> <tr> <td>Cash Out Refinance</td> <td>620</td> <td>85</td> <td>85</td> <td>85**</td> </tr> </tbody> </table> <p>*CLTV will be based on the value as reported on the Refinance Netting Authorization **Minimum credit score for all Hi-Balance loans is 660.</p> <p>UFMIP and Monthly MIP</p> <ul style="list-style-type: none"> Please refer to the FHA Mortgagee Letter 2011-10 for specific UFMIP & Monthly MIP calculations. Note: Term for monthly MIP will be determined when the loan balance equals 78%, provided the borrower has paid the annual MIP for at least 5 years (scheduled or actual). Base loan amount multiplied by annual premium divided by 12 months = monthly MIP. The financed UFMIP is not included in the statutory loan limit. When the UFMIP is financed, the loan amt is to be rounded down to the nearest dollar. <p style="background-color: #008000; color: white; text-align: center; padding: 2px;">REFINANCE</p> <p>Refinance (Rate and Term) – All refinance transactions must comply with ML 2011-11!</p> <ul style="list-style-type: none"> Maximum loan amt is 97.75% of the new appraised value, OR the combined total of: Existing first lien, purchase money second, any junior lien over 12 months old, closing costs, prepaid expenses, repairs required by the appraisal, and discount points, MINUS any UFMIP refund (if the loan to be paid off is an FHA insured loan). If owned less than 12 months, then the LTV will be based on lesser of purchase price or new appraisal Borrower must be current on the loan being refinanced May not receive cash back in excess of \$500.00. <p>Refinance (Cash-Out) – Texas properties not eligible</p> <ul style="list-style-type: none"> Cash-out Refinances may not exceed current geographic loan limits No late mortgage payments for most recent 12 months For mortgages with more than 6 mos and less than 12 mos of payment history, the borrower must have made all payments when due. Mortgages with less than 6 mos of payment history are not eligible for a cash-out refinance. 85% of the appraised value provided the property has been owned by the borrower and occupied as his/her principal residence for at least one year. If owned for less than 12 months then the lesser of the purchase price or the new appraised value will be used. Non-occupant owners may not be added in order to meet FHA’s credit underwriting guidelines for the mortgage. <p>ALL Streamline Refinances must comply with Mortgagee Letter 2009-32 and Mortgagee Letter 2011-11 for case numbers assigned 4/18/11 and after.</p> <ul style="list-style-type: none"> Must have <u>at least</u> 6 payments made with all payments on time. Must have 0 x 30 lates for most recent 12 months if the home has been owned for longer period of time. Net tangible benefit required...reduction in the P&I plus MIP of at least 5% or ARM to fixed If there is a reduction in the loan term, not eligible for streamline loan Any assets necessary to close must be documented Streamline refinances must not be run through TOTAL Scorecard (DU or LP) An appraisal may not be used to increase the mortgage balance beyond the sum of the outstanding principal balance and the new UFMIP. A fully qualifying R/T refinance transaction with an appraisal is required to include any costs associated with the new loan. Streamline w/o appraisal = principal balance + accrued interest through the end of the month of closing less the MIP refund + the new financed MIP. Discount points can no longer be included. 		Credit Score	LTV	CLTV	Hi-Balance** LTV/CLTV	Purchase - proposed and existing construction	620	96.50	96.50	96.50/96.50**	R/T Refinance	620	97.75	97.75	97.75/100**	Streamline w/o appraisal	640	N/A	100*	N/A	Cash Out Refinance	620	85	85	85**
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FHA PRODUCT PROFILE

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