

DU Underwriting Findings

SUMMARY

Recommendation	Approve/Eligible		
Primary Borrower	John Martinez		Co-Borrower
Lender Loan Number	103321311	Casefile ID	1405825391
Submission Date	06/10/2019 03:09PM	Submitted By	l411rcxa
First Submission Date	04/26/2019 11:37AM	DU Version	10.3
Submission Number	17		

Mortgage Information

LTV/CLTV/HCLTV	80.00% / 80.00% / 80.00%	Note Rate	5.125%
Housing Expense Ratio	29.04%	Loan Type	Conventional
Debt-to-Income Ratio	41.42%	Loan Term	180
Total Loan Amount	\$316000.00	Amortization Type	Fixed Rate
Sales Price	\$0.00	Loan Purpose	Refinance
Actual/Estimated Appraised Value	\$395000.00	Refi Purpose	Cash-Out

Property Information

Property Address	1800 Canyon Wren Dr	Number of Units	1
Property Type	Mc Kinney, TX 75071 Planned Unit Development(PUD)	Occupancy Status	Primary Residence

RISK/ELIGIBILITY

- The risk profile of this loan casefile appears to meet Fannie Mae's guidelines.
- This loan casefile appears to meet Fannie Mae's eligibility requirements.
- This loan casefile has been underwritten as a cash-out refinance. This loan casefile is ineligible as a cash-out if the property was purchased (or acquired) by the borrower within the six months preceding the disbursement date of the new mortgage loan (unless eligible under the delayed financing exception), or the property is currently listed for sale. Refer to the Selling Guide for additional information.

REPRESENTATIONS AND WARRANTIES

- The following message was issued by Collateral Underwriter:

Message ID	Message Text
FNM1101	Based on the CU results for the appraisal submitted under DocFileID 11012F0DH0 on 05/08/2019 09:02 AM this loan is eligible for the enforcement relief on representations and warranties related to property value.

FINDINGS

- The following risk factors represent strengths in the borrower's loan application:

Amortization Term and Type
Combined Loan-to-Value Ratio
Months of Reserves

VERIFICATION MESSAGES/APPROVAL CONDITIONS

- 6 This loan is subject to all lender specified conditions and must comply with all applicable federal, state, and local laws and regulations.
- 7 Based on the credit report obtained through DU, this loan casefile must close on or before 08/18/2019. All credit documents must be no more than four months old on the note date. Refer to the Selling Guide for guidelines on the age of the appraisal or property inspection report.
- 8 The lender must determine whether Texas Constitution Section 50(a)(6) will apply to this refinance loan. Fannie Mae's classification as a cash-out refinance cannot be relied upon for that determination. Texas Section 50(a)(6) loans must be delivered to Fannie Mae using specific loan documents, and with additional warranties related to loan eligibility, origination, and servicing. Refer to the Fannie Mae Selling Guide for more information.
- 9 If there is a home equity line of credit secured against the subject property the maximum allowable HCLTV is 80 percent, verify the terms of the home equity line of credit for compliance with the Selling Guide, and calculate the HCLTV using the maximum credit limit of the equity line.
- 10 Loan Level Price Adjustments may be applied when this loan is delivered to Fannie Mae. Refer to the Selling Guide and Loan-level Price Adjustment (LLPA) Matrix on fanniemae.com for specific details.

Credit and Liabilities

- 11 Include evidence of payoff of the following debts (other than 30 day accounts) in the loan file:

Borrower	Creditor	Account Number	Balance
John Martinez	Wells Fargo	0524878204	249010.35
John Martinez	SHELL/CBNA	343262663	244.00
John Martinez	EXXNMOBIL/CBNA	7302419534792801	517.00
John Martinez	BARCLAYS BANK DELAWA	000315082192400	3646.00
John Martinez	AMERICAN EXPRESS	3499924859933563	4125.00
John Martinez	CHASE CARD	4388576124744486	29833.00

- 12 The payment history for the following mortgage(s) cannot be verified because they are either, not listed on the credit report, on the credit report, but not matched to the mortgage account on the 1003, or shown on the credit report as having an outstanding balance, but the payment history has not been reported in the last 6 months. Verify the payment history for the mortgage(s). If the mortgage is currently 60 days or more past due, or has been 60 days or more past due in the last 12 months, the loan casefile is ineligible for delivery to Fannie Mae.

Borrower	Creditor	Payment	Balance
John Martinez	Wells Fargo	2245.11	249010.35

Employment and Income

- 13 Obtain a completed and signed Form 4506-T for each borrower at or before closing. If all of a borrower's income has been validated through the DU validation service, a completed and signed Form 4506-T is not required for that borrower. Form 4506, Form 4506T-EZ, or Form 8821 may be used in lieu of Form 4506-T. Refer to the Selling Guide for additional information.
- 14 John Martinez's income, including bonus and/or overtime income must be supported by a paystub and W-2s that covers the most recent two-year period, or a fully completed standard Verification of Employment (1005). When a paystub is obtained it must be dated no earlier than 30 days prior to the initial loan application date, include all year-to-date earnings, and include sufficient information to appropriately calculate income. Otherwise, additional documentation must be obtained. If a standard Verification of Employment (1005) is obtained it must include all year-to-date earnings, and all prior year earnings if a W-2 is not being provided. Refer to the Selling Guide for guidance on borrowers with less than a two-year history of receiving bonus income, or for any additional information on the verification of bonus income. Direct verifications provided by a third party employment verification vendor are acceptable if completed in accordance with the Selling Guide.
- 15 DU received data from the vendor report(s) shown below. All credit documents must be no more than four months old on the note date.

Borrower	Vendor and Rep Type	Rep ID	Rep Date	Exp Date
John Martinez	The Work Number (VOI/VOE)	6858509196, 6858509194	04/26/2019	08/26/2019

- 16 DU validated borrower employment shown below. The specified report(s) is acceptable documentation to support this employment.

Borrower	DU Employer	Vendor and Rep Type	Rep ID	Vendor Match	Close-By Date
John Martinez	REGUS MANAGEMENT GROUP LLC	The Work Number (VOI/VOE)	6858509194	REGUS MANAGEMENT GROUP LLC	05/06/2019

- 17 DU validated borrower income shown below. The specified report(s) is acceptable documentation to support this income.

Borrower	DU Income Type	Vendor and Rep Type	Rep ID	Vendor Match	Validated Amount	Close-By Date
John Martinez	Base Employment Income	The Work Number (VOI/VOE)	6858509194	REGUS MANAGEMENT GROUP LLC	\$9,520.83	08/26/2019

- 18 DU could not validate borrower income shown below because the income calculated from the specified report(s) is less than the amount entered in DU.

Borrower	DU Income Type	Vendor and Rep Type	Rep ID	Vendor Match	DU Reported Amount	Calculated Amount
John Martinez	Bonuses	The Work Number (VOI/VOE)	6858509194	REGUS MANAGEMENT GROUP L	\$2,530.94	\$0.00

Assets

- 19 Verify assets totaling \$237965 from the liquid assets listed on the 1003. Refer to the Selling Guide for additional information.
- 20 The value entered for the retirement account must be determined in accordance with the Selling Guide if the funds will be used for reserves. If these assets are needed to support the amount of funds required for closing and reserves, the available account balance must be documented with a recent depository or brokerage account statement. For loan casefiles that are not underwritten as DU Refi Plus, if the funds will be used for down payment or closing costs, receipt of the funds realized from the sale or liquidation of the assets is not required if the value (as determined in accordance with the Selling Guide) is at least 20% more than the amount of funds needed for the down payment and closing costs. Otherwise, receipt of funds realized from the sale or liquidation must be verified. Also for loan casefiles that are not underwritten as DU Refi Plus, if the account allows for withdrawals only in connection with the borrower's employment termination, retirement, or death; or the account does not allow for any type of withdrawal, the retirement asset should not be entered.
- 21 A miscellaneous other credit has been entered in Section VII of the loan application. Verify that the minimum borrower contribution is made for the transaction. Verify that contributions by others do not exceed the limits permitted in the Selling Guide. All credits applied in this section must be eligible and documented according to the requirements of the Selling Guide.

Property and Appraisal Information

- 22 This property is located in a PUD project. Determine that the PUD project meets the underwriting requirements of the applicable project classification. Refer to the Selling Guide for more information.
- 23 Desktop Underwriter returned the following standardized address and census tract for the subject property: 1800 CANYON WREN DR, MCKINNEY, TX 75071-4762, 030526.

OBSERVATIONS

- 24 This case was submitted to Desktop Underwriter version 10.3 by LOANDEPOT.COM, LLC. The following information is associated with this loan: Casefile ID is 1405825391 and Submission number is 17. If the loan is delivered to Fannie Mae, the Casefile ID must be provided at delivery.
- 25 The following list of special feature codes is provided to assist you in determining

which codes may be associated with this loan. Other codes may be required. Refer to the Special Feature Codes list on fanniemae.com for a comprehensive list.

Special Feature Code	Description
304	Texas Equity Take-Out Mortgage (if applicable)
127	DU Loan
003	Cash-out Refinance

- 26 The following Credit Report is associated with this submission:

Borrower Name	Credit Agency	Credit Report ID	Credit Report Date
John Martinez	CoreLogic Credco	113327622470000	04/18/2019

- 27 The following credit scores are included in the credit report:

Borrower	Credit Scores
John Martinez	642 648 682

- 28 DU has identified the following authorized user tradelines on the credit report:

Creditor	Account Number
BARCLAYS BANK DELAWARE	000163885350881
DISCOVER FIN SVCS LLC	6011007980285596
SYNCB/LOWES	798192644777
SYNCB/GAP DC	4479941344614176

- 29 The following sources of income were used in the underwriting analysis:

Borrower	Income Type	Amount
John Martinez	Bonuses	2530.94
John Martinez	Base employment income	9520.83

- 30 The following assets were counted towards available funds. With the exception of cash on hand, all available funds greater than the amount required to close have been added to cash reserves.

Borrower	Asset Type	Institution Name	Amount
John Martinez	Retirement	Personal Retirement	437192.92

- 31 Liabilities that have been marked "paid by close" in the application have not been added to required funds. For cash-out refinance transactions, all debts to be paid off using proceeds from the transaction must be included in Section VII, Details of Transaction - line D. Verify and document the funds needed to pay off accounts marked "paid by close."

- 32 Desktop Underwriter does not include cash back received from the transaction in the borrower's cash reserves calculation. Therefore, the amount of cash back, \$40891.26, has

not been included in cash reserves.

Underwriting Analysis Report

Recommendation	Approve/Eligible		
Primary Borrower	John Martinez		
Lender Loan Number	103321311	Co-Borrower	
Submission Date	06/10/2019 03:09PM	Casefile ID	1405825391
		Submitted By	l411rcxa

PROPERTY INFORMATION

Property Address	1800 Canyon Wren Dr	Number of Units	1
	Mc Kinney, TX 75071	Occupancy Status	Primary Residence
Property Type	Planned Unit Development(PUD)		

MORTGAGE INFORMATION

Loan Type	Conventional	LTV/CLTV/HCLTV	80.00% / 80.00% / 80.00%
Amortization Type	Fixed Rate	Loan Amount	\$316000.00
Balloon	No	Financed MI Amount	\$0.00
Community Lending	No	Total Loan Amount	\$316000.00
Payment Frequency	Monthly	Sales Price	\$0.00
Lien Type	First Mortgage	Actual/Estimated Appraised Value	\$395000.00
Amt. Subordinate Fin.	\$0.00	P&I	\$2519.53
Loan Purpose	Refinance	Note Rate	5.125%
Refi Purpose	Cash-Out	Qualifying Rate	5.125%
Owner Existing Mtg.		Bought Down Rate	0.00%
Buydown	No	Term (Months)	180

INCOME

Base	\$9520.83
Commission	\$0.00
Bonus	\$2530.94
Overtime	\$0.00
Other	\$0.00
Positive Net Rental	\$0.00
Subj. Pos. Cash Flow	\$0.00
Total	\$12051.77

QUALIFYING RATIOS

Housing Expense	29.04%
Debt-to-Income	41.42%

EXPENSE RATIOS

Including ≤ 10 Mos.	41.42%
With Undisclosed Debt	41.42%

PROPOSED MONTHLY PAYMENT

First P&I (Qualifying)	\$2519.53	Negative Net Rental	\$0.00
Second P&I	\$0.00	Subj. Neg. Cash Flow	\$0.00
Hazard Insurance	\$208.08	All Other Payments	\$1492.00
Taxes	\$708.55	Total Expense Payment	\$4991.49
Mortgage Insurance	\$0.00		

HOA Fees	\$63.33	Present/Principal Housing Payment	\$2245.11
Other	\$0.00		
Total Housing Payment	\$3499.49		

FUNDS

Total Available Assets	\$437192.92	Cash Back	\$40891.26
Funds Required to Close	\$0.00	Net Cash Back	\$40891.26
Reserves Required to be Verified	\$237965.32	Excess Available Assets, not required to be verified by DU	\$199227.60
Total Funds to be Verified	\$237965.32		

The recommendation for this case is: Approve/Eligible

CU Findings

- 1 The messages below were issued by Collateral Underwriter and the Uniform Collateral Data Portal for the appraisal submitted under DocFileID 11012F0DH0 on 05/08/2019 09:02 AM. These messages are the result of an automated analysis and were not prepared by a state-licensed or a state-certified appraiser. Lenders remain responsible for the appraisal report in accordance with the Fannie Mae Selling Guide, must analyze CU Findings in context of the appraisal report to determine an appropriate course of action, may not use CU Findings to interfere with the independent judgment of the appraiser, and may not encourage appraisers to provide inaccurate or otherwise misleading conclusions to conform with automated output from CU. CU Findings may not be used as the lender's basis for accepting or rejecting the appraisal, may not be used as basis for a credit decision, do not need to be cleared, do not impact the DU risk assessment, and do not impact the lender's ability to deliver the associated loan to Fannie Mae.

COLLATERAL UNDERWRITER MESSAGES

- 2 Collateral Underwriter issued the following Risk Score and submission status message(s):

Message ID	Message Text
FNM1000	The Collateral Underwriter Risk Score is 2.1 on a scale of 1 to 5 where 5 indicates highest potential collateral risk. A score of 999 indicates no Collateral Underwriter Risk Score available.
FNM1007	The Fannie Mae UCDP Submission Status is Successful.

NOTICE: The DU Underwriting Findings report does not constitute an approval or denial of the loan application. Lenders must comply with all laws and regulations, including those related to privacy and nonpublic personal information, when handling the DU Findings Report.