



PRODUCT GUIDELINES
USBHM CONVENTIONAL NON-CONFORMING FIXED
30 YEAR 3776
20 YEAR 3784
15 YEAR 3777
Core Portfolio
Revised 02/06/18

Several states and local municipalities have enacted legislation that define High Cost loans based on APR and fee thresholds which may or may not relate to the HOEPA thresholds. These types of loans typically have various restrictions. **It is the policy of U.S. Bank Home Mortgage not to purchase any loan defined as "high cost" under any federal or state law/regulation or local ordinances, and any subsequent amendments thereto.**

PRODUCT	FOOTNOTES			
Description	- Fixed-rate, level payments for life of loan. - For use with jumbo loan amounts – conforming loan amounts are not allowed.			
LP/DU Eligibility	<ul style="list-style-type: none"> All loans must be submitted to LP or DU (AUS) and a feedback certificate obtained. Data entered into the AUS must follow USBHM portfolio underwriting guidelines and documentation in the file must meet USBHM portfolio guidelines The submission must be based upon a three bureau merged credit report. The AUS Feedback will be used in the overall risk assessment however the underwriting decision will be based on the USBHM portfolio requirements. Debt-to-Income ratios outlined in this product guideline apply regardless of AUS approval with higher DTI. 			
Purchase/Rate Term Refinance 1 unit Primary >Conf. Limit - \$900,000 >Conf. Limit - \$1,500,000 >Conf. Limit - \$2,000,000 >Conf. Limit - \$3,000,000 2 unit Primary >Conf. Limit - \$900,000 >Conf. Limit - \$1,000,000 >Conf. Limit - \$1,500,000 1 unit Second Home ² > Conf. Limit - \$650,000 > Conf. Limit - \$1,000,000 > Conf. Limit - \$1,500,000 1 unit Investment ² >Conf. Limit - \$650,000	LTV ⁴ 90% ⁵ 80% 75% 70% 90% ⁵ 80% 75% 80% 75% 70% 65%	USBHM 2nd TLTV / HTLTV ^{1,4} 90% ⁵ 80% 75% 70% 90% ⁵ 80% 75% 80% 75% 70% 65%	Non USBHM 2nd TLTV / HTLTV ^{1,4} 90% 85% 75% 70% 90% ⁵ 85% 80% 80% 75% 70% 65%	Maximum Total Financing ³ \$900,000 \$1,500,000 \$2,000,000 \$3,000,000 \$900,000 \$1,000,000 \$1,500,000 \$650,000 \$1,000,000 \$1,500,000 \$650,000
¹ See Subordinate Financing section for rules. ² For newly constructed homes that are purchase transactions, borrower(s) may not have an affiliation or relationship with the builder, developer or seller of the subject property. ³ No maximum total financing limit when non-US Bank second is used, must still conform to allowable TLTV standards based on first mortgage loan amount. ⁴ If LTV/TLTV/HTLTV > 80%, down payment must include 5% of sale price/value from borrower's own funds ⁵ Maximum 80% for properties in AK, ND, OK, WY and WV.				





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Cash Out Refinance																															
1-2 unit Primary > Conf. Limit- \$750,000 > Conf. Limit -\$1,000,000 > Conf. Limit -\$1,500,000 1-unit Second Home > Conf. Limit - \$650,000 > Conf. Limit -\$1,000,000	<table><tr><td></td><td><u>LTV</u></td><td><u>TLTV / HTLTV</u> ¹</td><td>Maximum Total Financing ²</td></tr><tr><td></td><td>75%</td><td>75%</td><td>\$750,000</td></tr><tr><td></td><td>70%</td><td>70%</td><td>\$1,000,000</td></tr><tr><td></td><td>65%</td><td>65%</td><td>\$1,500,000</td></tr><tr><td></td><td>70%</td><td>70%</td><td>\$650,000</td></tr><tr><td></td><td>65%</td><td>65%</td><td>\$1,000,000</td></tr></table> <p>¹ See Subordinate Financing Section for rules.</p> <p>² No maximum total financing limit when non-US Bank second is used, must still conform to allowable TLTV standards based on first mortgage loan amount.</p> <ul style="list-style-type: none">- The borrower must provide a written statement regarding the purpose of any cash out.- Temporary buydowns are not allowed.- Borrower must have owned the subject property for at least 6 months prior to the Note date of the new cashout refinance mortgage. <table><tr><td><u>LTV</u></td><td><u>Maximum Cash out</u></td></tr><tr><td>> 50%</td><td>\$300,000</td></tr><tr><td>≤ 50%</td><td>\$500,000</td></tr></table>		<u>LTV</u>	<u>TLTV / HTLTV</u> ¹	Maximum Total Financing ²		75%	75%	\$750,000		70%	70%	\$1,000,000		65%	65%	\$1,500,000		70%	70%	\$650,000		65%	65%	\$1,000,000	<u>LTV</u>	<u>Maximum Cash out</u>	> 50%	\$300,000	≤ 50%	\$500,000
	<u>LTV</u>	<u>TLTV / HTLTV</u> ¹	Maximum Total Financing ²																												
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Subordinate Financing	<ul style="list-style-type: none">- Subordinate financing is subject to FHLMC guidelines and the following additional requirements:- Payments on the subordinate lien may be fixed or adjustable.- Terms of the subordinate lien must be verified at the time of underwriting.- Payment must be included in the borrower’s house payment-to-income ratio.																														
Underwriting Submission	<p>Loans must be submitted to your USBHM Underwriting Department.</p> <p>*Note - Only select Delegated Underwriting authority levels 5 & 6 may underwrite these programs <u>up to their specific level of authority</u>, under specific criteria and restrictions.</p>																														
General Underwriting	<p>Underwritten to USBHM Portfolio guidelines except as outlined in this product guideline or in the Conventional Underwriting Guidelines – Conventional Underwriting</p> <p>When tax returns are used to qualify (rental income, etc.), the borrower must sign IRS Form 4506T at closing.</p>																														
Eligible Borrowers	<ul style="list-style-type: none">- See Portfolio Underwriting Overview – Eligible Borrowers																														
Eligible Properties	<p>1- 2 Unit Primary Residence 1 Unit Second Home 1 Unit Investment Property</p> <p>Manufactured Housing is not allowed.</p> <ul style="list-style-type: none">- Portfolio eligible properties as stated in the Conventional Portfolio Underwriting Guidelines – Property- Condominium requirements listed in the Conventional Portfolio Underwriting Guidelines – Property- Condominiums in Florida require full PAD review. Streamline and delegated review approvals are not allowed. Maximum 75% LTV/TLTV/HTLTV on primary and second home only.																														
Eligible States	See applicable State Table																														





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Credit / FICO	<ul style="list-style-type: none">- A borrower with a history of moderate to slow payment of obligations must have strong offsetting characteristics to be considered favorably.- The borrower must provide a written explanation for all material adverse credit information.- Minimum required FICO score:<table><tr><td><u>LTV / TLTV</u></td><td><u>FICO</u></td></tr><tr><td>> 70%</td><td>710</td></tr><tr><td>>65 - 70%</td><td>700</td></tr><tr><td>≤65%</td><td>680</td></tr></table> <p>Loan Amount > \$1,000,000 720</p>	<u>LTV / TLTV</u>	<u>FICO</u>	> 70%	710	>65 - 70%	700	≤65%	680	
<u>LTV / TLTV</u>	<u>FICO</u>									
> 70%	710									
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Qualifying Ratio	<p><u>DTI</u> 43%</p> <p>Blended ratios with a Non Occupant Co Borrower (portfolio guidelines Joint Credit) may be used with a Max LTV/TLTV/HTLTV of 80%. If the LTV/TLTV/HTLTV exceeds 80% the Occupant borrower(s) must meet the DTI requirements without the Non Occupant Co Borrower income.</p>									
Qualifying Rate	Note rate.									
Trailing Co-Borrower	<ul style="list-style-type: none">- Trailing Co-Borrower income not allowed for qualifying purposes.									
Funds to Close/Reserves	<table><tr><td><u>Loan amount</u></td><td><u>Minimum required reserves:</u></td></tr><tr><td>≤ \$1,000,000</td><td>6 months PITI</td></tr><tr><td>> \$1,000,000 - \$2,000,000</td><td>12 months PITI</td></tr><tr><td>> \$2,000,000 - \$3,000,000</td><td>24 months PITI</td></tr></table> <ul style="list-style-type: none">- If the borrower plans to rent his existing home after closing, loan must comply with USBHM and Freddie Mac guidelines.- If LTV/TLTV/HTLTV > 80%, down payment must include 5% of the sale price/value from borrower's own funds	<u>Loan amount</u>	<u>Minimum required reserves:</u>	≤ \$1,000,000	6 months PITI	> \$1,000,000 - \$2,000,000	12 months PITI	> \$2,000,000 - \$3,000,000	24 months PITI	
<u>Loan amount</u>	<u>Minimum required reserves:</u>									
≤ \$1,000,000	6 months PITI									
> \$1,000,000 - \$2,000,000	12 months PITI									
> \$2,000,000 - \$3,000,000	24 months PITI									
Processing Options	<ul style="list-style-type: none">- Standard Documentation required									
Appraisal Requirements	<ul style="list-style-type: none">- Fully completed URAR (Form 70) required. No short forms allowed.- If the combined loan amount for the 1st and 2nd mortgage is less than or equal to \$1.5MM, only one appraisal will be required. If the combined loan amount for the 1st and 2nd mortgage is greater than \$1.5MM, two appraisals will be required.- The combined loan amount threshold calculation for appraisal purposes will be only the loans /liens with U.S. Bank that are secured by the subject property. The threshold calculation does not include 2nd mortgages held by another lender and subordinate to U.S. Bank.- U.S. Bank reserves the right to request an additional appraisal if the original is of marginal quality. The lower value will be used.									
Mortgage Insurance	<table><tr><td><u>Primary Residence</u></td><td><u>30 Yr Term</u></td><td><u>20-15 Yr Term</u></td></tr><tr><td>85.01% - 90.0% LTV</td><td>25%</td><td>12%</td></tr><tr><td>80.01% - 85.0% LTV</td><td>12%</td><td>6%</td></tr></table> <ul style="list-style-type: none">- Refundable and Non-Refundable Single Premium MI is allowed if the full premium is included in the QM and High Costs Points and Fees test AND the policy provides for a refund of unused premium as required by HOPA.- Split Premium MI is allowed.- Custom, Reduced and Financed MI are not allowed.	<u>Primary Residence</u>	<u>30 Yr Term</u>	<u>20-15 Yr Term</u>	85.01% - 90.0% LTV	25%	12%	80.01% - 85.0% LTV	12%	6%
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Contributions by Interested Parties	<p>Primary Residence and Second Home:</p> <ul style="list-style-type: none"> - 6% of the lesser of the sales price or the appraised value. <p>Investment Property:</p> <ul style="list-style-type: none"> - 2% of the lesser of the sales price or the appraised value. <p>Please note: Maximum financing concessions must be based on TLTV if secondary financing is present.</p>
Temporary Buydowns	<ul style="list-style-type: none"> - Temporary interest rate buydowns are eligible for loans secured by principle residences, subject to the following criteria: <ul style="list-style-type: none"> - Maximum rate discount: 2.0% - Maximum buydown term: 2 Years - Maximum rate increase: 1% Annual - Example of maximum buydown: 2:1 - Buydown Intervals: 12 Months - Note: <ul style="list-style-type: none"> - Maximum LTV is the lower of 80% or program guidelines. - Temporary buydowns are not permitted with equity refinance loans. - Temporary buydowns are not permitted on loan amounts > 650,000. - Borrower will be qualified at the initial "bought down" rate.
Paying off Construction Loans or Permanent Financing behind a Construction Loan	<ul style="list-style-type: none"> - This applies to: (i) self-built homes (ii) transactions with separate purchase agreements/contracts for land and building, and (iii) Paying off any existing financing used for construction of the home. - Costs for material and labor must be documented by (i) a construction contract or, (ii) in the case of a self-built home, by invoices, lien waivers, or contracts (signed bids or bills) for services or materials provided by sub-contractors. Any costs paid from the borrower's funds must be documented with canceled checks or paid receipts. - Value is the lesser of appraised value or documented costs. Value of the lot will be as indicated on the appraisal if it was purchased more than 12 months prior to the loan application date. If less than 12 months, value will be the lesser of cost or appraised value. - When documentation of costs is unavailable, the appraised value may be used if (i) the LTV ratio does not exceed 75%, (ii) the transaction is arms-length, and (iii) there is no cash out.
Assumability	Not assumable
Escrow Waivers	Escrows may be waived on LTV ratios of 80% or less. The borrower must sign an Agreement for Waiver of Loan Escrows.
Amortization	15, 20, 25 or 30 year amortization. No negative amortization.
Prepayment Penalty	None.
Late Charges	5% or the highest amount allowed by state law.
Extended Lock Options	Extended locks are available on NEW CONSTRUCTION ONLY. Refer to the USBHM Extended Lock Matrix





Closing Documents	<p>Use most current version required by FHLMC/FNMA for the following documents:</p> <ul style="list-style-type: none">- Note:<ul style="list-style-type: none">- Multistate Fixed Rate Note FNMA/FHLMC 3200 Amended (e.g. VMP5N) or state specific note.- Rider to Mortgage:<ul style="list-style-type: none">- PUD units only - FNMA/FHLMC 3150 Multistate Planned Unit Development Rider (e.g. VMP7R).- Condo units only - FNMA/FHLMC 3140 Condominium Rider (e.g. VMP8R).- Second Home Rider - FHLMC 3890 Second Home Rider for non-owner occupied properties (e.g. VMP365R).- For Investment and/or 2-unit properties - FNMA/FHLMC 3170 Multistate one-to-four family Rider (e.g. VMP57R)- Security Instrument:<ul style="list-style-type: none">- In all states, use state-specific FNMA/FHLMC Mortgage/Deed of Trust
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