



Countrywide Loan Program Guide

Last Revision Date: 07/12/2004

Guideline Effective Date:

SECTION 15: NON-CONFORMING COFI, MTA, OR LIBOR

15.10: PayOption ARMs

This section of the Loan Program Guide contains the Non-Conforming PayOption ARMs guidelines for Owner-Occupied Primary Residences, Second Homes, and Investment property. This program allows Full and Alternative, Reduced, and SISA Documentation.

Loan Program Description	Program ID
NC ARM COFI 3mo Intro PayOption	627
NC ARM COFI 3mo Intro PayOption PP	628
NC ARM LIBOR 3mo Intro PayOption	629
NC ARM LIBOR 3mo Intro PayOption PP	630
NC ARM MTA 3mo Intro PayOption	631
NC ARM MTA 3mo Intro PayOption PP	632
NonConf ARM COFI 1mo Intro Rate PayOption	739
NonConf ARM COFI 1mo Intro Rate PayOption PP	740
NonConf ARM LIBOR 1mo Intro Rate PayOption	741
NonConf ARM LIBOR 1mo Intro Rate PayOption PP	742
NonConf ARM MTA 1mo Intro Rate PayOption	743
NonConf ARM MTA 1mo Intro Rate PayOption PP	744

Eligible Divisions: All

Special Requirements:

- All loans must be submitted through Countrywide's Loan Underwriting Expert System (CLUES). For information on underwriting using CLUES, click here [\[Link\]](#).
- SISA:** CLUES "ACCEPT" required. **NO EXCEPTIONS.**

Program Limitations: Refer to the individual sections below for restrictions and special documentation requirements such as Borrower eligibility or Reduced documentation guidelines.

Limitation	Owner-Occupied	Second Home	Investment
Occupancy Inspections	Refinance of 2-4 Unit properties: <ul style="list-style-type: none"> Prefunding occupancy inspection required. The homeowners' policy must show that the mailing 	Occupancy inspections are not applicable.	Occupancy inspections are not applicable.

	and property address are the same.		
	Purchase of 3-4 Unit properties: Post funding occupancy inspection within 30 days of funding required.		
Number of CHL Loans Per Borrower	To view the guidelines for determining the maximum Number of CHL Loans per Borrower, click here [link] .		
Number of Properties Owned	To view the guidelines for determining the maximum number of financed properties, click here [link] .		

Pricing: Add-ons apply.

Escrow Holdbacks: Not allowed.

ARM Requirements:

Item	Requirement
Index	Borrower selects from one of the following three options, as follows: <ul style="list-style-type: none"> ● COFI: The monthly weighted average cost of savings, borrowings, and advances of the 11th District members of the Federal Home Loan Bank of San Francisco. ● MTA: The Twelve Month Average of the annual yields on actively traded United States Treasury Securities adjusted to a constant maturity of one year, as published by the Federal Reserve Board in the Federal Reserve Statistical Release entitled, "Selected Interest Rates (H.15)", (the Monthly Yields). The Twelve Month Average is determined by adding together the Monthly Yields for the most recently available twelve months and dividing by twelve. ● LIBOR: The average of interbank offered rates for one month U.S. dollar-denominated deposits in the London market, as published in <i>The Wall Street Journal</i>.
Margin	See Rate sheet.
Start Rate/Note Rate	<ul style="list-style-type: none"> ● For LTV's > 80% or Loan Amounts > \$1,500,000, there is a 1% add-on for the Note Rate/Start Rate.
Interest Change/Rate Cap	<ul style="list-style-type: none"> ● 1 month option: The initial interest rate will be effective until the first Interest Rate Change Date, which will be the scheduled date of the first monthly payment and will change monthly thereafter. ● 3 month option: The initial interest rate will be effective until the first Interest Rate Change Date, which will be the scheduled date of the third monthly payment and will change monthly thereafter.
Life Ceiling	9.95%.
Life Floor	Once the loan makes it's 1st interest rate adjustment the interest rate may never be lower than the margin.
Maximum Negative Amortization	One-hundred fifteen (115) percent. Exception: State of New York: One-hundred ten (110) percent.
Recast	Every five years, or immediately, if the negative amortization reaches or could exceed 115 percent (State of New York: 110 percent).
Payment Change Dates and Caps	The first payment change date will be the first of the month on which the thirteenth monthly payment is due and every twelve months thereafter. <ul style="list-style-type: none"> ● On each payment change date, the payment changes to the fully amortizing amount of the current interest rate, principal balance, and remaining term, subject to the payment cap. ● On each payment change date (with the exception of each fifth payment change date and the final payment change date), any increase in the monthly payment shall be limited to an amount no more than 7.5 percent of the payment amount (principal and interest) for the previous period. ● The mortgage is recast every five years without provision for the payment cap.
Payment Options	The initial required payment is fully amortizing based on the start rate. After the

	<p>introductory period of either one or three months, depending upon the option selected, the interest rate may change monthly, however, the required payment is recalculated annually. In the instance when the interest rate increases during the time between required payment changes, the required payment may be less than the fully amortizing payment would be (if calculated at the then current interest rate); the required payment may also be less than the accrued interest for the period (it is in this instance that negative amortization would occur).</p> <p>In order to keep borrowers fully informed of how interest rate changes could affect their normal amortization schedule each month, we will provide up to <u>3 additional payment options</u> that are greater than the required minimum:</p> <ol style="list-style-type: none"> 1. The amount that would cover the interest accrual for the month (the interest only amount) 2. The amount that would amortize the loan fully at the original maturity date (the 30 year fully amortizing amount) 3. The amount that would amortize the loan to a 15 year maturity date (the 15 year fully amortizing amount) <p>Reminder: These options are applicable only if they are greater than the required minimum and are provided so that borrowers can make better informed payment decisions.</p>
Conversion Option	Not allowed.
Borrower Qualification	Greater of 4.25% or the fully indexed rate.

Term: 30 years.

Minimum Loan Amount: None.

Maximum Loan Amount:

Loan Amount	Owner-Occupied			Second Home			Investment		
	Full/Alt Doc	Reduced Doc	SISA	Full/Alt Doc	Reduced Doc	SISA	Full/Alt Doc	Reduced Doc	SISA
Maximum	\$6,000,000	\$6,000,000	\$1,000,000	\$6,000,000	\$6,000,000	Not Allowed	\$650,000	\$400,000	Not Allowed
Restrictions: Loan Amounts greater than \$3,000,000: Allowed for CMD and WLD only.									

Eligible Finance Types:

Finance Type	Owner-Occupied	Second Home	Investment
Purchase and Rate and Term	Allowed	Allowed	Allowed
Cash-Out	Allowed	Allowed	Allowed

Maximum LTV/CLTV:

Owner-Occupied									
1-Unit									
Max Loan Amount	Purchase and Rate and Term				Cash-Out				
	Full/Alt Doc		Reduced Doc		Full/Alt Doc		Reduced Doc		Max Cash-Out
	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	
\$400,000	80/90	620	80/90	620	80/80	620	80/90	660	
	95 [1]	620							
\$500,000	80/90	620	80/90	660	80/80	620	80/90	660	LTV > 75%: \$100,000

	90	620	75/75	620						LTV: 55.01-75%: \$200,000
\$650,000	80/90	620	80/90	660	80/80	620	80/80	660		
			75/75	620						LTV ≤ 55%: no maximum
\$1,000,000	80/90	620	75/75	680	75/75	680	70/70	680		
\$1,500,000	75/75	620	65/70	680	70/75	680	65/70	680		
\$3,000,000 (2)	70/70	700	65/70	700	65/70	700	60/70	700		
\$6,000,000 (2)	60/70	720	60/70	720	55/70	720	55/70	720		

Restrictions:

- State of New York: Max LTV 80%.
- (1) High-Rise condos: Max LTV 90%.
- (2) Loan amounts greater than \$3,000,000 must be underwritten through a dedicated centralized underwriting group. Refer to your Operational Department for policies and procedures.

Owner-Occupied										
2-Units										
Max Loan Amount	Purchase and Rate and Term				Cash-Out					
	Full/Alt Doc		Reduced Doc		Full/Alt Doc			Reduced Doc		
	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max Cash-Out	Max LTV/CLTV	Min Credit Score	Max Cash-Out
\$400,000	80/90	620	75/75	680	75/75	680	LTV: >70%: \$100,000	70/70	680	\$100,000
	95	620								
\$500,000	80/90	620	70/70	680	75/75	680	LTV: ≤ 70%	65/65	680	\$100,000
\$650,000	75/75	620	70/70	680	70/70	680		\$200,000	60/60	680

Restriction: State of New York: Max LTV 80%.

Owner-Occupied										
3-4 Units										
Max Loan Amount	Purchase and Rate and Term				Cash-Out					
	Full/Alt Doc		Reduced Doc		Full/Alt Doc			Reduced Doc		
	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max Cash-Out	Max LTV/CLTV	Min Credit Score	Max Cash-Out
\$500,000	75/85	620	Not Allowed		70/70	680	\$200,000	Not Allowed		
	90	620	Not Allowed					Not Allowed		
\$650,000	75/75	620	Not Allowed		65/65	680	\$200,000	Not Allowed		

Owner-Occupied					
SISA Documentation					
Max Loan Amount	Purchase and Rate and Term			Cash-Out	
	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max Cash-Out
\$400,000	75/75	660	70/70	680	\$100,000
\$500,000	75/75	660	70/70	680	\$100,000
\$650,000*	75/75	660	70/70	680	\$100,000
\$1,000,000*	75/75	660	70/70	680	\$100,000

Restriction:

- High-Rise Condos and 2-4 units not allowed.
- *Loan amounts greater than \$650,000 are restricted to Detached SFRs and Detached PUDs only.

Second Homes	
Purchase and Rate and Term	Cash-Out

Max Loan Amount	Full/Alt Doc		Reduced Doc		Full/Alt Doc		Reduced Doc		Max Cash-Out
	Max LTV/CLTV	Min Credit Score							
\$400,000	80/90	620	75/75	680	75/75	680	65/65	680	LTV > 75%: \$100,000 LTV 55.01-75%: \$200,000 LTV ≤ 55%: no maximum
	90	620							
\$500,000	75/80	620	75/75	680	70/70	680	65/65	680	
	80	620							
\$650,000	75/80	620	75/75	680	70/70	680	65/65	680	
	80	620							
\$1,000,000	75/75	680	65/70	680	70/70	680	65/65	680	
\$1,500,000	75/75	680	65/70	680	70/70	680	65/65	680	
\$3,000,000 (1)	70/70	700	65/70	700	65/70	700	60/70	700	
\$6,000,000 (1)	60/70	720	60/70	720	55/70	720	55/70	720	

Restrictions:

- State of New York: Max LTV 80%.
- (1) Loan amounts greater than \$3,000,000 must be underwritten through a dedicated centralized underwriting group. Refer to your Operational Department for policies and procedures.

Investment										
1-2 Units										
Max Loan Amount	Purchase and Rate and Term				Cash-Out					
	Full/Alt Doc		Reduced Doc		Full/Alt Doc			Reduced Doc		
	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max Cash-Out	Max LTV/CLTV	Min Credit Score	Max Cash-Out
\$400,000	80/90	680	70/70	680	70/70	680	\$200,000	65/65	680	\$100,000
	80	620								
\$500,000	75/75	680	Not Allowed		65/65	680	\$200,000	Not Allowed		
\$650,000	70/70 (1)	680	Not Allowed		65/65	680	\$200,000	Not Allowed		

Note:
(1) 2-Units: 75/75

Investment										
3-4 Units										
Max Loan Amount	Purchase and Rate and Term				Cash-Out					
	Full/Alt Doc		Reduced Doc		Full/Alt Doc			Reduced Doc		
	Max LTV/CLTV	Min Credit Score	LTV/CLTV	Min Credit Score	Max LTV/CLTV	Min Credit Score	Max Cash-Out	Max LTV/CLTV	Min Credit Score	Max Cash-Out
\$500,000	75/85	620	Not Allowed		70/70	680	\$200,000	Not Allowed		
	80	620	Not Allowed							
\$650,000	75/75	680	Not Allowed		65/65	680	\$200,000	Not Allowed		

Occupancy:

Doc Type	Owner-Occupied	Second Home	Investment
Full/Alt Doc	Allowed	Allowed	Allowed
Reduced Doc	Allowed	Allowed	Allowed
SISA Doc	Allowed	Not Allowed	Not Allowed

Eligible Borrowers:

Borrower Types	Owner-Occupied	Second Home	Investment

U.S. Citizen	Valid Social Security number required. For additional information, click here [] .		
Permanent Resident Alien	Allowed. For documentation requirements, click here [] .		
Non-Permanent Resident Alien	<p>If ALL the Borrowers are Non-Permanent Resident Aliens, the following restrictions apply:</p> <ul style="list-style-type: none"> ● Max. Loan Amount: \$1,500,000; and ● Full/Alt Doc only; and ● Purchase and Rate and Term Refinance only; and ● Max. LTV: 80%. <p>For employment, residency, and documentation requirements, click here [].</p>		Not Allowed
Non-Occupant Co-Borrowers	<p>Allowed. Income from Non-Occupant Co-Borrowers can be used to qualify provided:</p> <ul style="list-style-type: none"> ● Full/Alt Doc only. ● Immediate family member. ● Max. LTV: 80%. ● Occupant ratios should not exceed guidelines by more than five percent and must provide five percent of the down payment. 	Not Applicable	Not Applicable
Inter Vivos Revocable Trusts	Allowed. For additional information, click here [] .		

Ineligible Borrowers: For information regarding Ineligible Borrowers, click here [\[\]](#).

Eligible/Ineligible Properties:

Item	Loan Amount less than or equal to \$ 650,000	Loan Amount greater than \$ 650,000
Eligible Properties	<ul style="list-style-type: none"> ● Attached SFRs ● Detached SFRs* ● Attached PUDs ● Detached PUDs* ● Low-Rise Condos ● High-Rise Condos** ● 2-4 Units*** 	<ul style="list-style-type: none"> ● Detached SFRs* ● Detached PUDs* ● Attached SFRs ● Attached PUDs
	<p>Note:</p> <ul style="list-style-type: none"> ● *Detached SFRs/PUDs include modular, panelized, and prefabricated homes. For additional information, click here []. ● **High-Rise Condos: <ul style="list-style-type: none"> - Max LTV 90%. - SISA: Not allowed. ● ***2 Units: <ul style="list-style-type: none"> - Second homes not allowed - SISA not allowed. ● ***3-4 Units: <ul style="list-style-type: none"> - Second homes not allowed - Reduced Doc and SISA not allowed. 	
Ineligible Properties	<ul style="list-style-type: none"> ● Condotels ● Cooperatives ● Log Homes ● Manufactured homes ● Rural Properties**** 	<ul style="list-style-type: none"> ● 2-4 Units ● Condotels ● Cooperatives ● Manufactured homes ● High-Rise Condos ● Low-Rise Condos ● Log Homes ● Rural Properties****
	<p>Note: ****Rural Property is defined as a property having a lot size greater than ten acres. Restrictions apply if the property is equal to or less than ten acres but the appraisal identifies the property as rural. To view the restrictions, click here [].</p>	

Prepayment Penalty Option: Available in the following states. Maximum 36 months.

Arizona	Idaho	North Dakota	Utah
Arkansas	Indiana	Oklahoma	Washington
California	Kentucky	Oregon	Wyoming
Colorado	Montana	Pennsylvania	
Connecticut	Nebraska	South Carolina	
Delaware	Nevada	South Dakota	
Florida	New Hampshire	Tennessee	
Hawaii	North Carolina	Texas	

Note:

- State restrictions may apply. To view State/Geographic restrictions, click here [\[PDF\]](#).
- To view the guidelines for the Prepayment Penalty/Reduced Rate Option, click here [\[PDF\]](#).

Temporary Buydowns: Not allowed.

Secondary Financing: Allowed with the following restrictions:

Restrictions:

- The maximum LTV allowed when there is secondary financing is 80 percent.
- To view the guidelines for Loans with Secondary Financing/Subordinate Liens, click here [\[PDF\]](#).
- For eligible secondary financing programs available from CHL, click here [\[PDF\]](#). The more restrictive of the guidelines apply.
- For piggyback financing CHL HELOCs only, the maximum adjusted CLTV is 103%.

Seasoning Requirements: For information regarding Eligible Mortgages and Seasoning Requirements, click here [\[PDF\]](#).

Determining Value: To view the guidelines for calculating the LTV, click here [\[PDF\]](#).

Mortgage Insurance: CMI or TAMI is required.

Note:

- CMI: Monthly Borrower paid only.
- TAMI: Monthly TAMI only.
- ARM pricing with Potential Negative Amortization pricing applies.

LTV	Owner-Occupied	Second Home	Investment
90.01 - 95%	30%	Not Allowed	Not Allowed
85.01 - 90%	25%	25%	Not Allowed
80.01 - 85%	12%	12%	Not Allowed

Note: For additional information regarding Mortgage Insurance, click here [\[PDF\]](#).

Assumability: Assumable. Subject to credit approval.

Credit: All Borrowers must meet the credit score requirements shown in the LTV tables, and:

Credit Issues	Credit Requirements
Revolving and Installment	Late payments are considered in the credit score.
Mortgage Lates in the Last 12 Months	Zero
Bankruptcy, Foreclosure, Deed-in-Lieu, Short Sale	Four years.
History of Credit Counseling	Active participant: Not allowed.

	Previous participant: To view the requirements, click here [link] .
Judgements, Collections, Charge-Offs	Subject to individual evaluation. To view the requirements, click here [link] .

Ratios:

LTV Range	Ratio Requirement
Greater than 80%	28/36%
Less than or equal to 80%	33/40%
Loan Amounts greater than \$3,000,000	38% (but can be as high as 50% with compensating factors)
<p>Note: These ratios may be exceeded when using CLUES or if there are compensating factors such as:</p> <ul style="list-style-type: none"> • The borrower(s) reserves exceed the program guidelines. • The LTV is lower than the maximum allowable at the loan amount. • The borrower(s) credit score exceeds the minimum requirements. <p>SISA: Determined by CLUES using stated income, generally not to exceed total obligations-to-income ratio of 55%.</p>	

Documentation Requirements:

Appraisal requirements are as follows:

Loan Amount	Appraisal Requirement
Less than or equal to \$1,000,000	Standard full appraisal or 2055 Interior and Exterior.
Greater than \$1,000,000 and less than or equal to \$3,000,000	One (1) full appraisal plus one (1) field review. The field review must be completed by a CHL approved Review Appraiser.
Greater Than \$3,000,000	<ul style="list-style-type: none"> • One LandSafe Appraisal • Auditor required • No Mixed use (vineyards, orchards) <p>Note:</p> <ul style="list-style-type: none"> • Longer Marketing times are expected but should not exceed 12 months. • All appraisers must be approved, centralized underwriting will order appraisals from LandSafe. Refer to Operational Department for policies and procedures. • WLD Variance: Business Partner provided appraisal and LandSafe Collateral Evaluation Form (CREF). LandSafe to recommend single value, WLD centralized underwriting to determine final value.
<p>Note: For additional information regarding Review Appraisals and for a list of approved appraisers, click here [link].</p>	

Item	Full/Alt Doc Requirements	Reduced Doc Requirements
Employment	Stated on the application and verified.	<p>Self-Employed Borrowers:</p> <ul style="list-style-type: none"> • Employment must be disclosed on the 1003 and verified. The Borrower must have been in the same business, at the same location, for a minimum of two years. • Self-employment must be verified: <ul style="list-style-type: none"> - by obtaining a copy of a valid Business License; or - through a neutral third party, such as a: <ul style="list-style-type: none"> • CPA • regulatory agency • professional organization <p>Salaried Borrowers (includes Borrowers receiving commissioned and bonus income):</p> <ul style="list-style-type: none"> • Employment must be disclosed on the 1003 and verified.

		<ul style="list-style-type: none"> • Must have a two (2) year history of employment with the same employer or in the same line of work. Any employment change must be deemed to be a career advancement. • A verbal verification of employment is required that includes: <ul style="list-style-type: none"> - current employment status; - job title; - term of employment; - probability of continued employment; and - the name and title of the person providing the information on behalf of the employer. <p>Note: When verifying employment, no income may be disclosed. This verification should cover a full two year period.</p>
Income	<p>Stated on the application and verified.</p> <p>Note: Loans greater than \$3,000,000 require the following:</p> <ul style="list-style-type: none"> • Two (2) years Tax Returns (required for all borrowers); and • most recent quarterly filing (if applicable); and • 2 most recent pay-stubs (if salaried) 	<p>Must be disclosed on the 1003, but is not verified. However, the stated income must be deemed reasonable and consistent with the Borrower's profession or occupation.</p>
Unearned or Passive Income	<p>Stated on the application and verified.</p>	<p>The source of all unearned or passive income must be verified using Full/Alt doc. Unearned or passive income includes:</p> <ul style="list-style-type: none"> • Retirement (Pension)/Social Security/Disability Income The income must be stated on the application and verified by a third party source, such as a social security or retirement award letter. The income should be expected to continue for at least three years. Verification of receipt of the income is not required. • Interest Dividend or Annuity Income The assets generating the income must be verified by obtaining the two month's most recent account statements or VOD and must be deemed a reasonable rate of return on the asset. • Child Support, Alimony, or Separate Maintenance The documentation must indicate the Borrower is eligible to receive the child support and/or alimony. And that the income should be expected to continue for at least three (3) years. Verification of receipt of the income is not required. • Notes Receivable and Installment Sales A copy of the note must be provided indicating the Borrower has been eligible to receive note income. The income should be expected to continue for at least three years. Verification of receipt of the income is not required. • Trust Income A letter from the executor of the trust must be obtained and indicate the income should be expected to continue for at least three years. Verification of receipt of the income is not required. If the Borrower is the executor, a copy of the trust must be obtained. • Rental Income A schedule of real estate must be completed listing all properties owned by the Borrower. Lease/Rental agreements are not required, however, the rent must be deemed reasonable.
Assets	<p>Stated on the application and verified.</p>	<p>Must be disclosed and verified using Full/Alt documentation.</p>

	Loans greater than \$3,000,000: Two Most Recent asset statements are required.	<ul style="list-style-type: none"> • Must be verified by obtaining the two month's most recent account statements or VOD. • The assets must be the Borrower's own funds. <ul style="list-style-type: none"> - Acceptable assets include: checking and/or savings accounts, certificates of deposit (CDs), brokerage or mutual funds, publicly traded stocks. - Unacceptable assets include: accounts in the name of a corporation or partnership, or other party, stock in a closely held corporation.
IRS Form 4506	Required if tax returns are used to qualify the Borrower.	Loans greater than \$3,000,000: Two Most Recent asset statements are required. Required for all loan amounts greater than \$3,000,000.

Item	SISA Documentation Requirements
Application	The 1003 loan application (CHL Form #2021) is required.
Appraisal	One (1) full appraisal is required.
Income	Must be stated on the application but is not verified. Note: The income disclosed must be deemed reasonable and consistent with the Borrower's occupation.
Employment	<ul style="list-style-type: none"> • Salaried: Must be stated on the application and a Verbal VOE verifying a two (2) year history is required. • Self-Employed: Must be stated on the application and the Borrower must have been in the same business, at the same location, for a minimum of two (2) years. Independent verification of existence of the business is required (e.g., telephone listing, licensing bureau, etc.)
Assets	Must be stated on the application but are not verified. Note: The assets disclosed must be deemed reasonable and consistent with the Borrower's income.
IRS Form 4506 (CHL Form 29045)	Not required.

Documentation Type: Standard loan purpose codes must be used, as follows:

Doc Types	Full/Alt Doc	Reduced Doc	SISA
Codes	Use code: <ul style="list-style-type: none"> • 1 for "Full Docs"; or • 2 for "Alt Docs." Note: For additional information regarding Alternative Documentation, click here [Link] .	Use code: <ul style="list-style-type: none"> • 3 for "Reduced Docs." Note: For additional information, refer to the Required Documentation section above.	Use code: <ul style="list-style-type: none"> • 3 for "Reduced Docs." Note: For additional information, refer to the Required Documentation section above.

Down Payment/Source of Funds: Gifts are allowed subject to the following restrictions:

Item	Owner-Occupied Only		SISA
	Full/Alt Doc	Reduced Doc	
Source	Relatives, domestic partner, fiancée, or fiancée only.	Relatives, domestic partner, fiancée, or fiancée only.	Not Allowed
Percentage of Borrower's Funds	Five percent of the down payment must be from the Borrower's own funds. Note: If the LTV/CLTV is 80% or less, the entire down payment may	Max LTV: 75%. Ten percent minimum from the Borrower's own funds.	

	be a gift.	
Note: <ul style="list-style-type: none"> For allowable sources of funds, click here [📄]. For documenting of funds, click here [📄]. 		

Reserves:

Loan Amount	Reserve Requirements
Less than or equal to \$500,000	Two months PITI.
Greater than \$500,000 and Less than \$1,000,000	Four months PITI.
Greater than or Equal to \$1,000,000 and less than or equal to \$3,000,000	Six months PITI.
Greater than \$3,000,000	Full Doc: 9 months PITI Reduced: 12 months PITI Note: With manual approval, reserves may be as low as six (6) months with significant compensating factors.
Note: <ul style="list-style-type: none"> Reserves may not be required with a CLUES Accept. SISA: Reserves are not required. 	

Financing Contributions and Sales Concessions: Allowed subject to the following restrictions:

LTV	Owner-Occupied	Second Home	Investment
Greater than 90%	3%	Not Allowed	Not Allowed
Greater than 80% and less than or equal to 90%	6%	6%	Not Allowed
Less than or equal to 80%	6%	6%	6%

Spot Relocation: Not allowed.

Project Warranty: Standard Fannie Mae or Freddie Mac. For Project Warranty requirements, refer to Part 8, Chapter 6, Section 6, of the Conventional Technical Manual.

Geographic Restrictions:

- Loans exceeding \$650,000 are restricted to major metropolitan areas only. For the definition of major metropolitan areas, click here [📄].
- New York State Only:** If a transaction includes the refinancing of prior lien(s), the transaction may not close with Consolidation, Extension and Modification Agreement documentation.
- Maine:** Not Allowed.

Construction Modification: Not allowed.

One Time Close: Not allowed.

Energy Efficient Mortgages: Not allowed.

Countrywide

Loan Program Guidelines
Confidential -- Unauthorized Distribution Prohibited