



Last Reviewed: 11/22/2024

Wholesale MAXEX Jumbo Express SOFR ARMs

PROGRAM DESCRIPTION

This is a delegated underwriting program that offers loan amounts up to \$3.0M based on LTV and credit score combinations shown below and in the [table](#) at the end of this summary. This program may provide better pricing for Conforming High Balance and Jumbo ARM loans.

ENCOMPASS PRODUCT SELECTION: Loan amounts from \$400,000 to the Agency county limit must use the Conforming (High Balance) product. Loan amounts above the Agency county limit must use the Non-Conforming (Jumbo) product.

Please note that changes to individual Investor guidelines, which may impact borrower eligibility, frequently occur. Refer to the investor's most current program guide, available on PartnerNet or on the Investor's portal, for complete and accurate information.

GENERAL ELIGIBILITY

Product Channel	Wholesale, Non-Delegated Correspondent (NDC)	
Term	<ul style="list-style-type: none"> • 30 years • Fixed initial period of 7 or 10 years, adjusting every 6 months thereafter. • 2.750% margin for both. • Index based on the SOFR index figure in effect on the day that is 45 days before the interest rate adjustment date. • Rate Caps are 5/1/5 (5% first adjustment; 1% subsequent adjustments; 5% life-of-loan cap) 	
Loan Purpose	Purchase, Rate/Term Refinance, or Cash-Out Refinance	
Encompass Names	ENCOMPASS: WHL MAXEX Conforming 10yr/6m SOFR ARM WHL MAXEX Conforming 10yr/6m SOFR ARM WHL MAXEX Conforming 7yr/6m SOFR ARM WHL MAXEX Conforming 7yr/6m SOFR ARM WHL MAXEX Non-Conforming 10yr/6m SOFR ARM WHL MAXEX Non-Conforming 10yr/6m SOFR ARM WHL MAXEX Non-Conforming 7yr/6m SOFR ARM WHL MAXEX Non-Conforming 7yr/6m SOFR ARM	OPTIMAL BLUE: Wholesale MAXEX High Balance 2 10yr/6m SOFR ARM Wholesale MAXEX High Balance 3 10yr/6m SOFR ARM Wholesale MAXEX High Balance 2 7yr/6m SOFR ARM Wholesale MAXEX High Balance 3 7yr/6m SOFR ARM Wholesale MAXEX JUMBO 2 10yr/6m SOFR ARM Wholesale MAXEX JUMBO 3 10yr/6m SOFR ARM Wholesale MAXEX JUMBO 2 7yr/6m SOFR ARM Wholesale MAXEX JUMBO 3 7yr/6m SOFR ARM
Geographic Limitations	Eligible in all states where UHM is licensed.	
Occupancy	Primary Residence only	
Maximum Loan Amount	\$3.0M (Senior Management approval required for loan amounts greater than \$2.0M) <ul style="list-style-type: none"> • Loan amounts above the Agency county limit must use the Non-Conforming product. • Maximum loan amount of \$1.25M for First-Time Homebuyers. 	
Minimum Loan Amount	\$400,000	
Fees	<ul style="list-style-type: none"> • \$1,195 on Wholesale Underwriting. • \$900 on Purchase Advise for NDC. • UW Fee Buyout option available on Wholesale only (refer to <i>UHMGO!</i> Quick Pricer). 	
Escrow Waivers	If LTV ≤ 80%, there is not any loan-level price adjustment to waive escrows.	
Pricing/Lock Period	35-, 50-, and 65-day lock periods are available. <ul style="list-style-type: none"> • NOTE: Rate-lock extensions are subject to MAXEX guides. 	
Maximum LTV/CLTV/HCLTV	Refer to the matrix at the end of the summary for complete details.	

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Ineligible Loan Attributes & Transactions	<ul style="list-style-type: none"> • Temporary Buydowns • Texas Section 50(a)(6) • Leaseholds • Illinois Land Trusts • UHM’s Construction-to-Permanent (CTP/C2P) • Property TBD or Lock ‘n Shop • Recasting or re-amortizing • Land contract/contract for deed • Non-arm’s length transactions
Interested Party Contributions (IPC)	Follow Agency guidelines.

BORROWER ELIGIBILITY

Borrower Eligibility	<p>Follow the AUS and current applicable Agency selling guide requirements unless otherwise addressed below.</p> <ul style="list-style-type: none"> • A comprehensive fraud report (FraudGuard or similar) must be included in each file. The report should provide loan-level information on valuation and fraud detection and must include a comparison of all participant names against industry watch and exclusionary lists such as OFAC. All red flags on the report must be addressed and cleared. • A first-time homebuyer is defined as a borrower who has not had ownership interest in a property within the last three years from the application date. MAXEX does not allow the use of verification of asset reports to identify recurring rent payments to potentially enhance the AUS credit assessment. <ul style="list-style-type: none"> ○ Owner-occupied only. ○ Maximum 80% LTV/CLTV. ○ Maximum loan amount \$2.0M. ○ Interest-only is not allowed.
Ineligible Borrowers	<ul style="list-style-type: none"> • Borrowers with only an Individual Taxpayer Identification Number (ITIN). • Irrevocable trusts. • Corporations, limited partnerships, general partnerships, and LLCs. • Borrowers who are party to a lawsuit. • Borrowers with diplomatic immunity. • Foreign Nationals.
Assignment of Sales Contract	Not eligible.

APPRAISAL/PROPERTY REQUIREMENTS

Eligible Property Types	Single-Family Residences only (includes warrantable condos, PUDs, and townhomes).
Ineligible Property Types	<ul style="list-style-type: none"> • Manufactured Homes • Factory-Built Housing • Geodesic/Dome Homes • Properties held as leasehold • Condotel Units • Log Homes • Unique Properties • Mixed-Use Properties • Commercially Zoned Properties • Rural Zoned Properties • Agriculturally Zoned Properties (agricultural/residential eligible)

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Ineligible Property Types (Continued)	<ul style="list-style-type: none"> • Properties with an oil and gas lease • Properties with more than 20 acres • Working/Hobby Farms
Appraiser Requirements	<ul style="list-style-type: none"> • Full interior and exterior inspection URAR required irrespective of DU findings. • PIW not allowed, even if noted on the AUS feedback. • Two full appraisals required for loan amounts > \$1.5M. • Appraisals transferred or assigned from another lender are not acceptable. • Condition ratings C5 or C6 or Q6 are not allowed unless the issues that caused the ratings are cured prior to loan delivery. • Properties > 10 acres must have three comparables with similar acreage.
Declining Markets	<p>Reduce maximum LTV/CLTV by 10% for any property located in an area of declining property values as reported by appraiser.</p>
Appraisal Third-Party Review	<ul style="list-style-type: none"> • UHM requires a CDA on all loan amounts over the Agency loan limit. • CDA required for all CU scores greater than 2.5. • All discrepancies between the appraisal and the desk review must be reconciled. If the desk review produces a value in excess of a 10% negative variance to the appraised value, the loan is not eligible for purchase; provided the seller has the option to, ask the Exchange to order a Field Review to support the appraised value. If the field review also produces a value in excess of a 10% negative variance to the appraised value, then the loan will remain ineligible for purchase. • All appraisals are reviewed for eligibility as well as value support. However, the use of a desk review does not relieve the seller of its representations and warranties relating to the property and the appraisal including the underwriting thereof.
Eligible Condo Reviews	<ul style="list-style-type: none"> • UHM responsible for determining project meets Fannie Mae eligibility requirements. • Must be Fannie Mae or Freddie Mac Warrantable based on AUS used. • Low-, mid-, and high-rise (both new and established) agency warrantable condominiums. • Condominiums with HOAs in litigation are ineligible. • Minimum square footage 400.
UNDERWRITING & COMPLIANCE REQUIREMENTS	
AUS/Manual Underwriting	<ul style="list-style-type: none"> • DU and LP are acceptable. Must have an Approve/Accept Eligible. • Approve Ineligible due only to the loan amount exceeding the Agency loan limit for the subject property county and number of units or LTV exceeding maximum allowed on cash-out refinance.
Qualifying Ratios & Rate	<ul style="list-style-type: none"> • Maximum DTI is 49.9%. • Qualify with the note rate.
Income	<p>Follow the AUS and applicable current Agency selling guide requirements unless otherwise addressed below.</p> <ul style="list-style-type: none"> • Commission/Bonus income must be documented with a written VOE breaking down the bonus or commission income for the past two years or a year-to-date paystub and W-2s supporting the income. <ul style="list-style-type: none"> ○ Commission/Bonus income with less than a two-year history may not be used for qualification. • Tax transcripts are required to be obtained from the IRS only for income for years being used for qualification. <ul style="list-style-type: none"> ○ Wage transcripts are acceptable for W-2 borrowers, and 1099 transcripts are acceptable for 1099 borrowers. ○ Tax transcripts are not required for newly received income such as retirement, social security and trust income that would not appear on the prior year tax returns.

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UNIONHOME MORTGAGE

Last Reviewed: 11/22/2024

Income (continued)	<ul style="list-style-type: none"> ○ Borrower-pulled transcripts are not acceptable. ○ The IRS transcripts and the supporting income documentation provided by the lender must be consistent. ● Income produced or in relation to federally prohibited activities is not eligible. ● Self Employed: If the tax return for the previous tax year is not filed, a 12-month P&L and balance sheet for this period is required.
Unacceptable Forms of Income	<ul style="list-style-type: none"> ● Restricted stock income (RSU). ● Income that is temporary. ● Rental Income (Boarder Income) received from the borrower's primary residence. ● Expense account payments. ● Retained earnings. ● Automobile allowance.
Assets	Gifts of equity are ineligible.
Reserves	<p>The greater of the AUS requirements or the requirements in the LTV-credit score table at the end of this summary.</p> <ul style="list-style-type: none"> ● Equity lines of credit, gift funds, business assets, and cash-out from the subject property on refinance transactions are not acceptable sources to meet the reserve requirement.
Credit	<p>Refer to the LTV-credit score table for more information.</p> <p>IMPORTANT: Credit rescoring are not permitted, unless the rescore is correcting erroneous line items or disputed accounts.</p>
Housing Payment History	<ul style="list-style-type: none"> ● Minimum 24 months verified mortgage history is required with 0x30x12 and 0x60x24 pay history. ● Minimum of 12 months verified rental history is required with 0x30x12 payment history. <ul style="list-style-type: none"> ○ For rental verification, a standard VOR completed by a professional management company or 12 months' bank statements/canceled checks and a lease agreement to document the term and payment are required. ● Borrowers with no mortgage/rental history due to a residence scenario requiring no mortgage or rental payments are eligible with a satisfactory letter of explanation. ● If the housing history reflects a forbearance arrangement, the payment history must reflect 0x30x12 and 0x60x24 in the most recent 24 months since exiting forbearance. ● The payment history must be provided by the lender/servicer.
Credit Events (BK, SS, FC, DIL) Seasoning Requirements	<ul style="list-style-type: none"> ● At least seven years must have elapsed since bankruptcy discharge or dismissal, foreclosure, notice of default (NOD), short sale, deed-in-lieu, or modification measured from the date of completion to the date of application. ● Modifications that were not the result of a distress situation are not subject to the waiting period.
CLOSING REQUIREMENTS	
UHM Closing Document Prep	All closing packages must be prepared by UHM, regardless of a correspondent's ability/approval to fund loans.
Power of Attorney (POA)	<p>In certain situations, a specific, special, military, or limited Power of Attorney (POA) may be acceptable. Use of Powers of Attorney is not allowed for transactions with any of the following characteristics (not all characteristics may be applicable to this program):</p> <ul style="list-style-type: none"> ● Cash-out refinances. ● Non-owner occupied (investment) properties. ● Title taken as trust. ● Identity of interest or non-arm's length transactions. ● Non-occupant borrowers. ● The Settlement Agent must not act as the attorney-in-fact or sign documents on behalf of any party to the transaction.

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Loss Payee & Mortgagee Clause	Union Home Mortgage Corp. ISAOA/ATIMA 8241 Dow Circle West Strongsville, OH 44136 Loan #
Training	Review Product Matrixes in <i>UHMGO!</i>
Comp. Selection	Borrower- or Lender-Paid Only (BPO or LPO).
Broker Comp.	Maximum compensation is LPO Selection.



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MAXEX Jumbo Express 2 Program Matrix

DU/LPA Approve/Accept Eligible OR DU/LPA Approve/Accept Ineligible Due Only to Loan Amount

PURCHASE & RATE/TERM REFINANCE							CASH-OUT REFINANCE							
Occupancy	Number of Units	Max Loan Amount	Max LTV/CLTV	Min Credit Score	Max DTI	Min Reserves	Occupancy	Number of Units	Max Loan Amount	Max LTV/CLTV	Min Credit Score	Max DTI	Min Reserves	Max Cash-Out
Primary Residence	1	\$ 1.0M	80%	660	49.99%	6 mos.	Primary Residence	1	\$ 1.0M	80%	720	49.99%	6 mos.	\$350,000
		\$ 1.5M	80%	660		\$ 1.0M			75%	660				
		\$ 2.0M	80%	720		\$ 1.5M			80%	720				
		\$ 2.0M	75%	680		\$ 1.5M			70%	680				
		\$ 2.0M	65%	660		\$ 1.5M			55%	660				
		\$ 2.5M	80%	720		\$ 2.0M			80%	720				
	2	\$ 3.0M	80%	740		12 mos.		\$ 2.0M	55%	660	12 mos.		\$500,000	
		\$ 1.0M	80%	660				2	\$ 1.0M	70%				680
		\$ 1.5M	65%	660					\$ 1.5M	55%				660
		\$ 2.0M	60%	660					\$ 2.0M	55%				660
Second Home	1	\$ 1.0M	80%	660	9 mos.	Second Home	1	\$ 1.0M	75%	700	9 mos.	\$350,000		
		\$ 1.5M	70%	680				\$ 1.5M	75%	740				
		\$ 2.0M	80%	720				\$ 1.5M	65%	700				
		\$ 2.0M	55%	700				\$ 2.0M	75%	740				
		\$ 2.5M	80%	720										
		\$ 3.0M	80%	740										

- Products:
 - 15- and 30-year Fixed, fully amortizing.
 - 5/6, 7/6, and 10/6 ARM 30-year, fully amortizing.
- Minimum loan amount is \$400,000.
- Non-Warrantable Condos: Primary Residence and Second Home only / 30-year Fixed, fully amortizing only / Max LTV reduced by 10%.
- Co-operatives are not allowed.

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