Purpose - Streamline Refinance
Terms Available - 15, 20, 25 and 30 Year Fixed Rate and 5/1 ARM
High Balance Terms Available 15, 20, 25 and 30 Year Fixed and 5/1 ARM
Occupancy - Primary Residence and Investment
AUS - Manual UW Only
Minimum Credit Score - 550
Minimum Loan Amount $75,000

General

Minimun Credit Score - 550
Minimun Loan Amount $75,000

Credit

Mortgage Only credit accepted (Tri-merge required) (Also, see note for Credit-Qualifying Streamline)
Borrowers must provide a signed LOE for all delinquent credit in the past 24 months.

Mortgage Lates
0x30 last 6 months prior to case number assignment.
1x30 max in prior months 7-12

No Credit Score Spouse
PacificBanc Mortgage will consider loans where the coborrowing spouse has no credit score.
Note that No Score loans will price from the lower of the primary borrower Credit Score or the 600-619 bucket

CREDIT

Credit-Qualifying
Credit-Qualifying is necessary in the following instances:
A borrower on the current loan is being removed from the loan, OR
Borrower(s) fail to meet the net tangible benefit (NTB) requirement.

Bankruptcy
2 years must have elapsed since completion or discharge of Chapter 7 Bankruptcy.
2 years must have elapsed from the discharge date of a Chapter 13 Bankruptcy.
Seasoning period begins from the date of discharge to the date of the case assignment

Credit
Full Tri-merge credit report required

Collection Accounts / Judgment Accounts
All judgments must be paid
Payment of Collection Accounts and Charge Offs are at the discretion of the underwriter
If the cumulative outstanding balance of all collections of all borrowers (including a non-purchasing / non-borrowing spouse) is equal to or greater than $2,000 and the collection accounts will remain open after closing. The monthly payment must be included in the DTI using the payment arrangement or 5% of the outstanding balance of each collection (This does not include medical collections or medical charge offs)
A letter of explanation will be required for each collection account.
Borrower may not be late, delinquent, or in default of any federal debt.

Documentation Requirements
30 days worth of paystubs - W-2 borrower
2 years tax returns - self employed
2 years W-2's - W-2 borrower
Credit refresh is required prior to preparation of loan documents
Mortgage statement with breakdown of PITI (must have MI broken out) and copy of current Note
Most recent bank statement - fixed income borrower
Award letters - fixed income borrower
Processed 4506-T
Must follow manual underwriting guidelines

Foreclosure
3 years must have elapsed since completion of a Foreclosure or Deed-in- Lieu.
Seasoning period begins on the date the property transferred ownership to the foreclosing lender through the date of the case assignment.

Note that No Score loans will price from the lower of the primary borrower Credit Score or the 600-619 bucket.
### Mortgage Lates
- 0x30 last 6 months prior to case number assignment.
- 1x30 max in prior months 7-12

### Short Sale
- If the borrower was not in default at the time of the Short Sale, 3 years must have elapsed since completion of Short Sale.
- If the borrower was in default at the time of the Short Sale, 3 years must have elapsed since the completion of the Short Sale; the wait period can be waived if the default was due to circumstances beyond the borrower's control and the borrower’s credit was satisfactory prior to the circumstances beyond the borrower's control that caused the default.
- If the borrower pursued a Short Sale to take advantage of declining market conditions and is purchasing a similar or superior property within a reasonable commuting distance, the 3 year waiting period may not be waived
- Seasoning period begins on the date the property was sold through the date of the case assignment.

### DTI/INCOME/ASSETS
- **Maximum DTI**
  - No DTI calculated for Non-Credit Qualifying Streamline
  - DTI for Credit-Qualifying Streamline per HUD Handbook 4000.1 (manual underwriting guidelines)

### PROPERTY
- **AVM/Appraisal**
  - Not required
- **Eligible Properties**
  - Attached/Detached SFRs
  - PUDs
  - HUD-approved Condos (project review not required)
  - 2-4 Units
  - 1 unit manufactured (primary residence only, max loan amount $424,100k, double-wide only)
- **Investment Properties**
  - Manufactured properties are ineligible
  - Fixed rate only
  - Max 7 unit limitation
- **Notes on Streamline Manufactured**
  - Minimum 620 Qualifying Credit Score
  - Fixed rate only
  - Fee simple only
  - 1 unit only
- **Termit Inspection**
  - Not Required
- **Utility Bill**
  - One monthly bill required to document occupancy.

### MISCELLANEOUS
- **Documentation Requirements**
  - No income or debts on the 1003 or LT
  - Employment info and mortgage lien needs to be on the 1003
  - Salaried borrowers require a verbal VOE
  - Mortgage statement with breakdown of PITI and copy of current Note
  - Signed but not processed 4506T form is required
  - Self-employed borrowers require verification of the business through a 3rd party source
- **Loan Limits**
  - Streamline refi's WITHOUT an appraisal are not subject to the new max mortgage amounts
  - The maximum insurable mortgage cannot exceed the outstanding principal balance minus the applicable refund of the UFMIP plus the new UFMIP that will be charged on the refinance
  - The term of the mortgage must be the lesser of 30 years or the unexpired term of the mortgage plus 12
  - Streamline refi's WITH an appraisal are not allowed. Refer to Simple Refi guidelines for all closing cost to be included.
- **Max Fees Included in Loan Amount Calculation**
  - The loan amount calculation may include up to 60 days of interest and 2 months prorated MIP when it shows on the payoff demand. The lender credit may pay all closing costs including fees on the payoff that are not included in the loan amount calculations.
  - **If the payoff shows interest as a daily per diem 60 days of interest may not be included.**

(continued)
The maximum Base Loan Amount is:
• The lesser of:
  • The outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; PLUS
    • Interest due on the existing mortgage; AND
    • MIP due on existing; OR
  • The original principal balance of the existing mortgage (including financed UFMIP)
    • Less any refund of UFMIP (if financed in the original mortgage)

For Investment the maximum Base Loan Amount is:
• The lesser of:
  • The outstanding principal balance of the existing mortgage as of the month prior to mortgage disbursement; OR
  • The original principal balance of the existing mortgage (including financed UFMIP)
    • Less any refund of UFMIP (if financed in the original mortgage)

• A Net Tangible Benefit is a reduced Combined Rate, a reduced term, and/or a change from an ARM to a Fixed rate
• Combined Rate refers to the interest rate on the mortgage plus Mortgage Insurance Premium (MIP) rate.

<table>
<thead>
<tr>
<th>FROM:</th>
<th>Fixed Rate New Combined Rate</th>
<th>1-Year ARM New Combined Rate</th>
<th>Hybrid ARM New Combined Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Rate</td>
<td>At least 0.5 percentage points below the prior Combined Rate.</td>
<td>At least 2 percentage points below the prior Combined Rate.</td>
<td>At least 2 percentage points below the prior Combined Rate.</td>
</tr>
<tr>
<td>Any ARM With &lt; 15 Months to Next Payment Change Date</td>
<td>No more than 2 percentage points above the prior</td>
<td>At least 1 percentage points below the prior Combined Rate.</td>
<td>At least 1 percentage points below the prior Combined Rate.</td>
</tr>
<tr>
<td>Any ARM With &gt; 15 Months to Next Payment Change Date</td>
<td>No more than 2 percentage points above the prior</td>
<td>At least 2 percentage points below the prior Combined Rate.</td>
<td>At least 1 percentage points below the prior Combined Rate.</td>
</tr>
</tbody>
</table>

• If the mortgage term is reduced the net tangible benefit test is met if: the new interest rate does not exceed the current interest and the combined principle, interest and MIP payment does not increase by more than $50.

Property Assessed Clean Energy (PACE) and Home Energy Renovation Opportunity (HERO) are typically used as financing sources for borrowers who wish to install solar energy items to their homes. These financing instruments are recorded against the property and collected through property tax bills in the same manner as a special assessment.

• PacificBanc Mortgage will allow the subordination of a lien associated with these instruments provided they meet the following criteria:
  • The lien is collected through property taxes in substantially equal installments.
  • The underlying lease/contract/financing instrument does not contain a clause that would prevent the lien from transferring to a new owner, whether by sale or foreclosure, and must not contain a provision that a third party be notified.
  • Appraisers must be given advanced notice when completing appraisals for properties that will have a subordinated PACE/HERO lien and the appraiser must notate the outstanding balance of the obligation, provide any commentary they deem appropriate and comment on any positive or negative impact that either the presence of the lien or the solar equipment itself has on the property and its marketability.
  • The existence of the solar lease must be clearly identified in the purchase contract to ensure that all parties are aware of the ongoing obligation through special assessment.
  • Unless a payoff of the PACE/HERO obligation is negotiated and executed at or prior to closing, the buyer (or current owner in the case of a refinance) will assume the obligation and be responsible for the payments of the outstanding PACE/HERO obligation.
  • In cases of foreclosure, the PACE/HERO lease/contract/financing instrument must allow that the priority of any delinquent PACE/HERO payments be waived or relinquished.
  • A PACE/HERO obligation may not contain an acceleration clause where the entire obligation becomes due in the event of delinquency and must allow for payment of the past due amounts only.

(continued)
The payment for the lease should be included in the debt to income ratio as part of the property taxes. The subordination of a PACE/HERO obligation does not affect the CLTV of the loan as it is not considered a mortgage lien.

Subordinated PACE/HERO obligations must be impounded with property taxes when impounds are requested or required.

Note that PACE/HERO obligations that are being paid in full at or before closing require no special approval, however, proof must be provided that the lien has been satisfied or will be satisfied through closing. If funds from the transaction are being used to satisfy these obligations the loan will be considered cash out.

### Payment History Documentation

- Streamline refinances must evidence at least 6 months mortgage history prior to case assignment AND;
- At least 210 days must have passed from the closing date of the loan being refinanced AND;
- 6 FULL months have passed.
- Borrower may not refinance a previous rental property to owner occupied streamline for 12 mos prior to the closing.

### State Restrictions

Streamlines are not allowed on TX 50 (a)(6) loans

*Additional standard FHA guidelines apply.*