

Loan Program Guide

NOTE: This database was retired on 11/16/2009

Last Revision Date: 08/20/2007

Guideline Effective Date:

SECTION 12: Non Conforming Programs

12.15: Payment Advantage and PayOption Full, Alt, and Fast and Easy (sm) Documentation

This section of the Loan Program Guide (LPG) contains the guidelines for the Non-Conforming Payment Advantage 5/1 and 5/6 Fixed Period ARMs and PayOption ARM programs.

Eligible Divisions

All

Note

Payment Advantage 5/6 Fixed Period ARM: Allowed for CLD only.



Documentation Requirements

Full/Alt Doc

Countrywide Loan Underwriting Expert System (CLUES)

CLUES usage is required.

Notes

- CLUES may accept loans that exceed ratio and reserve guidelines when strong compensating factors are present. When it does, an explanation of the accept decision is provided in the CLUES output
- For additional information on underwriting using CLUES, see Countrywide Technical Manual (CTM) 0.3.1: Underwriting with CLUES and CLUES Documentation Levels 
- Loans not receiving a CLUES accept that may be manually underwritten must meet all published loan program guidelines. For additional information regarding manually underwritten loans, see CTM 0.4: Requirements for Manually Underwritten Loans . An underwriter may approve a loan receiving a CLUES refer decision if they provide supporting documentation that addresses each Refer reason.

The following spreadsheet illustrates the less restrictive documentation requirements that may be utilized when receiving a CLUES plus or a CLUES eligible message.



CLUES Plus and CLUE Documentation (06PC0004).xls


Fast and Easy

Allowed for Payment Advantage 5/1 Fixed Period ARM only.

CLUES

CLUES usage is required.

Notes

- A CLUES accept is required to meet loan program eligibility.
- CLUES may accept loans that exceed ratio and reserve guidelines when strong compensating factors are present. When it does, an explanation of the accept decision is provided in the CLUES output
- For additional information on underwriting using CLUES, see CTM 0.3.1: Underwriting with CLUES and CLUES Documentation Levels .

Income

Stated on the application. Must be deemed reasonable and consistent with the borrower's occupation.

Employment

Must be stated on the application, and:

- **Salaried borrowers:** Verbal Verification of Employment (VOE) covering two years is required.
- **Self-employed borrowers:** Must have been in the same business, same location for minimum of two years. Independent verification of existence of the business is required (telephone listing, licensing bureau, etc.).

Assets

Stated on the application.

4506-T

Required for all borrowers.

Maximum Loan-to-Value (LTV)/Combined Loan-to-Value (CLTV)

CMD/FSL:

Owner-Occupied

Owner-Occupied 1-2 Units Purchase, Rate and Term CMD/FSL								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	95	720	Not Allowed		95	660	95	680
	80/90	720			90/90	680	80/90 [1]	720

	75/75	660					
\$650,000	95	720	Not Allowed	95	680	80/90 [2]	680
	80/90	720		90	660		
	75/75	660					
\$1,000,000	80/90	720	Not Allowed	80/90	680	80/90 [2]	700 [4]
	80	720					
	75/75	660					
\$1,500,000	80	720	Not Allowed	80/80	680	75 [3]	700
	75/75	680		75/75	660	60 [3]	700
\$2,000,000	70/70	700	Not Allowed	75/75	700	60 [3]	700
				70/70	660		
\$3,000,000 [1]	70/70	700	Not Allowed	70/70	700	Not Allowed	
Additional Restrictions	<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed. [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 			<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed. [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 		<ul style="list-style-type: none"> Property types: SFRs, condos, PUDs, cooperatives, and 2 units only Maximum CLTV 90% with secondary financing. 2 units: <ul style="list-style-type: none"> [1] Maximum LTV/CLTV 80/90 at 730 [2] Maximum LTV/CLTV 80/80 at 730 [3] Not Allowed [4] Minimum credit score 680: 1 unit properties only. Cooperatives: Secondary financing is not allowed 	

Owner-Occupied 3-4 Units Purchase, Rate and Term CMD/FSL								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90	660	Not Allowed	
	80/90	720			80/90	700		
	75/75	680						
\$650,000	90	720	Not Allowed		90	660	Not Allowed	
	80/90	720			80/90	700		
	75/75	680						
\$1,000,000	80	720	Not Allowed		80	680	Not Allowed	

0	75	680		80/90	700	
\$1,500,000	75	680	Not Allowed	75	660	Not Allowed
Additional Restrictions						

Owner-Occupied 1-2 Units Cash-Out CMD/FSL								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90/90	680	75/75 [1]	720
	80/90	720					70/70	700 [2]
	75/75	660						
\$650,000	90	720	Not Allowed		90	660	75/75 [1]	720
	80/90	720					70/70	700 [2]
	75/75	660						
\$1,000,000	80	720	Not Allowed		80/80	680	Not Allowed	
	75/75	660						
\$1,500,000	75	680	Not Allowed		75/75	660	Not Allowed	
	70/70	680						
\$2,000,000	70/70	720	Not Allowed		70/70	700	Not Allowed	
\$3,000,000 [1]	70/70	720	Not Allowed		70/70	720	Not Allowed	
Additional Restrictions	<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed. [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 				<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed. [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 		<ul style="list-style-type: none"> Property types: SFRs, condos, PUDs, cooperatives, and 2 units only [1] 1-unit properties only. [2] 2 units: Minimum credit score 730 Cooperatives: Secondary financing is not allowed 	
Maximum Cash-Out	<ul style="list-style-type: none"> LTV > 80%: \$325,000 LTV 55.01-80%: \$500,000 LTV ≤ 55%: Unrestricted 							

Owner-Occupied 3-4 Units Cash-Out CMD/FSL		
Loan Amount	PayOption	Payment Advantage

	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	80	720	Not Allowed		80	660	Not Allowed	
	75/75	680						
\$650,000	80	720	Not Allowed		80	660	Not Allowed	
	75/75	680						
\$1,000,000	80	720	Not Allowed		80/80	700	Not Allowed	
	75/75	680			75	660		
					55	660		
\$1,500,000	70/70	680	Not Allowed		70/70	660	Not Allowed	
					55	660		
Additional Restrictions								
Maximum Cash-Out	<ul style="list-style-type: none"> LTV 55.01-80%: \$500,000 LTV ≤ 55%: Unrestricted 							

Second Home

Second Home 1 Unit Purchase, Rate and Term CMD/FSL								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	95	720	Not Allowed		95	720	90	700
	80/90	720			90	660	85/85	700
	75/75	680						
	75	660						
\$650,000	90	720	Not Allowed		90	660	80/85 [1]	700
	80/90	720			80/90	680		
	75/75	680						
\$1,000,000	80	720	Not Allowed		80	680	Not Allowed	
\$1,500,000	80	720	Not Allowed		80/80	720	Not Allowed	
	75/75	680			75/75	660		
\$2,000,000	70/70	700			70/70	700		
\$3,000,000 [1]	70	700	Not Allowed		70	700	Not Allowed	
Additional Restrictions	<ul style="list-style-type: none"> 2-4 units: Not allowed Cooperatives: Secondary financing is not allowed 				<ul style="list-style-type: none"> 2-4 units: Not allowed Cooperatives: Secondary financing is not allowed 		<ul style="list-style-type: none"> Property types: SFRs, condos, cooperatives, and PUDs only [1] High-rise condos: Maximum 	

	<ul style="list-style-type: none"> [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 		<ul style="list-style-type: none"> [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 	LTV/CLTV 75/75 <ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed
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Second Home 1 Unit Cash-Out CMD/FSL								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90	660	70/70	700
	80/90	720						
	75/75	680						
\$650,000	90	720	Not Allowed		90	660	70/70	700
	80/90	720			80/90	680		
	75/75	680						
\$1,000,000	80	720	Not Allowed		80	680	Not Allowed	
	75/75	700						
	75	680						
\$1,500,000	75/75	700	Not Allowed		75/75	660	Not Allowed	
\$2,000,000	65/70	700	Not Allowed		65/70	700	Not Allowed	
\$3,000,000 [1]	65	720	Not Allowed		65	720	Not Allowed	
Additional Restrictions	<ul style="list-style-type: none"> 2-4 units and cooperatives: Not allowed [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 				<ul style="list-style-type: none"> 2-4 units and cooperatives: Not allowed [1] Loan amount or combined loan amount > \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). 		<ul style="list-style-type: none"> Property Types: SFRs, low-rise condos, and PUDs only 	
Maximum Cash-Out	<ul style="list-style-type: none"> LTV > 80%: \$325,000 LTV 55.01-80%: \$500,000 LTV ≤ 55%: Unrestricted 							

Investment

Investment 1-2 Units Purchase, Rate and Term CMD/FSL		
Loan	PayOption	Payment Advantage

Amount								
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90/90	680	Not Allowed	
	80/90	720			90	660		
	75	660						
\$650,000	90	720	Not Allowed		90	680	Not Allowed	
	80/90	720			80/90	680		
	75/75	680						
\$1,000,000	80	720	Not Allowed		80/80	680	Not Allowed	
	75/75	680			70	660		
\$1,500,000	70/80	720	Not Allowed		70/80	720	Not Allowed	
	70/70	680			70/70	660		
					65/70	660		
Additional Restrictions	Cooperatives: Not allowed				Cooperatives: Not allowed			

Investment 3-4 Units Purchase, Rate and Term CMD/FSL								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90	680	Not Allowed	
	80/90	720			75/80	660		
	75/75	680						
\$650,000	80/90	720	Not Allowed		80/80	700	Not Allowed	
	80	720						
	75	680						
\$1,000,000	80	720	Not Allowed		80	680	Not Allowed	
	70	680			70	660		
\$1,500,000	70	720	Not Allowed		70	720	Not Allowed	
	65	660			65	660		
Additional Restrictions	Cooperatives: Not allowed				Cooperatives: Not allowed			

Investment 1-2 Units Cash-Out CMD/FSL		
Loan Amount	PayOption	Payment Advantage

	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90/90	700	Not Allowed	
	80/90	720			90	660		
	75/75	680			80	660		
\$650,000	80	720	Not Allowed		80/80	660	Not Allowed	
	75/75	680						
\$1,000,000	80	720	Not Allowed		80/80	680	Not Allowed	
	75/75	680						
\$1,500,000	70/70	720	Not Allowed		70/70	660	Not Allowed	
					60	660		
Additional Restrictions	Cooperatives: Not allowed				Cooperatives: Not allowed			
Maximum Cash-Out	<ul style="list-style-type: none"> LTV > 55%: \$325,000 LTV ≤ 55%: Unrestricted 							

Investment 3-4 Units Cash-Out CMD/FSL								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	75/75	680	Not Allowed		75	680	Not Allowed	
					65/65	680		
					60/60	660		
\$650,000	70	680	Not Allowed		75	680	Not Allowed	
\$1,000,000	55	680	Not Allowed		55	660	Not Allowed	
\$1,500,000	55	720	Not Allowed		55	660	Not Allowed	
Additional Restrictions	Cooperatives: Not allowed				Cooperatives: Not allowed			
Maximum Cash-Out	<ul style="list-style-type: none"> LTV > 55%: \$325,000 LTV ≤ 55%: Unrestricted 							

WLD/CLD:

Owner-Occupied

Owner-Occupied 1-2 Units Purchase, Rate and Term WLD/CLD	

Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	95	720	Not Allowed		95	660	95	680
	75/75	660			90/90	680	80/90 [1]	720
\$650,000	90	720	Not Allowed		95	680	80/90 [2]	680
	75/75	660			90	660		
\$1,000,000	80	720	Not Allowed		80/90	680	80/90 [2]	700
	75/75	660						
\$1,500,000	80	720	Not Allowed		80	700	75 [3]	720
	75/75	680			75/75	660	60 [3]	700
\$2,000,000	70/70	720	Not Allowed		70/70	680	60 [3]	700
\$2,500,000	70/70	720	Not Allowed		70/70	720	Not Allowed	
Additional Restrictions	<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed 				<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed 		<ul style="list-style-type: none"> Property types: SFRs, condos, PUDs, cooperatives, and 2 units only Maximum CLTV 90% with secondary financing. 2 units: <ul style="list-style-type: none"> <input type="checkbox"/> [1] Maximum LTV/CLTV 80/90 at 730 <input type="checkbox"/> [2] Maximum LTV/CLTV 80/80 at 730 <input type="checkbox"/> [3] Not Allowed Cooperatives: Secondary financing is not allowed 	

Owner-Occupied 3-4 Units Purchase, Rate and Term WLD/CLD								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90	660	Not Allowed	
	75/75	680			80/90	700		
\$650,000	90	720	Not Allowed		90	660	Not Allowed	
	75/75	680			80/90	700		
\$1,000,000	75	680	Not Allowed		80/90	700	Not Allowed	

0				75	660	
Additional Restrictions						

Owner-Occupied 1-2 Units Cash-Out WLD/CLD								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	90	720	Not Allowed		90	660	75/75 [1]	720
	75/75	660					70/70	700 [2]
\$650,000	90	720	Not Allowed		90	660	75/75 [1]	720
	75/75	660					70/70	700 [2]
\$1,000,000	80	720	Not Allowed		80/80	700	Not Allowed	
	75/75	660			75/75	660		
\$1,500,000	70/70	720	Not Allowed		70/70	680	Not Allowed	
\$2,000,000	70/70	720	Not Allowed		70/70	720	Not Allowed	
Additional Restrictions	<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed 				<ul style="list-style-type: none"> Cooperatives: Secondary financing is not allowed 		<ul style="list-style-type: none"> Property types: SFRs, condos, PUDs, cooperatives, and 2 units only [1] 1-unit properties only [2] 2-units: Minimum credit score 730 Cooperatives: Secondary financing is not allowed. 	
Maximum Cash-Out	<ul style="list-style-type: none"> LTV > 80%: \$325,000 LTV 55.01-80%: \$500,000 LTV ≤ 55%: Unrestricted 							

Owner-Occupied 3-4 Units Cash-Out WLD/CLD								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit	Maximum LTV/CLTV	Minimum Credit	Maximum LTV/CLTV	Minimum Credit	Maximum LTV/CLTV	Minimum Credit

		Score		Score		Score		Score
\$500,000	80	720	Not Allowed		80	660	Not Allowed	
	75/75	680						
\$650,000	80	720	Not Allowed		80	660	Not Allowed	
	75/75	680						
\$1,000,000	80	720	Not Allowed		80/80	700	Not Allowed	
Additional Restrictions								
Maximum Cash-Out	<ul style="list-style-type: none"> LTV 55.01-80%: \$500,000 LTV ≤ 55%: Unrestricted 							

Second Home

Second Home 1 Unit Purchase, Rate and Term WLD/CLD								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	95	720	Not Allowed		95	720	90	700
	75/75	680			80/80	680	85/85	700
\$650,000	90	720	Not Allowed		90	680	80/85 [1]	700
	75/75	680			80/90	680		
\$1,000,000	80	720	Not Allowed		80	700	Not Allowed	
					75/75	680		
\$1,500,000	70/70	680	Not Allowed		70/70	660	Not Allowed	
\$2,000,000	70	720	Not Allowed		70/70	720	Not Allowed	
\$2,500,000	70	720	Not Allowed		70	720	Not Allowed	
Additional Restrictions	<ul style="list-style-type: none"> 2-4 units: Not allowed Cooperatives: Secondary financing is not allowed 				<ul style="list-style-type: none"> 2-4 units: Not allowed Cooperatives: Secondary financing is not allowed 		<ul style="list-style-type: none"> Property types: SFRs, condos, PUDs, and cooperatives only [1] High-rise condos: Maximum LTV/CLTV 75/75 Cooperatives: Secondary financing is not allowed 	

Second Home 1 Unit Cash-Out WLD/CLD		
Loan	PayOption	Payment Advantage

Amount	Full/Alt				Fast and Easy CLUES Accept Required			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	75/75	680	Not Allowed		80/80	680	70/70	700
\$650,000	80	720	Not Allowed		80/80	680	70/70	700
	75/75	680			70	660		
\$1,000,000	75/75	700	Not Allowed		80	700	Not Allowed	
					75	680		
\$1,500,000	70	700	Not Allowed		70	680	Not Allowed	
\$2,000,000	65	720	Not Allowed		65/70	720	Not Allowed	
\$2,500,000	65	720	Not Allowed		65	720	Not Allowed	
Additional Restrictions	2-4 units and cooperatives: Not allowed				2-4 units and cooperatives: Not allowed		Property types: SFRs, low-rise condos, and PUDs only	
Maximum Cash-Out	<ul style="list-style-type: none"> LTV 55.01-80%: \$500,000 LTV ≤ 55%: Unrestricted 							

Investment

Investment 1-2 Units Purchase, Rate and Term WLD/CLD								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	80	720	Not Allowed		90	680	Not Allowed	
	75/75	680			70	660		
\$650,000	80	720	Not Allowed		80	680	Not Allowed	
	75/75	680			75/80	680		
\$1,000,000	80	720	Not Allowed		80	700	Not Allowed	
					75	680		
Additional Restrictions	Cooperatives: Not allowed				Cooperatives: Not allowed			

Investment 3-4 Units Purchase, Rate and Term WLD/CLD								

Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	75	680	Not Allowed		75/75	680	Not Allowed	
					70	660		
\$650,000	75	680	Not Allowed		75	680	Not Allowed	
Additional Restrictions								

Investment 1-2 Units Cash-Out WLD/CLD								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	70	680	Not Allowed		70	660	Not Allowed	
					65/65	660		
\$650,000	70	720	Not Allowed		70	680	Not Allowed	
\$1,000,000	65	720	Not Allowed		65	720	Not Allowed	
Additional Restrictions	Cooperatives: Not allowed				Cooperatives: Not allowed			
Maximum Cash-Out	<ul style="list-style-type: none"> • LTV 55.01-80%: \$500,000 • LTV ≤ 55%: Unrestricted 							

Investment 3-4 Units Cash-Out WLD/CLD								
Loan Amount	PayOption				Payment Advantage			
	Full/Alt		Fast and Easy CLUES Accept Required		Full/Alt		Fast and Easy CLUES Accept Required	
	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
\$500,000	65	680	Not Allowed		65	680	Not Allowed	
					60/60	660		
\$650,000	60	680	Not Allowed		60	680	Not Allowed	
Additional Restrictions								
Maximum	<ul style="list-style-type: none"> • LTV 55.01-80%: \$500,000 							

Minimum/Maximum Loan Amount



Minimum Loan Amount

None

Maximum Loan Amount

- Refer to the LTV/CLTV tables.
- Loan amounts or combined loan amounts greater than \$3,000,000 must be underwritten by Private Mortgage Banking Group (PMBG). Refer to your operational department for policies and procedures.

Secondary Financing

- To view the guidelines for loans with secondary financing/subordinate liens, see CTM 1.6.1: Secondary Financing/Subordinate Lien Requirements .
- For eligible secondary financing programs available from Countrywide Financial Corporation (CFC), see LPG 24.10: HELOCs and Fixed Rate Seconds . The more restrictive of the guidelines apply.
- Cooperatives: Secondary financing is not allowed

Credit



All borrowers must meet the credit score requirements as shown in the LTV tables. Borrower(s) may not be currently delinquent on their mortgage/housing payment.





Usable Credit Scores

For a credit score to be considered valid and usable in evaluating the loan application, the credit score must be based on a minimum amount of information. For the credit score to be usable:

- The credit history must cover a minimum of 24-months, and
- Must include a minimum of three tradelines. A 24-month history is not required for all tradelines, and
- At least one tradeline must be currently open and not be a collection or charge off.

The credit score is only one factor in determining whether the borrower's credit history is acceptable and should be used in conjunction with additional credit requirements such as those following a bankruptcy.

- For further information regarding credit scores, see CTM 2.2.2: Credit Score .
- For information regarding derogatory credit, see CTM 2.2.4: General Derogatory Credit Information .

Credit Issues	Requirements
Revolving and Installment	Late payments are considered in the credit score.
Mortgage Lates	Maximum mortgage lates permitted: <ul style="list-style-type: none"> • 1 x 30 last 12 months • 0 x 60 last 24 months
Bankruptcy, Foreclosure, Deed-in-Lieu, Short Sale	Subject to individual evaluation. To view the requirements, see CTM 2.2.5: Bankruptcy, Foreclosure, Deed-in-Lieu, or Short Sale  .
History of Credit Counseling	To view the requirements, see CTM 2.2.1: Acceptable Credit History  .
Judgements, Collections, Charge-Offs	Subject to individual evaluation. To view the requirements, see CTM 2.2.4: General Derogatory Credit Information  .
Nontraditional Credit Report	Allowed for NPRA and Foreign Nationals only. To view the requirements, see CTM 2.2.3: Underwriting Nontraditional Mortgage Credit Reports  .

Reserves

Loan Amount	Owner-Occupied	Second Home	Investment
≤ \$3,000,000	2 months	6 months	6 months

Notes

- Fast and Easy: Reserves are not required.
- Reserves may not be required with a CLUES accept.

Ratios

Total Debt-to-Income (DTI) ratio: 40%

Notes

- There is no maximum payment to income ratio.
- Fast and Easy: Determined by CLUES and not to exceed 55%.

Borrower Qualification

PayOption	Payment Advantage
Greater of 4.25% or the fully indexed amortizing payment amount, not the initial payment or interest only payment amount.	Note rate



Note

For Payment Advantage, use the interest only payment.

Gifts

Item	Loan Amount < \$650,000	Loan Amount > \$650,000
Source	Relatives, domestic partner, fiancé, or fiancée only.	
Percentage of Borrower's Own Funds	5% [1]	5%

Notes


- [1] If the LTV/CLTV is 80% or less, the entire down payment may be a gift.
- Gifts are not allowed for second homes or investment properties.
- For allowable sources of funds, see CTM 1.8.3: Sources of Funds . For documenting of funds, see CTM 1.8.4: Funds for the Down payment, Closing Costs and Reserves .




Financing Contributions and Sales Concessions

LTV	Owner-Occupied	Second Home	Investment
> 90%	3%	3%	Not Allowed
> 80% and ≤ 90%	6%	3%	3%
≤ 80%		6%	


For additional information, see CTM 1.8.2: Financing Contributions and Sales Concessions .

Eligible/Ineligible Borrowers

Borrower Types	Owner-Occupied	Second Home	Investment
U.S. Citizen	Valid social security number required. For additional information, see CTM 2.1.1: Eligible Borrowers  .		

Permanent Resident Alien	Allowed. For documentation requirements, see CTM 2.1.2: Residency and Immigration Status and Documentation Requirements  .		
Non-Permanent Resident Alien [1]	<ul style="list-style-type: none"> Maximum loan amount \$1,500,000 Purchase, rate and term: Maximum LTV/CLTV 90% Cash-out: Maximum LTV/CLTV 70% 	<ul style="list-style-type: none"> Maximum loan amount \$1,500,000 Purchase, rate and term: Maximum LTV/CLTV 90% Cash-out: Maximum LTV/CLTV 70% 	Not Allowed
Foreign National [1]	<ul style="list-style-type: none"> Maximum loan amount \$1,000,000 Purchase, rate and term: Maximum LTV/CLTV 80% Cash-out: Maximum LTV/CLTV 70% Fast and Easy: Not Allowed 	<ul style="list-style-type: none"> Maximum loan amount \$1,000,000 Purchase, rate and term: Maximum LTV/CLTV 75% Cash-out: Maximum LTV/CLTV 65% Fast and Easy: Not allowed 	Not Allowed
Non-Occupant Co-Borrower	<p>Income from non-occupant co-borrowers can be used to qualify provided: [2]</p> <ul style="list-style-type: none"> Full/alt doc only Immediate family member. Maximum LTV/CLTV: 90% Occupant ratios should not exceed guidelines by more than 5% Occupant must provide 5% of the down payment 	Not Allowed	Not Allowed
Inter Vivos Revocable Trust	Allowed. For additional information, see CTM 2.1.4: Inter Vivos Revocable Trusts (Living Trusts) and Illinois Land Trusts  .		
Ineligible Borrowers	For additional information, see CTM 2.1.1: Eligible Borrowers  .		

Notes

- [1] For employment, residency, and documentation requirements, see CTM 2.1.2: Residency and Immigration Status Documentation Requirements .
- [2] Exceptions:
 - If the loan is underwritten and committed in the system to second home guidelines, income from non-occupant co-borrowers can be used to qualify without respect to the occupant's ratios and down payment requirements provided:
 - Occupant and non-occupant are immediate family members (parent, child, or sibling).
 - Purchase, rate and term only.
 - Full/alt doc only.

Eligible/Ineligible Properties

Eligible Properties	Ineligible Properties
<ul style="list-style-type: none"> Attached SFRs Detached SFRs [1] Attached PUDs Detached PUDs [1] Low-rise condos High-rise condos 2-4 units [2] Cooperatives [3] Non-warrantable condos [4] Condotels [5] Hotel condominiums [5] 	Manufactured homes

Notes

- [1] Detached Single Family Residences (SFRs)/Planned Unit Developments (PUDs) include modular,

- panelized, and prefabricated homes. For additional information, see CTM 3.6: Factory-Built Homes
- [2] 2-4 units: Not allowed for second homes.
- [3] Cooperatives: For restrictions and eligibility see CTM 3.5.2: Eligible Cooperative Share Loan Transactions and CTM 3.5.3: Underwriting Cooperative Share Loans .
- [4] Non-warrantable condos: Full/alt doc only. For additional restrictions and eligibility requirements, see CTM 3.4.1: Non-Warrantable Condominiums .
- [5] Condotels and hotel condominiums: Full/alt doc only. For additional restrictions and eligibility requirements see CTM 3.4.2: Condotel and Hotel Condominium Requirements .
- Rural property: Restrictions apply, see CTM 3.12.4: Special Appraisal Considerations .
- Model home financing, see CTM 1.1: Occupancy Types .

Geographic Restrictions

- Georgia: Owner-occupied condotels with conforming loan amounts are not allowed.
- Maine: Not allowed.
- New York: Maximum LTV 80%.
- Texas (a)(6): Payment Advantage is not allowed.
- For other state restrictions for all other products, see CTM 3.10: State Prepayment Penalty Information, Soft Market Areas, and State Specific Restrictions .
- To view state restrictions and guidelines for FlexSaver, see CTM 5.7.1: State Fees .
- Loans exceeding \$650,000 are restricted to major metropolitan areas only. For the definition of major metropolitan areas, see CTM 4.1: Glossary .


Appraisal Requirements

Loan Amount and Combined Loan Amount	Consumer Markets Division (CMD) and Full Spectrum Lending (FSL) [1]	Wholesale Lending Division (WLD)	Corresponding Lending Division (CLD)
< \$1,000,000	One full appraisal		
> \$1,000,000 < \$3,000,000	<p>A full appraisal completed by LandSafe and a review appraisal based upon the requirements listed below.</p> <p>Review Requirements:</p> <ul style="list-style-type: none"> • If a loan support specialist recommends the appraiser: <p>A field review completed by a LandSafe selected appraiser is required. The field review will be delivered in conjunction with the appraisal. If there is a discrepancy in value, the field review will reconcile the discrepancy and that reconciled value must be used.</p> <ul style="list-style-type: none"> • If a loan support specialist does not recommend the appraiser: <ul style="list-style-type: none"> <input type="checkbox"/> A LandSafe desk review is required if a staff appraiser cannot be used. This review may consist 	<ul style="list-style-type: none"> • Appraisals ordered by the business unit and completed by LandSafe: <p>A full appraisal and a review appraisal based upon the requirements listed below.</p> <p>Review Requirements:</p> <ul style="list-style-type: none"> <input type="checkbox"/> If the business unit recommends the appraiser: <p>A field review completed by a LandSafe selected appraiser is required. The field review will be delivered in conjunction with the appraisal. If there is a discrepancy in value, the field review will reconcile the discrepancy and that reconciled value must be used.</p> <ul style="list-style-type: none"> <input type="checkbox"/> If the business unit does not recommend the appraiser: <ul style="list-style-type: none"> • A LandSafe desk review is required if a staff appraiser cannot be used. This review may consist of a LARA or any one of the LandSafe 	<ul style="list-style-type: none"> • A full appraisal by a licensed appraiser; and • A field review completed by a CFC approved review appraiser. Seller continues to represent and warrant the property's value, condition, and marketability. If there is a discrepancy in value, the field review will reconcile the discrepancy and that reconciled value must be used. For a list of approved appraisers, see CTM 3.12.2: Appraisal Documentation .

	<p>of a LARA or any one of the LandSafe desk review products, as determined by LandSafe. The review will be delivered in conjunction with the appraisal. If there is a discrepancy in value, the desk review will reconcile the discrepancy and that reconciled value must be used.</p> <p><input type="checkbox"/> No review is required if a staff appraiser is used.</p>	<p>desk review products, as determined by LandSafe. The review will be delivered in conjunction with the appraisal. If there is a discrepancy in value, the desk review will reconcile the discrepancy and that reconciled value must be used.</p> <ul style="list-style-type: none"> ● <u>No review</u> is required if a staff appraiser is used. ● Appraisals ordered by the business partner: <ul style="list-style-type: none"> <input type="checkbox"/> A full appraisal by a licensed appraiser; and <input type="checkbox"/> A field review ordered by the business unit and completed by a LandSafe selected appraiser. If there is a discrepancy in value, the field review will reconcile the discrepancy and that reconciled value must be used. 	
<p>> \$3,000,000</p>	<p>A full appraisal completed by LandSafe and a review appraisal based upon the requirements listed below.</p> <ul style="list-style-type: none"> ● A LandSafe desk review is required if a staff appraiser cannot be used. This review may consist of a LARA or any one of the LandSafe desk review products, as determined by LandSafe. The review will be delivered in conjunction with the appraisal. If there is a discrepancy in value, the desk review will reconcile the discrepancy and that reconciled value must be used. ● No review is required if a staff appraiser is used. ● For both the appraisal and review, LandSafe will select the appraiser from one of their designated "Super Jumbo" approved appraisers 	<ul style="list-style-type: none"> ● Appraisals ordered by the business unit and completed by LandSafe: <p>A full appraisal and a review appraisal based upon the requirements listed below.</p> <ul style="list-style-type: none"> <input type="checkbox"/> A LandSafe desk review is required if a staff appraiser cannot be used. This review may consist of a LARA or any one of the LandSafe desk review products, as determined by LandSafe. The review will be delivered in conjunction with the appraisal. If there is a discrepancy in value, the desk review will reconcile the discrepancy and that reconciled value must be used. <input type="checkbox"/> No review is required if a staff appraiser is used. <input type="checkbox"/> For both the appraisal and review, LandSafe will select the appraiser from one of their designated "Super Jumbo" approved appraisers. ● Appraisals ordered by the business partner: <ul style="list-style-type: none"> <input type="checkbox"/> A full appraisal by a licensed appraiser; and 	<ul style="list-style-type: none"> ● A full appraisal by a licensed appraiser; and ● A field review completed by a LandSafe selected appraiser from one of their designated "Super Jumbo" approved appraisers. The review appraisal should be ordered by the business unit and LandSafe will select the review appraiser. If there is a discrepancy in value, the field review will reconcile the discrepancy and that reconciled value must be used.

		<input type="checkbox"/> A field review ordered by the business unit and completed by a LandSafe selected appraiser from one of their designated "Super Jumbo" approved appraisers. If there is a discrepancy in value, the field review will reconcile the discrepancy and that reconciled value must be used.
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Notes

- [1] The more restrictive of FSL operational or corporate policy applies.
- For additional information, see CTM 3.12.2: Appraisal Requirements .

Documentation Type

- Full documentation, use doc type 1
- Alternative documentation, use doc type 2
- For Fast and Easy, use reduced doc type 3

For additional information, see CTM 1.5.2: Full Documentation  and CTM 1.5.3: Alternate Documentation .

Features and Options

Feature	PayOption	Payment Advantage
Prepayment Penalty	X	X
Buydowns	Not Allowed	Not Allowed
80/20 Option	Not Allowed	Not Allowed

Notes

- For details and additional restrictions where not all options are allowed, refer to the appropriate section of the guide
- The attached spreadsheet highlights some of the individual program features:




PayOption and Payment Advantage 8-10-07.xls

Temporary Buydowns

Not allowed.




Prepayment Penalty Option

Allowed. For eligibility and state specific restrictions, see CTM 3.10: State Prepayment Penalty Information, Soft Market Areas, and State Specific Restrictions .




Mortgage Insurance (MI)

LTV	Loan Term 10, 15 or 20 Years	Loan Term 25, 30 or 40 Years
90.01 - 95%	25%	30%
85.01 - 90%	12%	25%
80.01 - 85%	6%	12%


Notes

- Centralized Mortgage Insurance (CMI) and Tax Advantage Mortgage Insurance (TAMI): Allowed. For detailed MI requirements, see CTM 1.12: Mortgage Insurance .
- For one time TAMI restrictions, see CTM 1.12: Mortgage Insurance .
- Cooperatives: CMI or TAMI: Not allowed. For detailed MI requirements, see CTM 3.5.2: Eligible Cooperative Share Loan Transactions .


Program Limitations

Limitation	Owner-Occupied	Second Home and Investment Properties
2-4 Unit Properties	Verification of occupancy is required as specified in CTM 3.1: Eligible/Ineligible Properties  .	Not applicable
Number of CFC Loans Per Borrower	To view the guidelines for determining the maximum number of CFC loans per borrower, see CTM 1.4: Maximum Number of Loans  .	
Number of Properties Owned	To view the guidelines for determining the maximum number of financed properties, see CTM 1.4: Maximum Number of Loans  .	


Seasoning Requirements

For information regarding eligible mortgages and seasoning requirements, see CTM 1.6.2: Eligible Transaction Types .


Determining Values

To view the guidelines for calculating the LTV, see CTM 1.11.2: Determining Loan-To-Value Ratios .


Spot Relocation

Allowed. Full/alt doc only. For additional information and restrictions, see CTM 1.7.9: Spot Relocation Mortgages .

Project Warranty

- Condominiums and Planned Unit Developments (PUDs):
 - Standard Fannie Mae or Freddie Mac.
 - For eligibility requirements, see CTM 3.3: Condominium and PUD Projects.
 - Condominium projects in which the Homeowner's Association is not incorporated are allowed for fixed rate owner-occupied only.
- Cooperatives: For eligibility requirements, see CTM 3.5: Cooperatives.
- Condotels: For eligibility requirements, see CTM 3.4: Condotel Requirements .

Construction Modification

Allowed. For additional information and restrictions, see CTM 1.6.5: Construction Modification Enhancement .

Energy Efficient Mortgages

Not allowed.

Associated Loan Program IDs and Available Loan Terms

Loan Program IDs



LPID_s 12.15 8-14-07.xls

Loan Terms

30 and 40 years

Refer to your divisional bulletins for pricing add-on information.

Bank of America
Loan Program Guidelines
Confidential – Unauthorized Distribution Prohibited