STG MORTGAGE
The Foundation Of Trust

AGENCY PRODUCT OVERVIEW

AGENCY PROGRAMS	FANNIE MAE STANDARD & FREDDIE MAC STANDARD	FANNIE MAE HIGH BALANCE & FREDDIE MAC SUPER CONFORMING	FANNIE MAE FANNIE 97% & FREDDIE MAC HOMEONE 97%	FANNIE MAE HOMEREADY & FREDDIE MAC HOMEPOSSIBLE
MINIMUM LTV	N/A	N/A	95.01%	N/A
MAXIMUM LTV	95%	95%	97%	97%
NON-OCCUPANT CO-BORROWERS	Permitted	Permitted	Not Permitted	Permitted
HOMEBUYER EDUCATION	Not Required	Not Required	Required if all borrowers are First-Time Homebuyers	Required if all borrowers are First-Time Homebuyers
INCOME LIMITS	None	None	None	Maximum File Income = 80% Area Median Income (AMI)
FIRST-TIME HOMEBUYER REQUIREMENT	None	None	Purchases: At least 1 borrower must be a First-Time Homebuyer	None
MORTGAGE INSURANCE CONVERSION	Standard Coverage	Standard Coverage	Standard Coverage	LTV ≤ 90%: Standard Coverage LTV 90.01% to 97%: 25% MI
MANUFACTURED HOMES	Permitted	Not Permitted (STG Overlay)	Not Permitted	Permitted
ADDITIONAL PROPERTY TYPE RESTRICTIONS	None	Manufactured Homes Not Permitted (STG Overlay)	1 Unit Only Manufactured Homes Not Permitted	None
MAX FINANCED PROPERTIES	Primary: No Limit Second Home & Investment: 10 > 6 Financed REO: Minimum 720 FICO	Primary: No Limit Second Home & Investment: 10 > 6 Financed REO: Minimum 720 FICO	Primary: No Limit Second Home & Investment: 10 > 6 Financed REO: Minimum 720 FICO	Occupant borrowers may only own 1 other REO (combined)
ALLOWED OCCUPANCIES	All	All	Primary Residence Only	Primary Residence Only
ALLOWED LOAN PURPOSES	All	All	Purchase & Rate/Term Only	Purchase & Rate/Term Only
MINIMUM BORROWER CONTRIBUTION	Primary: Not Required Second Home ≤ 80% LTV: Not Required Second Home > 80% LTV: 5% Investment: Gifts Not Permitted	Primary: Not Required Second Home ≤ 80% LTV: Not Required Second Home > 80% LTV: 5% Investment: Gifts Not Permitted	Not Required	1 Unit: Not Required 2-4 Unit ≤ 80% LTV: Not Required 2-4 Unit > 80% LTV: 3%
REFINANCE RESTRICTIONS	Cash-Out: Seasoned 12 Months	Cash-Out: Seasoned 12 Months	Refinances must be done with same agency (i.e. Fannie to Fannie)	Refinances with LTV > 95% must be done with same agency (i.e. Fannie to Fannie)

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FANNIE MAE / FREDDIE MAC DIFFERENCE COMPARISON

AGENCY PROGRAM	FANNIE MAE	FREDDIE MAC
DEFERRED STUDENT LOAN PAYMENT %	Use 1% of the Loan Balance or Amount Verified from Servicer	Use 0.5% of the Loan Balance or Amount Verified from Servicer
DACA (C33 EAD CODE) BORROWERS	Permitted **(0.250 Pricing Adjustment Required)**	Not Permitted
ASSETS USED AS INCOME (# MONTHS TO DIVIDE)	The number of months of the loan term (generally 360)	240
ACCESSORY DWELLING UNIT (ADU) RESTRICTIONS	Allowed on 1-Unit only (Multiple ADUs not permitted) ADU Rental Income not permitted (except on HomeReady)	ADUs allowed on 1, 2, & 3 Unit Properties (Multiple ADUs not permitted) Separate entrance required ADU Rental Income may only be used on a 1-unit Primary that is a Purchase or Rate/Term
STANDARD ASSET STATEMENTS REQUIRED	Purchases: 2 Months | Refinances: 1 Month Always refer to AUS which can be more restrictive	1 Month with Streamline Accept: Always follow AUS (AUS will sometimes require 2 months)
ALLOWABLE UNPAID COLLECTION ACCOUNTS	**Follow AUS findings**: 1 unit Primary N/A 2-4 Unit Primary & Second Home: $5,000 Investment: $250 per account & $1,000 combined	**Follow AUS findings:** Generally if borrower has a usable credit score and an Accept, collections will not be required to be paid off
FUTURE INCOME	New Job must start within 15 days of closing. Borrower must be Salaried (Employer cannot be Family). Obtain Offer Letter and send 1st Paystub after closing. **0.250 Pricing Adjustment Required.** STG Does Not Permit Fannie Mae Option 2 due to Investor Restrictions.	1-Unit Primary Residence Only. Purchase & Rate/Term Only. New Job must start within 15 days of closing. Borrower must be Salaried (Employer cannot be Family). Obtain Offer Letter and send 1st Paystub after closing. Extra Reserves Required **0.250 Pricing Adjustment Required.** STG Does Not Permit Freddie Mac Option 2 due to Investor Restrictions.
IRS TAX PLANS	Must be Approved by IRS and 1 On-Time Payment Completed. No tax liens can exist.	**Option 1:** Approved by IRS and 1 On-Time Payment Completed. **Option 2:** Proposed payment arrangement. Must show amount of taxes owed, divide by 72 and include in DTI. No Tax Liens Can Exist
CONTINUITY OF OBLIGATION	Not Required	On Refi's, must either be on the mortgage being paid off, OR lived in the property as a primary for 12 months & show proof of paying the mortgage for 12 months, OR have recently inherited or been awarded the property
APPRAISAL WAIVERS	DU does not allow Appraisal Waiver on any of the following: 2-4 Units, Investment Properties where Rental income used to qualify, Loans with Gifts of Equity, Manufactured Homes, Texas Cash-Outs	LPA does not allow Appraisal Waiver on any of the following: 2-4 Units, Investment Properties, Manufactured Homes, Non-Arms Length, Texas Cash-Outs
RENTAL INCOME	Requirement & documentation differs. Review FNMA/FHLMC Supplements for details.	Requirement & documentation differs. Review FNMA/FHLMC Supplements for details.
RESERVE REQUIREMENT NOTE: AUS MAY INCREASE THESE REQUIREMENTS	**Basic Reserve Requirements**	**Basic Reserve Requirements**
	1 Unit Primary: None	1 Unit Primary: None
	2-4 Unit Primary: 6 Months	2-4 Unit Primary: 6 Months
	Second Home: 2 Months	Second Home: 2 Months
	Investment Property: 6 Months	Investment Property: 6 Months
	Cash-Out with DTI > 45%: 6 Months	Cash-Out with DTI > 45%: 6 Months
	Additional Reserve Requirements for Other REO	**Additional Reserve Requirements for Other REO**
	1 - 4 Financed Properties: 2% of UPB	1 - 6 Financed Properties: 2 Months
	5 -6 Financed Properties: 4% of UPB	7 - 10 Financed Properties: 8 Months
	7 - 10 Financed Properties: 6% of UPB	Reserves are calculated based on each REO's PITIA
	Additional Reserves are only required when subject property is a Second Home or Investment	Additional Reserves are only required when subject property is a Second Home or Investment

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