PROGRAM:	**Doctors Only Portfolio Program – Expanded Guidelines** **Fixed and Adjustable Rate Products**		
PRODUCTS:	**15yr Fixed Rate,** **1/1, 3/1, 5/1, 7/1, 10/1 & 15/1 ARMs**	**INVESTOR CODE:**	**085**
BUSINESS TYPE:	**PORTFOLIO**		
SERVICING:	**RETAINED**	**REVISED:**	**08/01/2017**

PRODUCT CRITERIA

1) PRODUCT BENEFITS:

Available to medical doctors who have a minimum of a M.D., D.O., D.D.S., or D.M.D. degree and an employment contract (or verification of terms of employment acceptance). Medical Doctors including Dentists, Podiatrists, Ophthalmologists are permitted. Veterinarians are permitted. This program is not available for chiropractors. This program offers 100% LTV with no MI up to $750,000 with a 700 FICO. FICO score is based on middle score when three scores are available or the lowest score when two scores are available. (Loan amounts up to $2,000,000 are available with reduced LTVs). Purchase or Rate & Term Refinance Only (95% maximum LTV for refinance). No Construction/Perm.

Effective with applications taken on or after 4/1/2015, doctors in residency are no longer restricted to a maximum loan amount of $417,000.

Rates and Pricing: Please refer to the Huntington Portfolio Rate Sheet. Non-Warrantable Condo and DTI (>45%-50%) adjustments do not apply.

2) GENERAL DESCRIPTION:

Available Products:

- **15 year Fixed Rate (21302)**
- **1/1 ARM (21612)** FNMA Plan 2721 – 2/2/6 caps; Rate adjusts annually. Libor index.
- **3/1 ARM (21624)** FNMA Plan 2723 – 2/2/6 caps; Rate is fixed for the first 3 years then adjusts annually. Libor index.
- **5/1 ARM (21634)** FNMA Plan 2737 – 5/2/5 caps; Rate is fixed for the first 5 years then adjusts annually. Libor index.
- **7/1 ARM (21642)** FNMA Plan 2727 – 5/2/5 caps; Rate is fixed for the first 7 years then adjusts annually. Libor index.
- **10/1 ARM (21657)** FNMA Plan 2729 – 5/2/5 caps; Rate is fixed for the first 10 years then adjusts annually. Libor index.
- **15/1 ARM (21658)** FNMA Plan N/A – 5/2/5 caps; Rate is fixed for the first 15 years then adjusts annually. Libor index.

Indicate HMG Special Feature Code 617 for Doctor's Only

"Lock and Shop" Option:

- 60 day lock at no cost.
- Borrower may lock in for 75 days, with a 0.125% addition to rate, prior to closing without a purchase contract for a specific property, allowing borrower to shop for a property ("lock and shop").
- **Borrower must execute a purchase contract within the first 30 days of the rate-lock.** If you are not able to provide both the property address and the purchase agreement within the 30 day required period, your rate jumps to (and re-locks in at) the current rate available the day you do provide the address and purchase agreement.

3) TERM:

Fixed Rate:
Minimum: 180
Maximum: 180

ARMs:
Minimum: 360 (Lower term may be granted with exception from Secondary prior to submission of loan file)
Maximum: 360

4) MINIMUM LOAN AMOUNT:

N/A

5) MAXIMUM LOAN AMOUNT:

- $2,000,000

See loan amount tiers below for Minimum FICO score requirements

6) MAXIMUM LTV:

PRIMARY RESIDENCE ONLY		
Loan Amount	**Credit Score**	**LTV**
PURCHASE		
$0-$750,000	700	100%
$750,001 - $1,250,000	700	95%
$1,250,001 - $1,500,000	700	90%
$1,500,001 - $2,000,000	700	90%
RATE & TERM REFINANCE		
$0-$750,000	700	95%
$750,001 - $1,250,000	700	90%
$1,250,001 - $1,500,000	700	90%
$1,500,001 - $2,000,000	700	90%

NOTE: A Supervisor Override will be required for the higher loan amount limits until system programing is complete.

PRIMARY RESIDENCE ONLY		
Loan Amount	**Credit Score**	**LTV**
PURCHASE		
$0-$500,000	680 - 699	95%
$500,001 - $650,000	680 - 699	90%
$650,001 - $1,000,000	680 - 699	90%
$1,000,001 - $2,000,000	680 - 699	75%
RATE & TERM REFINANCE		
$0-$650,000	680 - 699	90%
$650,001 - $1,000,000	680 - 699	90%
$1,000,001 - $2,000,000	680 - 699	75%

Note: Non-Warrantable Condos are restricted to a max LTV of 90%.

7) PROPERTY TYPES:

Eligible Property Types

- 1-2 Unit Principal Residence
- Condominium (Warrantable) Standard Fannie Mae Documentation required – **Non-Warrantable condos restricted to 90% LTV**
- **PUD**
- Townhome
- Modular Homes (i.e. prefabricated homes built to state and local building codes)

Ineligible Property Types

- Investment Property
- Second Home
- Manufactured Housing (i.e. homes built on a non-removable steel chassis and transported on their own wheels)
- Co-Ops
- Illinois Land Trusts
- Irrevocable Trusts

8) MARGIN:

1/1, 3/1, 5/1, 7/1, 10/1, 15/1 ARM: 2.250% (Refer to Portfolio Rate Sheet for additional adjustments that may apply)

9) INDEX:

LIBOR: London Interbank Offered Rate
The average of interbank offered rates for *one-year* U.S. dollar-denominated deposits in the London market (LIBOR) as published in The Wall Street Journal
The new interest rate is set forty-five (45) days prior to the adjustment by adding the margin to the index then rounding to the nearest 1/8%

10) INTEREST RATE ADJUSTMENT CAP:

1/1 ARM: 2/2/6 caps
Annual Caps: plus/minus 2% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 2% of the preceding interest rate. Life Cap: plus/minus 6% over the initial interest rate (Rate may never be lower than the margin.)

3/1 ARM: 2/2/6 caps
Annual Caps: plus/minus 2% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 2% of the preceding interest rate. Life Cap: plus/minus 6% over the initial interest rate (Rate may never be lower than the margin.)

5/1 ARM: 5/2/5 caps
Annual Caps: plus/minus 5% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 2% of the preceding interest rate. Life Cap: plus/minus 5% over the initial interest rate (Rate may never be lower than the margin.)

7/1 ARM: 5/2/5 caps
Annual Caps: plus/minus 5% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 2% of the preceding interest rate. Life Cap: plus/minus 5% over the initial interest rate (Rate may never be lower than the margin.)

10/1 ARM: 5/2/5 caps
Annual Caps: plus/minus 5% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 2% of the preceding interest rate. Life Cap: plus/minus 5% over the initial interest rate (Rate may

never be lower than the margin.)

15/1 ARM: 5/2/5 caps

Annual Caps: plus/minus 5% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 2% of the preceding interest rate. Life Cap: plus/minus 5% over the initial interest rate (Rate may never be lower than the margin.)

11) BUYDOWN: N/A

12) CONVERSION: N/A

13) ASSUMABLE:
1/1 & 3/1: Yes
5/1, 7/1. 10/1 & 15/1: Yes, after initial adjustment
Fixed Rate: No

UNDERWRITING

14) DOCUMENTATION TYPES:

- Documentation Requirements: Follow Fannie Mae Guidelines, unless otherwise noted.
  - A **traditional wage earner** (which includes borrowers working less than 40 hours a week in their Primary employment) will require:
    - A paystub from the borrower's employer covering 30 days of earnings (must include all year-to-date earnings or require full written VOE), and
    - Borrowers most recent 2 years of W-2s.
    - Verbal VOE within 10 days of closing
    - **Borrowers employed by a family owned business**, must also provide evidence that he/she is not an owner of the business, which may include:
      - Copies of signed personal tax returns (or tax transcript obtained directly from the IRS), or
      - Signed copy of the corporate tax return showing ownership percentage
  - **Self Employed Borrowers**: A borrower with a 25% or greater ownership interest in a business is considered self-employed. In general, self-employed borrowers must provide the following documentation:
    - Signed, dated individual tax returns, with all applicable tax schedules for the most recent 2 years;
    - Borrowers self-employed by Corporations, "S" Corporation, or Partnership must provide signed copies of Federal business income tax returns for the last 2 years, with all applicable tax schedules, **and**
    - Year to date profit and loss (P&L) statement and balance sheet from a reasonably reliable third-party source (for example, audited or accountant reviewed)
    - Self Employed Income: Verification of the business existence must be obtained within 30 calendar days prior to closing, from a third party source such as a CPA, regulatory agency or licensing bureau (PTC condition 712)
    - The source used to verify the business (whitepages, yellowpages.com, etc.) must be documented in the credit

file for all income sources, along with the full name and title of the eligible contact person providing the information.

- Note: Trailing Secondary Wage Earner Income is no longer considered as an eligible income source
- **Physicians hired as a contractor or 1099 employee**: A two year history of self-employment is not required if the following requirements are met:
  - Doctor has an executed employment contract with a guaranteed salary or hourly rate with a stated number of hours to be worked; **and**
  - A satisfactory letter from the hospital or clinic stating that there are no expenses to the doctor for them to perform their medical duties; **and**
  - Employment Start Date must be within 60 days of loan closing

- **Assets Requirements:** Minimum reserves 2 months PITI.
- If the borrower does not qualify using Fannie Mae income documentation guidelines, then Underwriter may follow Appendix Q guidelines with regard to items outlined below when compensating factors exist (ex. low to moderate LTV, Low DTI, work history, reserves**)** without requesting an exception. Detailed notes should be made in Unifi regarding decision to follow Appendix Q and compensating factors should be noted.

INCOME TYPE	APPENDIX Q REQUIREMENT
Alimony / Child Support	Provide Final Divorce Decree, Legal Separation Agreement, Court order or Voluntary Payment Agreement. Proof of receipt DURING past 12 months via cancelled checks, deposit slips, tax returns or court order. Periods less than 12 months is acceptable with adequate documentation of the payer's ability and willingness to make timely payment. Child support may be grossed up
Projected Income / New Employment	Provide copy of executed employment contract or offer letter and proof of all contingencies have been met.
Commission > 25%	Provide 2 years tax returns and most recent paystub. Commission earned > 1 year but < 2 years may be used if documented as likely to continue and underwriter notates sound rationalization for accepting income
Self-Employed Income from K1	Business income reported on a K1 may be used if the business income is determined to be stable.

- If there are no compensating factors then follow Fannie Mae income guidelines.

- 4506T – IRS Form 4506-T must be signed by the borrower(s) on all loan files.
- **Borrowers who are victims or potential victims of Identity Theft**: IRS has implemented a new reject code for individuals have been a victim of, or a potential victim, of identity theft. When a request for tax transcripts from the IRS receives the response "Due to limitations, the IRS is unable to process this request", the lender will be unable to obtain the tax transcripts. The taxpayer be contacted by mail and referred to the Identity Protection Security Unit, and may be able to receive the requested tax transcripts, but IRS will not mail the tax transcripts to third parties.

- Huntington has adopted the following: When IRS rejects the request for tax transcripts due to identity theft in lieu of tax transcripts, one of the following options may be used to document the file:
  - For salaried borrowers, when available, utilized The Work Number's Instant Access Database which will show employment and income records provided by the employer's payroll system; or order W-2 or 1099 transcripts when the only income used to qualified is salaried W-2 or 1099 reported income.
  - Request the most recent 1040s from the borrower(s) with proof of filing (cancelled check for tax payment, or bank statement showing deposit of refund).
  - Request the borrower obtain the transcripts from the IRS

15) QUALIFYING RATIOS

Maximum DTI 50%: (**Note**: Any loan flagged as HPML has a Max DTI of 45%)
Qualifying Initial Note Rate

- 1/1, 3/1 & 5/1 ARMs: are qualified at the greater of the Fully Indexed Rate or Note Rate plus 2.0%
- 7/1, 10/1 & 15/1 ARMs: are qualified at the greater of the Fully Indexed Rate or the Note Rate
- 15Yr Fixed: are qualified at the Note Rate

Student Loans: Student loan payments must be included in the DTI Calculation**.** Use of the Student Loan Payment Calculator is determined by borrower's residency status.

If…	**Then…**
Borrower is currently in residency or fellowship and income from residency/fellowship is being used for qualification	Use Student Loan Payment Calculator to determine monthly payment used for qualifying. • Only the residents income should be entered into the student loan calculator • If there is a co-borrower and both borrowers are residents, a separate calculator should be used for each borrower. • Only the resident's student loan payments should be ignored. Student loan debt from co-borrower (non-Resident) should follow Appendix Q guidelines. ***Note**: if resident qualifies with payments listed on credit report and they are less than Student Loan Payment Calculator, the payments listed on the credit report may be used for qualifying.*
Borrower is currently in residence but income from future employment (non-residency) is being used to qualify	Follow Appendix Q guidelines

Borrower is a Doctor (no longer in residency)	Follow Appendix Q guidelines

Appendix Q:
Student Loans in Deferment:

- Student loan payments do not have to be counted as a monthly obligation if the borrower provides written evidence from a third party vendor that the debt will be deferred to a period outside of 12 months from the date of closing.

Student Loans NOT in Deferment:

- Student loan payments that are not deferred (as defined above) must be included as a monthly obligation for qualifying. The current monthly payment must be verified by a third party vendor such as a credit report or letter from the servicer. Appendix Q does not allow for the use of 1% of the balance when a payment does not report to the credit bureau. The actual payment must be verified and used in qualifying.

16) UNDERWRITING GUIDELINES:

- Manual Underwriting by HMG Corporate Underwriting
- *All loans must meet the Ability to Repay (ATR) rules established by the Consumer Financial Protection Bureau (CFPB). The ATR Rule requires that a reasonable, good-faith determination be made in determining that the consumer has a reasonable ability to repay the loan. Generally, ATR must consider the current or reasonably expected income or assets the borrower will rely on to repay the loan; the current employment status, the monthly mortgage payment for the subject loan; the monthly payment on any simultaneous loans secured by the same property; the monthly payments for property taxes and insurance that the consumer is required to buy; debts, alimony & child support obligations; monthly debt-to-income ratio or residual income, calculated in accordance with the ATR final rule; and credit history*

- Standard Fannie Mae guidelines except as stated below:
- See LTV Grid for maximum LTVs and minimum credit scores
- **Asset Requirements**: Minimum reserves 2 months PITI. (See "Projected Income" below for reserve requirements for borrowers scheduled to begin employment after closing.)
- **Non**-occupant co-borrower must follow Fannie Mae guidelines
- Verification of Rent is not required as long as the borrower has three open trade lines that are current and have had 0x30 late payments for the last 12 months.
- Verification of Deposit or last two months bank statements.
    - Large deposits as a result of student loan proceeds are acceptable and require no more documentation.
    - All other large deposits need to meet Fannie Mae criteria.
- If degree is not available, a letter from the school must be provided and contain the following: written on school letterhead, anticipated graduation date, and type of degree the student is receiving.
- Huntington's aggregate mortgage loan obligation per borrower in the portfolio is not to exceed $2,000,000.
- Only one Doctors Only loan per borrower is permitted in the Huntington portfolio.

Age of Credit Documents

- Effective with new loans registered on or after July 1, 2013, the maximum age of credit documents is 120 days.
- "Credit documents" include credit reports and employment, income, asset, and appraisal documentation.
- Title Commitment and any applicable Endorsements cannot be dated more than 60 days prior to closing date.
- The time frame covered by the maximum age of credit documents goes from the date of the document to the date the note is signed.

Projected Income (New Job) Employment Offers or Contracts:

- Physicians beginning residency after loan closing. Required documentation:
    - A fully executed/signed employment contract or offer letter in which all contingencies have been met
    - Must verify that borrower will have sufficient income or cash reserves to support the mortgage payment **and** any other obligations between loan closing and the start of employment.
    - Asset Requirements: Minimum reserves 2 months PITI. The Underwriter must also verify that the borrower will have sufficient income or cash reserves to support the mortgage payment and any other obligations between loan closing and the start of employment in addition to the 2 months PITI standard requirements.

      Example: If loan closed on April 1, first payment due on June 1, borrower scheduled to begin employment on June 20. In this scenario, the borrower would be required to have 3 months PITI in reserves (i.e. standard 2 months PITI plus 1 month for the first payment due in June since employment begins 20 days after the first payment due date.

Use of Business Assets for Closing and/or Reserves

- Business assets may be an acceptable source of funds for down payment, closing costs and financial reserves when a borrower is self-employed the underwriter must perform a business cash flow analysis to confirm that the withdrawal for funds for this transaction will not have a negative impact on the business. The underwriter may require a level of documentation greater than what to Investor requires to evaluate the borrower's business income. **Note: If at any time the UW of Record is not comfortable in making the decision to utilize the new tolerance when applicable, he/she should escalate to the Process Team Leader/Manager for further review and guidance. This change in guidance applies to files approved in both the Processing Center and Corporate Underwriting, and is effective immediately for new and current files in process**

Condominiums

- The following documentation is required for Condo reviews:
    - Complete the Condominium / PUD Project Review Form (Attached Condos / Detached Condos/PUDs) to determine project eligibility for mortgages secured by Condominium or PUD property types. The completed form, as well as any conditions or requirements, must be included in the Credit File.

- **Non-warrantable Condominiums/PUDs**
  - If the answers to the Condominium/PUD worksheet indicate the project is not eligible for a Limited Review as performed by the Mortgage Loan Coordinator, the documentation listed for CPM (Condo Project Manager - Fannie Mae's condo DU) should be forwarded to the Condo Group via e-mail condo.questions@huntintgon.com for review.
  - Each **Non-Warrantable** request will be reviewed by the Condo Group for placement in the portfolio. Because the project has been determined to be Non-Warrantable, the Condo Group will review the project details and documentation in order to assess the risk factor(s) making the project ineligible for saleable financing.
  - Use HMG Special Feature Code 755 for Non-Warrantable Condos/PUDs.

Non-permanent Resident Aliens

- Must follow Fannie Mae guidelines
- Single family detached/attached (townhome) housing only
- 2 years US credit history required
- Must provide documented evidence of residency
- Not allowed if borrower has diplomatic immunity

Seller Contribution

- Huntington Doctors Only products must follow Fannie Mae builder contribution guidelines as outlined below. The maximum permitted builder/seller (interested party) contributions are based on the lesser of the property's sales price or appraised value:

LTV/CLTV	Max Contribution
>90%	3%
75.01% to 90%	6%
<=75%	9%

Gift Funds

- Gift funds can be applied to down payment, closing costs, or cash reserves.

Properties Pending Sale and/or Converting to a Second Home or Investment Property

- If the borrower's current residence is pending sale, or is converting to a second home or investment property, the following additional reserves (PITIA) must be calculated and documented:
  - If 30% equity or more in the current principal residence is documented, two (2) months PITIA on the subject property and two months PITIA on the current principal residence is required.
  - If there is less than 30% equity in current principal residence, six (6) months PITIA on the subject property and six (6) months PITIA on the previous primary residence is required.
- Underwriters may not consider any rental income from a borrower's principal residence that is being vacated in favor of another principal residence except under the following conditions:

- Relocations: The consumer is relocating with a new employer, or being transferred by the current employer to an area not within reasonable and locally-recognized commuting distance. A letter from the employer must be obtained confirming the relocation/transfer.
- Sufficient Equity in Vacated Property: The consumer has a loan-to-value ratio of 75% or less, as determined by either:
  - A current (no more than 6 months old) residential appraisal; **or**
  - Comparing the unpaid principal balance to the original sales price of the property.

Calculating Monthly Rental Income (or Loss):

- **Federal Income Tax Returns, Schedule E**: When Schedule E is used to calculate qualifying rental income, the lender must add back any listed depreciation, interest, homeowner's association dues, taxes or insurance expenses to the borrower's cash flow. Non-recurring property expenses may be added back, if documented accordingly.
- **If the property was in service**:
  - For the entire tax year, the rental income must be averaged over 12 months; or
  - For less than the full year, the rental income must be averaged over the number of months that the borrower used the property as a rental unit.
- **Lease Agreements**: When current lease agreements are used, the lender must calculate the rental income by multiplying the gross rent(s) by 75%. The remaining 25% of the gross rent will be absorbed by vacancy losses and ongoing maintenance expenses.
- **Treatment of the Income (or Loss)**: The amount of monthly qualifying rental income (or loss that is considered as part of the borrower's totally monthly income (or loss) and its treatment in the calculation of the borrower's total debt-to-income ratio varies depending on whether the borrower occupies the rental property as his/her principal residence.
- **Rental income related to principal residence (more than 1-unit or a 1-unit property with an accessory unit)**:
  - The monthly qualifying rental income (for the units not occupied by the borrower) must be added to the borrower's total monthly income. (The income is not netted against the PITIA of the property.)
  - The full amount of the monthly payment (PITIA) must be included in the borrower's total monthly obligation when calculating the debt-to income ratio.
- **Rental Income (or loss) related to a property other than the borrower's principal residence**:
  - If the monthly qualifying rental income (as defined above) minus the full PITIA is positive, it must be added to the borrower's total monthly income.

  - If the monthly qualifying rental income minus PITIA is negative, the monthly net rental loss must be added to the borrower's total monthly obligations.
  - The full PITIA for the rental property is factored into the amount of the net rental income (or loss); therefore, it should not be counted as a monthly obligation.
  - The full monthly payment for the borrower's principal residence (full PITIA or monthly rent) must be counted as a month obligation.
- **Offsetting Monthly Obligations for Rental Property Reported through a Partnership or an S Corporation**: If the borrower is personally obligated on the mortgage debt (as evidenced by inclusion of the related mortgage(s) on the credit report) and gross rents and related expenses are reported through the partnership or S corporation, the business tax returns may be used to offset the property's PITA. Following the steps outlined below:
  - Obtain the borrower's business tax returns, including IRS From 8825 for the most recent year;
  - Evaluate each property listed on Form 8825, as shown below:
    - From total gross rents, subtract total expenses. Then add back insurance, mortgage interest, taxes, homeowners' association dues (if applicable), depreciation, and non-recurring property expenses (if documented accordingly)
    - Divide by the number of months the property was in service;
    - Subtract the entire PITIA (proposed for subject property or actual for real estate owned) to determine the monthly property cash flow.
  - If the resulting net cash flow is positive, the lender may exclude the property PITIA from the borrower's monthly obligations when calculating the debt-to-income ratio.
  - If the resulting net cash flow is negative (that is, the rental income derived from the investment property is not sufficient to fully offset the property PITIA), the calculated negative amount must be included in the borrower's monthly obligations when calculating the debt-to-income ratio.
  - In order to include a positive net rental income received through partnership or an S corporation in the borrower's monthly qualifying income, the lender must evaluate it according to Fannie Mae guidelines for income received from a partnership or an S corporation.
- **Rental Income Calculation Worksheets**: Lenders may use the following worksheets to determine rental income:
  - Principal Residence, 2-4 unit Property (Form 1037)
  - Individual Rental Income from Investment Property(s) (Form 1038)
  - Business Rental Income from Investment Property(s) (Form 1039)

Non-Traditional Credit

- Used when borrower has no credit score because the borrower lacks the type or number of credit references to develop a traditional credit history
- A minimum of three (3) references are required that are at least one year old. One (1) of the sources must be housing, and all must show paid as agreed.
- Two (2) sources must be Tier I credit, i.e. housing rental payment (required), utilities, telephone and TV cable. Other sources may be Tier II or III credit (i.e. medical, life, auto or renters insurance, local department, furniture, appliance or specialty stores, medical bills, auto rental, school tuition, child care, etc.)
- Up to 30% of the total qualifying income for the mortgage may be represented by the stable and continuing income of an occupying co-borrower for whom neither an acceptable traditional credit profile nor an acceptable nontraditional credit profile can be developed.
- Payment on loans from an individual is permissible if the terms are in writing and a canceled check can be provided to document payment.
- There can be no history of delinquency on the rental housing payments within the past 24 months (or, if the borrower has been making rental payments for less than 24 months, no history of delinquency for the number of rental payments that have come due).
- There can be no history of delinquency on the remaining accounts, although one of the accounts may have had a 1x30 delinquency;
- There can be no collection or judgments of public record.
- Under no circumstances shall the non-traditional credit history evaluation be used to offset derogatory credit.

17) APPRAISAL REQUIREMENTS:

- Minimum Appraisal Requirement: 1004 interior and exterior inspections
- Appraisals for high loan amounts/high property values may be subject to technical review by the Huntington Residential Valuation Services Group.
- If the appraiser states that utilities are not on at the time of the inspection, utilities are not required to be turned on (unless otherwise stated in the purchase agreement) if the appraiser/reviewer can assess that there are no signs of damage or reason to believe there may be cause for concern. If there are signs of damage, (i.e. water marks in drywall, buckling of floor or wall, evidence of mold, age of wiring, limited number of electrical outlets, etc.) loan may be conditioned for the appraiser to comment and/or verify by inspection that utilities/mechanicals are in good working order**.**
- The borrower(s) has (have) a right to receive copies of all written property valuations sent to them free of charge, regardless of whether credit is extended, denied, or incomplete.

18) INVESTOR APPROVAL REQUIRED:

- Loans will be underwritten by the Huntington Underwriting Department
- Automated findings are not required.

19) SUBORDINATE FINANCING: Not Permitted

20) MI REQUIREMENTS: MI not required

PROCESSING

21) ANCILLARY FEES:

- Tax Service Fee: $69.00
- Insurance Service: $30.00
- Underwriting Fee: $315.00
- Flood Certification Fee: $7.50
- Escrow Waiver Fee – escrows are required
- Title insurance is required in all markets
- **For complete list of fees, refer to applicable rate sheet.**

22) PROCESSING DOCUMENTATION:

Standard Fannie Mae/ Freddie Mac documentation

23) PRODUCT SPECIFIC DISCLOSURE:

Appropriate ARM Disclosures based on ARM Product selected

Integrated Disclosures for loans with application date on or after October 3, 2015

Initial Loan Estimate

- Initial Loan Estimate issued must be issued within 3 business days of receiving an application. The loan may not close prior to the seventh business day after the initial disclosure was sent.
- A re-disclosed Loan Estimate must be provided when there is a valid change in circumstance. Follow Huntington Policy & Procedures for re-disclosure.

Closing Disclosure

- The Closing Disclosure must be **received** by the borrower within 3 business days prior to closing. Additional time must be added if the Closing Disclosure is provided by mail.

Dodd-Frank Related RESPA Requirements

- Effective for all applications taken on or after January 10, 2014:
  - A Homeownership Counseling disclosure must be provided to applicants within three (3) business days of receiving a loan application. Evidence must be included in the loan file that the disclosure was provided in the appropriate time frame required.
  - The disclosure must provide a clear and conspicuous written list of homeownership counseling organizations that provide relevant services in the loan applicant's location (zip code)
  - The list provided to each loan applicant must be obtained no earlier than 30 days prior to the date the list is provided
  - The list must be obtained from either: the website maintained by the CFPB for lenders to use in complying with the requirement or data made available by the CFPB or HUD for lenders to use in complying with the requirement.

RESPA/TIL Disclosures for loans with application dates prior to October 3, 2015

RESPA Requirements

- Initial GFE issued must be incompliance with Reg X and be complete and accurate.

- Re-disclosed GFE's due to a Change of Circumstance must be documented and a Change of Circumstance re-disclosure log must be included in the loan package.
- The Final HUD-1 must reflect the accurate GFE amounts in the GFE Column and must match the last valid GFE disclosure.

Truth-in-Lending (TIL) Disclosure

- The TIL disclosure must be complete and accurate and proper and accurate fees must be included in the finance charge calculations.
- A new TIL disclosure must be provided when the APR is no longer considered accurate. (An APR is inaccurate if it has increased by more than .125% from the last disclosed APR).
- The loan may not close prior to the seventh business day after the initial disclosure was sent.
- If the loan is re-disclosed, the loan may not close prior to the third business day **after re-disclosure was received** by the borrower.

24)	**AUDIT GUIDELINES:**	Huntington Standard Policies and Procedures
25)	**HAZARD INSURANCE:**	Required with one year paid receipt and 2 months reserves
26)	**SURVEY:**	Survey required only if title company will not issue a final policy without exceptions.
27)	**ESCROW AGGREGATE ACCOUNTING:**	Escrows are required

LEGAL DOCUMENTS

28)	**NOTE:**	• Fixed: Fannie Mae Form 3200 • 1/1 & 3/1 ARMs: Fannie Mae Form 3526 • 5/1, 7/1, 10/1, & 15/1 ARMs: Fannie Mae Form 3528
29)	**RIDER:**	• Fixed Rate: N/A • 1/1 & 3/1 ARMs: Fannie Mae 3189 • 5/1, 7/1, 10/1 & 15/1 ARMs: Fannie Mae Form 3187
30)	**SECURITY INSTRUMENT:**	• State specific Fannie Mae/Freddie Mac Form

OTHER

31)	**MARKET RESTRICTIONS:**	• Can lend in all 50 states except the areas identified below: ○ Cannot lend on properties in Dade or Broward County in the State of Florida.

32) CONSTRUCTION PERMANENT MODIFICATIONS: N/A

PRODUCT REVISION HISTORY	
02/01/2012	Appraisals for high balance loans
04/01/2012	Added Florida to the restricted markets list
07/16/2012	Added California to the restricted markets list
11/19/2012	Added 10/1 & 15/1 ARM Products
04/01/2013	Survey requirements
05/16/2013	Added Louisiana to the restricted markets list
07/01/2013	Age of Credit Docs 120 days
07/26/2013	Deactivated Interest Only Products
10/11/2013	Clarification: Refer to portfolio rate sheet for additional adjustments
12/04/2013	Clarification on Market Restrictions
01/10/2014	Incorporated ATR and RESPA, TILA & HB Counseling disclosure requirements
02/08/2014	Tax Service Fee reduced to $69
03/01/2014	Link to current Student Loan Calculator; documentation requirements for Doctor's Only based on ATR requirements; treatment of renal income for existing primary residence being vacated by borrower(s).
03/12/2014	Documentation requirements for doctors that are contract employees; Documentation requirements for projected employment income for employment contracts/offers.
05/08/2014	HPML loans have max DTI of 45%
05/15/2014	Title commitment & endorsements cannot be dated more than 60 days prior to closing
06/01/2014	Flood Cert Fee reduced to $7.50 (from $8.10)
08/01/2014	Clarification on qualifying note rate, treatment of student loans,
12/15/2014	Appraisal: clarification regarding when utilities are required to be turned on
01/15/2015	Reduced student loan calculation to 1% of outstanding balance (from 2%) for borrowers who have completed residence or fellowship and no student loan payment is reflected in the credit report
04/1/2015	Increased max loan amount from $1MM to $2MM; Amended loan amount buckets; Further clarification on appraisals when utilities are turned off
06/01/2015	Clarification on 4506-T and options to be used when IRS rejects a request for tax transcripts
6/05/2015	Corrected profile to remove restriction for doctors in residency to max loan amount of $417k
10/01/2015	New TRID Disclosures
12/01/2015	Instructions for calculating rental income
02/01/2016	Clarification on Use of the Student Loan Calculator; Appendix Q: documenting compensating factors
03/01/2016	2016 Student Loan Calculator
03/07/2016	Further clarification on Student Loan Calculator when more than one borrower is a resident.
05/17/2016	Documentation Requirements – follow Fannie Mae unless otherwise noted; Asset Requirements; non-occupant co-borrower follow Fannie Guidelines; Max aggregate mortgage obligation per borrower; use of business assets for closing; Condo/PUD questionnaire; Requirements for property pending sale;
9/13/2016	ARM Disclosures Removed. TPL Client to provide their own ARM disclosures
11/01/2016	Non-warrantable condos restricted to 90% LTV.
04/01/2017	Corrected minimum reserves required projected employment to mirror Appendix Q requirements
05/01/2017	Clarification on documentation requirements for projected income; clarification on the calculation of rental income from a primary residence
05/16/2017	ARMs: Minimum term 360 (lower term on exception basis only)
06/01/2017	Illinois Land Trusts and Irrevocable Trusts are not permitted

8/01/2017	Increase loan amount limits for FICO score of 700+