



NMLS#411341

Open End Home Equity Guidelines

Max CLTV Ratio	<ul style="list-style-type: none"> Up to 100% Combined-Loan-to-Value (subject to first mortgage guidelines)
Max Loan Amount	<ul style="list-style-type: none"> Delegated authority up to \$250,000.00
Qualifying Payment	<ul style="list-style-type: none"> Calculation should be based on the fully drawn rate + 2% over 30 years to qualify the loan
Loan Purpose	<ul style="list-style-type: none"> Any Purpose except Purchase Money Seconds (See Purchase Money Guidelines) Not eligible - Business use, Bridge loans
Max Loan Term	<ul style="list-style-type: none"> The draw period (Max 10 years) combined with the amortization period can't exceed 25 years
Property Types	<ul style="list-style-type: none"> Single-Family Detached, Townhouse, Condominium, Duplex Mobile Homes not allowed
Property Valuation Options	<ul style="list-style-type: none"> Appraisal (must be performed within 6 months of application date) Automated Valuation Method (AVM) Tax Assessment If less than a year of ownership, the lower of the purchase price or appraised value is used for CLTV
Credit Parameters	<ul style="list-style-type: none"> No mortgage delinquency (0x30) in the last 24 months No judgments, repossessions, charge-offs or collections within the last 60 months unless they are \$ 500 or less Any Collections or charge offs that total \$500 or less can be unpaid No previous foreclosures, short sales or Deed In Lieu (regardless of age) Previous Bankruptcies are required to be discharged a minimum of 2 years with at least 2 installment trade lines and 2 revolving trade lines paid as agreed. No derogatory items since the bankruptcy. Multiple bankruptcies are not eligible
Title Search	<ul style="list-style-type: none"> Basic Title Search / last lien search required. (alternative title impairment products must be approved by FSB)
Lien Position	<ul style="list-style-type: none"> Insured loan must be in no more than second lien position
Credit Score/DTI	<ul style="list-style-type: none"> 660 using lesser of the two scores if a joint application (if there are three scores per borrower then use the lesser of the two middle scores) 40% Max debt-to-income ratio utilizing gross income 45% Max debt-to-income with FICO of 700+ (based on the lesser of two scores if a joint application)
Income	<ul style="list-style-type: none"> All income must be verified The most recent 2 years tax returns are required for: <ul style="list-style-type: none"> ➤ Self-employed borrowers Salaried borrowers require current (within 30 days of the note date) paystub, or written verification. A W-2 must be accompanied by a current paystub or written verification Retirement and social security may be verified by tax returns, award letters or direct deposit Alimony and child support income must continue for 36 months and be verified by tax returns, court ledgers or 6 months cancelled checks. Bonus, commission, overtime, part time or second income must be verified and allow for a 12-24 month history where the income is stable and likely to continue. Rental income can be verified with one year of tax returns Lease agreements can be used for recently acquired properties or a prior residence that does not show on the tax return, provided the lease is for 12 months.
Other Requirements	<ul style="list-style-type: none"> All borrowers on loan must have ownership interest and occupy property Only 2 borrowers are allowed to qualify the loan. Mortgage must be filed Property must be borrower(s) primary residence and limited to one insured loan Seasonal / Second Homes are not eligible TPO Originated HELOC's are permitted for non-delegated loans fully underwritten by FSB First mortgages that are Reverse Mortgages are not eligible An insured 2nd cannot be behind a first mortgage where the term is > 360 months. Borrower(s) must be a U.S. Citizen or a Permanent Resident Alien with valid Green card (if card is set to expire within 6 months of note date, must be able to provide supporting documentation borrower(s) have reapplied). Non-Permanent Resident Aliens are not eligible. Not allowed in Texas

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Purchase Money Second Home Equity Guidelines

Max CLTV Ratio	<ul style="list-style-type: none"> Up to 100% Combined-Loan-to-Value (subject to first mortgage guidelines)
Max Loan Amount	<ul style="list-style-type: none"> Delegated authority up to \$250,000.00
Qualifying Payment	<ul style="list-style-type: none"> Calculation should be based on the fully drawn rate + 2% over 30 years to qualify the loan
Loan Purpose	<ul style="list-style-type: none"> Purchase Money second mortgage
Max Loan Term	<ul style="list-style-type: none"> Max draw period of 10 years combined with the amortization period cannot exceed 25 years for Open-End Line
Property Types	<ul style="list-style-type: none"> Single-Family Detached, Townhouse, Condominium, Duplex Mobile Homes do not qualify for coverage
Valuation Options	<ul style="list-style-type: none"> Lesser of appraised value or purchase price
Credit Parameters	<ul style="list-style-type: none"> No mortgage delinquency (0x30) in the last 24 months No judgments, repossessions, charge-offs or collections within the last 60 months unless they are \$ 500 or less Any Collections or charge offs that total \$500 or less can be unpaid No previous foreclosures, short sales or Deed In Lieu (regardless of age) Previous Bankruptcies are required to be discharged a minimum of 2 years with at least 2 installment trade lines and 2 revolving trade lines paid as agreed. No derogatory items since the bankruptcy. Multiple bankruptcies are not eligible
Title Search	<ul style="list-style-type: none"> Title Policy form 1st mortgage transaction is acceptable, otherwise title search is required.
Lien Position	<ul style="list-style-type: none"> Insured loan must be in no more than second lien position
Credit Score/DTI	<ul style="list-style-type: none"> 660 using lesser of the two scores if a joint application (if there are three scores per borrower then use the lesser of the two middle scores) 40% Max debt-to-income ratio utilizing gross income 45% Max debt-to-income with FICO of 700+ (based on the lesser of two scores if a joint application)
Assets / Down Payment	<ul style="list-style-type: none"> Monies being used for down payment must be verified Down payment funds may not be borrowed
Income	<ul style="list-style-type: none"> All income must be verified The most recent 2 years tax returns are required for: <ul style="list-style-type: none"> Self-employed borrowers Salaried borrowers require current (within 30 days of the note date) paystub, or written verification. A W-2 must be accompanied by a current paystub or written verification Retirement and social security may be verified by tax returns, award letters or direct deposit Alimony and child support income must continue for 36 months and be verified by tax returns, court ledgers or 6 months cancelled checks. Bonus, commission, overtime, part time or second income must be verified and allow for a 12-24 month history where the income is stable and likely to continue. Rental income is allowed and must be verified by tax returns/lease agreements Rental income can be verified with one year of tax returns. Lease agreements can be used for recently acquired properties or a prior residence that do not show on the tax return provided the lease is for 12 months.
Other Requirements	<ul style="list-style-type: none"> All borrowers on loan must have ownership interest and occupy property Only 2 borrowers are allowed to qualify the loan. Mortgage must be filed Property must be borrower(s) primary residence and limited to one insured loan Seasonal / Second Homes are not eligible TPO Originated HELOC's are permitted for non-delegated loans fully underwritten by FSB An insured 2nd cannot be behind a first mortgage where the term is > 360 months. Borrower(s) must be a U.S. Citizen or a Permanent Resident Alien with valid Green card (if card is set to expire within 6 months of note date, must be able to provide supporting documentation borrower(s) have reapplied). Non-Permanent Resident Aliens are not eligible. Not allowed in Texas
First Mortgage Requirements	<ul style="list-style-type: none"> Must not be a negative amortization Must not be an Option ARM Reverse Mortgage is Ineligible Cannot exceed a 360-month term. If it is a variable rate, it must be fixed for the first 60 months

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