



CONFORMING PRODUCTS: Eligible on Mammoth, Acadia, Cascades and Yosemite						
Fixed Rate (Purchase & Rate/Term Refinances) – Fannie Mae DU						
Occupancy	Owner Occupied		Second Home		Investment Property	
Property Type	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO
1 Unit	97/97%	640	90/90%	640	Purchase – 85/85% Refi – 75/75%	640
2 Units	85/85%	640	N/A	N/A	75/75%	640
3-4 Units	75/75%	640	N/A	N/A	75/75%	640
Cash-Out Refinances						
1 Unit	80/80%	640	75/75%	640	75/75%	640
2-4 Units	75/75%	640	N/A	N/A	70/70%	640
ARM Rate (Purchase & Rate/Term Refinances)-Fannie Mae DU						
Property Type	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO
1 Unit	90/90%	640	80/80%	640	Purchase - 75/75%; Refi – 65/65%	640
2 Units	75/75%	640	N/A	N/A	65/65%	640
3-4 Units	Purchase – 65%; Refi– 65/65%	640	N/A	N/A	65/65%	640
Cash-Out Refinances						
1 Unit	75/75%	640	65/65%	640	65/65%	640
2 Unit	65/65%	640	N/A	640	60/60%	640
3-4 Units	65/65%	640	N/A	N/A	60/60%	640



CONFORMING PRODUCTS: Eligible on Mammoth, Acadia, Cascades and Yosemite						
Fixed Rate (Purchase & Rate/Term Refinances) – Fannie Mae DU High Balance						
Occupancy	Owner Occupied		Second Home		Investment Property	
Property Type	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO
1 Unit	95/95%	640	90/90%	640	Purchase – 85/85% Refi – 75/75%	640
2 Units	85/85%	640	N/A	N/A	75/75%	640
3-4 Units	75/75%	640	N/A	N/A	75/75%	640
Cash-Out Refinances						
1 Unit	80/80%	640	75/75%	640	75/75%	640
2-4 Units	75/75%	640	N/A	N/A	70/70%	640
ARM Rate (Purchase & Rate/Term Refinances)-Fannie Mae DU High Balance						
Property Type	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO	Max LTV/CLTV/HCLTV	Min FICO
1 Unit	90/90%	640	80/80%	640	Purchase - 75/75%; Refi – 65/65%	640
2 Units	75/75%	640	N/A	N/A	65/65%	640
3-4 Units	Purchase – 65%; Refi– 65/65%	640	N/A	N/A	65/65%	640
Cash-Out Refinances						
1 Unit	75/75%	640	65/65%	640	65/65%	640
2 Unit	65/65%	640	65/65%	640	60/60%	640
3-4 Units	65/65%	640	N/A	N/A	60/60%	640

<p><b>97% LTV Product Requirements</b></p>	<p>The following restrictions apply:</p> <ul style="list-style-type: none"> <li>• Standard purchase transactions, if at least one borrower (buyer) is a first time homebuyer</li> <li>• Standard limited cash-out refinancing of loans currently owned or securitized by Fannie Mae</li> <li>• Single family residences, PUDs and Condos only</li> <li>• No income limits and no pre-purchase homebuyer education requirements</li> <li>• Reserves required by DU can be from a gift, Fannie Mae minimum borrower contribution requirements apply</li> <li>• Fixed rate mortgages only with maximum 30 year terms</li> <li>• Standard loan amounts only, high balance loan amounts are not eligible</li> <li>• 1 Unit, primary residence properties only</li> <li>• DU 9.2 with Approve/Eligible findings only (no manual underwriting, no DU 9.1, no LP) o Standard loan program only</li> <li>• 35% mortgage insurance coverage- no reduced mortgage insurance.</li> <li>• <b>Not permitted on Acadia Product</b></li> </ul>
<p><b>ARM Information</b></p>	<p><b>5/1 ARM:</b> <u>Index:</u> 1 YR Libor <u>Caps:</u> 2/2/5 <u>Margin:</u> 2.25%  <b>7/1 ARM:</b> <u>Index:</u> 1 YR Libor <u>Caps:</u> 5/2/5 <u>Margin:</u> 2.25%</p>
<p><b>Ability to Repay/Qualified Mortgage Rule</b></p>	<p>Blustream will comply with the ATR/QM requirements and files will be documented to support</p>
<p><b>Appraisals</b></p>	<ul style="list-style-type: none"> <li>• Appraisals generated for third parties are NOT eligible. Appraisal transfer if the appraisal was not completed in Seller’s name or the name of its originating TPO are not eligible. Appraisers and supervisory appraisers appearing on the Fannie Mae AQM list as subject to 100% review or ineligible render the appraisal ineligible for closing with Blustream.</li> <li>• All appraisals must be uploaded to UCDP and receive a “successful” SSR</li> </ul> <p><b>Cascade Product</b>-loans secured by properties with “unpermitted” structural additions under the following conditions:</p> <ul style="list-style-type: none"> <li>• The subject addition complies with all investor guidelines;</li> <li>• The quality of the work is described in the appraisal and deemed acceptable (“workmanlike quality”) by the appraiser;</li> <li>• The addition does not result in a change in the number of units comprising the subject property (e.g. a 1 unit converted into a 2 unit).</li> <li>• If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance by the use of comparable sales with similar additions and state the following in the appraisal: <ol style="list-style-type: none"> <li>1. Non-Permitted additions are typical for the market area and a typical buyer would consider the "unpermitted" additional square footage to be part of the overall square footage of the property. o</li> <li>2. The appraiser has no reason to believe the addition would not pass inspection for a permit.</li> </ol> </li> </ul>

<b>Products</b>	Fixed Rate (10,15,20, and 30-Year) Fixed period LIBOR ARMs with 30 year term (5/1, 7/1)																														
<b>Borrower Qualification</b>	<p>Fixed Rate: Borrower is qualified at the Note rate.</p> <p><u>7/1 and:</u> Qualify at the greater of the Note rate or the fully indexed rate.</p> <p><u>5/1 ARMs:</u> Qualify at the higher of the note rate + 2% or the fully indexed rate.</p>																														
<b>Maximum Loan Amount</b>	<table border="1" data-bbox="478 565 1953 724"> <thead> <tr> <th>Units</th> <th>Contiguous States, District of Columbia and Puerto Rico 2015</th> <th>Alaska, Guam, Hawaii, and the U.S. Virgin Islands 2015</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>417,000</td> <td>625,500</td> </tr> <tr> <td>2</td> <td>533,850</td> <td>800,775</td> </tr> <tr> <td>3</td> <td>645,300</td> <td>967,950</td> </tr> <tr> <td>4</td> <td>801,950</td> <td>1,202,925</td> </tr> </tbody> </table> <table border="1" data-bbox="478 756 1953 915"> <thead> <tr> <th>Units</th> <th>Contiguous States, District of Columbia 2015</th> <th>Alaska, Guam, Hawaii, and the U.S. Virgin Islands 2015</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>625,500</td> <td>938,250</td> </tr> <tr> <td>2</td> <td>800,775</td> <td>1,201,150</td> </tr> <tr> <td>3</td> <td>967,950</td> <td>1,451,925</td> </tr> <tr> <td>4</td> <td>1,202,925</td> <td>1,804,375</td> </tr> </tbody> </table>	Units	Contiguous States, District of Columbia and Puerto Rico 2015	Alaska, Guam, Hawaii, and the U.S. Virgin Islands 2015	1	417,000	625,500	2	533,850	800,775	3	645,300	967,950	4	801,950	1,202,925	Units	Contiguous States, District of Columbia 2015	Alaska, Guam, Hawaii, and the U.S. Virgin Islands 2015	1	625,500	938,250	2	800,775	1,201,150	3	967,950	1,451,925	4	1,202,925	1,804,375
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<b>AUS Underwriting</b>	<ul style="list-style-type: none"> <li>Loans must be underwritten through Desktop Underwriter® (DU®)</li> <li>Loans must receive a DU "Approve/Eligible",</li> <li>DU recommendation of Approve/Eligible required</li> <li>No Manual Underwrites</li> </ul>																														
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Primary Residence</li> <li>Second home</li> <li>Investment Properties</li> </ul>																														

<p><b>Eligible Borrowers</b></p>	<ul style="list-style-type: none"> <li>• Maximum four (4) borrowers per loan</li> <li>• Maximum four (4) properties financed by Blustream</li> <li>• Borrower must be an eligible Trust type or a natural person. NO title taken as business entities allowed</li> <li>• Borrowers with diplomatic immunity, “foreign politically exposed” borrowers are NOT eligible.</li> <li>• Non-resident aliens (foreign nationals) are NOT eligible</li> <li>• NAL allowed on Primary Residences only. <b>NAL not allowed under Mammoth Product</b></li> </ul>
<p><b>Property Types</b></p>	<ul style="list-style-type: none"> <li>• SFR</li> <li>• Condominiums (attached/detached)</li> <li>• PUDS</li> <li>• 1-4 Family</li> </ul>
<p><b>Geographic restrictions</b></p>	<p>Blustream is currently accepting loans from the States of California, Washington, Oregon, Colorado, and Arizona.</p>
<p><b>Credit</b></p>	<ul style="list-style-type: none"> <li>• Each borrower must generate a traditional credit score from at least one repository</li> <li>• Current Housing Payment, applicable when the payment for the primary residence for any borrower is not reported on credit (ex: renting primary and the subject is 2nd/NOO):</li> <li>• When the payment is not reported on the credit report, provide third party verification of payment amount. –</li> <li>• If living rent free, a rent free letter from landlord or person obligated on lease required.</li> <li>• Residential Mortgage Credit Report (RMCR) or traditional tri-merge is required for all borrowers on all loans</li> </ul>

## Condominiums

- Eligible Fannie Mae review types: 1. Limited Review, 2. Lender Full Review with CPM—without CPM requires a Blustream Lender Full Review Condo Project Eligibility Certification form to be completed by Blustream
- Fannie Mae PERS. Condominium reviews must be completed within the sooner of 180 days of Note date or as otherwise set forth in the Fannie Mae Selling Guide
- Blustream limits its project exposure for the number of units serviced by Blustream to the greater of one (1) unit or 25 percent of the units in a project.
- Blustream limits the number of units serviced by Blustream for any single borrower to the greater of one (1) unit or 10 percent of the units in a project
- No single entity (individual, investor group, partnership or corporation) may have ownership exceeding Fannie Mae ownership concentration limit within the project. Fannie Mae Selling Guide
- Ineligible Condo Project types: All project types that do not meet Fannie Mae requirements and
- Subject Property individual units with less than 650 Sq feet and projects with any units less than 400 Sq feet in size within the project

**Cascade Program** will not allow any project (condo, or PUD) for which the homeowners' association is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project.

**Note:** Projects for which the lender determines that pending litigation involves minor matters are not considered ineligible projects, provided the lender concludes that the pending litigation has no impact on the safety, structural soundness, habitability, or functional use of the project. The following are defined to be minor matters: - non-monetary litigation involving neighbor disputes or rights of quiet enjoyment; - litigation for which the claimed amount is known, the insurance carrier has agreed to provide the defense, and the amount is covered by the association's insurance; or - the homeowners' association is named as the plaintiff in a foreclosure action, or as a plaintiff in an action for past due homeowners' association dues.

<p><b>Mortgage Insurance</b></p>	<p>Blustream does NOT accept the following:</p> <ul style="list-style-type: none"> <li>• Monthly Lender Paid MI or any MI where the premium is paid out of the mortgage interest received</li> <li>• Reduced MI levels</li> <li>• MI that does not meet applicable Local, State or Federal laws or regulations</li> <li>• MI that does not meet the requirements of the investor for the Mortgage Loan program (i.e. Fannie Mae)</li> </ul>
<p><b>Power of Attorney</b></p>	<p>No Power of Attorneys are allowed on Trusts or cash-out refinances</p>
<p><b>Ineligible Property Types/Condition</b></p>	<ul style="list-style-type: none"> <li>• Properties with ratings of C5, C6 or Q6 are not allowed unless the issues that caused the ratings are cured prior to loan delivery and acceptable documentation is provided by the appraiser.</li> <li>• Log homes</li> <li>• Dome homes</li> <li>• Other exotic or non-traditional types of structures</li> <li>• Co-ops</li> <li>• Manufactured homes and mobile homes</li> <li>• Working farms or ranches</li> <li>• Bed &amp; breakfast/Boarding houses</li> <li>• Assisted living or board and care facilities</li> <li>• Properties with acreage greater than 15 acres (truncating acreage for appraisal purposes is not accepted)</li> <li>• Unimproved properties (land loans)</li> <li>• Houseboats</li> <li>• Hawaii properties in lava zones 1 and 2</li> </ul>
<p><b>Property Flipping and Purchase Contract Assignments, Churning Property Flipping &amp; Purchase Contract Assignments Churning Restrictions and Tangible Net Benefit</b></p>	<ul style="list-style-type: none"> <li>• Loans are not eligible with Blustream if there is evidence of churning and/or Net Tangible Benefit is not established.</li> <li>• If the Purchase Contract has been assigned, then the loan is not eligible with Blustream</li> <li>• If prior sale within 90 days, then the loan is only eligible with Blustream if: 1. Relocation Agency 2. Foreclosure or Deed in Lieu, 3. Obtained through Inheritance or Divorce, 4. Must meet requirements that apply to “Properties Recently Listed for Sale” below, and all requirements for properties re-sold within 180 days (directly following here).</li> <li>• If there has been a prior sale of the property within 180 days: 1. Identity of Interest transactions are not eligible. 2. If 20% of more value increase additional restrictions apply (refer to 9.9. Property Flipping and Purchase Contract Assignments)</li> <li>• If listed within prior 6 months, must be removed from market and maximum LTV 70% for cash-out refinance, unless more restrictive Agency guidelines apply</li> </ul>

<p style="text-align: center;"><b>Subordinate Financing</b></p>	<ul style="list-style-type: none"> <li>• A copy of the second lien Note is required for all new and re-subordinating second liens.</li> <li>• In all cases, the title policy must ensure that the new first is clearly insured in first lien position</li> <li>• For new subordinate liens Blustream requests that a certified copy of the security instrument indicating that it is recording subordinate to the new first lien be in the Loan file.</li> <li>• For re-subordinating seconds, a certified copy of the executed subordination agreement (or equivalent, as designated by applicable state law) must be delivered with the Mortgage Loan file.</li> </ul> <p><b>Secondary lien subordinating to new Fannie Mae firsts:</b></p> <ul style="list-style-type: none"> <li>• Must have Fannie Mae eligible terms and characteristics</li> <li>• Must not permit negative amortization or contain a balloon feature or a prepayment restriction/penalty.</li> </ul> <p><b>HELOCs:</b> Follow Fannie Mae guidelines for calculating CLTV, HCLTV: The entire credit line limit based on the Note must be used to calculate the HCLTV. If a credit line is reduced without a permanent modification of the original Note, then the entire original line limit must be used to calculate the HCLTV. <b>HELOC Payment Calculation:</b> To calculate the qualifying payment of a subordinate HELOC, follow Fannie Mae Selling Guide If the HELOC does not report a balance, then there is no recurring monthly debt obligation so the lender does not need to develop an equivalent payment amount based on the line amount or otherwise)</p>
<p style="text-align: center;"><b>Tax Transcripts</b></p>	<ul style="list-style-type: none"> <li>• A transcript must be obtained for each tax year covered by the income documentation used to qualify the Borrower(s). If not yet available, loan file must contain a copy of an IRS or vendor document showing that no transcript is available.</li> <li>• Mortgage Loans and/or Borrowers that do not require income documentation under the applicable Loan Program do not require IRS tax transcripts</li> </ul>
<p style="text-align: center;"><b>Trusts</b></p>	<p>Inter Vivos “Living” trusts only. Documents for loans where title is taken in a trust cannot be signed with a Power of Attorney</p>



	<b>Topic</b>	<b>Frequently Used Fannie Mae Selling Guide References</b>
<b>Commonly Used Fannie References</b>	Age of Documents	B1-1-03, Allowable Age of Credit Documents and Federal Income Tax Returns (Generally credit docs must be ≤ 120 days on date Note is signed)
	Age of Appraisal	B4-1.2-01, Age of Appraisal (Generally, exterior inspection update if at 120 days on Note date or 2075 for DU Approved loans)
	Condo Eligibility Review	B4-2.2-13, Condo Project Review and Legal Document Requirements
	Continuity of Obligation	B2-1.2-04, Continuity of Obligation
	Delayed Financing	B2-1.2-03, Cash-Out Transactions (Delayed Financing Exception- provides delayed financing exception requirements if cash-out and property was purchased within prior 6 months)
	Derogatory Credit	B3-5.3-07, Significant Derogatory Credit Events – Waiting Periods and Re-establishing Credit
	Financed Properties Maximum	B2-2-03, Multiple Financed Properties for the Same Borrower
	Gift Funds	B3-4.3-04, Personal Gifts
	Interested Party Contributions	B3-4.1-03, Types of Interested Party Contributions (IPCs) (Includes; DAP, Concessions, Buy-downs, Payment Abatements)
	Multiple Financed Properties	B2-2-03 Multiple Financed Properties for the Same Borrower
	Non Occupant Co Borrowers	B2-2-04, Guarantors, Co-Signers or Non-Occupant Co-Borrowers
	Occupancy	B2-3-01, Occupancy Type Requirements (Generally: Primary Residence – 1-4 units, Second Homes – 1-unit only, Investment Properties 1-4 units)
	Project Eligibility	B4-2.2, Project Eligibility and Environmental Hazards
	Rental Income Calculation	B3-3.1-08, Rental Income
	Subordinate Financing	B2-1.1, LTV, CLTV, HCLTV and Subordinate Financing
97% LTV Program	Additional information is available in Fannie Mae SEL-2014-15 and Fannie Mae FAQ 97% LTV Options for First-Time Home Buyers and Limited Cash-Out Refinance of Fannie Mae Loans FAQ.	

### Blustream Lending Credit Policy Overlays

Topic	Guideline
<b>Non Arms Length Transactions</b>	<b>Permitted only on Primary Residences, no borrower/builder relationships</b>
<b>Written Verifications of Employment</b>	<b>Not permitted regardless of AUS findings. Must provide recent Paystubs and W-2s</b>
<b>Multiple Properties Financed</b>	<b>Maximum number of properties financed is 4. This includes the subject property</b>
<b>Property Flips</b>	<b>Not allowed-Properties sold within last 180 are not eligible for purchase transactions</b>
<b>Loan Modifications</b>	<b>Refinance of a rate reduced mortgage not permitted</b>
<b>Financial Bailouts</b>	<b>No financial bailouts allowed- This includes the purchase of a property by a family member currently delinquent, in foreclosure or a short sale regardless of payment history</b>