

Conforming Loans

as of October 24, 2007

Fixed Rate, Fixed Period ARMs, and Standard ARMs (Full/Alt Documentation) (Standard Amortization)												
Finance Type	Purchase and Rate/Term Refinances						Cash Out Refinances					
Occupancy	Owner-Occupied		Second Home		Investment Property		Owner-Occupied		Second Home		Investment Property	
Maximum LTV/CLTV	Maximum LTV/CLTV ¹	Minimum Credit Score	Maximum LTV/CLTV ¹	Minimum Credit Score	Maximum LTV/CLTV ¹	Minimum Credit Score	Maximum LTV/CLTV ¹	Minimum Credit Score	Maximum LTV/CLTV ¹	Minimum Credit Score	Maximum LTV/CLTV ¹	Minimum Credit Score
1-Unit Properties	95/95%	Generally 620 or as determined by the AUS	95/95%	Generally 620 or as determined by the AUS	90/90%	Generally 620 or as determined by the AUS	90/90%	Generally 620 or as determined by the AUS	90/90%	Generally 620 or as determined by the AUS	85/85%	Generally 620 or as determined by the AUS
2-Unit Properties	95/95%	Generally 620 or as determined by the AUS	N/A	N/A	90/90%	Generally 620 or as determined by the AUS	90/90%	Generally 620 or as determined by the AUS	N/A	N/A	85/85%	Generally 620 or as determined by the AUS
3-4 Unit Properties	80/80% ²	DU™ or LP™ Required			75/75%	Generally 620 or as determined by the AUS	75/75% ²	DU™ or LP™ Required			70/70%	Generally 620 or as determined by the AUS
Eligible Property Types	Attached and Detached SFRs and PUDs, Low-/High-Rise Condos, Cooperatives*, 2-4 Units, and Factory-Built Housing (modular, panelized, and prefabricated). *Cooperatives are subject to additional underwriting and LTV requirements. Refer to the Seller's Guide for details.											
Eligible Terms	Fixed Rate: 10, 15, 20, 25, 30, or 40 years. Fixed Period ARMs: 30 or 40 years. Standard ARMs: 30-year term only.											
Interested Party Contributions	Owner Occupied and Second Home: > 90%: 3% ≤ 90% and > 75%: 6% ≤ 75%: 9% Investment Property: 2%											
Temporary Buydowns	Eligible Plans: 3-2-1, 2-2-1, 2-1, 1-1-1, 1-1, 1, or 2.0-1.5-1.0-0.5 Owner occupied qualification: ≥ 660*: Bought Down Note Rate < 660*: Note Rate Second Home and Investment property** qualification: Note Rate *Self-employed borrowers require a minimum 680 credit score **Investment properties only allow a 1% buydown											
Underwriting Method	Loans may manually underwritten or be underwritten through CLUES, DU or LP and receive an AUS approval. Loans that receive an acceptable Expanded Approval™ recommendation may be eligible for purchase; however, those loans must be priced and committed under the appropriate program. Refer to Seller's Guide section 7.8 or 8.2 Fannie Mae Expanded Approval - Levels I, II, III for additional details.											
Mortgage Insurance	MI Coverage*: 90.01-95%: 30% 85.01-90%: 25% 80.01-85%: 12% TAMI and FSPMI are allowed but may not be available for all program options. Refer to Seller's Guide for details. *Reduced MI coverage may be eligible as indicated on the AUS certificate											
Additional Restrictions	Note: HELOC Combined Loan-to-Value (HCLTV): • If secondary financing is a HELOC, the maximum HCLTV is 5% higher than the CLTV. • The loan amount plus any draw amount cannot exceed the CLTV, and the loan amount plus the total line amount cannot exceed the HCLTV. ¹ Loan Prospector® Loans: For loans with secondary financing submitted to LP, the LTV must be reduced by 5%. For example, maximum 90% LTV allowed with maximum 95% CLTV. ² Eligible only with an Approve/Eligible DU or Accept LP certificate and executed Occupancy Declaration. Refer to Section 3.2, Occupancy for details.											

Conforming Loans

as of October 24, 2007

Fixed Rate and Fixed Period ARMs (Full/Alt Documentation) (Interest Only Option)												
Finance Type	Purchase and Rate/Term Refinances						Cash Out Refinances					
Occupancy	Owner-Occupied		Second Home		Investment Property		Owner-Occupied		Second Home		Investment Property	
Maximum LTV/CLTV	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
1-Unit Properties	95/95%	640	95/95%	640	90/90%	680	90/90%	640	90/90%	680	70/70%	680
2-Unit Properties	90/90%	680	N/A	N/A	90/90%	680	90/90%	700	N/A	N/A	70/70%	680
3-4 Unit Properties	80/80%	DU™ or LP™ Required			N/A	N/A	75/75%	DU™ or LP™ Required			N/A	N/A
Eligible Property Types	Attached and Detached SFRs and PUDs, Low-/High-Rise Condos, 2-4 Units, and Factory-Built Housing (modular, panelized, and prefabricated).											
Eligible Terms	Interest-Only period for Fixed Rate: 10- or 15-years with 30-year term Interest-Only period for Fixed-Period ARMs: during the initial fixed period of the ARMs (3, 5, 7 years) or during the first 10 year period of the 30-year term											
Interested Party Contributions	Owner Occupied and Second Home: > 90%: 3% ≤ 90% and > 75%: 6% ≤ 75%: 9% Investment Property: 2%											
Buydowns	Eligible Plans: 2-1, 1-1-1, 1-1, 1, or 2.0-1.5-1.0-0.5 Owner occupied and second home qualification: Note Rate Investment property: Not Allowed											
Underwriting Method	Loans may manually underwritten or be underwritten through CLUES, DU or LP and receive an AUS approval. Loans that receive an Expanded Approval or A Minus are not eligible for purchase at Countrywide											
Mortgage Insurance	MI Coverage*: 90.01-95%: 30% 85.01-90%: 25% 80.01-85%: 12% TAMI and FSPMI are allowed but may not be available for all program options. Refer to Seller's Guide for details. *Reduced MI coverage may be eligible as indicated on the AUS certificate											
Additional Restrictions	Note: HELOC Combined Loan-to-Value (HCLTV): • If secondary financing is a HELOC, the maximum HCLTV is 5% higher than the CLTV. • The loan amount plus any draw amount cannot exceed the CLTV, and the loan amount plus the total line amount cannot exceed the HCLTV.											

Conforming Loans

as of October 24, 2007

Underwriting Addendum

Eligible Borrowers		Borrower Qualification	Qualifying Ratios	Reserves	Down Payment Source of Funds	Additional Requirements
Borrower Type	Qualification	<p>Fixed and Fixed Period ARM*: Borrower is qualified at the Note rate.</p> <p>Standard ARM*: <ul style="list-style-type: none"> LTV greater than 80%: Qualify the borrower at the Note rate plus 2%. LTV less than or equal to 80%: Qualify the borrower at the Note rate. </p> <p>Note: Loans underwritten through DU will qualify at the Note rate plus 2%.</p> <p>*Interest-Only Loans: Qualification is based on the higher of the Note rate or the fully indexed and fully amortized rate.</p>	<p>Maximum qualifying ratios: 28/36%.</p> <p>Ratios may be exceeded with an acceptable AUS certificate or if there are compensating factors such as:</p> <ul style="list-style-type: none"> Borrower reserves significantly exceed program guidelines. LTV is lower than the maximum allowable. Borrower credit score exceeds minimum requirements <p>Non-Occupant Co-Borrowers (fully amortized loans only):</p> <p>When non-occupant co-borrowers are used to qualify on owner-occupied properties, the following additional restrictions apply:</p> <ul style="list-style-type: none"> Occupant borrower ratios cannot exceed 35/43%. Maximum 90% LTV. Exception: The occupying borrower's total debt ratio does not need to be calculated provided: <ul style="list-style-type: none"> The occupant and non-occupant co-borrower are parent and child. The non-occupant co-borrower must be a co-owner of the property but otherwise must not have an interested party relationship to the transaction Purchase, Rate & Term only. One-unit SFR, PUD, or Condo. A letter from the borrowers establishing the relationship between the occupants and non-occupants is required. The loan must be manually underwritten. 	<p>Owner Occupied: 2 months PITI.</p> <p>Second Home: 2 months PITI.</p> <p>Investment: 6 months PITI.</p> <p>Note: The AUS may give an Accept recommendation with a lesser reserves requirement.</p>	<p>Allowable Sources of Gift Funds:</p> <p>Owner-Occupied: Relatives, domestic partner, fiancé/fiancée, church, municipality, or non-profit organizations.</p> <p>Second Homes: Relatives only.</p> <p>Investments: Relatives only.</p> <p>Percentage of Borrower's Funds*:</p> <p>Owner-Occupied: Minimum 5% down payment must be from the borrower's own funds. If the LTV/CLTV is less than or equal to 80%, the entire down payment may be a gift.</p> <p>Second Homes: Minimum 5% down payment must be from the borrower's own funds. If the LTV/CLTV is less than or equal to 80%, the entire down payment may be a gift.</p> <p>Investments: Gift funds allowed only under the following conditions: <ul style="list-style-type: none"> 1-unit SFR, condo, or PUD. Maximum 70% LTV Minimum 20% down payment must be from the borrower's own funds. </p> <p>* LTV/CLTVs greater than 95% have more restrictive guidelines. Refer to the Seller's Guide for details.</p>	Credit Score
U.S. Citizens	Allowed with a valid Social Security number.					Minimum 620.
Permanent Resident Aliens	Allowed under same conditions as a U.S. Citizen.					Use the middle of 3 scores or the lower of 2, for the LOWEST scoring borrower
Non-Permanent Resident Aliens	Allowed under same conditions as a U.S. Citizen.					Buydowns
Inter Vivos Revocable Trusts	Allowed under same conditions as a U.S. Citizen. Refer to the Seller's Guide for individual program limitations.					Fixed and Fixed Period ARM*: Allowed. Standard ARM*: Not allowed. *Interest Only: Not allowed. Refer to the Seller's Guide for complete details.
Non-Occupant Co-Borrower	Allowed with restrictions. Interest-only loans are not allowed. Refer to the Seller's Guide for complete requirements.					Prepayment Penalty
		Standard Amortization: Allowed for loan terms greater than or equal to 30 years. Interest Only: Not allowed. Refer to the Seller's Guide for state-specific restrictions.				
		Assumability				
		Fixed Rate*: Not allowed 3/1 ARM*: Assumable at any time, subject to credit approval. 5/1, 7/1, and 10/1 ARM*: Assumable only after the fixed rate period, subject to credit approval. Standard ARM: Assumable anytime unless converted to a fixed rate. *Interest Only: Not allowed.				

Flexible 97 and 100 Programs

As of October 24, 2007

Finance Type	Purchase and Rate/Term Refinances					
	Flexible 97 [®]		Flexible 100 [™]		Flexible w/ Subordinate Financing	
Maximum LTV/CLTV	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score	Maximum LTV/CLTV	Minimum Credit Score
Standard Amortization	97/105% ¹	Determined by DU [™]	100/105% ¹	Determined by DU [™]	95/100% ²	Determined by DU [™]
Interest Only	97/100%	Determined by DU [™]	100/100%	Determined by DU [™]	95/100% ²	Determined by DU [™]
Borrower Contribution	Borrowers have the option of contributing a minimum of either \$500 of their own funds (Flexible 100 and Flexible with subordinate financing only) or 3% from flexible sources of funds (Flexible 97 or 100) toward the down payment and/or closing costs.					
Eligible Property Types	Attached and Detached SFRs and PUDs, Low-/High-Rise Condos and Factory-Built Housing (modular, panelized, and prefabricated).					
Eligible Terms	Fixed Rate: 15-, 20-, 25-, 30-, or 40-years.		Fixed Period ARMs: 5/1, 7/1 or 10/1 30- or 40-years.		Interest Only: 30-year term only	
Interested Party Contributions	> 90%: 3% ≤ 90%: 6% (Includes Flexible with Subordinate Financing) (Premium pricing may be used to fund closing costs exceeding the minimum borrower contribution requirement.)					
Temporary Buydowns	Eligible Plans: 3-2-1, 2-2-1, 2-1, 1-1-1, 1-1, 1, or 2.0-1.5-1.0-0.5 Compressed buydown plans that allow for increases of 0.5% at 6-month intervals are allowed with a max. buydown plan period of 2 yrs. LTVs ≤ 95% are qualified at the bought-down rate + 1.00%, LTVs > 95% are qualified at the Note rate, all InterestOnly loans are qualified at the fully amortizing payment at the Note rate.					
Underwriting Method	Loans MUST be submitted thru DU[™]. Loans must receive an "Approve/Eligible" AUS result. Loans that receive an acceptable Expanded Approval [™] recommendation may be eligible for purchase; however, those loans must be priced and committed under the appropriate program. Refer to Seller's Guide section 7.8 or 8.2 Fannie Mae Expanded Approval - Levels I, II, III for additional details.					
Mortgage Insurance	Standard MI: 35% Lower cost MI (Must be noted on the DU [™] certificate): LTV < 97% - 18% LTV >97%: - 25% TAMI is allowed, except on InterestOnly loans. FSPMI is not allowed. 5/1, 7/1, & 10/1 ARMs are insured as fixed-rate loans, loans with buydowns are insured as ARM loans.					
Additional Restrictions	¹ CLTVs Greater Than 100%: 105% CLTV allowed with an approved Community Second loan; ² Eligible financing combinations include 75/20/5, 80/10/10, 80/15/5, 90/5/5, 75/25, 80/20, and 90/10. Subordinate financing may be provided by an institutional-second lien (closed-end second or HELOC) or an approved Community Second loan. Refer to the Seller's Guide for details.					

Flexible 97 and 100 Programs

As of October 24, 2007

Underwriting Addendum

Eligible Borrowers		Borrower Qualification	Secondary Financing	Reserves	Down Payment Source of Funds
Borrower Type	Qualification				
U.S. Citizens	Allowed with a valid Social Security number.	<p>Fixed and Fixed Period ARM: Borrower is qualified at the Note rate.</p> <p>Interest-Only Loans: Qualification is based on the higher of the Note rate or the fully indexed and fully amortized rate.</p>	<p>Allowed to the maximum CLTV limits as shown in the Matrix.</p> <p>Eligible financing combinations include: 75/20/5, 80/10/10, 80/15/5, 90/5/5, 75/25, 80/20, & 90/10.</p> <ul style="list-style-type: none"> Subordinate financing may be provided by an institutional-second lien (closed end or HELOC) or an approved Community Second Loan. A property-seller carryback is not allowed. If the CLTV is greater than 100%, the subordinate financing may only be a Community Second Loan. <p>Refer to Seller's Guide, Section 9.4, Community Seconds, for complete details.</p>	<p>Reserves are determined by DU™.</p> <p>Generally:</p> <p>LTVs < 97%: 1 Month PITI reserves.</p> <p>LTVs > 97%: 2 Months PITI reserves.</p> <p>Note: The AUS may give an Accept recommendation with a lesser reserves requirement.</p>	<p>Acceptable Sources Funds:</p> <ul style="list-style-type: none"> Borrower's own funds (checking, savings, etc.) Proceeds from loans secured by borrower's own assets, such as 401(k) loan. Gift from relatives, domestic partner, fiancé/fiancée, church, municipality, or non-profit organizations. Non-profit grants that do not require repayment. <p>Percentage of Borrower's Funds:</p> <ul style="list-style-type: none"> ≤ 97% LTV: The borrower must contribute a minimum of 3% of the purchase price to be applied toward the closing costs and/or prepaid items. > 97% LTV: The borrower must contribute a minimum amount from one of the two following options: <ul style="list-style-type: none"> \$500 cash from the borrower's own funds. Minimum 3% of the purchase price from acceptable sources of funds. <p>Any amount of the borrower's contribution in excess of the amount needed to pay closing costs and/or prepaids, must be applied toward the down payment.</p>
Permanent Resident Aliens	Allowed under same conditions as a U.S. Citizen.	<p>Credit Score: Minimum 620 Use the middle of 3 scores or the lower of 2 scores for the lowest scoring borrower.</p> <p>Temporary Buydowns: LTVs ≤ 95% are qualified at the bought-down rate + 1.00%, LTVs > 95% are qualified at the Note rate.</p>	<p>All InterestOnly loans are qualified at the fully amortizing payment at the Note rate.</p>		
Non-Permanent Resident Aliens	Allowed under same conditions as a U.S. Citizen.	<p>Maximum qualifying ratios: 33/41%.</p> <p>Ratios may be exceeded with an acceptable AUS certificate or if there are compensating factors such as:</p> <ul style="list-style-type: none"> Borrower reserves significantly exceed program guidelines. LTV is lower than the maximum allowable. Borrower credit score exceeds minimum requirements 			
Inter Vivos Revocable Trusts	Allowed under same conditions as a U.S. Citizen. Refer to the Seller's Guide for individual program limitations.				
Non-Occupant Co-Borrower	Not allowed.				