

Max Jumbo Guidelines

As of 04.03.2023

 All GHMC overlays are written in **BLUE**

 Newest updates are written in **RED**

Primary Residence Purchase, Rate and Term Refinance						
Unit	Maximum LTV/ CLTV	Min FICO	Maximum Loan Amount	Max DTI	Reserves Required (Months)	
1 Unit	89.99% / 89.99% ¹	680	\$2,000,000	43%	12	
	80% / 80%	660			6	
		720	\$2,500,000		12	
		740	\$3,000,000		18	
		2 – 4 Unit	700		\$2,000,000	6
¹ 30-year fixed rate only for LTV/ CLTV greater than 80%						
Primary Residence Cash-Out Refinance						
Unit	Maximum LTV / CLTV	Min FICO	Maximum Loan Amount	Max DTI	Reserves Required (Months)	Maximum Cash Out
1 Unit	89.99% / 89.99% ¹	740	\$2,000,000	43%	12	\$500,000
	80% / 80%	680			6	
		740	\$3,000,000		18	
		2 – 4 Unit	75% / 75%		700	
¹ 30-year fixed rate only for LTV/ CLTV greater than 80%						

Second Home							
Transaction Type	Unit	Maximum LTV/ CLTV	Min FICO	Maximum Loan Amount	Max DTI	Reserves Required	Maximum Cash Out
Purchase / Rate & Term Refi	1	89.99% / 89.99% ¹	680	\$2,000,000	43%	12	
		80% / 80%	660			6	
			720	\$2,500,000		12	
			740	\$3,000,000		18	
Cash-Out Refinance		75% / 75%	700	\$2,000,000		12	\$500,000
			740	\$3,000,000		18	
¹ 30-year fixed rate only for LTV / CLTV greater than 80%							

Minimum Loan Amount: Must be \$1 over the current one-unit conforming loan limit.

Declining Property Values: Reduce maximum LTV/ CLTV by 10%, max 80% LTV/ CLTV for any property located in an area of declining property values as reported by appraiser.

Guaranty Home Mortgage Corporation Max Jumbo

Key Program Requirements

Fair Lending Statements	<p>Federal law prohibits discrimination in connection with the origination of 1-4 family mortgage loans. The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age, because an applicant receives income for a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act. Also, the Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 19), and disability.</p> <p><i>For scenarios not specifically addressed in the following guidance, please utilize the most recent Fannie Mae guidelines for assistance.</i></p>
COVID-19 Temporary Guidelines	<p><u>All loans must meet agency COVID-19 temporary restrictions.</u></p>
Products Offered	<ul style="list-style-type: none"> Fully Amortizing Fixed Rate 30-year term (J30M) Fully Amortizing Fixed Rate 15-year term (J15M) Fully Amortizing 5yr / 6m, 7yr/ 6m, and 10yr/ 6m SOFR ARMs (J5/6M) (J7/6M) (J10/6M) <ul style="list-style-type: none"> 5yr/6m ARM qualified at the higher of the maximum potential Note rate after first adjustment or the fully indexed rate. The fully indexed rate is the sum of the index and the margin. 7yr/6m & 10yr/6m products must be qualified at the higher of the Note rate or the fully indexed rate.
ARM Parameters	<p>5yr/6m SOFR ARM</p> <ul style="list-style-type: none"> The interest rate will be fixed for an initial period of five (5) years (60 payments). The initial rate change will take place effective as of the sixty-first (61st) payment due date and on that day every 6 months thereafter, using the index figure in effect on the day that is 45 days before the interest rate adjustment date <p>7yr/6m SOFR ARM</p> <ul style="list-style-type: none"> The interest rate will be fixed for an initial period of seven (7) years (84 payments). The initial rate change will take place effective as of the eighty-fifth (85th) payment due date and on that day every 6 months thereafter, using the index figure in effect on the day that is 45 days before the interest rate adjustment date. <p>10yr/6m SOFR ARM</p> <ul style="list-style-type: none"> The interest rate will be fixed for an initial period of ten (10) years (120 payments). The initial rate change will take place effective as of the one hundred and twenty first (121st) payment due date and on that day every 6 months thereafter, using the index figure in effect on the day that is 45 days before the interest rate adjustment date. <p>Index</p> <ul style="list-style-type: none"> 30 Day Average SOFR Index as published by the New York Federal Reserve. <p>Margin</p> <ul style="list-style-type: none"> The margin that is available is: <ul style="list-style-type: none"> 2.75% <p>Interest Rate Caps</p> <ul style="list-style-type: none"> 5yr/6m ARM – 2% / 1% / 5% (First / Periodic / Lifetime) 7yr/6m and 10yr/6m ARM – 5% / 1% / 5% <p>Interest Rate Floor</p> <ul style="list-style-type: none"> 2.75%

Guaranty Home Mortgage Corporation Max Jumbo

Key Program Requirements

Age of Loan Documents	Follow Fannie Mae requirements
Ineligible Product Types, Transactions & Scenarios	<ul style="list-style-type: none"> Balloon Mortgage Recasting/ Re-Amortizing Temporary buydowns Prepayment penalties
Underwriting Types	<ul style="list-style-type: none"> Manual Underwrite only Mortgage insurance is not required or allowed at any LTV.
Loan Purpose – Ineligible Transactions	<ul style="list-style-type: none"> Contract for Deed / Land Contract Single closing construction permanent loan refinances Construction loan refinances in which the borrower has acted as builder Non-Arm's length transactions – except for scenarios listed under <i>Non-Arm's Length Transactions</i> section below.
Loan Purpose – Purchase Transactions	<ul style="list-style-type: none"> LTV / CLTV is calculated using the lesser of the purchase price or the appraised value of the subject property. If seller has taken title to the subject property ninety (90) days or less prior to the date of sales contract the following requirements apply: <ul style="list-style-type: none"> Property seller on the purchase contract is the owner of record. LTV / CLTV will be based on the lesser of the prior sales price, current purchase price or the current appraised value <ul style="list-style-type: none"> Loans that are bank or relocation sales are exempt from above requirements. Personal property may not be included in the purchase agreement/sales contract.
Loan Purpose – Rate And Term Refinance	<ul style="list-style-type: none"> Minimum of 6 months seasoning from the note date of the new transaction required if previous refinance was cash-out, including the pay-off of a non-seasoned subordinate lien. For properties purchased more than six (6) months prior to the closing date the current appraised value may be used to calculate LTV/CLTV. For properties purchased within six (6) months of closing date the LTV/CLTV will be based upon the lesser of the original sales price or the current appraised value conclusion from the appraiser. Original sales price will be determined from the Closing Disclosure from the subject acquisition transaction. Inherited properties are exempt from this seasoning requirement. LTV/CLTV will be calculated off current appraised value. The mortgage amount may include: <ul style="list-style-type: none"> Principal balance of the existing first lien. Payoff of a purchase second lien. Payoff of a co-owner pursuant to a written agreement. Financing of the payment of prepaid items and closing costs. Payoff of a non-purchase second lien seasoned a minimum of 12 months from date of application. The second lien must not evidence draws exceeding \$2,000 within the past 12 months from date of application. Withdrawal activity must be documented with a transaction history of the line of credit. Cash back to the borrower is limited to the lesser of \$2,000 or 1% of the new loan. Principal reduction is permitted up to the lesser of \$2,500 or 2% of the new loan. Properties listed for sale are ineligible for refinance unless the listing was withdrawn (or expired) prior to the date of closing.

Guaranty Home Mortgage Corporation Max Jumbo

Key Program Requirements

Loan Purpose – Cash-Out Refinance	<ul style="list-style-type: none"> Borrower must have held title for a minimum of 6 months from disbursement date. If an existing first mortgage is being paid off through the transaction, it must be at least 12 months old at the time of refinance (measured by note date of existing loan to note date of new loan). <ul style="list-style-type: none"> 12-month requirement does not apply to any existing subordinate liens paid off through transaction or When transaction is buying out a co-owner pursuant to a legal agreement. Properties listed for sale are ineligible for refinance unless the listing was withdrawn (or expired) prior to the date of closing. Texas 50(a)(6) loans are ineligible. Cash-out is limited to the maximum amount stated on the product matrix.
Loan Purpose – Delayed Financing	<ul style="list-style-type: none"> Delayed financing refinances in which the borrowers purchased the subject property for cash within ninety days (90) from the date of the application are eligible for purchase. Cash back to the borrower in excess of the original purchase price or appraised value (whichever is less) is not allowed. If the source of funds used to acquire the property was an unsecured loan or a loan secured by an asset other than the subject property (such as a HELOC secured by another property), the settlement statement for the refinance transaction must reflect that all cash-out proceeds were used to pay off or pay down the loan used to purchase the property. Funds received as gifts and used to purchase the property may not be reimbursed with the proceeds of the new loan. Delayed financing refinance are underwritten as rate and term refinances and are not subject to cash-out refinance program limitations. Property may not be located in Texas. A Closing Disclosure is required to document no mortgage financing was used to obtain the subject property.
Loan Purpose – Construction Loan Refinancing	<p>Construction loan refinances are eligible as rate and term or cash-out refinances and must meet the following criteria:</p> <ul style="list-style-type: none"> Only the permanent financing on a construction to perm loan is eligible. Single closing construction permanent loan refinances are ineligible. Borrower must have held title to the lot for a minimum of 6 months prior to the closing of the permanent loan. The LTV/CLTV will be based on the current appraised value if the borrower has held title to the lot for 12 or more months prior to the closing date of the permanent loan. If the lot was acquired less than 12 months before the closing date of the permanent loan the LTV/CLTV will be based on the lesser of a) the original purchase price of the lot plus the total acquisition costs (sum of construction costs) or b) the current appraised value of the lot plus the total acquisition costs. Appraiser's final inspection is required. A certificate of occupancy is required from the applicable governing authority. If the applicable governing authority does not require a certificate of occupancy, proof must be provided. Construction loan refinances in which the borrower has acted as builder are not eligible. Cash out is limited to the maximum amounts stated in the product matrix.
Continuity of Obligation	<p>For a refinance transaction to be eligible for purchase there must be a continuity of obligation of the outstanding lien that will be paid through the refinance transaction.</p> <p>Continuity of obligation is met when any one of the following exists:</p> <ul style="list-style-type: none"> At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced. The borrower has been on title and residing in the property for at least 12 months and has either paid the mortgage for the last 12 months or can demonstrate a relationship (relative, domestic partner, etc.) with the current obligor.

Guaranty Home Mortgage Corporation Max Jumbo
Key Program Requirements

	<ul style="list-style-type: none"> ○ The loan being refinanced and the title to the property are in the name of a natural person or a limited liability company (LLC) as long as the borrower owns at least 25% of the LLC prior to transfer. Transfer of ownership from a corporation to an individual does not meet the continuity of obligation requirement. ○ The borrower has recently been legally awarded the property (divorce, separation, or dissolution of a domestic partnership).
Non-Arm's Length Transactions	<p>All of the parties to a transaction should be independent of one another. Except as indicated below if a direct relationship exists between or among the parties, the transaction is non-arm's length, and the related loan is not eligible. The following transactions are eligible provided that such transactions and the related circumstances are properly documented.</p> <ul style="list-style-type: none"> • Sales or transfers between members of the same family. Transactions may not be due to any adverse circumstances. • Property seller acting as his or her own real estate agent. • Borrower acting as his or her own real estate agent. • Borrower is the employee of the originating lender. • Borrower purchasing from his or current landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord).
Property Eligibility	<ul style="list-style-type: none"> • 1-4 unit attached/detached owner occupied. • 1 unit second homes • Low/mid/high-rise new and established agency warrantable condominiums. • Planned Unit Development (PUD). • Max lot size is 20 acres. <ul style="list-style-type: none"> ○ Properties with greater than 10 acres must have three comparables with similar acreage.
Ineligible Property Types	<ul style="list-style-type: none"> • Investment properties • Co-Ops • Condominiums with HOA in litigation • Condominiums with < 400 square feet. • Properties with lot sizes > 20 acres. • Manufactured homes. • Factory built housing. • Geodesic / Dome homes • Properties held as leasehold. • Condo hotel units • Log homes • Unwarrantable condominiums • Timeshare units • Unique properties • Mixed use properties • Commercially zoned properties • Agriculturally zoned properties (agricultural/ residential eligible) • Rural zoned properties • Properties with an oil and gas lease • Working farms • Hobby farms • Properties with equestrian amenities • Properties located in Puerto Rico, Guam, and US Virgin Islands.
Ownership	<ul style="list-style-type: none"> • Ownership must be fee simple only and must be in the name of the individual borrower(s) or Trust. Borrowers may hold title as follows: <ul style="list-style-type: none"> ○ Individual ○ Joint Tenants ○ Tenants in common
Multiple Financed Properties	<ul style="list-style-type: none"> • Borrowers may not own more than four (4) residential 1-4 unit financed properties regardless of the occupancy of the subject property (including subject property). • Borrowers must have six (6) months PITI reserves for each additional financed property owned.

Guaranty Home Mortgage Corporation Max Jumbo
Key Program Requirements

	<ul style="list-style-type: none">• Financed properties held in the name of an LLC or other corporation, commercial properties, and unimproved land can be excluded from the calculation of number of properties financed.
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Guaranty Home Mortgage Corporation Max Jumbo

Borrower Eligibility

Eligible Borrowers	<ul style="list-style-type: none"> • U.S. Citizens • Permanent resident aliens <ul style="list-style-type: none"> ◦ Copy of valid resident alien card must be included in loan file. • Non-permanent resident aliens <ul style="list-style-type: none"> ◦ Must be legally present in the U.S with an acceptable visa type. Acceptable visa types are as follows: <ul style="list-style-type: none"> ▪ E Series (E-1, E-2, E-3) ▪ G Series (G-1, G-2, G-3, G-4, G-5) ▪ H Series (H-1B, H-1C) ▪ L Series (L-1, L-1A, L-1B, Spouse L-2 with EAD) ▪ NATO Series (NATO 1 - 6) ▪ O Series (O-1) ▪ TN-1, Canadian NAFTA visa ▪ TN-2, Mexican NAFTA visa ◦ Must have a history of visa renewals and a minimum of two (2) year employment history in the U.S and qualifying income must be from the U.S. ◦ Must be able to verify that current employment has a probability of three (3) year continuance. VOE form may be used to document. ◦ Funds to close must be deposited in a U.S. financial institution. No funds to close from outside the U.S are allowed. • Inter-Vivos Revocable Trusts <ul style="list-style-type: none"> ◦ Trust must be established by one or more natural persons, individually or jointly. ◦ The individual(s) establishing the trust must be the primary beneficiary/beneficiaries. ◦ If the trust is established jointly, there may be more than one primary beneficiary as long as the income or assets of at least one of the individuals establishing the trust will be used to qualify for the mortgage. ◦ At least one of the trustees must be either the individual establishing the trust, or an institutional trustee that customarily performs the duties of a trustee and is duly authorized to act as a trustee under applicable state law. ◦ The mortgage and trust documents must meet agency eligibility criteria including title and title insurance requirements, as well as applicable state laws that regulate the making of loans to inter-vivos revocable trusts. ◦ The trustee(s) must have the power to mortgage the security property for the purpose of securing a loan to the party (or parties) who are the borrower(s) under the mortgage or deed of trust note. • First time homebuyers <ul style="list-style-type: none"> ◦ A first-time homebuyer is defined as a borrower who has not had ownership interest in a property within the last three (3) years from the application date. <ul style="list-style-type: none"> ▪ Owner-occupied only. ▪ Maximum 80% LTV/CLTV. ▪ Maximum loan amount \$1,500,000. ▪ Minimum reserves 12 months. • Maximum of four (4) borrowers per loan.
Ineligible Borrowers	<ul style="list-style-type: none"> • Illinois Land Trusts • Irrevocable trusts • Borrowers with only an ITIN (individual taxpayer identification number) • Borrowers who are party to a lawsuit • Corporations, limited partnerships, general partnerships, and limited liability companies • Borrowers with diplomatic immunity • Foreign nationals • Life Estates • Guardianships

Guaranty Home Mortgage Corporation Max Jumbo	
Borrower Eligibility	
	<ul style="list-style-type: none">Borrowers with any ownership in a business that is federally illegal, regardless of if the income is being considered for qualifying.

Guaranty Home Mortgage Corporation Max Jumbo**Appraisal Requirements**

Appraisal, Property Valuation	<ul style="list-style-type: none">• Properties must be appraised within the twelve months that precede the date of the Note• Appraisals must not be over 120 days old from the date of the Note. If appraisal is over 120 days old, a recertification of value needs to be performed.
Appraisal Review and Second Appraisal Requirements	<ul style="list-style-type: none">• Two (2) full appraisals are required for loan amounts > \$1,500,000.• LTV / CLTV will be based on the lower of the two values.• All inconsistencies between the two appraisals must be addressed and reconciled.• Collateral Desktop Analysis (CDA) from Clear Capital must be ordered for every loan.• A copy of the appraisal desk review report should be submitted in the loan file. The review must not be over 120 days old from the Note Date.• If the desk review produces a value in excess of a 10% negative variance to the appraised value, the loan is not eligible for purchase. However, a Field Review can be ordered to support the appraised value.<ul style="list-style-type: none">◦ If the Field Review also produces a value in excess of a 10% negative variance to the appraised value, the loan will remain ineligible.
Appraisal Transfers	<ul style="list-style-type: none">• Appraisals transferred or assigned from another lender are not acceptable.
Declining Markets	<ul style="list-style-type: none">• Reduce maximum TLV/ CLTV by 10% for any property located in an area of declining property values reported by appraiser.
HERO / PACE / Solar Panels	<ul style="list-style-type: none">• Any item that will include a UCC lien associated with the property and/or will create an easement on title is ineligible.• Payoff of a HERO lien is considered cash-out

Guaranty Home Mortgage Corporation Max Jumbo

Credit

Credit – Credit Report, Credit Scores, Trade Line Requirements	<ul style="list-style-type: none"> Minimum of two credit scores is required (Equifax, Experian, and TransUnion) No borrower may have frozen credit. <ul style="list-style-type: none"> If a borrower has frozen credit and unfreezes their credit after the original credit report, a new credit report must be obtained. Credit rescoring is not permitted unless the rescore is correcting erroneous line items or disputed accounts. <p>Minimum Credit Requirements:</p> <ul style="list-style-type: none"> Each borrower contributing income must have three (3) open and active trade lines for 24 months with a 24-month history. Two (2) of the three (3) tradelines must show activity within the last 12 months from date of application. One trade line must be an installment, rental, or mortgage account. Exceptions can be made if credit history meets the following: <ul style="list-style-type: none"> No fewer than eight (8) trade lines are reporting, one (1) of which must be a mortgage or rental history. At least one (1) tradeline has been open and reporting for a minimum of twelve (12) months. The borrower has an established credit history for at least ten (10) years. Non-traditional credit accounts are not considered acceptable trade lines. Authorized user accounts are not considered acceptable trade lines. Trade lines may not show significant adverse history.
Credit – Housing Payment History	<ul style="list-style-type: none"> A minimum of twenty-four (24) months verified housing history is required with 0 x 30 payment history. For rental verification, a standard VOR Completed by a professional management company or 24 months bank statements or canceled checks are required. Borrowers with no mortgage / rental history due to a residence scenario requiring no mortgage or rental payments are eligible with a satisfactory letter of explanation. If the housing history reflects a forbearance arrangement, the payment history must reflect 0 x 30 in the most recent 24 months since exiting forbearance. The payment history must be provided by the lender servicer.
Significant Derogatory Credit Events and Other Credit Events	<p>Liens, judgments, and collections:</p> <ul style="list-style-type: none"> Satisfactory explanation for any delinquent credit from the borrower is required. Borrower must pay off all delinquent credit that has the potential to impact lien position. Collection accounts or charged-off accounts do not need to be paid off if the balance of an individual account is less than \$1,000 or if there are multiple accounts, the total balance of all accounts cannot exceed \$2,500. <p>Foreclosure, Deed-in-lieu of foreclosure, bankruptcy, short sales, and modifications:</p> <ul style="list-style-type: none"> At least seven (7) years must have elapsed since bankruptcy discharge or dismissal, foreclosure, notice of default (NOD), short sale, deed-in-lieu, or modification measured from the date of completion to the date of application.
Home Equity Line of Credit (HELOC)	<ul style="list-style-type: none"> For HELOC loans paid off at closing, the line must be closed to any future draws. Requirement on title commitment for payoff and cancellation of HELOC is acceptable to document. Subordination of HELOC loans is permitted up to maximum CLTV per matrix. The CLTV should be calculated using the full amount of any HELOCs (whether or not funds have been drawn).

Guaranty Home Mortgage Corporation Max Jumbo	
Income Requirements	

Documentation	<ul style="list-style-type: none"> Unless listed below, follow Fannie Mae guidelines.
Employment Stability	<ul style="list-style-type: none"> Borrower(s) must have a minimum of two (2) years employment and income history on the 1003. Two (2) years employment and income documentation are required to be obtained for income being used for qualification.
Ineligible Income	<ul style="list-style-type: none"> Restricted Stock Income (RSU). Income that is temporary. Rental income (Board income) received from the borrower's primary residence. Expense account payments. Retained earnings. Automobile allowances. Any source of income that cannot be verified.
Verification of Employment	<ul style="list-style-type: none"> Verbal VOE of current employment documented in writing is required to be obtained no more than ten (10) business days prior to the Note Date. If employer uses a third-party employment verification vendor, the vendor's database must be no more than 35 days old as of the Note date.
Tax and W-2 Transcripts	<ul style="list-style-type: none"> Two (2) years tax transcripts are required to be obtained from the IRS for income being used for qualification. Wage transcripts are acceptable for W-2 borrowers. Borrower pulled transcripts are not acceptable.
Variable Income	<ul style="list-style-type: none"> Bonus/ Commission/ Overtime / Seasonal / Second Job income must be documented with a written VOE breaking down the bonus or commission income for the past 2 years or a year-to-date paystub and w-2s supporting the income.
Self Employed Income	<ul style="list-style-type: none"> Borrowers with a 25 percent or greater ownership interest in a business are considered self-employed and will be evaluated as a self-employed borrower for underwriting purposes. If the tax return for the previous tax year is not filed, a 12-month P&L and balance sheet for this period is required. If the most recent year's tax returns have not been filed by the IRS deadline, an executed copy of the borrower's extension request for both personal and business tax returns must be provided. Signed IRS Form 4506C. <p>Additional Requirements for P&L, Balance Sheet, and Business Bank Statements for Self-Employment Income used to Qualify:</p> <ul style="list-style-type: none"> Lenders should apply due diligence and review the actions of the business and any impact the current economic environment has taken on the flow of income in order to determine if the borrower's income is stable and there is a reasonable expectation of continuance. The underwriter must include comments/justification of their analysis to clearly explain their conclusion of the effect to the business. Due to the pandemic's continuing impact on businesses, lenders are now required to obtain the following documentation to support the decision that the self-employment income meets requirements: <ul style="list-style-type: none"> An audited year-to-date P&L, no older than 60 days from the Note date, reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date, and A Balance Sheet; or

Guaranty Home Mortgage Corporation Max Jumbo

Income Requirements

- An unaudited year-to-date P&L, no older than 60 days from the Note date, signed by the borrower reporting business revenue, expenses, and net income up to and including the most recent month preceding the loan application date, and
- Business bank statements from the most recent three months represented on the year-to-date P&L (Signed and dated) and
- A Balance Sheet (Signed and dated).
 - For example, the business bank statements should be from March through May 2021 for a year-to-date profit and loss statement dated through May 31, 2021.
- The three most recent bank statements must support and/or not conflict with the information presented in the current year-to-date P&L statement. Otherwise, the lender must obtain additional statements or other documentation to support the information from the current year-to-date P&L statement.

Small Business Administration (SBA) Loans and Grants Requirements:

- The existence of a Paycheck Protection Program (PPP) loan or any other similar COVID related loan or grant could be helpful information in analyzing the borrower's business.
- PPP loan terms allow deferred payments for a specified period, no personal loan guarantee, and the potential for all or some portion of the loan to be forgiven. Therefore, a payment for the PPP loan does not need to be included in the borrower's liabilities at this time. Once it has been determined that any portion of the PPP loan must be repaid, follow the requirements of the "Employment and Income" and "Debts and Liabilities" sections of these guidelines.
- Proceeds from the PPP loan must not be included as business income or assets.
- PPP loan proceeds cannot be used for the subject transaction down payment, closing costs, prepaids or reserves.

Business Verification:

- The lender must verify the existence of the borrower's business in writing no more than ten (10) business days prior to the Note Date. Methods of verifying the business include verification from a third party such as a CPA, regulatory agency or by an applicable licensing bureau. Internet listings are not an acceptable source of verification.

Guaranty Home Mortgage Corporation Max Jumbo
Asset Requirements

Asset Documentation	<ul style="list-style-type: none">Two (2) month asset documentation is required to be obtained for assets being used to qualify.
Assets – Ineligible Assets	<ul style="list-style-type: none">Gift of equity
Assets - Reserves	<ul style="list-style-type: none">Follow product matrix reserve requirement sectionReserves must be verified and comprised of liquid assets that borrower can readily access. Equity lines of credit, gift funds, business assets, and cash out from subject property on refinance transactions are not acceptable sources to meet the reserve requirement.

Guaranty Home Mortgage Corporation Max Jumbo**General Underwriting Guidelines**

Current Residence Pending Sale or Conversion	<ul style="list-style-type: none">Follow Fannie Mae Guidelines
Debt-to-Income Ratio	<ul style="list-style-type: none">Follow Fannie Mae Guidelines
Disaster Re-Inspection Requirements	<ul style="list-style-type: none">If the property is in a zone where a Disaster End Date has been declared by FEMA, GHMC will order a post disaster inspection prior to loan purchase to confirm the property value has not been impacted by the disaster.If the property is in a zone where a Disaster End Date has not been declared by FEMA, a date and time stamped area map from a state or county agency or similar, showing the subject property in relation to the disaster area is required to evidence that the property is outside of the current known fire boundaries.
Escrow Holdbacks	<ul style="list-style-type: none">Not eligible.
Escrow / Impounds	<ul style="list-style-type: none">All applicable loans must adhere to HFIAA regarding mandatory flood insurance escrow requirements for properties located in a Special Flood Hazard Area.
Interested Party Contributions	<p>Interested party contributions may only be used for closing costs and prepaid expenses.</p> <ul style="list-style-type: none">Max 6% contribution allowed. <p>Seller contributions in excess of the interested party contribution limits or contributions not being used for prepaid expenses or closing costs are considered seller concessions. The amount of the seller concession must be deducted from the purchase price and appraised value to determine the LTV.</p>
Subordinate Financing	<ul style="list-style-type: none">Permitted on purchase and Rate & Term refinance transactions only up to maximum CLTV per matrix.Secondary financing terms must conform to Fannie Mae Guidelines.CLTV should be calculated using the unpaid principal balance on all closed-end subordinate financing and the full amount of any HELOCs (whether or not funds have been drawn).
Title Policy	<ul style="list-style-type: none">All transactions require a minimum twelve (12) month chain of title.Any existing tax or mechanic's liens must be paid in full through escrow.
Hazard Insurance	<ul style="list-style-type: none">Properties where the insurance coverage on the declaration page does not cover the loan amount must have a cost estimate from the insurance company or agent evidencing the property is insured for its replacement cost.Hazard insurance must have the same inception date as the date of disbursement on purchase money mortgages. This may be documented with a post-closing Closing Disclosure or the correction of the inception date on the hazard policy.

Updates		
All new updates will be in RED font.		
Section	Date	Update
Loan Purpose: Cash-Out Refinance	04.03.2023	<p>Added:</p> <ul style="list-style-type: none"> If an existing first mortgage is being paid off through the transaction, it must be at least 12 months old at the time of refinance (measured by note date of existing loan to note date of new loan). <ul style="list-style-type: none"> 12-month requirement does not apply to any existing subordinate liens paid off through transaction or When transaction is buying out a co-owner pursuant to a legal agreement.