

# Product Snapshot

## Conforming Fixed & ARM | Freddie Mac

Cardinal Financial offers Freddie Mac Conforming Fixed & ARM loan products. The information contained in this matrix may not highlight all requirements of the program and does not reduce or eliminate any requirements set forth in our guidelines.

Primary Residence Purchase and Rate and Term Refinance Fixed & ARM			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>1</sup>
1-Unit, Manufactured Home	95%	580 or per MI	Per LPA or MI
2-Units	85%	580 or per MI	
3-4 Units	80%	580	

<sup>1</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval

Primary Residence Cash-Out Refinance Fixed & ARM			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>1</sup>
1-Unit	80%	580	Per LPA or MI
2-4 Units	75%		
Manufactured Home	65% <sup>2</sup>		

<sup>1</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval

<sup>2</sup>Maximum Loan Term for manufactured home Cash-out Refinance is 20 years; single-wide manufactured homes are not eligible for cash-out

Second Home Purchase and Rate and Term Refinance Fixed & ARM			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>1</sup>
1-Unit	90%	580 or per MI	Per LPA or MI
Manufactured Home <sup>2</sup>	85%		

<sup>1</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval.

<sup>2</sup>Single-wide manufactured home not eligible for use as a Second Home

Second Home Cash-Out Refinance Fixed & ARM			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>1</sup>
1-Unit	75%	580	Per LPA or MI

<sup>1</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval.

Investment Property Purchase Fixed & ARM			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>1</sup>
1-Unit	85% <sup>2</sup>	620 or per MI	Per LPA or MI
2-4 Units	75%	580	Per LPA

<sup>1</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval.

<sup>2</sup>Refer to Mortgage Insurance section below for LTV >80% .

Investment Property Rate and Term Refinance Fixed & ARM			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>1</sup>
1-Unit	80%	580	Per LPA
2-4 Units	75%		

<sup>1</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval.

Investment Property Cash-Out Refinance Fixed & ARM			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>1</sup>
1-Unit	75%	580	Per LPA
2-4 Units	70%		

<sup>1</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval.

Program Parameters

Acceptable Transaction Terms	<b>Fixed Rate</b>	<p>FHLMC Conforming 10-year Fixed Rate                      FHLMC Conforming 15-year Fixed Rate                      FHLMC Conforming 20-year Fixed Rate                      FHLMC Conforming 25-year Fixed Rate                      FHLMC Conforming 30-year Fixed Rate                      FHLMC Conforming 10 - 30 year Fixed Rate (in one year increments)                      FHLMC Conforming 11-year Fixed Rate                      FHLMC Conforming 12-year Fixed Rate                      FHLMC Conforming 13-year Fixed Rate                      FHLMC Conforming 14-year Fixed Rate                      FHLMC Conforming 16-year Fixed Rate                      FHLMC Conforming 17-year Fixed Rate                      FHLMC Conforming 18-year Fixed Rate                      FHLMC Conforming 19-year Fixed Rate                      FHLMC Conforming 21-year Fixed Rate                      FHLMC Conforming 22-year Fixed Rate                      FHLMC Conforming 23-year Fixed Rate                      FHLMC Conforming 24-year Fixed Rate                      FHLMC Conforming 26-year Fixed Rate                      FHLMC Conforming 27-year Fixed Rate                      FHLMC Conforming 28-year Fixed Rate                      FHLMC Conforming 29-year Fixed Rate                      FHLMC Conforming 11-year Fixed Rate                      FHLMC Family Advantage Conforming 30, 15 Year Fixed Rate</p> <p><b>New York</b>  <del>FHLMC Conforming 15 Year Fixed Rate - NY C15FHLMCNY</del>  <del>FHLMC Conforming 25 Year Fixed Rate - NYC25FHLMCNY</del>  <del>FHLMC Conforming 30 Year Fixed Rate - NYC30FHLMCNY</del>  <del>FHLMC Conforming 30 Year Fixed Rate Family Advantage - NY C30FHLMCFANY</del></p>
	<b>ARM</b>	<p>5/6 SOFR ARM - FHLMC*                      5/6 SOFR ARM - FHLMC - Super Conforming*                      7/6 SOFR ARM - FHLMC                      7/6 SOFR ARM - FHLMC - Super Conforming                      10/6 SOFR ARM - FHLMC                      10/6 SOFR ARM - FHLMC - Super Conforming                      5/6 SOFR ARM - FHLMC - Family Advantage                      7/6 SOFR ARM - FHLMC - Family Advantage</p> <p>*Investment Property transactions where the borrower owns more than one financed Investment Property are only permitted on a 7/6 or 10/6 SOFR ARM; 5/6 SOFR ARM's are ineligible</p>
	<b>Temporary Buydown</b>	<p>FHLMC 30 Year Fixed Rate - Temporary 3-2-1 Buydown - C30FHLMCT321BD                      FHLMC 30 Year Fixed Rate - Temporary 2-1 Buydown - C30FHLMCT21BD                      FHLMC 30 Year Fixed Rate - Temporary 1-1 Buydown - C30FHLMCT11BD                      FHLMC 30 Year Fixed Rate - Temporary 1-0 Buydown - C30FHLMCT10BD  <del>FHLMC 30 Year Fixed Rate - Temporary 2-1 Buydown - NYC30FHLMCT21BDNY</del></p>

<b>Eligible Transactions</b>	<ul style="list-style-type: none"> <li>● Purchase</li> <li>● Rate and Term Refinance</li> <li>● Cash-Out Refinance <ul style="list-style-type: none"> <li>○ Cash-out not eligible for temporary buydowns</li> </ul> </li> </ul>
<b>Overlays</b>	<ul style="list-style-type: none"> <li>● Refer to the <a href="#">Wholesale Lending   Product Overlay Matrix</a> for any applicable Carinal overlays</li> </ul>
<b>Special Program Considerations</b>	<ul style="list-style-type: none"> <li>● Freddie Mac BorrowSmart<sup>SM</sup> is a Cardinal Financial funded grant which offers assistance between \$500 and \$1,500</li> <li>● The FHLMC Conforming Fixed 30 program may only be utilized with the Cardinal Financial Grant - MIP - CFGRANTMI and property is a manufactured home <ul style="list-style-type: none"> <li>○ The BorrowSmart MIP Grant (CFGRANTMI) will be discontinued: <ul style="list-style-type: none"> <li>■ Loans must be referred for Program eligibility on or before May 31st, 2024</li> <li>■ Homebuyer Counseling sessions may be completed after that date, but must be done prior to the Note date</li> <li>■ All mortgages must have a funding date no later than October 11, 2024</li> </ul> </li> </ul> </li> <li>● Refer to the <a href="#">BorrowSmart Process Guide</a> for more information</li> </ul>

Program Requirements	
<b>Appraisal Requirement</b>	Full interior/exterior appraisal is required if the AUS requires an appraisal.
<b>Appraisal Waiver</b>	<p>Appraisal Waiver Eligible Unless Subject Transaction includes one of the following transaction types:</p> <ul style="list-style-type: none"> <li>● Texas Equity <ul style="list-style-type: none"> <li>○ Waivers are permitted on Texas Section 50(a)(4) loans, however are not permitted on Texas Section 50(a)(6) loans</li> </ul> </li> <li>● Disaster Declaration Pre Note Date</li> <li>● Non-Arms Length Transaction</li> <li>● Manufactured Home</li> <li>● Leasehold, community land trust or deed restriction</li> <li>● Construction Conversion or Renovation Mortgage</li> <li>● Appraisal Already Completed</li> <li>● Multi-Unit</li> <li>● Effective Property Value million and greater</li> <li>● Cooperative</li> <li>● Purchase of REO property</li> </ul> <p>For certain loan casefiles, LPA may offer ACE + Property Data - an option that requires interior and exterior property data collection to verify property eligibility. An appraisal is not required. Refer to the <a href="#">Property and Appraisal Requirements Lending Guide Chapter 10</a> for detailed requirements.</p>
<b>Assets and Reserves</b>	As outlined in AUS
<b>AUS</b>	Accept/Eligible
<b>Borrower Eligibility</b>	<p>Eligible Borrowers</p> <ul style="list-style-type: none"> <li>● U.S. citizens</li> <li>● Permanent resident aliens</li> <li>● Non-permanent residents (see guide for restrictions)</li> <li>● Inter Vivos (Living) Trusts</li> </ul> <p>Non-Occupant Co-Borrowers</p>

	<ul style="list-style-type: none"> <li>Permitted. See the Guide for specific requirements</li> </ul>																																				
<b>Credit</b>	<ul style="list-style-type: none"> <li>Bankruptcy <ul style="list-style-type: none"> <li>As outlined in AUS</li> </ul> </li> <li>Collections, Charge-Offs, and Judgments <ul style="list-style-type: none"> <li>As outlined in AUS</li> </ul> </li> <li>Foreclosure, Deed in Lieu of Foreclosure, Short-Sale <ul style="list-style-type: none"> <li>As outlined in AUS</li> </ul> </li> </ul>																																				
<b>Escrow/Impound Waivers</b>	<p>Escrows for taxes and insurance are required for all loans with an LTV in excess of 80%; waiving of escrows is allowed on loans with LTVs &lt;=80%.</p> <p>The following restrictions apply:</p> <ul style="list-style-type: none"> <li>The max LTV for waiving escrows in New Mexico is 79.99%</li> <li>The max LTV for waiving escrows in California is 89.99%</li> <li>If the loan has subordinate financing, the max CLTV for waiving escrows is 80% in California</li> </ul> <p>Refer to <a href="#">Chapter 4   Eligible Transaction</a> for additional guidance related to Escrow and Impound Waivers</p>																																				
<b>Family Advantage</b>	<ul style="list-style-type: none"> <li>Conventional financing for parents wanting to provide housing for their physically handicapped or developmentally disabled adult child, or for adults wishing to purchase a home for their elderly parents</li> <li>This is for purchase transactions only</li> <li>If the non-subject primary residence is a 2-4 unit dwelling, any rental income derived from the property is not eligible for consideration</li> <li>Occupancy and Financial Status Affidavit   Family Advantage has been created and is required to identify eligible occupancy parameters as a PTA document</li> <li>To process the AUS correctly, select “Yes” in the Declarations section for the question, “Does the Borrower intend to occupy the property as his/her primary residence?” Mark ‘Yes’ to ‘Do you intend to occupy’ <ul style="list-style-type: none"> <li>When submitting loan information to Loan Product Advisor (LPA), also select “Primary Residence” for the “Intended Use of Property” field</li> </ul> </li> <li>Refer to <a href="#">Chapter 4   Eligible Transactions</a> for additional information and guidelines</li> </ul>																																				
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<b>Manual Underwriting</b>	Not allowed												
<b>Manufactured Homes</b>	<p><b>Occupancy</b></p> <ul style="list-style-type: none"> <li>● Owner Occupied <ul style="list-style-type: none"> <li>○ Purchase, Rate and Term and Cash-out permitted</li> <li>○ Maximum loan term for Cash-out is 20 years</li> <li>○ Single-wide is not eligible for cash-out</li> </ul> </li> <li>● Second Home <ul style="list-style-type: none"> <li>○ Purchase, Rate and Term</li> <li>○ Not eligible for cash-out</li> <li>○ Single-wide is not eligible for use as a Second Home</li> </ul> </li> <li>● Investment Properties not permitted</li> </ul> <p><b>Eligible Transactions</b></p> <ul style="list-style-type: none"> <li>● Manufactured home paired with an Affordable Second allowed with Home Possible only; refer to applicable snapshot</li> <li>● Not eligible for temporary buydowns</li> <li>● Not eligible for financing using a 5/6 ARM term</li> </ul> <p><b>Requirements</b></p> <ul style="list-style-type: none"> <li>● The manufactured home and the land on which it is situated must be titled as real property prior to closing</li> <li>● Manufactured home paired with an Affordable Second allowed with Home Possible only; refer to applicable snapshot</li> <li>● Reciprocal Review approval is required for all condo, co-op, or PUD projects that consist of single-width manufactured homes</li> <li>● Single-wide manufactured homes are ineligible for cash-out refinance transactions</li> <li>● Single-wide manufactured homes are limited to principal residence purchase and limited/no cash-out refinance transactions only</li> <li>● Refer to the Lending Guide for additional requirements applicable to this property type</li> </ul>												
<b>Maximum Number of Financed Properties</b>	<p>Permitted up to 10 financed properties depending upon credit score and reserve requirements being met.</p> <ul style="list-style-type: none"> <li>● Examples of financed properties that do not have to be counted in these limitations include: <ul style="list-style-type: none"> <li>○ Timeshares</li> <li>○ Undeveloped land</li> <li>○ Multifamily (5+ units)</li> <li>○ Commercial real estate</li> </ul> </li> </ul> <p><i>See the Maximum Financing section of the guide for further requirements</i></p>												
<b>Minimum Loan Amount</b>	\$50,000												
<b>Mortgage History</b>	As outlined in AUS												
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>● Per AUS. See guide for acceptable MI providers and MI program codes.</li> <li>● Cash-Out Refinance with an LTV of 80.01%-85% is not permitted to have Financed</li> </ul>												

	<p>Mortgage Insurance</p> <ul style="list-style-type: none"> <li>● Investment properties LTV &gt;80% <ul style="list-style-type: none"> <li>○ Mortgage Insurance must be obtained from one of the following providers: <ul style="list-style-type: none"> <li>■ Enact/Genworth</li> <li>■ National Mortgage Insurance</li> <li>■ Essent</li> <li>■ ARCH Mortgage Insurance</li> </ul> </li> </ul> </li> <li>● Note: Enact and MGIC are the only eligible MI providers for single-wide manufactured homes</li> </ul>
<b>Non-Occupant Co-Borrowers</b>	Allowed; refer to the guide for specific requirements
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>● Primary Residence</li> <li>● Second Home</li> <li>● Investment Property <ul style="list-style-type: none"> <li>○ Investment Property transactions where the borrower owns more than one financed Investment Property are only permitted with a Fixed rate, 7/6 or 10/6 SOFR ARM; 5/6 SOFR ARM's are ineligible</li> <li>○ Not eligible for temporary buydowns</li> </ul> </li> </ul>
<b>Properties Listed for Sale</b>	The subject property must not be currently listed for sale. It must be taken off the market on or before the Note date of the new mortgage loan.
<b>Property Type</b>	<p>Eligible Properties</p> <ul style="list-style-type: none"> <li>● Attached/detached SFRs</li> <li>● Attached/detached PUDs</li> <li>● Low-rise/high-rise Condos</li> <li>● 2–4 Units</li> <li>● Manufactured housing <ul style="list-style-type: none"> <li>○ Refer to the Manufactured Homes section for restrictions</li> </ul> </li> <li>● Lava Zones 1 &amp; 2 (Eligible for Freddie Mac Only)</li> </ul> <p>Ineligible Properties</p> <ul style="list-style-type: none"> <li>● Boarding houses</li> <li>● Bed and Breakfast properties</li> <li>● Properties that are not suitable for year-round occupancy regardless of location</li> <li>● Agricultural properties, such as farms or ranches</li> <li>● Properties that are not readily accessible by roads that meet local standards</li> <li>● Vacant land or land development properties</li> <li>● State-approved medical marijuana producing properties</li> <li>● Properties with water sourced by a river</li> <li>● Properties located on Tribal Lands which include section 184</li> <li>● Hawaiian properties in Lava Zones 1 and 2 (Eligible for Freddie Mac Only)</li> <li>● Properties located in the Department of Hawaiian Home Lands Leasehold (DHHL)</li> <li>● 4-unit dwelling with an Accessory Dwelling Unit (ADU)</li> <li>● Manufactured home with an Accessory Dwelling Unit (ADU) that is also a manufactured home</li> <li>● Lot size over 40 acres in the state of Montana</li> </ul>
<b>Refinance Seasoning</b>	<p>Rate and Term Refinance</p> <ul style="list-style-type: none"> <li>● Acceptable uses of a rate and term (limited cash-out) refinance include: <ul style="list-style-type: none"> <li>○ Pay off an existing first mortgage loan.</li> <li>○ Paying off an existing Refinance Mortgage with a Note Date no less than thirty days prior to the new Note Date of our transaction.</li> <li>○ Pay off of an existing HELOC in first lien position.</li> <li>○ Pay off a subordinate mortgage lien used to purchase the subject property.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Financing closing costs, points, and prepaid items.</li> <li>○ Receiving cash back in an amount not to exceed the greater of 1% of the new loan amount or \$2000 for LPA transactions.</li> </ul> <p>Cash-Out Refinance</p> <ul style="list-style-type: none"> <li>● The property must have been purchased (or acquired) by the borrower at least six months prior to the disbursement date of the new mortgage. <ul style="list-style-type: none"> <li>○ When proceeds of a cash-out refinance Mortgage are used to pay off a First Lien Mortgage, the First Lien Mortgage being refinanced must be seasoned for at least 12 months</li> </ul> </li> <li>● Manufactured Housing: <ul style="list-style-type: none"> <li>○ the borrower must have owned both the manufactured home and land for at least 12 months preceding the date of the loan application. The LTV, CLTV, and HCLTV ratios will be based on the current appraised value of the manufactured home and land</li> <li>○ For a cash-out refinance mortgage on a property owned free and clear, at least one Borrower must have been on the title to the subject property for at least six months prior to the Note Date</li> </ul> </li> </ul>
<p><b>Temporary Buydown</b></p>	<p>A temporary buydown allows borrowers to reduce their effective monthly payment for a limited period of time through a temporary buydown of the interest rate.</p> <ul style="list-style-type: none"> <li>● The effective interest rate that a borrower pays during the early years of the mortgage is reduced as a result of the deposit of a lump sum of money (sometimes called a “subsidy”) into a buydown account. A portion of the subsidy is released each month to reduce the borrower’s payments.</li> <li>● The buydown funds may be provided by various parties, including the borrower, the lender, the property seller, or other interested parties to the transaction.</li> </ul> <p>General Requirements for Temporary Interest Rate Buydown Plans</p> <ul style="list-style-type: none"> <li>● Buydown program is “3-2-1” <ul style="list-style-type: none"> <li>○ Interest rate for the first year is 3% lower than the Note rate</li> <li>○ Interest rate for the second year is 2% lower than the Note rate</li> <li>○ Interest rate for the third year is 1% lower than the Note rate</li> <li>○ Interest rate for the remaining years is the Note rate</li> </ul> </li> <li>● Buydown program is “2-1” <ul style="list-style-type: none"> <li>○ Interest rate for the first year is 2% lower than the Note rate</li> <li>○ Interest rate for the second year is 1% lower than the Note rate</li> <li>○ Interest rate for the remaining years is the Note rate</li> </ul> </li> <li>● Buydown program is “1-1” <ul style="list-style-type: none"> <li>○ Interest rate for the first year is 1% lower than the Note rate</li> <li>○ Interest rate for the second year is 1% lower than the Note rate</li> <li>○ Interest rate for the remaining years is the Note rate</li> </ul> </li> <li>● Buydown program is “1-0” <ul style="list-style-type: none"> <li>○ Interest rate for the first year is 1% lower than the Note rate</li> <li>○ Interest rate for the remaining years is the Note rate</li> </ul> </li> <li>● The actual note rate and monthly payment that the borrower is obligated to pay is never actually reduced, and the full rate and payment must be reflected on the mortgage documents.</li> <li>● At the end of the buydown period, the buydown funds collected at closing will have been exhausted, and the buydown period ends.</li> <li>● Allowed on fixed-rate mortgages</li> <li>● Primary residence 1-4 unit dwelling</li> <li>● Second home</li> <li>● Purchase or rate and term refinance</li> <li>● Ineligible for Manufactured Housing</li> <li>● Rate increase will not exceed 1% per year</li> </ul>



	<ul style="list-style-type: none"> <li>• The mortgage instruments must reflect the permanent payment terms rather than the terms of the buydown plan</li> </ul> <p>Buydown Funds Provided by Interested Parties to the Transaction</p> <ul style="list-style-type: none"> <li>• When the source of the buydown funds is an interested party, the Interest Party Contribution limits will apply</li> </ul> <p>Lender-Funded Buydowns</p> <ul style="list-style-type: none"> <li>• If the buydown is funded by the lender as part of the pricing on the loan, the buydown agreement must require that the funds in the buydown account be transferred to the new servicer if the mortgage is subsequently transferred.</li> <li>• Not eligible for rate/term refinance transactions with Freddie Mac program.</li> </ul> <p>Buydown Agreements</p> <ul style="list-style-type: none"> <li>• The buydown agreement must provide that the borrower is not relieved of his/her obligation to make the mortgage payments required by the terms of the Note</li> <li>• The buydown agreement may include an option for the buydown funds to be returned to the borrower or to the lender, if it funded the buydown, if the mortgage is paid off before all of the funds have been applied.</li> </ul> <p>Qualifying the Borrower</p> <ul style="list-style-type: none"> <li>• The borrower is qualified based on the Note rate without any consideration of the bought-down rate</li> </ul> <p>Terms of the Buydown</p> <ul style="list-style-type: none"> <li>• The buydown plan provides for increases of not more than 1% in the interest rate paid in each 12-month interval</li> </ul> <p>Buydown Funds</p> <ul style="list-style-type: none"> <li>• Funds for buydown accounts must be deposited into custodial bank accounts</li> <li>• The buydown funds are applied toward payments as they come due under the Note</li> <li>• Buydown funds are not refundable unless the mortgage is paid off before all funds have been applied</li> <li>• Buydown funds cannot be used to pay past-due payments</li> </ul>
<p><b>Texas Section 50(a)(6) and 50 (a)(4) Mortgages</b></p>	<p>All Texas section 50(a)(6) and 50(a)(4) mortgage requirements apply including:</p> <ul style="list-style-type: none"> <li>• Maximum 80% LTV and CLTV</li> <li>• Minimum 12 months seasoning on refinances of existing Texas 50(a)(6) or 50(a)(4) mortgage</li> <li>• 1-Unit principal residence only</li> <li>• Not eligible for repair escrow</li> <li>• Full appraisal required; property inspection waiver is not valid <ul style="list-style-type: none"> <li>◦ Waivers are permitted on Texas Section 50(a)(4) loans, however are not permitted on Texas Section 50(a)(6) loans</li> </ul> </li> <li>• Title insurance requirements must be met</li> <li>• Only mortgage products approved for Texas Section 50(a)(6) or 50(a)(4) are eligible</li> </ul> <p>Refer to <a href="#">Chapter 15 Texas Section 50(a)(6) &amp; (a)(4) Lending Guide</a> for additional program requirements</p>
<p><b>Transactions - Ineligible</b></p>	<p>Ineligible Transactions</p> <ul style="list-style-type: none"> <li>• Co-ops,</li> <li>• Land Contracts</li> <li>• Properties encumbered with Property Assessed Clean Energy (PACE) or Home Energy Renovation Opportunity (HERO) obligations</li> <li>• CEMA transactions delivered with Lost Note Affidavit in lieu of existing Note and Mortgage</li> <li>• Community Land Trusts. Land Trusts or Blind Trusts</li> </ul>

ARM Terms	
<b>ARM Index</b>	<ul style="list-style-type: none"> <li>30-Day Average of SOFR</li> </ul>
<b>ARM Caps</b>	<ul style="list-style-type: none"> <li>5yr/6m SOFR ARM: 2/1/5 %</li> <li>7yr/6m and 10yr/6m SOFR ARMs: 5/1/5%</li> </ul>
<b>ARM Margin</b>	<ul style="list-style-type: none"> <li>2.75%</li> <li>The Floor is the margin</li> </ul>
<b>ARM Change Look Back Period</b>	<ul style="list-style-type: none"> <li>45 days</li> </ul>
<b>Conversion Option</b>	None
<b>Qualifying Rate</b>	<ul style="list-style-type: none"> <li>5yr/6m SOFR ARM <ul style="list-style-type: none"> <li>Qualify at the higher of Note rate plus 2% or fully indexed rate</li> </ul> </li> <li>7yr/6m and 10yr/6m SOFR ARMs <ul style="list-style-type: none"> <li>Qualify at the Note rate</li> <li>The greater of the Note rate or the fully indexed rate must be used to qualify if loans are higher priced mortgage loans or higher priced covered transactions under Reg Z</li> </ul> </li> </ul>
<b>Rate Adjustment</b>	<ul style="list-style-type: none"> <li>The interest rate can be adjusted up or down at each rate change date, based on the movements in the index</li> <li>The interest rate will be adjusted to equal the sum of the index plus the required margin, rounded to the nearest .125% subject to the interest rate caps</li> <li>The monthly payment will be adjusted in accordance with the change in the interest rate</li> </ul>
<b>Rate Change Dates</b>	<ul style="list-style-type: none"> <li>The interest rate at lock-in will remain constant until the first rate change date. Subsequent rate change dates will occur on the 1st day of every 6th calendar month thereafter</li> <li>The first change date is the month prior to the first payment date plus the number of years (5, 7 or 10) based on the ARM program type. <ul style="list-style-type: none"> <li>For Example: 5yr/6m ARM with a First Payment date of 4/01/2020 would have an Interest Rate change date of 3/01/2025</li> </ul> </li> </ul>

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