Expanding Homeownership through Self-Help Credit Union’s Secondary Market Program

To help make homeownership a reality for more people in the US, Self-Help is partnering with other lenders to provide affordable mortgages to home buyers.

Our partners include smaller lenders and community development financial institutions, as well as nationwide banks.

Through Self-Help’s Secondary Market Program, our lending partners make mortgage loans to low-to-moderate income borrowers, including first-time home buyers; we then purchase the loans, enabling our partners to make additional loans and increase their impact.

Primary Roles

**Originator:** Marketing and borrower outreach; pre-qualification; processing; underwriting; closing with borrower; post-closing delivery to Self-Help CU; loan servicing

**Self-Help CU:** Pre- and post-closing quality control; taking credit risk

Loan Process

Loans will be purchased at par every month that the outstanding balance eligible for purchase is at least $500,000. Loans will be reviewed by Self-Help CU Quality Control, or its third party QC vendor, prior to closing.

For more information, contact Tracey.Colores@self-help.org

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Key Product Parameters

- Maximum Loan-to-Value .................. 90%
- Minimum Credit Score .................. 640
- Maximum Debt-to-Income Ratio ......... 41%
- Minimum Borrower’s Own Funds at Closing .................. 5%

Loan Eligibility

Mortgages must meet standard requirements as outlined in this document. Loans can be underwritten via Fannie Mae’s Desktop Underwriter (DU) or manually to Self-Help CU’s underwriting guidelines.

Maximum LTV/CLTV

<table>
<thead>
<tr>
<th>FICO</th>
<th>Max LTV/CLTV</th>
<th>Min Borrower’s Own Funds Contribution **</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;=640</td>
<td>90%/90%*</td>
<td>5%</td>
</tr>
<tr>
<td>Alternative credit/no or thin score</td>
<td>80%/80%*</td>
<td>10%</td>
</tr>
</tbody>
</table>

* CLTV is allowed to 105% with a second mortgage meeting Fannie Mae Community Seconds® eligibility requirements

** No minimum borrower’s own funds requirement on no cash-out refinance transactions
**Maximum Debt-to-Income**
The debt-to-income (DTI) is capped at 41%

**Reserve Requirement**
No reserves are required

**Minimum Borrower credit score**
640

**Alternative Credit**
Borrowers with no credit score or limited traditional credit can utilize alternative credit. Documentation requirements will be provided in Self-Help CU’s manual underwriting guidelines

**Product Type**
15-year and 30-year Fixed Rate mortgages on purchase and no cash-out transactions.

**Loan limit**
Fannie Mae conforming loan limits

**Property Type**
- 1-unit detached Single Family Residence or PUD
- FNMA warrantable Condos
Note: All borrowers to occupy the home as a primary residence

**Borrower Eligibility**
At least one borrower must present ITIN identification and become a Self-Help CU member at closing.

**Private Mortgage Insurance**
Not required

**Pricing**
Interest rates are set daily by Self-Help CU and communicated to approved partners. Borrowers may pay two discount points to reduce the annual interest rate by 50 bps. The two discount points can be financed into the loan without counting it against the LTV limit.

**Fees and Expenses**
Originator may charge and retain all applicable fees and expenses including up to a 1.5% origination fee.

### Quick Reference Chart for Product Guidelines

<table>
<thead>
<tr>
<th>Rental History</th>
<th>Minimum 12 months documented from objective source. Required of all buyers unless credit score &gt;680 and two active trade lines older than 12 months.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Score</td>
<td>640* or 000 *Must have a minimum of two active lines that have been open for the last 12 months with no late payments</td>
</tr>
<tr>
<td>Alternative Credit</td>
<td>Two sources in addition to rental history</td>
</tr>
<tr>
<td>Judgments</td>
<td>Must be paid prior to closing</td>
</tr>
<tr>
<td>Medical Collections</td>
<td>Generally can remain unpaid. Large number or recent collections ($50,000 aggregate outstanding balance or four or more new collections in last six months) need to be addressed by Self-Help</td>
</tr>
<tr>
<td>Non-Medical Collections</td>
<td>If Date of Last Activity (DLA) &gt; Two years ago, no repayment required; If DLA &lt; two years ago, collections &gt; $250 individually or $1500 in the aggregate require payoff</td>
</tr>
<tr>
<td>Bankruptcy: Chapter 7</td>
<td>12 months post discharge with re-established credit</td>
</tr>
<tr>
<td>Bankruptcy: Chapter 13</td>
<td>For purchase – post-discharge no bad credit during plan For Refinance – plan must be discharged 1 year</td>
</tr>
<tr>
<td>Foreclosures</td>
<td>Three years post-foreclosure with re-established credit</td>
</tr>
<tr>
<td>Short Sales/DIL</td>
<td>Three years post-transaction with re-established credit</td>
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