



PRODUCT GUIDELINES

Expanded Portfolio (Specialty)

3/1 ARM Vacant Lot Loan #3218

Revised 12/01/20

NetOxygen Product Name	USBHM LOT-3/1 Treas ARM-Lot													
PRODUCT	30-Year Amortization													
Description	Adjustable-rate mortgage with the first interest rate and payment adjustment after three years, and annual interest rate and payment adjustments thereafter.													
P&P	http://usbnetportal/ConsumerLending/HomeMortgage/Sales_Manual/Docs/Loan_Products/Property_Types/Lot_Loans.pdf													
LP / DU Eligibility	LP/DU not allowed													
Purchase Max Loan Amount \$300,000 \$400,000 \$500,000 \$750,000	<table border="1"> <thead> <tr> <th>LTV</th> <th>LTV</th> </tr> </thead> <tbody> <tr> <td>Improved^{1,3,5}</td> <td>Unimproved^{2,3}</td> </tr> <tr> <td>80%</td> <td>75%</td> </tr> <tr> <td>75%</td> <td>70%</td> </tr> <tr> <td>70%</td> <td>65%</td> </tr> <tr> <td>65%</td> <td>60%</td> </tr> </tbody> </table>	LTV	LTV	Improved ^{1,3,5}	Unimproved ^{2,3}	80%	75%	75%	70%	70%	65%	65%	60%	<p>¹ Improved – A lot which may or may not be in a subdivision where the basic utilities are available. This includes public sewer and water available for hookup. Private well/septic must be installed.</p> <p>² Unimproved – A lot which may or may not be in a subdivision which will require private well/septic to be installed and public utilities are not available for hookup.</p> <p>³ Lots exceeding 5 acres are restricted to 65% LTV if improved and 50% LTV if unimproved</p> <p>⁴ Limited to USB to USB refinances only.</p> <p>⁵ Maximum LTV 75% for properties in NV</p>
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Subordinate Financing	- Not allowed.													
General Underwriting	- Underwritten to USBHM Portfolio guidelines except as outlined in this product guideline. - Loans should not be submitted to LP/DU. - See USBHM Portfolio guidelines													
Eligible Borrowers	- Co-Signers are not allowed - See Portfolio Underwriting Overview – Eligible Borrowers													
Eligible Properties	<ul style="list-style-type: none"> Single family residential lot. Purpose of loan should be to secure lot on which borrower intends to build a single family detached home in near future. Condo properties are not allowed. Loan should not be made for purpose of speculation. Limited to one lot loan at a time unless receive exception to allow for adjacent lots. Property is not eligible if there are any structures on the site. Structure is defined as any building with four walls and a roof. Lots exceeding 5 acres are restricted to 65% LTV if improved and 50% LTV if unimproved. Standard maximum of 10 acres, however parcels not exceeding 20 acres may be considered if typical for the area and value/marketability is supported with appraisal comparables of similar acreage. Property must be residential in nature. 													
Eligible States	See State Table													

Credit / FICO	Minimum FICO Score:
	<u>LTV/ TLTV</u> DTI <u>FICO</u>
	> 70% 45% 720
	> 70% 45% 680 w/ 12 mos PITI reserves
	≤ 70% 45% 720
	≤ 70% >45 and ≤50% 740
≤ 70% 45% 680 w/ 12 mos PITI reserves	
≤ 70% 50% 700 w/ 12 mos PITI reserves	
Qualifying Ratios	- See Credit/FICO section for Max DTI requirements
Qualifying Rate	- Note Rate
Funds to Close / Reserves	<ul style="list-style-type: none"> • Six (6) months cash reserves (PITI) are required after closing. • See additional more restrictive reserve requirements in Credit / FICO section • The borrower may use funds obtained as a gift subject to FHLMC guidelines for gift verification.
Processing Options	- Standard documentation required
Appraisal Requirements	<ul style="list-style-type: none"> - Standard land appraisal - Provide copies of PUD documents if applicable
Mortgage Insurance	- N/A
Contributions By Interested Parties	- 3% of the lesser of sales price or appraised value.
Temporary Buydown	- Not allowed
Well and Septic Requirements	- Percolation test (or equivalent) is required on all unimproved lots and/or lots with private septic. If the percolation test fails for a conventional well or septic system, an alternative system may be acceptable if approved by the governing state or municipality with supporting documentation.
Convertible	- Not convertible.
Assumability	- Assumable with lender approval.
Escrow Waivers	- Not applicable.
Amortization	- 30 year amortization. No negative amortization.
Margin	- 3.250%
Index	- Weekly average yield of U. S. Treasury Securities adjusted to a constant maturity of one year, as shown on Federal Reserve Statistical Release H.15 (519).
Lifetime Cap	6% over initial rate
Adjustment Cap	- 2% up or down.
Prepayment Penalty	- None
Late Charges	- 5% or the highest amount allowed by state law.
Extended Lock Options	- None
Loan Disclosures	- ARM Mortgage Loan Disclosure: ARM-054 (02/2010)
Closing Documents	<p>Note:</p> <ul style="list-style-type: none"> - FNMA/FHLMC Form 3502 Adjustable-Rate Note <p>Riders:</p> <ul style="list-style-type: none"> - FNMA/FHLMC Form 3111 Adjustable Rate Rider. <p>Security Instrument:</p> <p>In all states, use the state specific FNMA/FHLMC Mortgage/Deed of Trust.</p>