Justin Brown

From: Telle Countryman <Telle@genevafi.net>
Sent: Thursday, May 17, 2018 7:35 PM
Subject: Wells Fargo - Non-Conforming/Jumbo Program Overview
Attachments: Exhibit 7 Valuation Product Vendor Information.pdf; Exhibit 6 Non-Conforming Initial Loan Submission Checklist.docx; Non-Conforming Prior Approval program overview - EXTERNAL client handout.pdf; Non-Conforming fact sheet.pdf; Exhibit2.pdf

Below and attached is the information for the Wells Fargo Non-Conforming/Jumbo Programs that were launched today for Geneva Financial. I know a lot of people were having issues getting onto the call so I have spoken with Wells Fargo and they are going to do a call just for us. As soon as we have it scheduled out I will let everyone know. In the meantime, PLEASE review the attached and below carefully. There are a few caveats when it comes to utilizing Wells Fargo's Jumbo Products:

- **Wells Fargo will only allow certain AMC's when it comes to their Jumbo Loans. We are approved with two of them.. Assurant (previously Streetlinks) and Clear Capital. You MUST use one of these two AMC's. Please email LoginRequest@genevafi.com for credentials.**
- **Wells Fargo requires credit through only two agencies - Credco or Equifax. Currently we utilize Universal Credit. I am working on getting the credentials for Credco but in the meantime you will have another credit repull through Equifax or Credco upon submission to Wells Fargo. As soon as I have additional credentials I will let everyone know.**
- **505.08: Additional Documentation Required for Non-Conforming Conventional Loans (12/05/2016)**

***PREFERRED PAYMENT PLAN*SM REQUIREMENTS**

Wells Fargo offers a .250% interest rate reduction when the borrower sets up a recurring automatic payment withdrawal (ACH) from their checking or savings account regardless of the financial institution a borrower uses. * Please make sure that you communicate this with OUR Lock Desk if you are utilizing this option *****

Note: Pricing for the *Preferred Payment Plan*SM is provided on the *Wells Fargo Funding Best Effort Rate Sheet*.

REGISTERING/LOCKING PROCESS FOR *PREFERRED PAYMENT PLAN*SM LOANS

If the Loan *is* Locked, the Seller may utilize one of the following three options:

- **Option 1 –** Log in to wellsfargofunding.com and select the *Preferred Payment Plan*SM option from the *Preferred Payment Plan* drop down menu on the *Registration* screen. **Note:** If the *Preferred Payment Plan* option was not selected at Registration, Sellers can log on to wellsfargofunding.com to add the *Preferred Payment Plan* option via the *Edit Loan Data* screen.
- **Option 2 –** Prior to submitting the Prior Approval Credit Package to Wells Fargo Funding for underwriting, call Priceline at 1-800-328-5074, option 1, 2, to apply the .25% interest rate reduction. This will enable Sellers to view Loans in their pipeline with the rate improvement.
- **Option 3 –** Submit the Prior Approval Credit Package to Wells Fargo Funding underwriting. The underwriter will adjust Wells Fargo's pricing to match the lower interest rate upon validation of the account listed on the *Preferred Payment Plan Enrollment Form* (Exhibit 2). The Notice of Underwriting Approval sent to the Seller will reflect the lower interest rate. **Note:** Underwriting will continue to condition for the ACH/*Preferred Payment Plan* documentation if it is not submitted with the Credit Package. If the borrower account information is not received, the rate will be returned to the higher amount.

If the Loan *is not* locked, the Wells Fargo underwriter will condition for the Seller to notify the underwriter once they have locked the Loan. The Notice of Underwriting Approval sent to the Seller will reflect the higher interest rate. The reduced rate adjustment will be applied once the Seller notifies the underwriter of the Loan Lock.

REQUIRED DOCUMENTATION – CREDIT PACKAGE

Sellers must submit the following with the initial **Credit Package** submitted to Wells Fargo for Prior Approval underwriting:

1. Fully executed *Preferred Payment Plan Enrollment Form* (Exhibit 2), signed and dated by the borrower
2. When a Wells Fargo account is used, a Wells Fargo Funding underwriter will verify the account listed on the Preferred Payment Plan Enrollment Form (Exhibit 2) **OR** When a non-Wells Fargo account is used, one of the following types of documentation is required:

a. One month's bank statement
b. Voided check imprinted with the borrower's name and address
c. Voided deposit slip imprinted with the borrower's name and address
d. Online bank printout signed by a banker
e. VOD

REQUIRED DOCUMENTATION – CLOSED LOAN PACKAGE

Sellers must submit the following with the standard **Closed Loan Package**:

1. Executed Note at the reduced interest rate
2. First payment letter at the reduced interest rate

Please consult with your Compliance/Legal department for disclosure requirements.

Important: Notification to Priceline or Underwriting of the borrower's interest in the *Preferred Payment Plan* does not constitute approval of the borrower's participation. Upon receipt of the required documents, Loan approval will indicate if the borrower has been approved for the program.

825.50: Loans with LTVs Greater Than 80% (04/10/2018)

Non-Conforming Loans with LTVs greater than 80% must be underwritten to the standards and guidelines stated in this section. Where policy is not stated, refer to **Section 825: *Non-Conforming Underwriting Guidelines***.

Eligible occupancy

Primary residences only

Eligible products

- Fixed-rate Mortgages
- 7/1 ARMs
- 10/1 ARMs

Eligible property types

- One-unit single-family detached or attached dwellings
- Condominiums (condos)
- Cooperatives (co-ops)
- Planned unit developments (PUDs)

Eligible transactions

Purchase transactions only

Collections

Loans with open collection accounts are ineligible.

Eligible condominium project reviews

- Wells Fargo Full Project Review
- Final Condo Project Acceptance through Fannie Mae Project Eligibility Review Service (PERS)

Fees apply for new approvals. Refer to the ***Correspondent Condo Review Fee Schedule* (Exhibit 23)**.

Escrows

Escrows for taxes and hazard insurance are required (subject to state law). Refer to **Section 515.04: *Escrow/Impound Accounts*** for additional information.

Gift funds

Gifts of cash, equity, or land are not allowed.

Loan Score

The minimum Loan Score is 740.

Multiple financed properties

The maximum number of financed properties for all borrowers on the Loan is two (including the subject property).

Mortgage insurance

Mortgage insurance is not required.

Metropolitan statistical area median home price (MSA MHP)

Refer to ***Metropolitan Statistical Area Median Home Price (MSA MHP) List* (Exhibit 26)** to identify the median home price for the MSA in which the subject property resides to determine maximum loan amount eligibility.

The exhibit only displays MSA MHPs greater than $300,000. If the county for the subject property is not listed on the exhibit, the MSA MHP is less than or equal to $300,000.

Refer to the LTV matrix below for maximum loan amount based on MSA MHP and market classification.

Nonoccupant coborrowers

Nonoccupant coborrowers are not allowed.

Property restrictions

All of the following are ineligible:

- Condos (attached or detached) located in Miami-Dade County Florida
- Properties with more than 10 acres
- Properties experiencing interrupted or unstable utility service hazards (such as severely curtailed water service, water contamination, or extended power shortages) as identified by the appraiser
- Properties located in Fairfield County Connecticut

Subordinate financing

Subordinate financing is not allowed.

Qualifying ratios

Product type	Front-end ratio	Total debt-to-income (DTI) ratio

Fixed rate	30%	35%
Adjustable rate	30%	32%

LTV matrix

MSA MHP[1]	Loan amount	Market class[2]	Max. LTV
≤ $300,000	**≤$750,000**	1	85%
		2	85%
	>$750,000 – $1,000,000	1	85%
		2	Not allowed
>$300,000-$400,000	**≤$1,000,000**	1	85%
		2	85%
	>$1,000,000 – $1,250,000	1	85%
		2	Not allowed
>$400,000	**≤$1,500,000**	1	85%
		2	Not allowed

1. Refer to ***Metropolitan Statistical Area Median Home Price (MSA MHP) List*** **(Exhibit 26)**.
2. Market classes 3 and 4 are not allowed. Refer to ***Wells Fargo Funding Market Classification*** **(Exhibit 20)**.

Thank you!

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