8:1 CONFORMING FIXED RATE

<table>
<thead>
<tr>
<th>LOAN PRODUCT CODES</th>
<th>LOAN PRODUCT</th>
<th>LOAN TERM/AMORTIZATION*</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>30 Year Fixed Rate</td>
<td>241- 360 months</td>
</tr>
<tr>
<td>104</td>
<td>20 Year Fixed Rate</td>
<td>181- 240 months</td>
</tr>
<tr>
<td>102</td>
<td>15 Year Fixed Rate</td>
<td>121- 180 months</td>
</tr>
<tr>
<td>110</td>
<td>10 Year Fixed Rate</td>
<td>120 months</td>
</tr>
</tbody>
</table>

*Minimum Amortization Term- 120 months

Refer to BB&T’s current Overlay and Allowances Matrix- Conventional Conforming and Super Conforming and the Conforming Underwriting Guidelines section for additional information.

******************************************************************************

APPRAISALS
BB&T will accept the form required by the LPA or DU response with the following limitations.
The following are not allowed regardless of DU recommendation:

- DU- Forms 2055, 2075, and 1075

ASSUMABILITY
Not assumable

CERTIFICATIONS
Primary Residence and Second Home:
Qualified Mortgage (QM), Higher-Priced (HPML) and High Cost (HCL) Mortgage Loan Certification or comparable form that validates QM status, HPML and HCL. BB&T does not purchase high cost loans.

CREDIT SCORE
Minimum Credit Score for Purchase and No Cash Out Refinance transactions: 620
Minimum Credit Score for Cash-Out Refinance transactions: 620
Reference the Price Adjustments and LTV Charts for minimum credit score requirements on specific product/loan types.

Eligibility Requirements – Not all Borrowers have Usable Credit Scores

Freddie Mac Loan Product Advisor (LPA)
Requirements for Accept:

- At least one Borrower on the transaction has a usable Credit Score, as determined by LPA, which meets BB&T Correspondent Lending minimum credit score requirements.
- The transaction is a purchase or “no cash-out” refinance.
- The Mortgage is secured by a 1-unit property, and all Borrowers occupy the property as their Primary Residence.
• Borrowers with a usable Credit Score contribute more than 50% of the total monthly income.
• Conforming loan amounts are eligible.
• A-Minus mortgages are ineligible for delivery to BB&T Correspondent Lending.

**Fannie Mae Desktop Underwriter (DU)**
Requirements for DU Approve/Eligible Mortgages:

• At least one Borrower on the transaction has a usable Credit Score, as determined by DU, which meets BB&T Correspondent Lending minimum credit score requirements.
• The transaction is a purchase or limited cash-out refinance.
• The Mortgage is secured by a 1-unit property, and all Borrowers occupy the property as their Primary Residence.
• Conforming loan amounts are eligible.
• Borrowers with a usable Credit Score contribute more than 50% of the qualifying income.
• Reserves may be required as determined by DU.

**Rescoring and Credit Repair**
BB&T prohibits the use of credit repair designed to help a borrower manipulate the credit data in order to obtain financing for which they would not otherwise qualify. The following documents will be required at the time of delivery to validate the borrower qualified for the initial loan.

• Initial credit report and LP/DU findings at the time of application with an acceptable response of Accept/ Approve Eligible.
• The final credit report (if another was pulled for loan file decisioning) and LP/DU findings with an acceptable response of Accept/ Approve Eligible.

**DEBT-TO-INCOME RATIO (DTI)**
LPA- Maximum DTI must not exceed 55%
DU- Maximum DTI must not exceed 50%

**ELIGIBLE DOWNPAYMENT ASSISTANCE PROGRAMS**
• Federal Home Loan Bank (FHLB)
• BB&T approved Affordable Down Payment Assistance Programs – please refer to the Downpayment Assistance Approval List located on the BB&T Correspondent Lending website for additional information.

**ESCROW WAIVER**
Permitted when the Loan to Value is 80% or less (or 89.99% or less in California).
There is a reduction in Servicing Released Premium for waiving escrows.
Refer to BB&T’s current Rate Sheet.

**HOMEOWNERSHIP COUNSELING DISCLOSURE**
Homeownership Counseling Disclosure required per the 2013 HOEPA Rule, an amendment to Regulation X (RESPA).
INELIGIBLE LOAN TYPES AND PROGRAMS
Refer to “Ineligible Transactions” in Section 3:28 of the Conforming Underwriting Guidelines.

LETTERS OF EXPLANATION
Letters of explanation addressing issues deemed material to the credit decision must be signed with a “wet signature” or an “electronic signature.” All electronic signatures by the borrower must be in compliance with the E-Sign Act and the loan file must include a properly disclosed and executed E-Sign Disclosure and a Consent Form from each borrower.

LOAN PURPOSE
Purchase
No Cash-Out Refinance
Cash-Out Refinance

LTV
Reference the Price Adjustments and LTV Charts

MAXIMUM INTERESTED PARTY CONTRIBUTIONS
Maximum financing concessions are based on TLTV when secondary financing is present, LTV when no secondary financing is present.

<table>
<thead>
<tr>
<th>OCCUPANCY</th>
<th>LTV/TLTV</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Residence</td>
<td>Over 90% to 95%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Over 75% to 90%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>75% and below</td>
<td>9%</td>
</tr>
<tr>
<td>Second Home</td>
<td>Over 75% to 90%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>75% and below</td>
<td>9%</td>
</tr>
<tr>
<td>Investment Property</td>
<td>All LTV’s</td>
<td>2%</td>
</tr>
</tbody>
</table>

MAXIMUM LOAN AMOUNT
Up to the FHFA Conforming Loan Limit

MINIMUM LOAN AMOUNT
None

MORTGAGE INSURANCE
Required on all loans with LTV’s above 80%. Refer to “Mortgage Insurance Options” in the Conforming Underwriting Guidelines section for more information.
NOTE
Freddie Mac 3200
Unit Number must be included in the property address line.
Refer to Legal Document Matrix for additional information.

OCCUPANCY REQUIREMENTS
Primary Residence
Second Home
Investment Property

OVERLAYS
Refer to BB&T’s current Overlay and Allowances Matrix- Conventional Conforming and Super Conforming for additional information.

POINTS AND FEES CAPS
3% of the total loan amount for a loan amount greater than or equal to $105,158
$3,155 for a loan amount greater than or equal to $63,095 but less than $105,158
5% of the total loan amount for a loan greater than or equal to $21,032 but less than $63,095
$1,052 for a loan amount greater than or equal to $13,145 but less than $21,032
8% of the total loan amount for a loan less than $13,145

PRICING
Refer to the Rate Sheet and BB&T’s current Price Adjustments and LTV Charts for any price adjustments that might be applicable.

PROPERTY TYPES
Primary Residence and Investment Property
• 1-4 Family
• Condominiums
• PUDs
Second Home
• 1-Family
• Condominiums
• PUDs

Attached PUDs
Property Insurance requirements:
• HO3/comparable full coverage homeowners insurance policy; or
• HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for attached PUDs where the homeowners association has a blanket policy covering the exterior structure only; or
• Homeowners Association blanket policy covering the exterior and interior of the unit.
• HO3/comparable full coverage policies will be escrowed.

**Condominiums**

Correspondents are responsible for classing Condominiums as outlined in the [Conforming Underwriting Guidelines](#).

Property Insurance requirements:

- HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for Condominiums where the condominium master policy covers the exterior structure only; **or**
- Condominium master policy covering the exterior **and** interior of the unit.

**Ineligible Property Types**

Refer to “Ineligible Transactions” in Section 3:28 of the [Conforming Underwriting Guidelines](#).

**QM STATUS**

Safe Harbor: Mortgage that does not exceed limits on upfront points and fees; has an APR relative to the APOR that is equal to or less than 1.5% for first-lien loans.

Rebuttable Presumption: Mortgage than does not exceed limits on upfront points and fees; has an APR that exceeds the APOR as of the date the interest rate is set by 1.5% or more for first-lien loans. Also known as “Higher-Priced”.

**REFINANCES**

Refer to Freddie Mac Seller/Servicer Guide, as well as BB&T’s current [Price Adjustments and LTV Charts](#) and the [Conforming Underwriting Guidelines](#) section.

**RESIDENCY STATUS**

US Citizens

Permanent Resident Aliens

Non-Permanent Resident Aliens – see eligible Visa types listed in Section 3:8 of [Conforming Underwriting Guidelines](#).

**SECONDARY FINANCING**

Refer to BB&T’s current [Price Adjustments and LTV Charts](#) and the Conforming Underwriting Guidelines section.

**SECURITY INSTRUMENT**

Use the applicable Freddie Mac/Fannie Mae security instrument for the state in which the property is located.

**TEMPORARY BUYDOWNS**

Not Allowed

**UNDERWRITING**

BB&T expects that all eligible Conforming loans will be submitted to Loan Product Advisor or Desktop Underwriter (either directly or through a MI Company).

Ineligible feedback responses: LPA Caution A-Minus eligible, LPA Caution, or DU Refer with Caution.
WORKSHEETS

- Points and Fees Worksheet or comparable form
- Ability to Repay Worksheet or comparable form; OR
  - Income calculation for each borrower on either the Transmittal Summary or on a separate form; AND
  - Income and debt amounts must match on the Transmittal Summary, final application and final AUS submission; AND
  - Total debt-to-income ratio on the Transmittal Summary and final AUS submission must match.
## CONFORMING 3/1, 5/1, 7/1, AND 10/1 LIBOR P&I ARMS (NON-CONVERTIBLE)

<table>
<thead>
<tr>
<th>LOAN PRODUCT CODES</th>
<th>LOAN PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>340</td>
<td>3/1 Year Discounted or Premium Non-Convertible ARM with 2/2/5 Caps</td>
</tr>
<tr>
<td>144</td>
<td>5/1 Year Discounted or Premium Non-Convertible ARM with 2/2/5 Caps</td>
</tr>
<tr>
<td>375</td>
<td>7/1 Year Discounted or Premium Non-Convertible ARM with 5/2/5 Caps</td>
</tr>
<tr>
<td>376</td>
<td>10/1 Year Discounted or Premium Non-Convertible ARM with 5/2/5 Caps</td>
</tr>
</tbody>
</table>

Refer to BB&T’s current Overlay and Allowances Matrix- Conventional Conforming and Super Conforming and the Conforming Underwriting Guidelines section for additional information.

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### ADDITIONAL DISCLOSURES

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>LIBOR-INDEXED ADJUSTABLE RATE MORTGAGE LOAN PROGRAM DISCLOSURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>340</td>
<td>3/1 Year Discounted or Premium Non-Convertible ARM with 2/2/5 Caps</td>
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<tr>
<td>144</td>
<td>5/1 Year Discounted or Premium Non-Convertible ARM with 2/2/5 Caps</td>
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<tr>
<td>375</td>
<td>7/1 Year Discounted or Premium Non-Convertible ARM with 5/2/5 Caps</td>
</tr>
<tr>
<td>376</td>
<td>10/1 Year Discounted or Premium Non-Convertible ARM with 5/2/5 Caps</td>
</tr>
</tbody>
</table>

- Use the Discounted disclosure if the Note rate is less than the index plus margin.
- Use the Premium disclosure if the Note rate is equal to or greater than the index plus margin.
- The Consumer Handbook on Adjustable Rate Mortgages must be given to the borrower at application along with the applicable disclosure as indicated above.

### APPRAISALS

BB&T will accept the form required by the LPA or DU response except for the following limitations.

The following are not allowed regardless of DU recommendation:

- DU - Forms 2055, 2075, and 1075

### ASSUMABILITY

3/1 ARM: assumable during life of loan

5/1, 7/1 & 10/1 ARMs: assumable while in the adjustable phase, not assumable during fixed hybrid period.

### CERTIFICATIONS

Primary Residence and Second Home:

Qualified Mortgage (QM), Higher-Priced (HPML) and High Cost (HCL) Mortgage Loan Certification or comparable form that validates QM status, HPML and HCL. BB&T does not purchase high cost loans.
CREDIT SCORE
Minimum Credit Score for Purchase and No Cash Out Refinance transactions: 620
Minimum Credit Score for Cash-Out Refinance transactions: 620
Reference the Price Adjustments and LTV Charts for minimum credit score requirements on specific product/loan types.

Eligibility Requirements – Not all Borrowers have Usable Credit Scores

Freddie Mac Loan Product Advisor (LPA)
Requirements for Accept:
- At least one Borrower on the transaction has a usable Credit Score, as determined by LPA, which meets BB&T Correspondent Lending minimum credit score requirements.
- The transaction is a purchase or “no cash-out” refinance.
- The Mortgage is secured by a 1-unit property, and all Borrowers occupy the property as their Primary Residence.
- Borrowers with a usable Credit Score contribute more than 50% of the total monthly income.
- Conforming loan amounts are eligible.
- A-Minus mortgages are ineligible for delivery to BB&T Correspondent Lending.

Fannie Mae Desktop Underwriter (DU)
Requirements for DU Approve/Eligible Mortgages:
- At least one Borrower on the transaction has a usable Credit Score, as determined by DU, which meets BB&T Correspondent Lending minimum credit score requirements.
- The transaction is a purchase or limited cash-out refinance.
- The Mortgage is secured by a 1-unit property, and all Borrowers occupy the property as their Primary Residence.
- Conforming loan amounts are eligible.
- Borrowers with a usable Credit Score contribute more than 50% of the qualifying income.
- Reserves may be required as determined by DU.

Rescoring and Credit Repair
BB&T prohibits the use of credit repair designed to help a borrower manipulate the credit data in order to obtain financing for which they would not otherwise qualify. The following documents will be required at the time of delivery to validate the borrower qualified for the initial loan.
- Initial credit report and LP/DU findings, at the time of application, with an acceptable response of Accept/ Approve Eligible.
- The final credit report (if another was pulled for loan file decisioning) and LP/DU findings with an acceptable response of Accept/ Approve Eligible.

DEBT-TO-INCOME RATIO (DTI)
LPA - maximum DTI must not exceed 55%
DU - maximum DTI must not exceed 50%
ELIGIBLE DOWNPAYMENT ASSISTANCE PROGRAMS

- Federal Home Loan Bank (FHLB)
- BB&T approved Affordable Down payment Assistance Programs – please refer to the Downpayment Assistance Approval List located on the BB&T Correspondent Lending website for additional information.

ESCROW WAIVER

Permitted when the Loan to Value is 80% or less (or 89.99% or less in in California).
There is a reduction in Servicing Released Premium for waiving escrows
Refer to BB&T’s current Rate Sheet or SRP Schedule.

HOMEOWNERSHIP COUNSELING DISCLOSURE

Homeownership Counseling Disclosure required per the 2013 HOEPA Rule, an amendment to Regulation X (RESPA).

INDEX

12 Month LIBOR index

INELIGIBLE LOAN TYPES AND PROGRAMS

Refer to “Ineligible Transactions” in Section 3:28 of the Conforming Underwriting Guidelines.

INTEREST RATE ADJUSTMENTS

The “Initial Interest Rate Adjustment” will be 36, 60, 84, 120 months after the first month following loan closing; thereafter, the Interest Rate will be subject to change annually. For loans which close on the first day of the month, the Initial Interest Rate Adjustment will be 36, 60, 84, 120 months after the month of loan closing; thereafter, the Interest Rate will be subject to change annually.

INTEREST RATE CAPS & FLOOR

<table>
<thead>
<tr>
<th>CAP</th>
<th>3/1 AND 5/1 P&amp;I LIBOR ARM</th>
<th>7/1 AND 10/1 P&amp;I LIBOR ARMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial</td>
<td>2% (Increase or Decrease)</td>
<td>5% (Increase or Decrease)</td>
</tr>
<tr>
<td>Annual</td>
<td>2% (Increase or Decrease)</td>
<td>2% (Increase or Decrease)</td>
</tr>
<tr>
<td>Lifetime</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Margin of 2.25% is the Floor

INTEREST RATE FORMULA

Index plus margin rounded to the nearest .125%.

LETTERS OF EXPLANATION

Letters of explanation addressing issues deemed material to the credit decision must be signed with a “wet signature” or an “electronic signature.” All electronic signatures by the borrower must be in compliance with the E-Sign Act and the loan file must include a properly disclosed and executed E-Sign Disclosure and a Consent Form from each borrower.
LOAN PURPOSE
Purchase
No Cash-Out Refinance
Cash-Out Refinance

LOAN TERM/AMORTIZATION TERM
Amortization terms 181-360 months (15 years, 1 month to 30 years).
The outstanding principal balance will be re-amortized over the remaining life of the loan at each interest rate change date.
Note: Amortization terms below 181 months for Adjustable-rate products are NOT allowed.

LTV/TLTV/HTLTV
Reference the Price Adjustments and LTV Charts

MARGIN
225 basis points (2.25%)

MAXIMUM INTERESTED PARTY CONTRIBUTIONS
Maximum financing concessions are based on TLTV when secondary financing is present, LTV when no secondary financing is present.

<table>
<thead>
<tr>
<th>OCCUPANCY</th>
<th>LTV/TLTV</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Residence</td>
<td>Over 90% to 95%</td>
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</tr>
<tr>
<td></td>
<td>Over 75% to 90%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>75% and below</td>
<td>9%</td>
</tr>
<tr>
<td>Second Home</td>
<td>Over 75% to 90%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>75% and below</td>
<td>9%</td>
</tr>
<tr>
<td>Investment Property</td>
<td>All LTV’s</td>
<td>2%</td>
</tr>
</tbody>
</table>

MAXIMUM LOAN AMOUNT
Up to the FHFA Conforming Loan Limit

MINIMUM LOAN AMOUNT
None

MORTGAGE INSURANCE
Required on all loans with LTV’s above 80%. Refer to “Mortgage Insurance Options” in the Conforming Underwriting Guidelines section for more information.

NEGATIVE AMORTIZATION
None
NOTE

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>FREDDIE MAC</th>
<th>FANNIE MAE</th>
</tr>
</thead>
<tbody>
<tr>
<td>340</td>
<td>5530</td>
<td>3526</td>
</tr>
<tr>
<td>144, 375, 376</td>
<td>5531</td>
<td>3528</td>
</tr>
</tbody>
</table>

Unit Number must be included in the property address line.
Refer to Legal Document Matrix for additional information.

OCCUPANCY REQUIREMENTS
Primary Residence
Second Home
Investment Property

OVERLAYS
Refer to BB&T’s current Overlay and Allowances Matrix- Conventional Conforming and Super Conforming for additional information.

PAYMENT ADJUSTMENT
The initial payment adjustment will be not less than 36, 60, 84, 120 months from the date of the first payment; thereafter, the monthly payment to change annually.

POINTS AND FEES CAPS
3% of the total loan amount for a loan amount greater than or equal to $105,158
$3,155 for a loan amount greater than or equal to $63,095 but less than $105,158
5% of the total loan amount for a loan greater than or equal to $21,032 but less than $63,095
$1,052 for a loan amount greater than or equal to $13,145 but less than $21,032
8% of the total loan amount for a loan less than $13,145

PRICING
Refer to the Rate Sheet and BB&T’s current Price Adjustments and LTV Charts for any price adjustments for any applicable price adjustments

PROPERTY TYPES
Primary Residence and Investment Property
- 1-4 Family
- Condominiums
- PUDs
Second Home
- 1-Family
- Condominiums
- PUDs
Attached PUDs

Property Insurance requirements:

- HO3/comparable full coverage homeowners insurance policy; or
- HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for attached PUDs where the homeowners association has a blanket policy covering the exterior structure only; or
- Homeowners Association blanket policy covering the exterior and interior of the unit.
- HO3/comparable full coverage policies will be escrowed.

Condominiums

Correspondents are responsible for classing Condominiums as outlined in the Conforming Underwriting Guidelines.

Property Insurance requirements:

- HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for Condominiums where the condominium master policy covers the exterior structure only; or
- Condominium master policy covering the exterior and interior of the unit.

Ineligible Property Types

Refer to “Ineligible Transactions” in Section 3:28 of the Conforming Underwriting Guidelines

QM STATUS

Safe Harbor: Mortgage that does not exceed limits on upfront points and fees; has an APR relative to the APOR that is equal to or less than 1.5% for first-lien loans.

Rebuttable Presumption: Mortgage than does not exceed limits on upfront points and fees; has an APR that exceeds the APOR as of the date the interest rate is set by 1.5%. Also known as “Higher-Priced”.

QUALIFYING RATE*

3/1 & 5/1 P&I LIBOR ARM

Qualify at the greater of:

- Note rate plus 2.0% or
- Fully indexed rate (index plus margin)

7/1 & 10/1 P&I LIBOR ARMs

Qualify at note rate

7/1 & 10/1 P&I LIBOR ARMs

Higher Priced Covered Transactions as defined by Reg Z 12 C.F.R. 1026.43(b)

Qualify at the greater of:

- Note rate or
- Fully indexed rate (index plus margin)

*Correspondents must adhere to specific State requirements.

QUALIFYING RATE REQUIREMENT FOR AUS
Fannie Mae DU ARM Plan
3/1 P&I LIBOR ARM – 2723
5/1 P&I LIBOR ARM – 2725
7/1 P&I LIBOR ARM – 2727
10/1 P&I LIBOR ARM – 2729

Freddie Mac LPA
Loan Product Advisor will assess the loan and calculate the debt-to-income ratio based on the requirements listed above.

REFINANCES
Refer to Freddie Mac Seller/Servicer Guide, as well as BB&T’s current Price Adjustments and LTV Charts and the Conforming Underwriting Guidelines section.

RESIDENCY STATUS
US Citizens
Permanent Resident Alien
Non-Permanent Resident Aliens – see eligible Visa types listed in Section 3:8 of Conforming Underwriting Guidelines.

RIDER

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>FREDDIE MAC</th>
<th>FANNIE MAE</th>
</tr>
</thead>
<tbody>
<tr>
<td>340</td>
<td>5130</td>
<td>3189</td>
</tr>
<tr>
<td>144, 375, 376</td>
<td>5131</td>
<td>3187</td>
</tr>
</tbody>
</table>

Refer to Legal Document Matrix for additional information

SECONDARY FINANCING
Refer to BB&T’s current Price Adjustments and LTV Charts as well as the Conforming Underwriting Guidelines

SECURITY INSTRUMENT
Use the applicable Freddie Mac/Fannie Mae security instrument for the state in which the property is located.

TEMPORARY BUYDOWNS
Not Allowed

UNDERWRITING
BB&T expects that all eligible Conforming loans will be submitted to Loan Product Advisor or Desktop Underwriter (either directly or through a MI Company).
Ineligible feedback responses: LPA Caution A-Minus eligible, LPA Caution, or DU Refer with Caution.

WORKSHEETS
- Points and Fees Worksheet or comparable form
Correspondent Lending

- Ability to Repay Worksheet or comparable form; OR
  - Income calculation for each borrower on either the Transmittal Summary or on a separate form; AND
  - Income and debt amounts must match on the Transmittal Summary, final application and final AUS submission; AND
  - Total debt-to-income ratio on the Transmittal Summary and final AUS submission must match.
8:3 SUPER CONFORMING FINANCING PROGRAM*

*Fannie Mae HomeReady and Freddie Mac Home Possible mortgages are eligible for Super Conforming Loan Limits; however, Super Conforming HomeReady / Home Possible Mortgages must conform to the guidance contained within the Fannie Mae HomeReady / Freddie Mac Home Possible Product Description for Fixed and ARMs.

<table>
<thead>
<tr>
<th>LOAN PRODUCT CODES</th>
<th>LOAN PRODUCT</th>
<th>LOAN TERM/AMORTIZATION TERM**</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>30 Year Fixed Rate</td>
<td>241-360 months</td>
</tr>
<tr>
<td>104</td>
<td>20 Year Fixed Rate</td>
<td>181-240 months</td>
</tr>
<tr>
<td>102</td>
<td>15 Year Fixed Rate</td>
<td>121-180 months</td>
</tr>
<tr>
<td>110</td>
<td>10 Year Fixed Rate</td>
<td>120 months</td>
</tr>
<tr>
<td>144</td>
<td>5/1 Non-Convertible P&amp;I LIBOR ARM 2/2/5 Caps</td>
<td>360 months</td>
</tr>
<tr>
<td>375</td>
<td>7/1 Non-Convertible P&amp;I LIBOR ARM 5/2/5 Caps</td>
<td>360 months</td>
</tr>
<tr>
<td>376</td>
<td>10/1 Non-Convertible P&amp;I LIBOR ARM 5/2/5 Caps</td>
<td>360 months</td>
</tr>
</tbody>
</table>

**Minimum Amortization Term – 120 months for Fixed Rate products and 181 months for ARM products.

Refer to BB&T’s current Overlay and Allowances Matrix- Conventional Conforming and Super Conforming and the Conforming Underwriting Guidelines section for additional information.

APPRAISAL REQUIREMENTS

Condominiums in a new project, a newly converted project, or an area where the property seller owns substantial number of units, at least two comparable sales must be outside the influence of the developer, builder or property seller.

Resales from within the subject property may be used to meet this requirement.

MI Declining Market Policies apply for LTV’s over 80%

ASSUMABILITY

5/1, 7/1 & 10/1 ARMs- assumable while in the adjustable phase, not assumable during fixed hybrid period.

AUTOMATED UNDERWRITING

LPA Accept or DU Approve response required

Ineligible feedback responses: LPA Caution A-Minus eligible, LPA Caution, or DU Refer with Caution.
CERTIFICATIONS
Primary Residence and Second Home:
Qualified Mortgage (QM), Higher-Priced (HPML) and High Cost (HCL) Mortgage Loan Certification or comparable form that validates QM status, HPML and HCL. BB&T does not purchase high cost loans.

CREDIT REQUIREMENTS
LPA or DU is required on all Super Conforming loans. Follow LPA or DU feedback with the following additional requirements:

The borrowers’ credit reputation is acceptable if:

- The mortgage receives a Risk Class of Accept or Approve/Eligible
- Non-traditional credit is not allowed
- Super Conforming loan amounts, underwritten by DU, may not exceed $1 million
- Ineligible feedback responses: LPA Caution A-Minus eligible, LPA Caution, or DU Refer with Caution.

CREDIT SCORE
Minimum credit score requirements - Freddie Mac Loan Product Advisor (LPA) Accept or Fannie Mae Desktop Underwriter (DU) Approve/Eligible:

- Purchase and No Cash Out Refinance Transactions: \textbf{620}
- Cash Out Refinance Transactions: \textbf{620}

ELIGIBILITY REQUIREMENTS – NOT ALL BORROWERS HAVE USABLE CREDIT SCORES
Freddie Mac Loan Product Advisor (LPA)
Requirements for Accept Mortgages:

- At least one Borrower on the transaction has a usable Credit Score, as determined by LPA, which meets BB&T Correspondent Lending minimum credit score requirements.
- The transaction is a purchase or “no cash-out” refinance.
- The Mortgage is secured by a 1-unit property, and all Borrowers occupy the property as their Primary Residence.
- Borrowers with a usable Credit Score contribute more than 50% of the total monthly income.
- Super Conforming loan amounts are eligible.
- A-Minus mortgages are ineligible for delivery to BB&T Correspondent Lending.

FANNIE MAE DESKTOP UNDERWRITER (DU)
Requirements for DU Approve/Eligible Mortgages: All borrowers must have usable credit scores.

Rescoring and Credit Repair
BB&T prohibits the use of credit repair designed to help a borrower manipulate the credit data in order to obtain financing for which they would not otherwise qualify. The following documents will be required at the time of delivery to validate the borrower qualified for the initial loan.

- Initial credit report and LP/DU findings, at the time of application, with an acceptable response of
Accept/ Approve Eligible.

- The final credit report (if another was pulled for loan file decisioning) and LP/DU findings with an acceptable response of Accept/ Approve Eligible.

**DOCUMENTATION**

Follow LPA or DU feedback and refer to the [Conforming Underwriting Guidelines](#) for any overlays.

**DOWNPAYMENT AND ASSETS**

Follow LPA or DU

<table>
<thead>
<tr>
<th>LTV/TLTV/HTLTV</th>
<th>Minimum Borrower Contribution required from Borrower’s own Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>80% or less</td>
<td>1-4 Unit Primary Residences &amp; Second Homes None – All funds to complete the transaction can come from a gift.</td>
</tr>
<tr>
<td>Greater than 80%</td>
<td>1 unit Primary Residence None – All funds to complete the transaction can come from a gift.</td>
</tr>
<tr>
<td></td>
<td>2-4 Unit Primary Residences &amp; Second Homes 5% - After the minimum Borrower contribution has been met, gifts can be used to supplement the down payment, closing costs &amp; reserves.</td>
</tr>
</tbody>
</table>

Proof of liquidation of asset accounts is required, regardless of LPA or DU feedback.

**ELIGIBLE DOWNPAYMENT ASSISTANCE PROGRAMS**

- Federal Home Loan Bank (FHLB)
- BB&T approved Affordable Downpayment Assistance Programs – please refer to the [Downpayment Assistance Approval List](#) located on the BB&T Correspondent Lending website for additional information.

**EMPLOYMENT HISTORY**

Follow LPA or DU feedback and refer to the [Conforming Underwriting Guidelines](#) for any overlays.

**ESCROWS**

Required for LTV’s greater than 80% (or greater than 89.99% in California)

**ESCROW WAIVER**

Permitted when the Loan to Value is 80% or less (or 89.99% or less in California), and the loan is not designated as a Higher Priced Mortgage Loan (HPML)

Escrow waivers are NOT permitted under the following scenarios: (no exceptions permitted under Federal
**INELIGIBLE LOAN TYPES AND PROGRAMS**

- ARM other than 5/1 ARMs with 2/2/5; 7/1 and 10/1 ARMs with 5/2/5
- Lending on Native American Tribal Lands
- LPA Caution A-Minus Eligible
- Super Conforming loans, with loan amounts greater than $1,000,000, approved through DU
- Properties subject to Property Assessed Clean Energy (PACE) Obligations
- Special Purpose Cash-Out

**INTEREST RATE ADJUSTMENTS**

The “Initial Interest Rate Adjustment” will be 60, 84, and 120 months after the first month following loan closing; thereafter, the Interest Rate will be subject to change annually. For loans which close on the first day of the month, the Initial Interest Rate Adjustment will be 60, 84, and 120 months after the month of loan closing; thereafter, the Interest Rate will be subject to change annually.

**INTEREST RATE CAPS & FLOOR**

<table>
<thead>
<tr>
<th>CAP</th>
<th>5/1 P&amp;I LIBOR ARM</th>
<th>7/1 AND 10/1 P&amp;I LIBOR ARMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial</td>
<td>2% (Increase or Decrease)</td>
<td>5% (Increase or Decrease)</td>
</tr>
<tr>
<td>Annual</td>
<td>2% (Increase or Decrease)</td>
<td>2% (Increase or Decrease)</td>
</tr>
<tr>
<td>Lifetime</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Margin of 2.25% is the Floor

**INTEREST RATE FORMULA**

Index plus margin rounded to the nearest .125%.

**LETTERS OF EXPLANATION**
Letters of explanation addressing issues deemed material to the credit decision must be signed with a “wet signature” or an “electronic signature.” All electronic signatures by the borrower must be in compliance with the E-Sign Act and the loan file must include a properly disclosed and executed E-Sign Disclosure and a Consent Form from each borrower.

**LOAN PURPOSE**

Purchase  
No Cash-Out Refinance  
Cash-Out Refinance

**LOAN AMOUNT**

All properties must be located in a market eligible for the high-cost loan limits. Please visit the FHFA website to determine if a market qualifies.  
Federal Housing Finance Agency – Conforming Loan Limit

**LTV/TLTV/HTLV**

Reference the Price Adjustments and LTV Charts

**MARGIN**

225 basis points (2.25%)

**MAXIMUM CASH-OUT**

No Maximum

**MAXIMUM INTERESTED PARTY CONTRIBUTIONS**

Maximum financing concessions are based on TLTV when secondary financing is present, LTV when no secondary financing is present.

<table>
<thead>
<tr>
<th>OCCUPANCY</th>
<th>LTV/TLTV</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Residence</td>
<td>Over 90%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Over 75% to 90%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>75% and below</td>
<td>9%</td>
</tr>
<tr>
<td>Second Home</td>
<td>Over 75% to 90%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>75% and below</td>
<td>9%</td>
</tr>
<tr>
<td>Investment Property</td>
<td>All LTV’s</td>
<td>2%</td>
</tr>
</tbody>
</table>

**MORTGAGE INSURANCE**

- Required on all loans with LTV’s above 80%  
- Lender Paid MI (Single Premium) and Financed MI are allowed.
• Refer to “Mortgage Insurance Options” in the Conforming Underwriting Guidelines section for more information.

NEGATIVE AMORTIZATION
None

NOTE

<table>
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<tbody>
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<td>144</td>
<td>5531</td>
<td>3528</td>
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<td>375</td>
<td>5531</td>
<td>3528</td>
</tr>
<tr>
<td>376</td>
<td>5531</td>
<td>3528</td>
</tr>
</tbody>
</table>

Unit Number **must be** included in the property address line.

Refer to Legal Document Matrix for additional information

OCCUPANCY REQUIREMENTS
Primary Residence
Second Home
Investment Property

OVERLAYS
Refer to BB&T’s current Overlay and Allowances Matrix- Conventional Conforming and Super Conforming for additional information.

PAYMENT ADJUSTMENT
The initial payment adjustment will be not less than 60, 84, 120 months from the date of the first payment; thereafter, the monthly payment to change annually.

POINTS AND FEES CAPS
• 3% of the total loan amount for a loan amount greater than or equal to $105,158
• $3,155 for a loan amount greater than or equal to $63,095 but less than $105,158
• 5% of the total loan amount for a loan greater than or equal to $21,032 but less than $63,095
• $1,052 for a loan amount greater than or equal to $13,145 but less than $21,032
• 8% of the total loan amount for a loan less than $13,145

PROPERTY TYPES
Primary Residence and Investment Property- 1-4 Family, Condominiums, PUDs
Second Home- 1-Family, Condominiums, PUDs

Attached PUDs

Property Insurance requirements:

- HO3/comparable full coverage homeowners insurance policy; OR
- HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for attached PUDs where the homeowners association has a blanket policy covering the exterior structure only; OR
- Homeowners Association blanket policy covering the exterior AND interior of the unit.
- HO3/comparable full coverage policies will be escrowed.

Condominiums

Correspondents are responsible for classing Condominiums as outlined in the Conforming Underwriting Guidelines.

Property Insurance requirements:

- HO6 policy required with coverage, as determined by the insurer, which is sufficient to repair the unit to its condition prior to a loss claim event for Condominiums where the condominium master policy covers the exterior structure only; OR
- Condominium master policy covering the exterior AND interior of the unit.

INELIGIBLE PROPERTY TYPES

Manufactured Homes

PRICING

Refer to the Rate Sheet and BB&T’s current Price Adjustments and LTV Charts for any price adjustments that might be applicable.

QM STATUS

Safe Harbor: Mortgage that does not exceed limits on upfront points and fees; has an APR relative to the APOR that is equal to or less than 1.5% for first-lien loans.

Rebuttable Presumption: Mortgage that does not exceed limits on upfront points and fees; has an APR that exceeds the APOR as of the date the interest rate is set by 1.5% or more for first-lien loans. Also known as “Higher-Priced”.

QUALIFYING RATE

5/1 P&I LIBOR ARM

- Qualify at the greater of:
  - Note rate plus 2.0% or
  - Fully indexed rate (index plus margin)

7/1 & 10/1 P&I LIBOR ARMs

Qualify at note rate
7/1 & 10/1 P&I LIBOR ARMs
For Higher Priced Covered Transactions as defined by Reg Z 12 C.F.R. 1026.43(b)

- Qualify at the greater of:
  - Note rate or
  - Fully indexed rate (index plus margin)

**Note:** Correspondents must adhere to specific State requirements.

**QUALIFYING RATE REQUIREMENT FOR AUS**

**Fannie Mae DU ARM Plan**
5/1 P&I LIBOR ARM – 2725
7/1 P&I LIBOR ARM – 2727
10/1 P&I LIBOR ARM – 2729

**Freddie Mac LPA**
Loan Product Advisor will assess the loan and calculate the debt-to-income ratio based on the requirements listed above.

**QUALIFYING RATIOS**
Maximum debt-to-income (DTI) ratio is 45%, regardless of LPA or DU response.

**REFINANCES**

**RESERVES**
Refer to the Conforming Underwriting Guidelines or Price Adjustments and LTV Charts

**RESIDENCY STATUS**
US Citizens
Permanent Resident Alien
Non-Permanent Resident Alien

**RIDER**

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>FREDDIE MAC</th>
<th>FANNIE MAE</th>
</tr>
</thead>
<tbody>
<tr>
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<td>3187</td>
</tr>
</tbody>
</table>

Refer to Legal Document Matrix for additional information.

**SECONDARY FINANCING**
Refer to BB&T’s current Price Adjustments and LTV Charts and the Conforming Underwriting Guidelines
section.

**SECURITY INSTRUMENT**
Use the applicable Freddie Mac/Fannie Mae security instrument for the state in which the property is located.

**TEMPORARY BUYDOWNS**
Not allowed

**WORKSHEETS**
Points and Fees Worksheet or comparable form

Ability to Repay Worksheet or comparable form OR

- Income calculation for each borrower on either the Transmittal Summary or on a separate form; AND
- Income and debt amounts must match on the Transmittal Summary, final application and final AUS submission; AND
- Total debt-to-income ratio on the Transmittal Summary and final AUS submission must match.