



CORRESPONDENT LENDING GUIDELINE UPDATE SUMMARY

September 7, 2017

The following is a summary of the updates to AIG Correspondent Lending's Seller's Guide, Conforming Guidelines, and Jumbo Guidelines. This summary, as well as the updated individual guides can be found at www.aig.com/correspondentlending under "View Seller Resources". The updates reflected in this document will be effective for loans locked with AIG Correspondent Lending on or after September 15, 2017. If you have additional questions, please reach out to your Vice President of Sales for assistance.

Seller's Guide

Section 3.14 Purchase Fee (Update)

As announced on June 22, 2017, the purchase fee for Jumbo Mortgage Loans has been changed to \$650. The purchase fee for Conforming Mortgage Loans remains at \$550 per loan.

Section 3.15 Jumbo Mortgage Loan Appraisal Review Process (Update)

Jumbo loan appraisal requirements and procedures have been updated in the matrix section of our guidelines. The previous FNC process has been discontinued and replaced with the following process, as originally stated in an Announcement dated May 22, 2017(update):

Effective with all loans locked on or after June 2, 2017, AIG will require all jumbo appraisals to be accompanied by a field review or desk review. The Desk Review products acceptable to satisfy this requirement must be from one of the three providers listed below:

- Clear Capital © Collateral Desktop Analysis (CDA®)
- Summit Valuations © (SVR)
- Pro Teck Valuation Services © Appraisal Risk Review (ARR)

A ten percent value variance between the full appraisal report value and the desk review or field review value is acceptable for purchase by an Approved Buyer.

A second full appraisal is considered an ineligible secondary valuation product.

Field Reviews may not be provided by the same appraisal company performing the full appraisal review.

Section 8.6 (8) Obligations of the Seller Prior to the Servicing Transfer Date (Update)

The documentation required to evidence Homeowner's Association or Condominium Owner's Association information has been revised. The following documents should be included in all closed loan files where

the subject property is located in either a Homeowner's Association or Condominium Owner's Association:

- Name of Association or Management Company.
- Phone number and/or email address for the Association or Management Company.
- Evidence of the current status of dues (if applicable).
- Dues payable information for the subject property (including amount and frequency of payment).

Section 9.2 (30) Representations, Warranties and Covenants Regarding Individual Mortgage Loans (Update)

This section has been updated to clarify that all conforming loans must meet Fannie Mae requirements for Hazard and Flood Insurance.

Section—Glossary (Update)

Conforming Mortgage Loan has been added to the glossary of defined terms.

Exhibit E-Contents of Each Mortgage File (Update)

The following documentation requirements have been added to the mortgage file requirement list: (J) Desk Review or Field Review report (Jumbo Mortgage Loans).

Exhibit F-Stacking Order Checklist (Update)

Desk Review or Field Review report (Jumbo Mortgage Loans).

Conforming Guidelines

The Conforming underwriting guidelines have been updated to reflect our revised conforming program. AIG Correspondent Lending is now a Seller/Servicer with Fannie Mae. As a result of this update, our conforming guides have been broken down into five chapters. The chapters represent the following:

Chapter One

The Matrix Section—the matrix reflects program criteria and overlays associated with our offerings.

Chapter Two

General eligibility and housekeeping items are explained in Chapter Two, such as items related to funding a loan.

Chapter Three

This chapter contains additional detail related to ineligible loan characteristics.

Chapter Four

AUS requirements are described in Chapter Four.

Chapter Five

Ability to Repay

Jumbo Guidelines

Section One Matrix (Update)

- **The Product Tables Section** of the matrix within our Jumbo Underwriting Guide has been updated to reflect a separation between High LTV products (LTVs greater than 80%) and Low LTV products (LTV's 80% or lower). New product codes were issued for the High LTV products as a result of this update. Please see the product descriptions and criteria based on each individual product contained within the high and low LTV categories.
- **Jumbo Loan appraisal** requirements and procedures have been updated in the matrix section of our guidelines. The previous FNC process has been discontinued and replaced with the following process, as originally stated in an Announcement dated May 22, 2017(update):

Effective with all loans locked on or after June 2, 2017, AIG will require all jumbo appraisals to be accompanied by a field review or desk review. The Desk Review products acceptable to satisfy this requirement must be from one of the three providers listed below:

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A ten percent value variance between the full appraisal report value and the desk review or field review value is acceptable for purchase by an Approved Buyer.

A second full appraisal is considered an ineligible secondary valuation product.

Field Reviews may not be provided by the same appraisal company performing the full appraisal review.

Section 4.03 Appraisal Report Requirements (Update)

FNC scoring is no longer required as part of our appraisal review process. The appraisal requirements have changed to show either a Desk Review or Field Review must be completed. Desk Review must be from one of the providers as noted in this section of the guidelines. See above for new procedure.

Section 6.09 Income Types--#G (Clarification)

Within the table the verbiage for Lease to Unrelated Third Party has been updated to read "the current lease must be to an unrelated non-arm's-length third party".

Section 8.17 Retaining and Converting Departing Residence (Clarification)

If a borrower has sold the departing residence but not closed on the sale, the debt must be included in the ratios when qualifying.

Chapter 10-Appendix Q-Ability to Repay

Section II Non-Employment Related Borrower Income--#D1 (Clarification)

ii. Updated to read an agreement to lease "from a non-interested third party"

Section II Non-Employment Related Borrower Income--(D)(4)(a) (Update)

The overlay in this section has been updated to read (update in bold):

"Two years' IRS Form 1040 Schedule E (One year IRS Form 1040 Schedule E will be considered when rental history is less than 24 months);..."