

Equity IQ Program Overview

Synopsis

This product is a fixed rate loan with a full draw required at closing. This document is intended as a general guide, is not all inclusive, and provides basic product parameters. For items not otherwise addressed in this product description refer to the Underwriting guidelines, as applicable. Wholesale and Correspondent loans must have prior approval to originate the program.

Loan Terms:	Fixed rate, single disbursement
Min Loan Amount:	Fixed rate: 80% of available proceeds
Max Loan Amount:	\$4,000,000
Min Property Value:	\$450,000
Min Fico:	620

Appraisal Requirements

- The Appraiser must be state licensed, and geographically competent. Must be ordered with a Liberty Reverse approved AMC.
- Appraisals must be completed in compliance with AIR, FIRREA, USPAP and all State requirements.
- One (1) appraisal with estimated value up to \$2,000,000 plus an Enhanced Desk Review (EDR).
- Two (2) Appraisals with estimated value greater than \$2,000,000. The lower of the two values will be used as the Maximum Claim Amount.
- When the appraised value is greater than \$2,000,000, the borrower may elect to close using \$2,000,000 as the appraised value. In such cases, a second appraisal would not be required.
- Appraisal is valid for 180 days. An Appraisal Update is permitted, see Appraisal Update section of the underwriting guidelines.

Approved Trust Attorney's

- Revocable Trusts: Paul Lovegrove, Maria Greco, Jay Resendez, Jack Miller, and Carrie House.
- Irrevocable Trust: Paul Lovegrove and Maria Greco.
- Attorney Opinion letter must be provided for Trusts (Revocable, Irrevocable, and Land) and by an approved attorney (as noted above).

Borrower Counseling

- All borrower(s) and Non-Borrowing Spouse, as applicable, must receive counseling from a Liberty approved counseling agency.

Borrower Eligibility

Allowed

- US Citizens
- Permanent Resident Aliens
- Inter Vivos Trust (Revocable and Irrevocable)
- Non-Permanent Resident Aliens (with conditions)
- Occupying/Eligible Non-Borrowing Spouse
- Borrower(s) holding life estate interest

Not Allowed

- Foreign nationals
- Limited partnerships, general partnerships, corporations
- Non-occupant Co-borrowers
- Other non-borrowing person(s)

- All borrowers must be 55* years of age or older on the day he/she executes the closing documents.
 - *For the state of Texas, all borrower(s) must be at least 62 years old on the day he/she executes the closing documents.

Counseling

- EquityIQ specific counseling is required.
- Loans may close with an expired counseling certificate except in AZ and TX.
- For TX, the closing must be within 270 days of the date the counseling was completed.
- CA Pre-Application Disclosures
 - Must be signed and dated at loan submission
 - For loans transferred from another lender, the disclosures must be received from prior lender or counselor before the LO can take the application. If the disclosures are not dated prior to counseling, then the borrower must be re-counseled prior to taking the application.

Credit History

Mortgage History

- 0x30 in the last 12 months.
- 2x30 in the last 24 months.
- An exception may be approved for limited delinquencies.

Bankruptcy

- Chapter 7 – Must be discharged (2) years from loan application date.
- Chapter 13 – Must be discharged (2) years from loan application date.

Foreclosure or Short Sale

- None in the past two (2) years from foreclosure or sale date to loan application date.

Credit Report

- Tri Merge credit report for all borrowers.

Credit Score

- The minimum mid-FICO is 620. All borrowers with a FICO must meet score requirements. The transaction must have at least one borrower with an acceptable credit score.

Refer to the EquityIQ Underwriting Guidelines for questions not addressed in this product description.

- FICO at or above 620 up to 660 must close with either a TISA or 18 months reserves of taxes, insurance(s), and HOA dues, as applicable. Loan proceeds may not be used for the 18-month reserve requirement. Gift funds may not be used as reserves.
- When the mid FICO is below 660 and HOA/PUD/Condo or similar dues are applicable, then a Tax & Insurance Set Aside (TISA) is required. Evidence of 18-month reserves is no longer permitted.

Eligible States

- Retail: AL, AZ, CA, CO, CT, DC, FL, GA, ID, IL, LA, MO, MI, MT, NC, NJ, NM, NV, OH, OK, OR, PA, SC, TX, UT, VA
- Wholesale: AL, AZ, CA, CO, CT, DC, FL, GA, ID, IL, LA, MO, MI, MT, NJ, NM, NV, OH, OK, OR, PA, SC, TX, UT, VA
- Hybrid Correspondent: AL, AZ, CA, CO, CT, DC, FL, GA, ID, IL, LA, MO, MI, MT, NC, NJ, NM, NV, OH, OK, OR, PA, SC, TX, UT, VA

Existing Mortgages

- All outstanding mortgages and liens on the subject property must be paid off through the settlement of the reverse mortgage.
- No subordinate financing permitted.

Loan Origination Fees

Prime and Max

- Maximum Loan Origination Fee of \$30,000 unless otherwise limited by state law.
- Retail and Wholesale in New Mexico – the LOF is limited to 6% of the Unpaid Principal Balance (UPB) at closing.
- Wholesale in California – if UPB is \$30,000 or less at closing, then LOF must be no more than 5% of the UPB and not greater than \$700. If LOF is less than \$390, then \$390 can be charged. The appraisal fee, notary fee, and settlement fees are included in the LOF cap.

Apex

- 4% Loan Origination Fee calculated on the Principal Limit unless otherwise limited by state law.

Loan Origination System

- Portal and HELOS.

Maximum Loan Amount

- Maximum Loan Amount (Principal Limit) is \$4,000,000. For Principal Limit (PL) between \$3,000,000 - \$4,000,000 the PL will be the greater of \$3,000,000 or PLF minus 5%.

Non-Borrowing Spouse (NBS)

- Non-Occupying (Ineligible) NBS may be permitted, review the underwriting guidelines to confirm.
- Recorded Attorney Session is required for all loans with an NBS.

Occupancy

- Primary residence only.
- Occupied by borrower(s) and Occupying/Eligible Non-Borrowing Spouse, for most of the year (at least 183 days).

Property Eligibility

Allowed

- 1 – 4 family dwellings, including modular homes.
- Single family residence with up to 2 ADUs.
- Single family residence with Manufactured home ADU.
- 1 Unit Leasehold.
- Condominiums that are FHA approved or Warrantable under FNMA Limited Review Process.
- Attached or detached PUD.
- New Construction with Certificate of Occupancy (CO) or its equivalent has been issued prior to closing.
- Log homes with comparable sale(s).
- Site Condominiums, including detached condominiums that meet the definition within this guide.
- Properties with Non-Residential Use that meet all requirements.
- Legal non-conforming that can be re-built AS IS if destroyed.

Re-Application Requirements

- If a borrower chooses to be removed from the loan application after the initial application is executed, a new application package must be executed.

Repairs

- Repair set asides are permitted - any noted repairs that may impact the structural integrity of the subject property and/or the health and safety of the occupant(s) must be completed satisfactorily prior to closing.

Seasoning Requirements

New applications must meet the following seasoning requirements when going from one program to another. All seasoning requirements are measured from the closing date of the prior loan to the new loan closing date.

HECM or EquityIQ

- Less than 12 months: No refinance permitted.
- More than 12 months: The refinance is allowable when there is a clear Net Tangible Benefit to the Borrower(s).
- **Note:** Loans with a defined bona fide advantage to the borrower(s) will be reviewed on a case-by-case basis.

EquityIQ or other Proprietary Reverse to EquityIQ

- Less than 12 months: No refinance permitted.
- More than 12 months: The refinance is allowable when there is a clear Net Tangible Benefit to the Borrower(s).
- **Note:** Loans with a defined bona fide advantage to the borrower(s) will be reviewed on a case-by-case basis

Refer to the EquityIQ Underwriting Guidelines for questions not addressed in this product description.

Servicing Fee

- Fixed Rate - \$0 monthly servicing fee.

Use of Proceeds

- Purchase or Refinance.

Vesting

- Borrowers must hold vested interest at closing.
- An occupying NBS may not hold vested interest in a property after closing.