



TO: Correspondent Lenders

FROM: Angela Breidenbach, Operations Manager

DATE: March 27, 2015

**RE: FNMA 97 Product
Change to Minimum Loan Amount**

FNMA 97 Product

Cornerstone Correspondent Lending is pleased to announce that, effective Monday, March 30th, 2015, we will begin accepting locks under the FNMA 97% LTV product. This option is subject to Fannie Mae's guidelines and the following Cornerstone overlays:

- 640 minimum credit score
- Gifts cannot be used for reserves
- 35% MI coverage required (reduced MI is not allowed)
- No LPMI or Financed MI
- No manufactured homes
- No subordinate financing/community seconds
- The MyCommunityMortgage© (MCM©) enhancement is not allowed

Here are a few things you need to know before you price your loans with Cornerstone:

1. Fixed rate only with terms up to 30 years.
2. 1 unit principal residences only; no second homes or investment properties.
3. Loans must be run through DU, and this option must be selected in the pricing engine search screen.
4. On a PURCHASE transaction, at least one of the borrowers must be a First Time Homebuyer. You will need to check this box in the pricing engine search screen.
5. REFINANCE transactions must be Limited Cash Out (no cash out allowed), and the existing mortgage being refinanced must be owned by Fannie Mae as evidenced by one of the following:
 - Evidence of Fannie Mae ownership from the loan servicer's system
 - A screen print of positive results from Fannie Mae's [Loan Lookup Tool](#)

Additional References:

- Fannie Mae [97% LTV Options](#)
- Fannie Mae Announcement [SEL-2015-15](#)
- Fannie Mae [Lender Fact Sheet](#)
- Fannie Mae [FAQ's](#)

Change to Minimum Loan Amount

Effective with loans locked on, or after, March 30, 2015, the Cornerstone Correspondent Lending minimum loan amount is \$75,000.00. This overlay applies to all conforming conventional and government loans.

If you have questions, please contact Kim Sharp at cornerstonecl@houseloan.com.

As always, your business is greatly appreciated. If you have questions regarding these issues, please contact me at abreidenbach@houseloan.com.

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