



# OCM CLOSING GUIDELINES / MATRIX



General	
Borrowers Name(s)	Must match vesting on Title. Contact OCM if a/k/a - f/k/a - n/k/a.
Appraisal	Appraiser must have valid and current license. No "For Sale" signs allowed in photos for refinance loans.
Lock	Loan must be locked prior-to-close. Must fund on or before expiration date.
Property Address	Taken from Appraisal, or Tax Bill if no appraisal is in file. MUST match 1003, HOI, Flood, Title.
Identity	In compliance with Section 326 of the Patriot Act, and pursuant to Wisconsin Statute 343.03(f) we require ID be verified for each borrower. Current and valid ID must be copied and returned in each closed loan package, including remote closings. Out-of-State ID is allowed <i>only</i> if the borrower(s) have lived "in-state" for less than six (6) months.
Citizenship	If the borrower is not a U.S. citizen, a valid Greencard or Visa* must be presented. An affidavit is required to be signed at close. *specific restrictions apply.
Closing Requirements	
Escrow Instructions	Signed by Borrower(s) and Closing Agent. All conditions met prior to funding.
HUD-1 Settlement Stmt	Signed by all parties. Approved by Closer prior-to-close.
Simultaneous 2nd Liens	A separate HUD is required for each loan.
Signature(s)	Borrower(s) may oversign, but not undersign. Initials for signature not allowed.
Power of Attorney	Must be approved by OCM & Title prior-to-close. Specific requirements apply <sup>1</sup> .
Trust: Living/Revocable	Must be approved by OCM & Title prior-to-close. Specific requirements apply <sup>2</sup> .
4506-T	Signed 4506-T is required on all loans.
<sup>1</sup> Appointee must be immediate family member, partnership or Attorney of Law (cannot be same as closing agent Attorney). POA must be loan specific. Original <i>must</i> be recorded with new mortgage.	
<sup>2</sup> The trustee must sign the mortgage. The settlor/beneficiary of the trust must be an applicant. "Certification of Trust" not allowed (California only).	
Title Requirements	
First Lien Position	Full ALTA policy required. Must match principal amount of the loan.
Acceptable Titles	Joint tenants (husband and wife)... Tenants in common... Individually... Tenants in entirety...
Unacceptable Titles	A corporation... Partnership... Life Estate/Irrevocable Trust... Church...
Title Concerns	
Judgments	Fully executed judgment affidavit is acceptable for judgments that do not belong to our borrower(s). All applicable judgments must be PIF or paid at closing.
Child Support Lien	Child support liens belonging to our borrower(s) must be paid in full, either at closing or evidence of release from Child Support Department. Liens are verified by producing the date of birth and SSN to the title agency. An endorsement removing said item is required if lien does <i>not</i> belong to our borrower(s); a Child Support Affidavit is <i>not</i> acceptable
Lis Pendens/Foreclosure	Release of Lis Pendens required. Evid of Sheriff's Deed in lieu of foreclosure.

Loan Products								
CONFORMING PRODUCTS			Purchase		Rate/Term		Cash-Out *620 FICO	
Occupancy Type	Property Type	FICO	Max LTV	Max CLTV	Max LTV	Max CLTV	Max LTV	Max CLTV
O.O.	SFR	720*	90	95	90	95	80	80
O.O.	2 Unit	720*	80	80	80	80	75	75
O.O.	3-4 Unit	620	75	75	75	75	75	75
2nd Home	SFR Only	620	80	85	80	85	75	75
N.O.O.	1 Unit	620	80	85	75	75	NA	NA
N.O.O.	2 Unit	620	75	75	75	75	NA	NA
N.O.O.	3-4 Unit	620	75	75	75	75	NA	NA
All Cash-out Refinances require a FULL appraisal, regardless of AUS findings. Effective 11/01/09.								
Max Debt Ratio = 45%-50%<80LTV with AUS approval.. Anything higher will only be looked at on an exception basis and must have very STRONG compensating factors. * Max Debt Ratio = 41%>80LTV NO exceptions.								
Purchase Money CLTV Maxiums (when we are first and there is subordinate financing)								
Purchase or Rate/Term only: need 2mo PITI reserves, cannot P/O subordinate financing even if it was Purchase Money 2nd.								
FHA PRODUCTS			Purchase		Rate/Term		Cash-Out	
Occupancy Type	Property Type	FICO	Max LTV	Max CLTV	Max LTV	Max CLTV	Max LTV	Max CLTV
O.O.	SFR	640	96.5	96.5	97.75	100+ <sup>6</sup>	85	100+ <sup>6</sup>
O.O.	2 Unit	640	96.5	96.5	97.75	100+ <sup>6</sup>	85	100+ <sup>6</sup>
O.O.	3-4 Unit	640	96.5	96.5	97.75	100+ <sup>6</sup>	85	100+ <sup>6</sup>
Streamline	SFR	640	NA	NA	max calc	100+ <sup>6</sup>	NA	NA
Streamline	2 Unit	640	NA	NA	max calc	100+ <sup>6</sup>	NA	NA
Streamline	3-4 Unit	640	NA	NA	max calc	100+ <sup>6</sup>	NA	NA
Streamline	N.O.O.	NA	NA	NA	NA	NA	NA	NA
Must have AUS approval, no Refer. <sup>6</sup> Subordinate lien must be existing; cannot approve new/simultaneous subordinate liens.								
Purchase Money Policy								
Seller carry backs not permitted. Require 100% of borrower's own funds for down payment. Gifts allowed; restrictions apply. All down payments must be sourced and seasoning of 60 days is required. Seller credits from tax proration/water/sewer, etc. cannot be applied toward down payment funds. HOI premium paid upfront cannot be applied toward down payment funds. Seller cannot credit any portion of prepaid interest. <b>FHA specific</b> - Borrower(s) must apply 3.50% down payment of borrower's own funds. Seller must credit ALL of the UFMIP if chosen as a seller-paid item (cannot split). Seller's closing cost credits must be shown on HUD-1 page 2 and itemized individually in the seller's column.								
If required by the appraisal or sales agreement, a survey or ALTA endorsement must be obtained to confirm boundaries as described in purchase and sale agreement. Pest, water, well, and septic inspections must be obtained if required by the appraisal or sale agreement. Homeowners (hazard) insurance must be prepaid one year prior to or at closing.								
Second Liens								
Subordinate liens must be approved p-t-c. No Seller carrybacks allowed.								



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Title Concerns Continued	
Divorce	All loans require the Marital Settlement Agreement prior-to-close. Spouse must agree to convey homestead rights. FHA loans must include spouse debts and evidence spouse SSN. Monies/equity due to spouse will be required to be paid at closing per official agreements, if required.
Managed Forest Land	Withdrawal from this program incurs penalties; petition must be completed p-t-c.
Anti-Terrorism & Death Penalty Act of 1996	Payoff from US Govt Atty @ 414-297-1700 must be obtained to satisfy Notice of Lien for Fine/Restitution Imposed. A copy of the recorded lien is required p-t-c.
Homeowners Insurance	
Hazard insurance must be prepaid one year prior to or at closing. A paid in full receipt is required unless paying at close. If premium is due within 90 days must be PIF at close. When the annual premium is not available, OCM will estimate the new premium by adding 115% onto the previous premium amount. FHA loans require escrows. Conforming loans >80% LTV require escrows. If waiving escrows, any HOI premiums due within 90 days must be paid at close. Application for HOI coverage is not accepted. Must be Dec Page or Binder and policy must be typed (cannot accept handwritten forms). Agent name/address/phone/policy # must be listed. Coverage must be sufficient to cover the replacement costs with all improvements (excluding land value) with annual premium listed. For Condominiums the master policy is required with a certificate of insurance listing loss payee. Condominium HO-6 "walls-in" policy is also required. The walls-in policy won't be escrowed. Loss payee clause must be listed correctly on all policies: One Choice Mortgage, LLC, ISAOA, ATIMA, 7700 W. Bluemound Road, Wauwatosa, WI 53213.	
Flood Insurance	
Flood insurance must be prepaid one year prior to or at closing. A paid in full receipt is required unless paying at close. Required by law for any property located in a Special Flood Hazard Area (SFHA) Zone "A" or "V" regardless of whether or not the community participated in the National Flood Insurance Program (NFIP). For properties located in communities who are not participants of the NFIP the borrower must obtain flood insurance from an independent carrier. Coverage must be from a private or national flood insurer. It must cover the lesser of 100% of the insurable value or the maximum (\$250,000) coverage available under NFIP. Maximum deductible must be the lesser of \$5000 or 1% of the face amount of the policy. Loss payee clause must be listed correctly on all policies: One Choice Mortgage, LLC, ISAOA, ATIMA, 7700 W. Bluemound Road, Wauwatosa, WI 53213.	
Fidelity Insurance	
Required on attached condominium projects or attached PUD projects that have more than 20 Units. Detached condominiums or PUDs that are eligible for single-family coverage or projects of less than 20 Units are exempt.	
Property/Collateral	
<b>Standard Properties</b> - Owner occupied principal dwelling, single family detached, site built, fee simple, urban and suburban residential real estate, SFR, 2-4 Units, Condominiums, PUDs, Log Homes, Modular.	
Ineligible Property Types	
5+ units Residential prop.	Business, commercial or agricultural use of property that does not meet residential requirements.
Cooperatives	
Community living (group)	Properties with health, safety and/or liability issues.
Dome Homes	Properties located in high risk flood area without proper coverage as federally mandated.
Houseboat project	
Illegal use	Properties located in an area that is deemed an environmental risk by a Phase III report.
Leaseholds	
Manufactured Homes	Multi unit properties with an illegal additional unit or accessory apartment.
Mixed use	Rural properties that do not conform to guidelines.
Non-conforming use prop.	Unique properties where marketability cannot be established.
Segmented ownership	
Timeshares	

Property Taxes												
Any taxes due within 60 days of closing must be paid in full. Any delinquencies must be paid in full. Delinquent taxes paid at close will require the loan to be locked/underwritten as cash-out.												
<b>ESCROWS = Tax due date: December 31st</b>	<b>NOTE:</b>	<b>WAIVING = Tax due date: January 31st</b>										
After November 5th we require the new years taxes to be paid at close based on last year's bill until such time as the new tax bill becomes available. On refinances where special assessments are listed on the tax bill, we require them to be escrowed in the monthly payment. Any delinquent special assessments must be paid in full at close.	<b>All FHA loans and any Conforming loans &gt;80%LTV require escrows.</b>	After December 1st we require the new years 1st tax installment to be paid at close based on last year's bill until such time as the new tax bill becomes available. After January 1st we require the new years 1st tax installment plus any additional installments due within 60 days to be paid at close based on the new years tax bill that is now available.										
New/Recent Construction Properties		Estimated Tax Formula: Example										
Can escrow for either the last years Land Only tax bill, OR use OCM's estimated tax formula to base the borrower(s) payments upon. Cannot use any other form of estimating taxes. If the Seller had any delinquent special assessments they will <i>not</i> be included in the monthly payment.		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Appraisal Value</td> <td style="text-align: right;">\$100,000.00</td> </tr> <tr> <td style="text-align: right;">x Assessment Ratio</td> <td style="text-align: right;">98.33%</td> </tr> <tr> <td style="text-align: right;"><b>Subtotal</b></td> <td style="text-align: right;"><b>\$98,330.00</b></td> </tr> <tr> <td style="text-align: right;">x Mill Rate</td> <td style="text-align: right;">0.022369</td> </tr> <tr> <td style="text-align: right;"><b>Estimated Taxes</b></td> <td style="text-align: right;"><b>\$2,199.54</b></td> </tr> </table>	Appraisal Value	\$100,000.00	x Assessment Ratio	98.33%	<b>Subtotal</b>	<b>\$98,330.00</b>	x Mill Rate	0.022369	<b>Estimated Taxes</b>	<b>\$2,199.54</b>
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First Payment Due Date												
Mortgage loan payments are due on the first day of the month with a 15 day grace period. The first payment due date must be no more than 55 days from the date of loan funds disbursement. In addition, the first payment due date should not be greater than 60 days from the Note Date. Interest credits are given on loans funding through the 5th of the month. A 30-day Hardship Notice must be signed by the borrower(s) when an interest credit is allowed.												
Payoff Demand Statements												
Effective 5/14/09, payoff demand statements will be required on all refinance transactions. The payoff demand statement must reflect that the loan is not more than 30 days delinquent, does not contain charges associated with default/forbearance, does not indicate a curtailment of principal (e.g. short pay), and meets the mortgage derogatory requirements as detailed in the underwriting guidelines. OCM will not allow escrows to be netted from the HUD-1 Settlement Statement if the payoff statement does not show escrows netted from the outstanding balance.												
OCM RESPA Policy												
RESPAs must be dated within 90 days of closing date; regardless of AUS findings. Brokers must correct any dates prior-to-close. See additional requirements on our website under the Announcements tab.												
FHA Loan Specific Requirements												
Property Address in FHAC												
Subject property address in FHAC must match tax bill address. See below for fire sign addresses, etc.												
* Property Address*												
Hse No	Unit	Pre	Street Name	Type	Post							
W181			S6597 SAMPLE	DR								
City		St	Zip Code	County								
MUSKEGO		WI	53150	133								
<i>This is OCM preferred address entry for FHAC.</i>												
All Borrower Name/Address changes in FHAC must be validated prior to close - <b>NO exceptions.</b>												
FHA 3/1 ARM Loans												
Caps: 1%/1%/5%, No Mortgage Rider is required. Streamline refinance=the lesser of 30 years or the un-expired term of the loan plus 12 years. All Streamline ARM loans require a photocopy of the original Note to determine remaining term.												