



# PRODUCT DEVELOPMENT

## TPL Doctors Only Portfolio Product

This document by definition is an outline, description or a representation of information relating to particular characteristics of a product or program.

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### GENERAL DESCRIPTION

Available to medical doctors who have a minimum of a M.D., D.O., D.D.S., or D.M.D. degree and an established practice. Medical Doctors including Dentists, Podiatrists and Ophthalmologists are permitted. Veterinarians are also eligible. This program is not available for Chiropractors.

### PRODUCT BENEFITS

**This program offers 89.99% LTV with no MI up to \$1,000,000.** (Loan amounts up to \$2,000,000 are available with reduced LTVs). Purchase or Rate & Term Refinance Only.



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## PRODUCT PARAMETERS

PRIMARY RESIDENCE ONLY		
Loan Amount	Minimum FICO <sup>1</sup>	LTV <sup>2</sup>
<b>PURCHASE and RATE &amp; TERM REFINANCE</b>		
\$0 - \$1,000,000	720	89.99%
\$1,000,001 - \$1,250,000		85%
\$1,250,001 - \$2,000,000		80%

<sup>1</sup>FICO score is based on middle score when three scores are available or the lowest score when two scores are available

<sup>2</sup>Non-Warrantable Condos are restricted to a max LTV of 89.99%

### **Available Products**

**Fixed:** 30Yr, 15Yr

**ARM:** 1/6, 3/6, 5/6, 7/6, 10/6 and 15/6

### **Terms**

**Fixed Rate:** 180 Months – 360 Months

**ARMS:** 360 Months (lesser term may be permitted with Exception from HNB Secondary)

### **Netox Product Codes (ARMs – SOFR Index):**

Port 30 Year Fixed Doctors  
 Port 15 Year Fixed Doctors  
 Port 1/6 ARM – Doctors  
 Port 3/6 ARM – Doctors  
 Port 5/6 ARM – Doctors  
 Port 7/6 ARM – Doctors  
 Port 10/6 ARM – Doctors  
 Port 15/6 ARM – Doctors

### **Property Types**

1 Unit Principal Residence  
 Condos (Warrantable)- Standard FNMA documentation required  
 Condos (Non-Warrantable)- Restricted to 89.99% LTV  
 PUD  
 Townhome  
 Modular Homes (i.e. Prefabricated homes built to state and local building codes)

### **Ineligible Property Types**

Investment Property or Second Homes  
 Manufactured Housing  
 Illinois Land Trust & Irrevocable Trusts  
 Leaseholds  
 Co-Ops

### **Minimum FICO**

720

### **Underwriting**

Manual HNB Underwriting

### **Qualifying Ratios**

Max DTI: 50%  
 HPML Max DTI: 45%

### **Subordinate Financing**

Not Permitted

### **Mortgage Insurance**

MI not required

### **Minimum Loan Amount**

N/A

### **Maximum Loan Amount**

\$2,000,000



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## MARKET RESTRICTIONS

### Originations allowed in the following states: CO, IL, IN, KY, MI, MN, ND, SD OH, PA, WI & WV

- Origination for loans in any other area or state requires advance Client level approval by HNB Senior TPL Management.
- Cannot lend on properties in Dade or Broward County in the State of Florida.

## ARM INFORMATION

**Margin:** 3.0% (Refer to Portfolio Rate Sheet for additional adjustments that may apply)

**Index:** The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. SOFR is the US successor to LIBOR. For the purpose of mortgage rate adjustments, SOFR is calculated using the daily compounded average rate 30 days in arrears. The SOFR Index is published daily by the New York Fed.

- The new interest rate is set forty-five (45) days prior to the adjustment by adding the margin to the index, then rounding to the nearest 1/8%.

### Interest Rate Adjustment Cap

- **1/6m, 3/6m, 5/6m: 2/1/5 caps**
  - Annual Caps: plus/minus 2% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 1% of the preceding interest rate.
  - Life Cap: plus/minus 5% over the initial interest rate (Rate may never be lower than the margin.)
- **7/6m, 10/6m, 15/6m: 5/1/5 caps**
  - Annual Caps: plus/minus 5% of the initial rate at the first adjustment with every subsequent adjustment at plus/minus 1% of the preceding interest rate.
  - Life Cap: plus/minus 5% over the initial interest rate (Rate may never be lower than the margin.)

## SPECIAL FEATURE CODES (SFC)

- Doctors Only: 617
- Non-Warrantable Condos/PUDs: 755

## UNDERWRITING GUIDELINES

*All loans must meet the Ability to Repay (ATR) rules established by the Consumer Financial Protection Bureau (CFPB). The ATR Rule requires that a reasonable, good-faith determination be made in determining that the consumer has a reasonable ability to repay the loan. Generally, ATR must consider the current or reasonably expected income or assets the borrower will rely on to repay the loan; the current employment status, the monthly mortgage payment for the subject loan; the monthly payment on any simultaneous loans secured by the same property; the monthly payments for property taxes and insurance that the consumer is required to buy; debts, alimony & child support obligations; monthly debt-to-income ratio or residual income, calculated in accordance with the ATR final rule; and credit history.*

**Manual Underwriting Only:** Loans will be underwritten by the Huntington Underwriting Department

### Qualifying Rate

- 1/6, 3/6 & 5/6 ARMs are qualified at the greater of the Fully Indexed Rate or Note Rate plus 2.0%
- 7/6, 10/6 & 15/6 ARMs are qualified at the greater of the Fully Indexed Rate or the Note Rate.
- 30Yr and 15Yr Fixed Rate qualified at the Note Rate.



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## Documentation

- Standard Fannie Mae Full/Alt documentation
- Standard Fannie Mae guidelines except as stated below:
  - Non-U.S. Citizen borrowers are required to have a valid VISA. Huntington cannot accept borrowers with only an Employment Authorization Document.
    - As category C33 work status is under a deferred action and does not provide lawful status, borrowers working under DACA authorization are not eligible.
  - Minimum reserves
    - Conforming: 2 months PITI
    - Jumbo: 6 months PITI
    - Round up any partial months.
    - See Future Employment income section below for additional Reserve requirements
  - Verification of Deposit or last two months bank statements.
    - Large deposits of student loan proceeds are acceptable and require no more documentation.
    - All other large deposits need to meet Fannie Mae criteria
  - If degree is not available, a letter from the school must be provided and include the following:
    - Written on school letterhead,
    - anticipated graduation date, and
    - type of degree the student is receiving
  - Non-Occupant Co-Borrower must follow Fannie Mae criteria.
  - **Non-Conforming Refinance** loans paying off a 1<sup>st</sup> mortgage and 2<sup>nd</sup> Lien HELOC or closed-end 2<sup>nd</sup> will be treated as a Rate & Term Refinance.
    - HELOC must have proof of no draws in the past 12 months. Most commonly this would be in the form of Bank Statements. There will be no documentation exceptions on evidencing the absence of draw activity.
    - For a closed-end 2<sup>nd</sup>, borrower(s) must have made at least 12 payments. No exceptions to the number of payments.
  - Huntington's aggregate mortgage loan obligation per borrower in the portfolio is not to exceed \$2,000,000
  - Only one Doctors Only loan per borrower is permitted in the Huntington portfolio.

## Physicians hired as a contractor or 1099 Employee

- A two-year history of self-employment is not required if all the following requirements are met:
  - Doctor has an executed employment contract with a guaranteed salary or hourly rate with a stated number of hours to be worked; **and**
  - A satisfactory letter from the hospital or clinic stating that there are no expenses to the doctor for them to perform their medical duties; **and**
  - Employment Start Date must be within 60 days of loan closing

## Future/Projected Income (New Job and Job Change) Employment Offers or Contracts

- For Physicians beginning residency after loan closing, the following is required documentation:
  - A fully executed/signed employment contract or offer letter in which all contingencies have been met
  - Must verify that borrower will have sufficient income or cash reserves to support the mortgage payment **and** any other obligations between first payment due date and the start of employment.
- If using non-residency future employment income/ employment contracts to qualify, whether a new job or job change the following, reserves requirements also apply:
  - **Conforming:** One month of reserves for each payment due between the first payment due date to when employment begins + the 2 month minimum reserve requirement
  - **Jumbo:** One month of reserves for each payment due between the first payment due date to when employment begins + the 6 month minimum reserve requirement
  - Round up any partial months



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- The Underwriter must also verify that the borrower will have sufficient income or cash reserves to support the mortgage payment and any other obligations between first payment due date and the start of employment.

## Self Employed Borrowers

- A borrower with a 25% or greater ownership interest in a business is considered self-employed. In general, self-employed borrowers must provide the following documentation:
  - Signed, dated individual tax returns, with all applicable tax schedules for the most recent 2 years.
  - Borrowers self-employed by Corporations, "S" Corporation, or Partnership must provide signed copies of Federal business income tax returns for the last 2 years, with all applicable tax schedules.
  - Year to date profit and loss (P&L) statement and balance sheet from a reasonably reliable third-party source (for example, audited or accountant reviewed) may be required at Underwriter discretion.
  - Self Employed Income: Verification of the business existence must be obtained within 30 calendar days prior to closing, from a third-party source such as a CPA, regulatory agency or licensing bureau.
  - The source used to verify the business (white pages, yellowpages.com, etc.) must be documented in the credit file for all income sources, along with the full name and title of the eligible contact person providing the information.
  - Trailing Secondary Wage Earner Income is no longer considered as an eligible income source.

## Use of Business Assets for Closing and/or Reserves

- Business assets may be an acceptable source of funds for down payment, closing costs and financial reserves when a borrower is self-employed and the individual federal income tax returns have been evaluated by the lender, including, if applicable, the business federal income tax returns for that particular business (non-Schedule C).
- The borrower must be listed as an owner of the account and the account must be verified in accordance with Selling Guide B3-4.2-01, Verification of Deposits and assets.
- A business cash flow analysis must be performed to confirm that the withdrawal of funds for this transaction will not have a negative impact on the business.
- **If at any time the UW of Record is not comfortable in making the decision to utilize the new tolerance when applicable, he/she should escalate to the Process Team Leader/Manager for further review and guidance.**

## Properties Pending Sale and/or Converting to a Second Home or Investment Property

- If the borrower's current residence is pending sale, or is converting to a second home or investment property, the following additional reserves (PITIA) must be calculated and documented:
  - If 30% equity or more in the current principal residence is documented, two (2) months PITIA on the subject property and two months PITIA on the current principal residence is required.
  - If there is less than 30% equity in current principal residence, six (6) months PITIA on the subject property and six (6) months PITIA on the previous primary residence is required.
- Underwriters may not consider any rental income from a borrower's principal residence that is being vacated in favor of another principal residence except under the following conditions:
  - Relocations: The consumer is relocating with a new employer or being transferred by the current employer to an area not within reasonable and locally recognized commuting distance. A letter from the employer must be obtained confirming the relocation/transfer.
  - Sufficient Equity in Vacated Property: The consumer has a loan-to-value ratio of 75% or less, as determined by either:
    - A current (no more than 6 months old) residential appraisal; **or**
    - Comparing the unpaid principal balance to the original sales price of the property.

## Gift Funds

- Gift funds can be applied to down payment, closing costs or cash reserves.



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## Non-Traditional Credit

- Used when borrower has no credit score because the borrower lacks the type or number of credit references to develop a traditional credit history.
- A minimum of three (3) references are required that are at least one year old. One (1) of the sources must be housing, and all must show paid as agreed.
- Two (2) sources must be Tier I credit, i.e. housing rental payment (required), utilities, telephone and TV cable. Other sources may be Tier II or III credit (i.e. medical, life, auto or renter’s insurance, local department, furniture, appliance or specialty stores, medical bills, auto rental, school tuition, childcare, etc.).
- Up to 30% of the total qualifying income for the mortgage may be represented by the stable and continuing income of an occupying co-borrower for whom neither an acceptable traditional credit profile nor an acceptable nontraditional credit profile can be developed.
- Payment on loans from an individual is permissible if the terms are in writing and a canceled check can be provided to document payment.
- There can be no history of delinquency on the rental housing payments within the past 24 months (or, if the borrower has been making rental payments for less than 24 months, no history of delinquency for the number of rental payments that have come due).
- There can be no history of delinquency on the remaining accounts, although one of the accounts may have had a 1x30 delinquency.
- There can be no collection or judgments of public record.
- Under no circumstances shall the non-traditional credit history evaluation be used to offset derogatory credit.

## Student Loans

- **Student loan payments must be included in the DTI calculation.**
- Use of the [Student Loan Payment Calculator](#) is determined by borrower’s residency status. See table below:

If...	Then...
Borrower is currently in residency or fellowship and income from residency/fellowship is being used for qualification	Use Student Loan Payment Calculator to determine monthly payment used for qualifying. <ul style="list-style-type: none"> <li>• Only the resident’s income should be entered into the student loan calculator</li> <li>• If there is a co-borrower and both borrowers are resident’s, a separate calculator should be used for each borrower.</li> </ul> Note: if resident qualifies with payments listed on credit report and they are less than Student loan Payment Calculator, the payments listed on the credit report may be used for qualifying.

## Non-US Citizens Who Are Lawful Permanent or Non-Permanent Residents

- Must follow Fannie Mae guidelines, with these overlays:
  - 2 years US credit history required
  - If permanent resident - Must provide documented evidence of residency status
  - If non-permanent resident - Must have a valid work visa
  - Not allowed if borrower has diplomatic immunity

## 4506-C

- A completed and signed Form 4506-C is required from all borrows at closing. Huntington has adopted the following:
- When IRS rejects the request for tax transcripts due to identity theft in lieu of tax transcripts, one of the following options may be used to document the file:



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- For salaried borrowers, when available, utilized The Work Number’s Instant Access Database which will show employment and income records provided by the employer’s payroll system; or order W-2 or 1099 transcripts when the only income used to qualify is salaried W-2 or 1099 reported income.
- Request the most recent 1040s from the borrower(s) with proof of filing (cancelled check for tax payment, or bank statement showing deposit of refund).

## MISCELLANEOUS ITEMS

### Age of Credit Documents

- The maximum age of credit documents is 120 days
- “Credit documents” include credit reports, employment, income, asset, and appraisal documentation
- Title commitment and any applicable Endorsements cannot be dated more than 60 days prior to closing date
- The time frame covered by the maximum age of credit documents goes from the date of the document to the date the note is signed

### Assumable

- 1/6, 3/6: Yes
- 5/6, 7/6, 10/6, 15/6: yes, after initial adjustment
- Fixed Rate: No

**Buydown:** N/A

### Condominiums

- **Non-Warrantable Condominiums/PUDs**
  - If the Condo project is deemed ineligible for salable financing, the HNB condo group will review the project to determine placement in the Huntington Portfolio. Additional conditions may be required.
  - Use HNB Special Feature Code 755 for Non-Warrantable Condos.

**Construction Permanent Modifications:** N/A

### Interested Party Contribution (IPC)

- All HNB Portfolio products must follow Fannie Mae interested party contribution guidelines as outlined below.
- Maximum permitted builder/seller/interested party contributions are based on the lesser of the property’s sales price or appraised value.
- IPCs that exceed the below limits are considered sales concessions.
  - The property’s sales price must be adjusted downward to reflect the amount of contribution that exceeds the maximum, and the maximum LTV/CLTV ratios must be recalculated using the reduced sales price or appraised value.

Occupancy Type	LTV/CLTV Ratio	Maximum IPC
Principal residence	Greater than 90%	3%
	75.01% - 90%	6%
	75% or less	9%

**Mortgage Insurance:** Not required



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## APPRAISAL REQUIREMENTS

### Appraisal Forms:

- Minimum Appraisal Requirement: 1004 interior and exterior inspections
- Appraisals for high loan amounts/high property values may be subject to technical review by the Huntington Residential Valuation Services Group.
- If the appraiser states that utilities are not on at the time of the inspection, utilities are not required to be turned on (unless otherwise stated in the purchase agreement) if the appraiser/reviewer can assess that there are no signs of damage or reason to believe there may be cause for concern. If there are signs of damage, (i.e. water marks in drywall, buckling of floor or wall, evidence of mold, age of wiring, limited number of electrical outlets, etc.) loan may be conditioned for the appraiser to comment and/or verify by inspection that utilities/mechanicals are in good working order.

## PROCESSING

### Ancillary Fees

- Broker/Correspondent Clients: Please see rate sheet for specific fees

### Audit Guidelines

- Huntington Standard Policy and Procedures

### Escrow Aggregate Accounting

- Escrows cannot be waived

### Hazard Insurance

- Required with one-year paid receipt and 2 months reserves

### Title Insurance

- Required in all markets. Survey as required per title commitment. Title policy cannot contain a survey exception to Schedule B

## LEGAL DOCUMENTS

**NOTE:** Fixed Rate: Fannie Mae Form 3200  
Balloon: Fannie Mae Form 3260  
1/6 & 3/6 ARMs: Fannie Mae/Freddie Mac Form  
5/6, 7/6, 10/6, & 15/6 ARMs: Fannie Mae/Freddie Mac Form

**SECURITY INSTRUMENT:** State Specific Fannie Mae Form

**RIDER:** Fixed Rate: N/A  
Balloon: Fannie Mae Form 3180  
1/6 & 3/6 ARMs: Fannie Mae/Freddie Mac Form  
5/6, 7/6, 10/6, & 15/6 ARMs: Fannie Mae/Freddie Mac Form

## SERVICING INVESTOR INFORMATION

- Business Type: Portfolio
- Servicing: Retained
- Investor Code: 085





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## PRODUCT PROFILE UPDATES

Please see agency Selling Guide for updates to underwriting guidelines

Product Revision History	
04/01/2017	Corrected minimum reserves required projected employment to mirror Appendix Q requirements
05/01/2017	Clarification on documentation requirements for projected income; Clarification on the calculation of rental income
05/16/2017	ARMs: Minimum term 360 (lower term by exception only)
06/01/2017	Illinois Land Trusts and Irrevocable Trusts are not permitted
11/10/2017	Increased Loan Amount Limits
01/01/2018	Clarification on eligible geographies
03/29/2018	Added Non-Conforming Rate & Term Refinance with HELOC guidelines
02/12/2019	Updated the Student loan link with the 2019 student loan calculator
02/18/2020	Updated the student loan link with the 2020 student loan calculator
03/02/2020	Adding 30 Year Fixed Option
03/30/2020	Updated Reserve Requirements.
10/09/2020	Updated Adjustable Rate Mortgage terms to replace outgoing LIBOR index with SOFR Index criteria.
02/16/2021	Updated reference from IRS Form 4506T to new required version 4506C
02/24/2021	Updated the student loan payment calculator link with the 2021 poverty income levels
03/19/2021	Added clarification that Non-U.S. Citizen Borrowers are required to have a valid VISA. Huntington cannot accept borrowers with only an Employment Authorization Document. Also added clarification that that Huntington will not accept loan applications or purchase loans for borrowers who are subject to a DACA (C-33 designation) as category C33 work status is under a deferred action and does not provide lawful status.
06/18/2021	Removed Appendix Q documentation guidance in response to system programming for new Agency PSPA and QM changes and requirements. Added specification that Leasehold properties are not permitted (HB overlay).
02/26/2022	Added NetOx Product Name codes
03/07/2022	Added clarification regarding Reserves requirement with new employment.
05/16/2022	Update to allowable loan limits and LTV's for Purchase, Rate & Term Refi's for upcoming NetOx release.
06/08/2022	Correction to page 1, section 1 to update referenced allowable Max loan amount at 90% LTV.
06/26/2022	Updated link to Student Loan Calculator Income Chart and worksheet.
08/23/2022	Replaced Ancillary Fee itemization with "Broker/Correspondent Clients: Please see rate sheet for specific fees". Removed property type restriction on loans to Non-Permanent Resident Aliens.
10/19/2022	Updated Condo review guidance for Non-Warrantable Condos
11/02/2022	Updated profile to reflect expanded market that was effective with TCF merger.
11/28/2022	Profile format update
01/31/2023	Updated link to Student Loan Calculator.



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04/12/2023	Added clarification on qualifying rate information and aligned reserve requirement when future income is going to be used for qualifying.
05/12/2023	Updated max LTV from 90% to 89.99% and removed internal condo documentation links