



# Correspondent Bulletin

Bulletin # CB09-58-**Revised**

chaseb2b.com

Date: October 2, 2009

Effective: October 5, 2009

Page(s): 7

## Revised: Non-Agency Products Now Available

---

### Revisions

This bulletin is being revised to:

- Clarify the Non-Agency Authority Approval Standards by indicating that Correspondents must have an **audited** HUD adjusted net worth of \$1MM as evidenced by fiscal year end and interim financials (if applicable), and
  - Correct the Refinance Cash Out section of the Non-Agency Fixed Rate guide to indicate the maximum cash back permitted on cash out refinance transactions is \$100,000, and
  - Remove First American Appraisal Services (eAppraiseIT) from the list of Chase approved Appraisal Management Company (AMC)
- 

### Introduction

Chase is pleased to announce the Chase Non-Agency Product Suite is once again available in the Correspondent Channel. The Non-Agency product suite is designed to give you more flexibility in the market place, allow you to be more competitive, and help you meet the needs of more customers.

---

### Effective Date

Non-Agency Amortizing and Interest Only Fixed and ARM products are available for eligible borrowers with new Best Effort locks on or after October 5, 2009.

---

### Commitment Types

This program is available for Best Effort transactions only. It is not available for Mandatory (Standard Mandatory, AOT/DT, and Whole Loan Bulk) transactions.

---

*Continued on next page*

## Revised: Non-Agency Products Now Available, Continued

### Non-Agency Authority Approval Standards

The Non-Agency products will be available only to Correspondents who meet all of the following criteria:

- Must receive approval from Chase prior to participating
- Must have minimum **audited** HUD adjusted net worth of \$1 million as evidenced by fiscal year end and interim financials if applicable
- Must have been approved to do business with Chase for at least a year
- Must have a minimum of \$6 million of volume in the most recent 12 month period
- Must meet Chase Correspondent standards for 90+ active ongoing delinquencies for the most recent 12 month period

### Eligibility Notification

Correspondents who meet all of the above criteria as of October 1, 2009, will be notified of their eligibility to deliver Non-Agency loans in a Special Announcement by end of business today, October 2, 2009.

If you have not received a notification of eligibility by the end of business today and have questions, please contact your account executive.

### Available Products

The following Non-Agency products will be available:

Market Type	Product
603	20-, 25-, and 30-Year Non-Agency Amortizing Fixed Rate
623	10- and 15-Year Non-Agency Amortizing Fixed Rate
194	Non-Agency Interest Only Fixed Rate
511	1/1 Non-Agency Amortizing ARM
513	3/1 Non-Agency Amortizing ARM
516	5/1 Non-Agency Amortizing ARM
517	7/1 Non-Agency Amortizing ARM
510	10/1 Non-Agency Amortizing ARM
487	5/1 Non-Agency Interest Only ARM
495	7/1 Non-Agency Interest Only ARM
549	10/1 Non-Agency Interest Only ARM

*Continued on next page*

## Revised: Non-Agency Products Now Available, Continued

**Product Eligibility Parameters**

Please refer to the table below for a high level summary of features associated with the Non-Agency product offering.

<b>Topic</b>	<b>Policy</b>
Maximum Loan Amount	\$2,000,000
Minimum Loan Amount	Minimum loan amounts apply. See “Minimum Loan Amount” topic in this bulletin for details.
Maximum LTV/CLTV	80/80%
4506-T Policy	A fully processed 4506-T (with 2 years transcripts) is required for all borrowers on the loan
Occupancy	Primary Residence Only
Transaction Types	Purchase, No Cash-Out Refinance, Cash-Out Refinance
Property Types	1-4 Unit, PUD, Condo, Co-op
Condominium Classifications	Streamline classifications are not eligible with Non-Agency loan transactions.  For additional information on eligible classifications, refer to the Condo Quick Reference Guides.
Maximum DTI	45%
Features	Texas 50(a)(6) permitted

**Note:** Please refer to the Non-Agency product guides included with this bulletin distribution for detailed product parameters.

*Continued on next page*

## Revised: Non-Agency Products Now Available, Continued

---

**Minimum Loan Amounts** To eliminate overlap between our Agency High Balance product offerings and the Non-Agency products, minimum loan amounts apply as outlined below:

<b>For products and features that are...</b>	<b>the minimum loan amount is...</b>
<b>available</b> under the Chase Agency High Balance programs,	the Temporary ARRA Agency High Balance loan limit as specified for the county, state and number of units, plus \$1
<b>not available</b> under the Chase Agency High Balance programs,	the conforming loan limit as specified for the state and number of units, plus \$1

**Notes:**

- Refer to the FHFA 2009 loan limits by county at <http://www.fhfa.gov/Default.aspx?Page=185>
- See appendix A of the applicable Product Guide for detailed requirements.

---

*Continued on next page*

## Revised: Non-Agency Products Now Available, Continued

**Minimum Loan Amount Examples** Please see below for two examples of how minimum loan amounts apply to Non-Agency products:

**Example 1:**

Loan Parameters	Minimum Non-Agency Loan Amount	Explanation
<ul style="list-style-type: none"> <li>• 5/1 Non-Agency Amortizing ARM</li> <li>• 30- Year Loan Term</li> <li>• Primary Residence</li> <li>• Purchase</li> <li>• 1 Unit</li> <li>• High Balance County loan limit = \$500,000</li> </ul>	= \$500,001	This transaction is eligible under the Agency High Balance program, therefore the minimum loan amount for the Non-Agency transaction is the Temporary ARRA High Balance loan limit for the county, state, and number of units, plus \$1

**Example 2:**

Loan Parameters	Minimum Non-Agency Loan Amount	Explanation
<ul style="list-style-type: none"> <li>• 5/1 Non-Agency ARM</li> <li>• 25- Year Loan Term</li> <li>• Primary Residence</li> <li>• Purchase</li> <li>• 1 Unit</li> <li>• High Balance County loan limit = \$450,000</li> </ul>	= \$417,001	This transaction is <b>NOT</b> eligible under the Agency High Balance program because of the 25 year loan term, therefore the minimum loan amount is the conforming loan limit for the state and number of units, plus \$1

*Continued on next page*

## Revised: Non-Agency Products Now Available, Continued

---

### Appraisal Ordering Process

Appraisals must be ordered through one of the following methods:

- Through the Chase Appraisal Management Services Web Site hosted by RealEC at [www.realec.com/chase/](http://www.realec.com/chase/), **OR**
- Directly through one of the following Chase-Approved National Appraisal Management Companies:
  - Lender's Services, Inc. (LSI) 800-392-6396
  - Equifax 888-852-5349

#### Notes:

- Ordering an appraisal through Real EC or a Chase Approved National Appraisal Management Company does not relieve the Correspondent of any of its obligations to Chase. All of the representations, warranties, covenants, and obligations (including, but not limited to, any representation or warranty with respect to Value or Appraisal) which are contained in the Correspondent Origination and Sales Agreement or the Chase Correspondent Lending Guide shall fully apply to all such loans.
- Training tools for RealEC can be accessed in ChaseLearningZone and in the Tools>Appraisal Services section of the Correspondent Lending Home Page.

---

### Distressed Markets Policy

Distressed Markets (previously known as Declining Markets) policies apply to all Non-Agency loan transactions.

Properties located in Chase defined Distressed Markets are subject to the more restrictive of the maximum LTV/CLTV stated in the Distressed Market Look-Up Table for the county and state or the Product Guide as determined by Occupancy, Transaction and Property Type.

To determine if the property is located in a distressed market, refer to the Chase Distressed Market Look-Up Table in a Non-Agency folder of the *Online Guides*. A copy of the Look-Up Table is included with this announcement.

---

### Underwriting

All Non-Agency loans must be manually underwritten by a Chase Underwriter. Choice MI and Delegated Underwriting are not permitted on this product offering.

A complete credit file including the appraisal is required at the time of underwrite.

---

*Continued on next page*

## Revised: Non-Agency Products Now Available, Continued

---

**Registration** Non-Agency loans must be registered manually. To lock a Non-Agency loan, fax a completed Loan Registration Fax Form to the Chase Correspondent Registration Department at 877-256-0485. Correspondents must indicate Non-Agency as the reason for manual lock in order for the loan to be locked properly. A copy of the revised Loan Registration Fax Form is included with this bulletin, and will also be posted to the Registration Exhibits of the *Online Guide*.

**Note:** Pricing will be based on the rate sheet in effect at the time the request is received by Chase Correspondent Registration.

---

**Rate Sheets** For Correspondents approved to deliver Non-Agency products, the Daily Rate Sheets will reflect the appropriate pricing for the Non-Agency products effective October 5, 2009.

---

**Attachments** The following documents are attached to this bulletin for your convenience and will be posted on the Chase Online Guides by October 9, 2009:

- Non-Agency Product Guides
  - Condo Quick Reference Guides
  - Revised Loan Registration Fax Form
  - Chase Distressed Markets Look-Up Table
- 

**Questions** If you have questions, please contact your Account Executive.

---