



**Market Rate Program Summary  
Conventional Loan Program**

**Lenders must be an approved American Southwest Mortgage Corp. Mortgage Broker and/or Correspondent Lender. CitiMortgage is the servicer for this program, all REI loans will be sold to Citi.**

***First and Second Loan Guidelines***

First Loan Types	Fannie Mae Eligible Conventional Loans: Fannie 95 & 97, MyCommunityMortgage (MCM) 97 & 100 and FLEX  Freddie Mac Eligible Loans: Home Possible (HP) 97 & 100
First Loan Terms	Conventional fixed rate 30 year only
First Loan Rates	Published daily on the REI Program Rate Sheets. Applicable price adjustments are posted on the REI Rate Sheets. American Southwest Mortgage will e-mail rate sheets daily.
Price Adjustments	For every loan that qualifies under MCM and FLEX guidelines, there is an applicable price adjustment. As an alternative to reducing the price, the lender may convert it to a fee paid as a closing cost with second loan proceeds. The fee can be labeled as "Investor Delivery Fee" on the HUD-1. CitiMortgage will net the price adjustment or fee amount out of the purchase price.  MCM 97 & 100 = 1.00bps Flex 97 & 100 fixed = 1.50bps HP 97 & 100 fixed = 1.50bps
Loan Limits	Conventional loan limits apply. There are no purchase price limits.
Transaction Type	Purchase transactions for a principal residence only.
Eligible Properties	Single family, owner-occupied, residential dwellings, including single family detached housing, PUD's, duplexes (subject to certain restrictions), condominiums, and townhouses. <b>No manufactured housing.</b>
Second Loan Terms	<ul style="list-style-type: none"> <li>• 20-year fixed rate, fully amortizing Second Loans, minimum of 5% up to a maximum of 7%. The Second Loan interest rate is currently 8%.</li> <li>• There must be no cash back to the borrower from the Second Loan proceeds.</li> </ul>

	<ul style="list-style-type: none"> <li>• Any remaining Second Loan proceeds up to \$500 must be used to reduce the Second Loan principal balance. If at the close of escrow there are amounts remaining from Second Loan proceeds totaling \$500 or more, then the Lender must redraw the documents.</li> <li>• For certain DU recommendations that do not permit the financing of an MI fee, lenders may elect to finance the MI fee with Second Loan proceeds.</li> </ul>
Second Loan Disclosure	Lenders must conform to federal RESPA and Truth-in-Lending laws in disclosing the initial terms of the Second Loan on a preliminary and final basis.
Second Loan Documents	<p>Lenders may use their own second lien security instruments.</p> <ul style="list-style-type: none"> <li>• “Rural Enterprises of Oklahoma, Inc.” (REI), P.O. Box 1335, Durant, 74702-1335 must be designated on the Second Note and as the Beneficiary on the Second Mortgage.</li> <li>• Borrower must execute the Mortgagor’s Agreement and Disclosure Information form.</li> </ul>
Loan-to-Value (LTV) and CLTV	<ul style="list-style-type: none"> <li>• For DU-eligible loans, up to 100% LTV for all Loan Types for those borrowers with a minimum representative credit score as determined by the mortgage insurers.</li> <li>• Loans may be manually underwritten according to MCM/HP guidelines.</li> <li>• The combined First Loan and any financed MI may not exceed 100% LTV; the sum of the First Loan, any financed MI and Second Loan may not exceed 105% CLTV.</li> </ul>
Eligible Mortgage Insurers	For approved MCM/HP loans, 20% coverage for 97.01-100% LTV First Loans, 18% coverage for 95.01-97% LTV First Loans, and 16% coverage for 90.01 to 95% LTV. Lenders should refer to mortgage insurers for applicable single, split or monthly premium plans.
Lender Advance	Lenders are required to advance the Second Loan proceeds at the close of escrow, to be reimbursed by American Southwest Mortgage Corp. upon the purchase of the First and Second Loans.
Loan Underwriting	<ul style="list-style-type: none"> <li>• Loan can be manually underwritten or Fannie Mae’s Desktop Underwriter® (DU™) or Freddie Mac’s Loan Prospector® (LP).</li> <li>• Approve/Eligible and Expanded Approval-I are eligible DU recommendations for delivery as MCM loans and are eligible for the limited waiver of representations and warranties.</li> <li>• Currently, DU will permit the financing of any MI fee into the First Loan amount for an “Approve-Eligible” recommendation but does not permit such MI financing at the EA-I recommendation levels. For EA-I DU recommendations, Lenders may elect to finance any MI fee with Second Loan proceeds.</li> <li>• Accept and Accept Plus are eligible LP recommendations for delivery as HP Loans.</li> </ul>

### **Borrower Eligibility**

Income Limits	<p>Borrower's qualifying income must not exceed Program Income Limits (regardless of family size) listed in Exhibit A. There are no income limits when the subject property is located in defined "underserved" areas. You may use Fannie Mae or Freddie Mac's online tool to determine if your property is located in one of these areas.</p> <p><a href="http://www.efanniemae.com/hcd/single_family/mortgage_products/low_downpayment.html#neighbors">http://www.efanniemae.com/hcd/single_family/mortgage_products/low_downpayment.html#neighbors</a></p> <p><a href="http://ww3.freddie.mac.com/ds2/sell/affgold.nsf/frmHomePage?OpenForm">http://ww3.freddie.mac.com/ds2/sell/affgold.nsf/frmHomePage?OpenForm</a></p> <p>Lenders will be asked within DU/LP to specify the applicable income limit as a percentage to the median income for that particular County as listed in Exhibit A.</p>
Borrower Eligibility	Owner occupancy only. There is no first-time homebuyer requirement.
Minimum Borrower Contribution For 2 Unit Property	3% minimum for two-unit properties. Must be verified as being from the borrower's own resources. <i>Note: The Second Loan may not be used to finance the minimum homebuyer contribution required.</i>
Non-Occupant Participants	Non-occupant co-signers are allowed. Non-occupant co-borrowers <b><u>are not</u></b> permitted.
Single Qualifying Ratios/Reserves	For loans underwritten with DU/LP, there is no maximum ratio or minimum reserve requirement. Manual underwriting MCM loans allows for a maximum single back-end ratio of 43%.
Credit Score Test	<ul style="list-style-type: none"> <li>• Eligibility determined by DU/LP but is subject to MI credit score restrictions.</li> <li>• Lender should follow standard Fannie Mae or Freddie Mac guidelines.</li> </ul>
Homebuyer Education and Counseling	<p>Homebuyer Education not required by the Program. However, it can be a requirement per the loan product guidelines.</p> <p>Landlord counseling required for 2-unit buyers.</p>

### ***Fees, Charges and Loan Servicing***

Lender Compensation	Lender compensation is limited as follows:  Up to 1.00% origination fee and up to 1.00% administrative fee. In addition, reasonable and customary fees and closing costs, and rebate pricing charged to the borrower or seller as defined herein, as long as such compensation payments are fully disclosed to the borrower in accordance with Fannie Mae, Freddie Mac, federal, state and local laws and regulations.
Loan Purchase Price	American Southwest Mortgage Corp. will purchase the first and second mortgages from each Lender for a price equal to 100% of the outstanding principal balance of the first and second mortgages plus accrued interest.
Seller Contributions	Permitted subject to Fannie Mae/Freddie Mac guidelines.
Program Fees	American Southwest Mortgage standard fees apply.
Prepay Penalties	None
Servicing Issues	Once the First and Second Loans are sold by American Southwest Mortgage Corp. to CitiMortgage. CitiMortgage will provide the borrower with a single monthly statement for both the First and Second Loans and request a single monthly payment for both Loans. Lenders must provide current pay histories for both loans at time of purchase, within 60 days of closing.
Buydowns	Permanent and Temporary buydowns are permitted in accordance with Fannie Mae guidelines.

## REI

### Conventional Income Limits

#### 2007 County Income Limits - Conventional

County	140%
Adair	\$59,640.00
Alfalfa	\$59,640.00
Atoka	\$59,640.00
Beaver	\$68,600.00
Beckham	\$59,640.00
Blaine	\$59,640.00
Bryan	\$59,640.00
Caddo	\$59,640.00
Canadian	\$75,040.00
Carter	\$61,460.00
Cherokee	\$59,640.00
Choctaw	\$59,640.00
Cimarron	\$60,340.00
Cleveland	\$75,040.00
Coal	\$59,640.00
Comanche	\$65,940.00
Cotton	\$59,640.00
Craig	\$60,900.00
Creek	\$73,500.00
Custer	\$62,580.00
Delaware	\$59,640.00
Dewey	\$59,780.00
Ellis	\$59,640.00
Garfield	\$66,780.00
Garvin	\$59,640.00
Grady	\$75,040.00
Grant	\$59,640.00
Greer	\$59,640.00
Harmon	\$59,640.00
Harper	\$69,440.00
Haskell	\$59,640.00
Hughes	\$59,640.00
Jackson	\$64,540.00
Jefferson	\$59,640.00
Johnston	\$59,640.00
Kay	\$64,260.00
Kingfisher	\$73,360.00
Kiowa	\$59,640.00

County	140%
Latimer	\$59,640.00
Le Flore	\$58,800.00
Lincoln	\$75,040.00
Logan	\$75,040.00
Love	\$64,400.00
Major	\$61,600.00
Marshall	\$59,640.00
Mayes	\$62,440.00
McClain	\$75,040.00
McCurtain	\$59,640.00
McIntosh	\$59,640.00
Murray	\$62,440.00
Muskogee	\$59,640.00
Noble	\$66,780.00
Nowata	\$60,900.00
Okfuskee	\$59,640.00
Oklahoma	\$75,460.00
Okmulgee	\$73,500.00
Osage	\$73,500.00
Ottawa	\$59,640.00
Pawnee	\$73,500.00
Payne	\$68,740.00
Pittsburg	\$59,640.00
Pontotoc	\$59,640.00
Pottawatomie	\$64,120.00
Pushmataha	\$59,640.00
Roger Mills	\$61,320.00
Roger	\$73,500.00
Seminole	\$59,640.00
Sequoyah	\$58,800.00
Stephens	\$60,760.00
Texas	\$70,560.00
Tillman	\$59,640.00
Tulsa	\$76,300.00
Wagoner	\$73,500.00
Washington	\$73,360.00
Washita	\$60,480.00
Woods	\$65,380.00
Woodward	\$67,900.00



**Market Rate  
Program Summary – FHA Loan Program**

**Lenders must be approved as an American Southwest Mortgage Corp. Mortgage Broker and/or Correspondent Lender. CitiMortgage is the servicer for this program, all REI loans will be sold to Citi.**

***First and Second Loan Guidelines***

First Loan Terms	FHA 30-year fixed rate 203(b) and 234(c) First Loans (does not include Section 203(k))
First Loan Rates	Published daily on the REI Rate Sheets. Applicable price adjustments are posted on the Rate Sheets. Extended rate locks are also available. American Southwest Mortgage Corp. will e-mail rates daily.
Loan Limits	FHA loan limits apply. There are no purchase price limits.
Transaction Type	Purchase transactions for a principal residence only.
Seller Contribution	Permitted subject to FHA guidelines.
Eligible Properties	Single family, owner-occupied, residential dwellings, including single family detached housing, PUD's, duplexes (subject to certain restrictions), condominiums, and townhouses. <b>No Manufactured Housing.</b>
Second Loan Terms	<ul style="list-style-type: none"> <li>• A 20-year, fixed rate, fully amortizing Second Loan, minimum of 5% up to a maximum of 7%. The Second Loan interest rate is currently 8%.</li> <li>• Second Loan proceeds may not result in any cash back to the borrower.</li> <li>• The Second Loan may be used to finance the minimum homebuyer contribution.</li> </ul>
Second Loan Disclosure	Lenders must conform to federal RESPA and Truth-in-Lending laws in disclosing the initial terms of the Second Loan on a preliminary and final basis.
Second Loan Documents	<p>Lenders may use their own second lien security instruments.</p> <ul style="list-style-type: none"> <li>• "Rural Enterprises of Oklahoma" ("REI"), P.O. Box 1335, Durant, Ok 74702-1335 must be designated as the Lender on the Second Note and as the Beneficiary on the Second Mortgage.</li> <li>• Borrowers must execute the REI Second Lien Rider and the Mortgagor's Agreement and Disclosure Information.</li> </ul>

Combined Loan to Value (CLTV)	The combined loan-to-value (CLTV) is limited to the amount to acquire the property, pay closing costs, prepaid expenses, and discount points minus the 3% cash investment which may come from REI's Second Loan Proceeds.
Lender Advance	Lenders are required to advance the Gift and/or Second Loan proceeds at the close of escrow, to be reimbursed by American Southwest Mortgage upon the purchase of the First and Second Loans.
Loan Underwriting	Loans may be manually underwritten or processed through Fannie Mae's Desktop Underwriter® or Freddie Mac's Loan Prospector®. "Approve/Eligible" and "Accept" or "Accept Plus" are the only eligible recommendations or the loan may be manually underwritten and submitted.  Lender must compare qualifying income to ensure it does not exceed the Program Income Limit.

### ***Borrower Eligibility***

Income Limits	Borrower's qualifying income must not exceed Program Income Limits (regardless of family size) listed in Exhibit A by county.
Borrower Eligibility	Owner occupancy. There is no first-time homebuyer requirement.
Minimum Borrower Contribution	None. REI has been approved to provide down payment and closing cost assistance with the secondary lien. See HUD approval letter at <a href="http://www.ruralenterprises.com">www.ruralenterprises.com</a> .
Non-Occupant Participants	Non-occupant co-signers are allowed. Non-occupant co-borrowers <b>are not</b> permitted.
Homebuyer Education	Homebuyer Education not required by the Program. However, it can be a requirement per the loan product guidelines.

### ***Fees, Charges and Loan Servicing***

Lender Compensation	1% origination Fee and up to 1% administrative fee.  In addition, reasonable and customary fees and closing costs, and rebate pricing charged to the borrower or seller as defined herein, as long as such compensation payments are fully disclosed to the borrower in accordance with federal, state and local laws and regulations.
Fees	American Southwest Mortgage standard fees apply.
Loan Purchase Price	American Southwest Mortgage Corp. will purchase the first and second mortgages from each Lender for a price equal to 100% of the outstanding principal balance of the first and second mortgages plus accrued interest.
Prepay Penalties	None.

Servicing Issues	<p>Lenders are required to service the First and Second until both loans are sold to American Southwest Mortgage Corp. Lenders must provide current pay histories for both loans at time of purchase, within 60 days of closing.</p> <p>Once the First and Second Loans are sold to CitiMortgage, CitiMortgage will provide the borrower with a single monthly statement for both the First and Second Loans and request a single monthly payment for both Loans.</p>
Buydowns	<p>Permanent buydowns are permitted in accordance with guidelines. Temporary buydowns are not permitted.</p>
Assumptions	<p>Mortgage loans (first mortgage and related second mortgage) may be assumed at anytime without penalty. The prospective purchaser of the residence who assumes the mortgage loan must meet the income limitations, principal residence requirements, prohibited mortgages requirement, and any other requirement prescribed by State law.</p>

REI Market Rate FY 2007 County Income Limits

County	115%
Adair	\$40,020.00
Alfalfa	\$47,725.00
Atoka	\$39,790.00
Beaver	\$56,350.00
Beckham	\$48,645.00
Blaine	\$46,920.00
Bryan	\$46,805.00
Caddo	\$44,160.00
Canadian	\$61,640.00
Carter	\$50,255.00
Cherokee	\$44,965.00
Choctaw	\$38,640.00
Cimarron	\$49,105.00
Cleveland	\$61,640.00
Coal	\$38,870.00
Comanche	\$54,165.00
Cotton	\$48,415.00
Craig	\$49,335.00
Creek	\$60,375.00
Custer	\$51,290.00
Delaware	\$45,425.00
Dewey	\$49,105.00
Ellis	\$47,265.00
Garfield	\$54,740.00
Garvin	\$48,070.00
Grady	\$54,165.00
Grant	\$48,990.00
Greer	\$41,860.00
Harmon	\$39,560.00
Harper	\$56,465.00
Haskell	\$41,170.00
Hughes	\$40,135.00
Jackson	\$52,900.00
Jefferson	\$41,285.00
Johnston	\$41,400.00
Kay	\$52,325.00
Kingfisher	\$59,570.00
Kiowa	\$47,610.00

County	115%
Latimer	\$42,320.00
Le Flore	\$44,505.00
Lincoln	\$49,910.00
Logan	\$61,640.00
Love	\$51,290.00
Major	\$50,600.00
Marshall	\$43,815.00
Mayes	\$50,945.00
McClain	\$61,640.00
McCurtain	\$41,170.00
McIntosh	\$43,355.00
Murray	\$50,830.00
Muskogee	\$47,380.00
Noble	\$54,855.00
Nowata	\$49,910.00
Okfuskee	\$41,170.00
Oklahoma	\$61,640.00
Okmulgee	\$46,115.00
Osage	\$46,115.00
Ottawa	\$60,375.00
Pawnee	\$44,390.00
Payne	\$51,175.00
Pittsburg	\$56,465.00
Pontotoc	\$48,530.00
Pottawatomie	\$51,060.00
Pushmataha	\$38,065.00
Roger Mills	\$50,370.00
Roger	\$60,375.00
Seminole	\$43,010.00
Sequoyah	\$48,300.00
Stephens	\$49,680.00
Texas	\$57,845.00
Tillman	\$42,090.00
Tulsa	\$60,375.00
Wagoner	\$60,375.00
Washington	\$58,880.00
Washita	\$49,680.00
Woods	\$53,360.00
Woodward	\$55,775.00