

TEXAS CAPITAL BANK

Medical Doctor Loan Product Summary

FHLMC Conforming and Super Conforming

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Medical Doctor Loan Product Summary



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2000 FHLMC Loan Prospector (LP) Medical Doctor Loan Conforming Limits

Product Codes and Eligible Terms		
Code	Name	Eligible Amortization Terms
2043	LPMD-10YR	10 Years (120 Months)
2044	LPMD-15YR	11-15 Years (121-180 Months)
2045	LPMD-20YR	16-20 Years (181-240 Months)
2047	LPMD 30YR	21-30 Years (241-360 Months)
2048	LPMD-7/1L	30 Years (360 Months)
2049	LPMD-10/1L	30 Years (360 Months)

Eligibility Matrix: 2043-2049 LP Medical Doctor Conforming Limits

Property Type	Transaction Type	# Units	Max LTV/CLTV		Max Loan Amount	Minimum Credit Score	# Months Reserves	Max DTI
			LTV	TLTV				
Primary Residence								
Primary Residence SFR, Warrantable Condo & PUDS	Purchase and No Cash Out Refinance	1	95%		Conforming Loan Limits	680	See Guidelines	Follow LP Findings

2000 FHLMC Loan Prospector (LP) Medical Doctor Loan Super Conforming Limits

Product Codes and Eligible Terms		
Code	Name	Eligible Amortization Terms
2051	LPSCMD-15YR	11-15 Years (121-180 Months)
2054	LPSCMD-30YR	21-30 Years (241-360 Months)
2055	LPSCMD-7/1L	30 Years (360 Months)
2056	LPSCMD-10/1L	30 Years (360 Months)

Eligibility Matrix: 2050-2056 LP Medical Doctor Super Conforming Limits

Property Type	Transaction Type	# Units	Max LTV/TLTV	Max Loan Amount	Minimum Credit Score	# Months Reserves	Max DTI
Primary Residence							
Primary Residence SFR, Warrantable Condo & PUDS	Purchase and No Cash Out Refinance	1	95%	\$625,500	680	See Guidelines	Follow LP Findings
			90%	\$625,501-\$938,250 (maximum Super Conforming Loan Limit)	720		

Medical Doctor Loan Product Summary



Product Overview and General Information

Overview	The following is the general guideline requirements and summary for the Medical Doctor Loan Conventional Product. The Texas Capital Bank Underwriting Guidelines will apply and must be followed when applicable. Where the summary is silent and the underwriting guidelines do not address, please follow the FHLMC Guide.
Underwriting; AU Submission	<p>The Medical Doctor Loan must be submitted through LP and receive a Risk Classification of "Accept". The reports must be included in the file and all loans must be submitted through the Texas Capital Bank Seller Portal.</p> <ul style="list-style-type: none"> • Submission of closed approved loans must contain the appropriate findings from Loan Product Advisor (LP) • Manual Underwriting on the Medical Doctor Conforming and Super Conforming program is NOT allowed. Fannie Mae Desktop Underwriting (DU) and Desktop Originator (DO) are not allowed.
Calculation of Borrower Debt Ratio/Exclusion of Certain Student Loan Payments	<p>Deferred student loan payments of the borrower meeting medical licensing requirements that are in a period of deferment or forbearance a minimum of 12 months after the closing date may be excluded from the calculation of a Borrower's monthly debt payment -to-income ratio for a Borrower in, or who has recently completed a medical residency program and/or medical clinical fellowship program, provided that:</p> <ul style="list-style-type: none"> • Evidence supporting the length of the deferment or forbearance period Deferred student loan debt of additional borrowers without the required medical licensing must be included in DTI calculation
Income Received from a Salary Increase	<p>Income received from a salary increase that will be effective no more than 60 days after the Note Date may be used to qualify the borrower provided that:</p> <ul style="list-style-type: none"> • The Borrower's employer verifies in writing the amount and effective date of the salary increase and the documentation is retained in the mortgage file • No more than 10 Business Days prior to the Note Date, a verbal verification of employment (VOE) that meets the requirements in the underwriting guide must be obtained • All other income verification required on the LP findings must be followed
Income Received from Future Primary Employment	<p>Income received from future primary employment that will be effective no more than 60 days after the Note Date may use to qualify the borrower provided that:</p> <ul style="list-style-type: none"> • Borrower's fully executed employment contract must be non-contingent and the non-contingent contract must be in the mortgage file • Borrower must have adequate reserves after the Note Date to pay the monthly housing expense (PITI), during the employment gap plus one additional month • Verbal VOE is NOT required in connection with the Borrower's future primary employment

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Allowable Age of Documentation	Age of Documents Table:				
	Document	Allowable AGE Existing Property as of Note Date			Allowable AGE New Construction as of Note Date
	Initial Application	120 Days			120 Days
	*Credit Report	120 Days			120 Days
	Income	120 Days			120 Days
	Asset	120 Days			120 Days
	Appraisal	120 Days			120 Days
	*Credit report must be dated within 30 days of the loan application. Any discrepancies or inconsistencies between credit reports must be explained and documented in writing.				
ARM Features	Index: 1- Year London Interbank Offered Rate (LIBOR)				
	<input type="checkbox"/> Margin: 2.250% <input type="checkbox"/> I/O period: NA <input type="checkbox"/> ARMs are not convertible, are due-on-sale during the initial fixed rate period, and assumable subject to the conditions on the Note once the interest rate becomes adjustable <input type="checkbox"/> ARM rates are equal to the note margin plus index rounded to the nearest 0.125% <input type="checkbox"/> Rate may never be less than the floor rate or margin				
	ARM CAP and Qualifying Rate Table:				
	ARM	CAPS and Floor Rate			Qualifying Rate
		Initial Cap	Subsequent Cap	Lifetime Cap	Floor Rate
	7/1	5.000%	2.000%	5.000%	2.250%
	10/1	5.000%	2.000%	5.000%	2.250%
					Greater of the fully indexed rate or the note rate
					Greater of the fully indexed rate or the note rate
Escrow Accounts	Escrow accounts are required for all loans with LTV's greater than 80.00% <ul style="list-style-type: none"> Properties located in the state of California may waive escrows up to but not greater than 89.99% LTV 				
HPML	Thresholds are as follows: <ul style="list-style-type: none"> An APR 1.5% or more than the APOR for a loan secured by a first lien 				

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Borrower(s) Eligibility

Borrower(s) Eligibility

Eligible Designation: At least one borrower on the loan must have one of the following designations/professions (as stated on the 1003 loan application and indicated in employment documentation).

- Medical Resident
- Medical Doctor (MD)
- Doctor of Dental Science (DDS)
- Doctor of Dental Medicine (DMD) and dental surgeons specializing in oral and maxillofacial surgery
- Doctor of Optometry (OD)
- Doctor of Podiatric Medicine (DPM)
- Doctor of Osteopathy (DO)
- Pharmacist (RPH)

A valid social security number (SSN) is required for all borrowers. Taxpayer Identification Number (ITIN) borrower(s) are not eligible.

Citizenship Type	Minimum Documentation Requirements
U.S. Citizens	A valid social security number (SSN) is required for all borrowers. Tax Payer Identification Number (ITIN) borrower(s) are not eligible
Permanent Resident Alien	Copy of I-551 Permanent Resident Card (Green Card)
Non-Permanent Resident Alien	Employment Authorization Document (EAD). See Conventional Underwriting Guidelines for acceptable VISA types

Ineligible Borrowers

Ineligible Borrower Table:

Borrower not meeting one of the designations above	Borrowers without social security numbers
Foreign Nationals	Land Trusts
Borrowers with Diplomatic Immunity	Life Estates
Corporations, General and Limited Partnerships	Real Estate Syndicates
Partnerships	Religious/Nonprofit Organizations
Irrevocable Trust	Non-Revocable Trust
Non-Occupying Co-Borrowers	

Co-signers: Borrowers applying for a loan will not take title are considered guarantors or co-signers. Guarantors or co-signers are ineligible. All borrowers must be on title.

Eligible Transactions and Financing

Subordinate Financing

Follow the eligibility matrices within this product summary for maximum TLTV limits and TCB Conventional Underwriting Guidelines Chapter 7 for subordinate financing eligibility.

Medical Doctor Loan Product Summary



Income and Asset Eligibility

Tax Transcripts	Transcripts will be required for all loans based on the documentation used to verify income. These transcripts must be reviewed to confirm consistency between the documentation provided and the IRS transcripts. Because IRS 1040 transcripts are required to validate the income used to qualify the borrower, the individual tax returns do not have to be signed.		
General Types of Income – When Applicable; See Program Overview and the Medical Doctor Loan Underwriting Guidelines for Salary Increase and Future Income	Types of Income Table: See Program overview or underwriting guidelines for Salary Increase and Future Income		
	Product(s)	Type of Income	Minimum Documentation Requirements
	Medical Doctor Loan	Salary and or Hourly Income	<ul style="list-style-type: none"> • Paystub must be dated no earlier than 30 days prior to the initial loan application date and it must include all year-to-date earnings. Additionally, the paystub must include sufficient information to appropriately calculate income; otherwise, additional documentation must be obtained IRS W-2 forms must cover the most recent one- or two-year period based on the documentation requirements determined by LP
		Bonus and Overtime Income	<ul style="list-style-type: none"> • Borrower(s) most recent paystub and IRS W-2 for most recent 2- year period
		Commission Income	<ul style="list-style-type: none"> • Commission Income \geq 25% Borrower(s) most recent paystub and IRS W-2's for most recent 2- year period • Commission Income $<$ 25% Borrower(s) most recent paystub and IRS W-2's for most recent 2- year period and copies of the borrower(s) signed income tax returns covering the most recent 2-year period
Self-Employment Income		<ul style="list-style-type: none"> • Two-year history of the borrower's prior earnings is required as a means of demonstrating the likelihood that the income will continue to be received. However, a person who has a shorter history of self-employment—12–24 months—may be considered, as long as the borrower's most recent signed federal income tax returns reflect the receipt of such income as the same (or greater) level, in a field that provides the same products or services as the current business, or in an occupation in which he had similar responsibilities to those undertaken in connection with the current business 	

Medical Doctor Loan Product Summary



General Types of Assets: Follow LP Findings and review the Program Overview and the Medical Doctor Loan Underwriting Guidelines	Types of Assets Table:		
	Program(s)	Type of Assets	Minimum Documentation Requirements
	Medical Doctor Loan	Depository Accounts	<ul style="list-style-type: none"> Bank statements or investment portfolio statements must be provided. The statements must cover account activity for the most recent two-month period
		Business Assets	<ul style="list-style-type: none"> Cash flow analysis for the Borrower's business using the individual and/or business tax returns, as applicable along with at least 3 months consecutive/complete bank statements supporting consistent deposits/balances
		Donations from Entities	<ul style="list-style-type: none"> A copy of the letter awarding the gift or grant to the borrower or with a copy of the legal agreement that specifies the terms and conditions of the gift or grant The document must include language indicating that repayment of the gift or grant is not expected, and how the funds will be transferred to the borrower, lender, or closing agent
		Employer Assistance	<ul style="list-style-type: none"> A copy of the letter awarding the gift or grant to the borrower or with a copy of the legal agreement that specifies the terms and conditions of the gift or grant The document must include language indicating that repayment of the gift or grant is not expected, and how the funds will be transferred to the borrower, lender, or closing agent
		Gift	Gifts must be evidenced by a letter signed by the donor, called a gift letter. The gift letter must: <ul style="list-style-type: none"> Specify the dollar amount of the gift; Specify the date the funds were transferred; Include the donor's statement that no repayment is expected; and Indicate the donor's name, address, telephone number, and relationship to the borrower
Income Received from Future Primary Employment Reserves (when applicable)		In addition to the require reserves determined by LP, the borrower must have adequate reserves after the Note Date to pay the monthly housing expense (PITI), during the employment gap plus one additional month.	

Medical Doctor Loan Product Summary



Maximum and Minimum Loan Limits

Maximum Cash-out	Not Applicable		
Maximum Loan Amount	Follow FHLMC Maximum Loan Limits as indicated on the HUD.gov website: https://entp.hud.gov/idapp/html/hicostlook.cfm		
	Conforming Loan Limits Table:		
	Units	Continental US	Alaska & Hawaii
	1	\$417,000	625,500
	Super Conforming Loan Limits Table		
	Units	Continental US	Alaska & Hawaii
	1	\$625,500	\$938,250
Minimum Loan Amount	Minimum Loan Amount Table:		
	Occupancy		Minimum Loan Amount
	Primary Residence		\$50,000
Interested Party Contributions (IPC)	Interested Party Contributions (IPC) Table		
	Product	Occupancy	LTV/TLTV
	Medical Doctor Loan	Primary Residence	>90% (maximum 95%)
			75.01% - 90.00%
			<=75%
			Maximum IPC
			3%
			6%
			9%

Medical Doctor Loan Product Summary



Mortgage Insurance

Private Mortgage Insurance (PMI)

Mortgage insurance (MI) is required on all conventional loans with a LTV of greater than 80%. Loans with MI must meet the more restrictive of the Texas Capital Bank Underwriting Guidelines or the requirements of the selected MI provider.

Acceptable MI Providers	Link to MI Account Representative
Arch	Arch Contact
Essent	Essent Contact
Genworth	Genworth Contact
MGIC	MGIC Contact
National MI	National MI Contact
Radian	Radian Contact
United Guaranty (UG)	United Guaranty Contact

NOTE: MI providers may require additional documentation or credit requirements for transactions to be considered eligible.

Mortgage Insurance Coverage

MI Coverage Amounts Table:

Product(s)	LTV	Amortization Term ≤ 20 Years	Amortization Term > 20 Years and ARMs
Medical Doctor Loan	90.001-95.00	25%	30%
	85.01-90.00	12%	25%
	80.01-85.00	6%	12%

Texas Capital Bank does not allow Custom or Reduced MI that may be available per the LP findings.

A copy of the MI Certificate must be in the loan file.

Acceptable and Eligible Mortgage Insurance Types:

- Borrower Paid Mortgage Insurance (BPMI)
- Financed MI (Is included in LTV calculation and eligibility)
- Single Premium MI
- Split Premium MI
- Lender Paid MI

Medical Doctor Loan Product Summary



Property Eligibility

Eligible Property Types	1 Unit Primary Residence, SFR, Warrantable Condo and PUD		
Ineligible Property Types	Ineligible Property Type Table:		
	Medical Doctor Loan		
	Product(s)	Ineligible Property Types	
	Medical Doctor Loan	Time-Share Projects	Manufactured / Mobile Homes
		Co-operatives	Non-warrantable condos
		Unimproved land	Commercial Properties
		Condotels	Working and/or Hobby Farms
		Geodesic dome homes	Properties with excess (>10) acres
		Log Homes	Mixed use properties
		Houseboats	Geodesic Domes or Subterranean Homes
Assisted Living Projects		Properties with Permanent Manufactured/Mobile Homes	
Properties without Utilities		Appraisal Conditions C5 or C6 or Quality of Q6	
Properties with Resale Restrictions	Builder Model Leaseback		
Multiple Financed Properties	Multiple Financed Properties		
	Product	Subject Property	Number of financed Properties
	Medical Doctor Loan	Primary Residence	(8) Eight financed properties including primary Residence
The maximum number of financed properties, including the subject property and including the borrower's primary residence , regardless of the financing, is limited as outlined regardless of the LP results			

Geographic Restrictions

Geographic Restrictions - Conventional Underwriting Guidelines have the full list of restrictions	Florida
	<ul style="list-style-type: none"> Resort Condos are ineligible
	Hawaii
	<ul style="list-style-type: none"> Properties located in Lava Flow Hazard 1 or 2, are not eligible as determined by the US Geological Survey

Medical Doctor Loan Product Summary



Revisions and Changes

Revisions and Changes	
Date	Revision / Change
July 20 2016	Release of the product