



Superior Performance...Our Commitment

Announcement 2011 10-27 Correspondent Lending

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New VP of Correspondent Lending

Weststar is pleased to announce Matt Teskey as the Vice President of Correspondent Lending. You can view the [press release here](#). Contact info: mteskey@westloan.com or (505) 875-6703 [\(Back to Top\)](#)

Turn Times

- Initial submission – 6 Days
- Conditions – 3 Days

You can view current times at www.weststarcorrespondent.com. Turn times are updated on the website. They are located in the bottom, right corner of the home page. [\(Back to Top\)](#)

New Correspondent Team Members

Weststar is also please to announce the addition of three new team members.

- Kuan Ma, Inside Sales Support, kma@westloan.com, (505) 875-6721
- John Combs, Account Executive, South Texas, jcombs@westloan.com, (281) 467-2604
- Dan Swain, Account Executive, MidSouth/Southeast, dswain@westloan.com, (704) 787-5484

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Update Guidelines

We have recently made a few changes to our matrices. You can view the updated matrices by [clicking here](#). Matrices are also located on www.weststarcorrespondent.com.

- Added – Borrowers must US Citizen or Permanent Residence.
- Added – No mortgage lates in the past 12 months.
- Removed – Manual downgrade on disputed accounts will no longer be accepted.

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203Ks Updated Policies & Procedures

- The 203Ks Program cannot be used for drilling wells or for well improvements.
- You can view the updated Policies & Procedures by [clicking here](#).

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Survey Requirements

Weststar has published a list of survey requirements to our website. [Click here](#) to view the survey requirements by state. [\(Back to Top\)](#)

New States

In the past several weeks, we have added the following state: Indiana, Minnesota, and Mississippi. [Click here](#) to view the full list of approved states. [\(Back to Top\)](#)





Superior Performance...Our Commitment

Press Release

Weststar Correspondent Lending

FOR IMMEDIATE RELEASE

October 26, 2011

PRESS RELEASE

Contact: Ryan Grandi, SVP

Phone: (800) 640-0635

WESTSTAR MORTGAGE CORPORATION APPOINTS MATT TESKEY AS VICE PRESIDENT OF CORRESPONDENT LENDING

ALBUQUERQUE, NEW MEXICO, OCTOBER 26, 2011 - Weststar Mortgage Corporation, a privately owned mortgage lender that includes channels for retail, correspondent and servicing, announced that Matt Teskey has joined their management team as the VP of Correspondent Lending.

Teskey has more than 15 years experience in mortgage banking. Most recently, he served as the Managing Director for Superior Mortgage Services, LLC. Teskey played an integral role in the firm's operational management, policy and process development, systems management, regulatory compliance, loss mitigation and strategic planning. He also headed the sales management team for their six branches and 25 originators operating in two states.

Teskey is a recognized leader in the industry and currently serves as the President for New Mexico Mortgage Lenders Association. In 2009, he was one of the key industry delegates dispatched by the association to work with the New Mexico Legislature alongside the Financial Institutions Division, the Attorney General's office and various consumer advocates to help negotiate, lobby and pass SB342; an omnibus bill that enacted the New Mexico Loan Officer Licensing Act (NM S.A.F.E. Act) and amended both the Home Loan Protection Act and the Mortgage Loan Company Act.

The correspondent division, started in October of 2010, offers both delegated and non-delegated options with the option of a warehouse line for their customers. The division plays a key role in Weststar's plans for expansion and will directly contribute to their growth.

About WestStar Mortgage

Weststar Mortgage Corporation, founded in 1983, is a direct lender that specializes in tailoring solutions that traditional lenders and banks consider outside-the-box. Weststar currently services over \$1 Billion in privately held mortgages, is a GNMA Issuer, FNMA seller/servicer and an FHA Direct Endorsed lender with in-house underwriting.

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Streamline 203K Policies & Procedures

Correspondent Lending

FHA's Streamlined 203(k) program permits homebuyers to finance up to an additional \$35,000.00 into their mortgage to improve or upgrade their home before move-in. With this product, homebuyers can quickly and easily tap into cash to pay for property repairs or improvements, such as those identified by a home inspector or FHA appraiser. Mortgagee Letter 2005-19 (ML 05-19) describes the requirements for the Streamlined 203(k) program. In general, ML 05-19 shall be used as the primary guide when determining program eligibility. However, this document will describe the policies and procedures adopted by Weststar Mortgage Corporation (WMC) in addition to the requirements set-forth in ML 05-19.

- The minimum amount of rehabilitation costs shall be set at \$1,000.00.
 - WMC will require a contingency reserve at a minimum of 10% of the rehabilitation cost and a maximum of 20% of the rehabilitation cost.
 - The Streamlined 203(k) program may not be used for refinance transactions in the state of Texas when the existing subject property lien is considered a home equity loan according to section 50(a) (6) of the Texas constitution.
 - Only contractors approved by WMC may be utilized on any given Streamlined 203(k) transaction. A list of approved contractors in various geographic regions shall be maintained by WMC. WMC requires that all work be conducted through a single general contractor. In the event a home requires Energy Efficient Mortgage rehabilitation, an exception will be considered for a specialized contractor to be utilized for this work, however, the preference is that this work be coordinated and billed through the general contractor, when possible.
 - "Self-help" programs in which the borrower acts as the general contractor will not be permitted.
 - WMC shall pay each contractor 50% of the estimated costs of rehabilitation in advance of construction.
 - WMC shall require a final inspection prior to the advance of the final escrow disbursement
 - A Homeowner/Contractor Agreement shall be signed by the borrower and contractor prior to closing and shall be placed in the insuring binder.
 - Appraisers are to be provided with information regarding the proposed rehabilitation or improvements and all cost estimates. WMC has developed standard language that shall be placed in the comments section of the appraisal orders. All appraisal orders for the Streamlined 203(k) shall contain this language.
 - *"This appraiser order is for a section 203(k) rehabilitation transaction. Attached you will find the cost estimates and/or bids for the proposed rehabilitation and/or improvements. In the reconciliation section, please indicate the "after-improved" value, subject to the completion of the proposed repairs and/or improvements. Also please include a description of the proposed repairs and/or improvements in the appraisal report as well as a copy of the contractor's cost estimate."*
 - WMC shall collect \$250.00 per contractor for inspection fees and a Supplemental Origination Fee of \$350 or 1.5%, whichever is greater, to complete the construction and final disbursements. These amounts shall be input into line B3 and line B11, respectively, of HUD Form 92700. If additional inspections are required, beyond the amounts originally collected for, the charges will be withheld from future disbursements to the Correspondent Lender.
 - Any overage shall be applied to the mortgagor's principal balance.
 - The Streamlined 203(k) program is not eligible on transactions secured by manufactured housing.
 - The Streamlined 203(k) program cannot be used for new wells or well improvements.
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FHA FIXED RATE PRODUCT MATRIX

30, 20, 15 Year

203(b), 203(k)s, EEM, C-to-P

Site Built Homes ONLY



Transaction Type	Min Fico	Max LTV	Required Reserves	Max DTI	Seller Contributions	Payment Shock	Funds Seasonings	Gift Funds
Purchase	580-599	90%	2 months PITI	36%	0%	1.5x Current	6 months	No
	600-619	95%	2 months PITI	43%	3%	1.5x Current	6 months	No
	620-639	96.50%	0	45%	6%	2x Current if using gift funds	0	Family/Employer
	640+	96.50%	0	45%	6%	N/A	0	Family/Employer
Rate/Term Refi	600-619	90%	N/A	45%	N/A	N/A	N/A	N/A
	620+	97.75%	N/A	45%	N/A	N/A	N/A	N/A
Cash Out Refinances	620+	85%	N/A	45%	N/A	N/A	N/A	N/A
Streamline (w/o Appraisal)	620+	Outstanding Principal Balance + UFMIP	N/A	N/A	N/A	N/A	N/A	N/A

INELIGIBLE CRITERIA

- ✓ No Buydowns
- ✓ No manual underwrites, no manual downgrades - AUS approval required
- ✓ Condominiums located in declining markets
- ✓ Gift funds are ineligible for use as cash reserves
- ✓ Manufactured/Modular – See Product Matrix for Man/Mod Guidelines
- ✓ Non-Resident Aliens - Borrowers must be US citizens or permanent residents

OTHER CRITERIA

- ✓ All employment is to be verified with a written verification of employment, regardless of automated underwriting requirements
- ✓ Verbal verification of employment is required within 5 days of closing. This is a re-verification that is in addition to the written verification (income section is NOT required for Streamline Refinances)
- ✓ Tax return transcripts (4506T) are required on all loan files except Streamline Refinances. Income discrepancies may result in rejection or denial of loan files
- ✓ Cell phone numbers and two next of kin references are required
- ✓ Loan term may be 180 months only if an automated underwriting approval is obtained at 360 months with identical qualifying characteristics
- ✓ A borrower and/or co-borrower with one or more credit scores = N/A may be acceptable on FHA Loans provided a DU Approve/Eligible is obtained. Priced on borrowers mid-score. Requires
- ✓ Two discount points are the maximum discount points allowed on any transaction (assuming the loan file passes all applicable state and federal high cost tests)
- ✓ VOR/VOM required is required when payment shock applies. Private party VOR not acceptable. 12 months cancelled checks required
- ✓ No mortgage lates in past 12 months
- ✓ Surveys required in FL, NM, and TX
- ✓ Modular homes shall be priced and locked according manufactured housing pricing schedules
- ✓ 203(k)s program cannot be used for drilling wells or well improvements
- ✓ New Construction: Must use improved value for qualifying and establishing escrows

ELIGIBLE STATES

AL, AZ, AR, CA, CO, FL, GA, IL, IN, IO, KS, KY, LA, MI, ME, MS, MO, NE, NM, NC, OK, OR, TN, TX

[PLEASE REFER TO FHA 4155 GUIDELINES FOR GUIDANCE ON ALL OTHER ELBIGIBILITY REQUIREMENTS](#)

FHA ADJUSTABLE RATE MORTGAGES LOAN PRODUCT MATRIX
5/1 ARM / 2.25 Margin



Transaction Type	Min FICO	Max LTV	Required Reserves	DTI	Seller Contributions	Payment Shock	Funds Seasoning	Gift Funds
Purchase	640+	96.50%	0	45%	6%	N/A	0	Family/Employer
Rate/Term Refi	640+	97.75%	N/A	45%	N/A	N/A	N/A	N/A
Cash Out Refi	640+	85%	N/A	45%	N/A	N/A	N/A	N/A
Streamline (w/o Appraisal)	640+	Outstanding Principal Balance + UFMIP	N/A	N/A	N/A	N/A	N/A	N/A

INELIGIBLE CRITERIA

- ✓ No Buydowns
- ✓ Gift funds are ineligible for use as cash reserves
- ✓ Condominiums located in declining markets
- ✓ Manufactured/Modular – See Product Matrix for Man/Mod Guidelines
- ✓ No manual underwrites, no manual downgrades - AUS approval required
- ✓ Non-Resident Aliens - Borrowers must be US citizens or permanent residents

OTHER CRITERIA

- ✓ All employment is to be verified with a written verification of employment, regardless of automated underwriting requirements
- ✓ Verbal verification of employment is required within 5 days of closing. This is a re-verification that is in addition to the written verification (income section is NOT required for Streamline Refinances)
- ✓ Tax return transcripts (4506T) are required on all loan files except streamline refinances. Income discrepancies may result in rejection or denial of loan files
- ✓ Cell phone numbers and two next of kin references are required
- ✓ Loan term may be 180 months only if an automated underwriting approval is obtained at 360 months with identical qualifying characteristics.
- ✓ A borrower and/or co-borrower with one or more credit scores = N/A may be acceptable on FHA Loans provided a DU Approve/Eligible is obtained. Priced on borrowers mid-score. Requires manual lock.
- ✓ Two discount points are the maximum discount points allowed on any transaction (assuming the loan file passes all applicable state and federal high cost tests)
- ✓ Gift funds require two months bank statements
- ✓ No mortgage lates in past 12 months
- ✓ VOR/VOM required is required when payment shock applies. Private party VOR not acceptable. 12 months cancelled checks required.
- ✓ Surveys required in FL, NM, and TX
- ✓ State bond/down payment assistance programs must be on the Weststar Acceptable State Bond/Down Payment Assistance Programs
- ✓ New Construction: Must use improved value for qualifying and establishing escrows

ELIGIBLE STATES

AL, AZ, AR, CA, CO, GA, IL, IN, IO, KS, KY, LA, MI, ME, MS, MO, NE, NM, NC, OK, OR, TN, TX

[PLEASE REFER TO FHA 4155 GUIDELINES FOR GUIDANCE ON ALL OTHER ELBIGIBILITY REQUIREMENTS](#)

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VA LOAN PRODUCT MATRIX
30 Year Fixed, 15 Year Fixed, 5/1 ARM, IRRRL



Min FICO		Max LTV/CLTV		Max Loan Amount	#Units		Required Reserves		DTI			Seller Contributions	
Fixed	ARM	Purchase	Refi		Fixed	ARM	Fixed	ARM	Fixed	ARM	IRRRL	Fixed	ARM
620	640	100% / 100%	100% / 100%		\$417,000	1	1	N/A	N/A	45%	45%	N/A	4%
					4-Feb	4-Feb	6 months	6 months	45%	45%	N/A	0%	0%

IRRRL REQUIREMENTS

<p>Interest Rate Reduction Refinance Loan VA IRRRL – 100.00%</p>	<p>The new total loan amount may not exceed the Property Value validated by an AVM If an AVM is not available for an area, a full appraisal will be required If an AVM is inconsistent, WMC may require a full appraisal No mortgage lates in the last 12 months Mortgage only credit reports are not acceptable. A full tri-merge is required</p> <p align="center">VA IRRRL Worksheet</p>
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INELIGIBLE CRITERIA

<ul style="list-style-type: none"> ✓ No manufactured or modular homes allowed ✓ No One-Time Close, Construction-to-Perm financing allowed ✓ No Buydowns 	<ul style="list-style-type: none"> ✓ No manual underwrites, no manual downgrades - AUS approval required ✓ States where ARM's cannot be originated: Florida and Arizona ✓ Condominiums located in declining markets ✓ Non-Resident Aliens - Borrowers must be US citizens or permanent residents
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OTHER REQUIREMENTS

<ul style="list-style-type: none"> ✓ WMC requires the Veteran to have the GNMA-required 25% Entitlement ✓ All employment is to be verified with a written verification of employment, regardless of automated underwriting requirements ✓ Verbal verification of employment is required within 5 days of closing. This is a re-verification that is in addition to the written verification (income section is NOT required for IRRRLs) ✓ Tax return transcripts (4506T) are required on all loan files. Income discrepancies may result in rejection or denial of loan files ✓ Cell phone numbers and two next of kin references are required 	<ul style="list-style-type: none"> ✓ No mortgage lates in past 12 months ✓ Surveys required in FL, NM, and TX ✓ Loan term may be 180 months only if an automated underwriting approval is obtained at 360 months with identical qualifying characteristics ✓ State bond/down payment assistance programs must be on the Weststar Acceptable State Bond/Down Payment Assistance Programs ✓ A borrower and/or co-borrower with one or more credit scores = N/A may be acceptable on VA Loans provided a DU Approve/Eligible is obtained
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ELIGIBLE STATES

AL, AZ, AR, CA, CO, FL, GA, IL, IN, IO, KS, KY, LA, MI, ME, MS, MO, NE, NM, NC, OK, OR, TN, TX

[REFER TO VA GUIDELINES FOR GUIDANCE ON ALL OTHER ELIGIBILITY REQUIREMENTS](#)

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FHA FIXED RATE PRODUCT MATRIX
 Manufactured and Modular Housing
 30 Year Only



Transaction Type	Max LTV	Min Fico	Required Reserves	Max DTI	Seller Contributions	Payment Shock	Funds Seasonings	Gift Funds
Purchase	96.50%	620-639	0	45%	6%	2x Current if using gift funds	0	Family/Employer
	96.50%	640+	0	45%	6%	N/A	0	Family/Employer
Rate/Term Refi	97.75%	620+	N/A	45%	N/A	N/A	N/A	N/A
Streamline (w/o Appraisal)	Outstanding Principal Balance + UFMIP	620+	N/A	N/A	N/A	N/A	N/A	N/A

INELIGIBLE CRITERIA

- ✓ No Buydowns
- ✓ Gift funds are ineligible for use as cash reserves
- ✓ No manual underwrites, no manual downgrades - AUS approval required
- ✓ Cash-out refinances are not permitted on loans secured by manufactured/modular housing
- ✓ Non-Resident Aliens - Borrowers must be US citizens or permanent residents

OTHER CRITERIA


- ✓ All employment is to be verified with a written verification of employment, regardless of automated underwriting requirements
- ✓ Verbal verification of employment is required within 5 days of closing. This is a re-verification that is in addition to the written verification (income section is NOT required for Streamline Refinances)
- ✓ Tax return transcripts (4506T) are required on all loan files except Streamline Refinances. Income discrepancies may result in rejection or denial of loan files
- ✓ Cell phone numbers and two next of kin references are required
- ✓ Loan term may be 180 months only if an automated underwriting approval is obtained at 360 months with identical qualifying characteristics
- ✓ A borrower and/or co-borrower with one or more credit scores = N/A may be acceptable on FHA Loans provided a DU Approve/Eligible is obtained
- ✓ Two discount points are the maximum discount points allowed on any transaction (assuming the loan file passes all applicable state and federal high cost tests)
- ✓ Gift funds require two months bank statements
- ✓ No mortgage lates in past 12 months
- ✓ VOR/VOM required is required when payment shock applies
- ✓ Private party VOR not acceptable. 12 months cancelled checks required
- ✓ Surveys required in FL, NM, and TX
- ✓ Modular homes shall be priced and locked according manufactured housing pricing schedules
- ✓ State bond/down payment assistance programs must be on the Weststar Acceptable State Bond/Down Payment Assistance Programs
- ✓ New Construction: Must use improved value for qualifying and establishing escrows
- ✓ Modular homes are treated as manufactured homes for both underwriting and pricing purposes

ELIGIBLE MANUFACTURED HOME (APPLIES TO ALL MANUFACTURED HOMES)

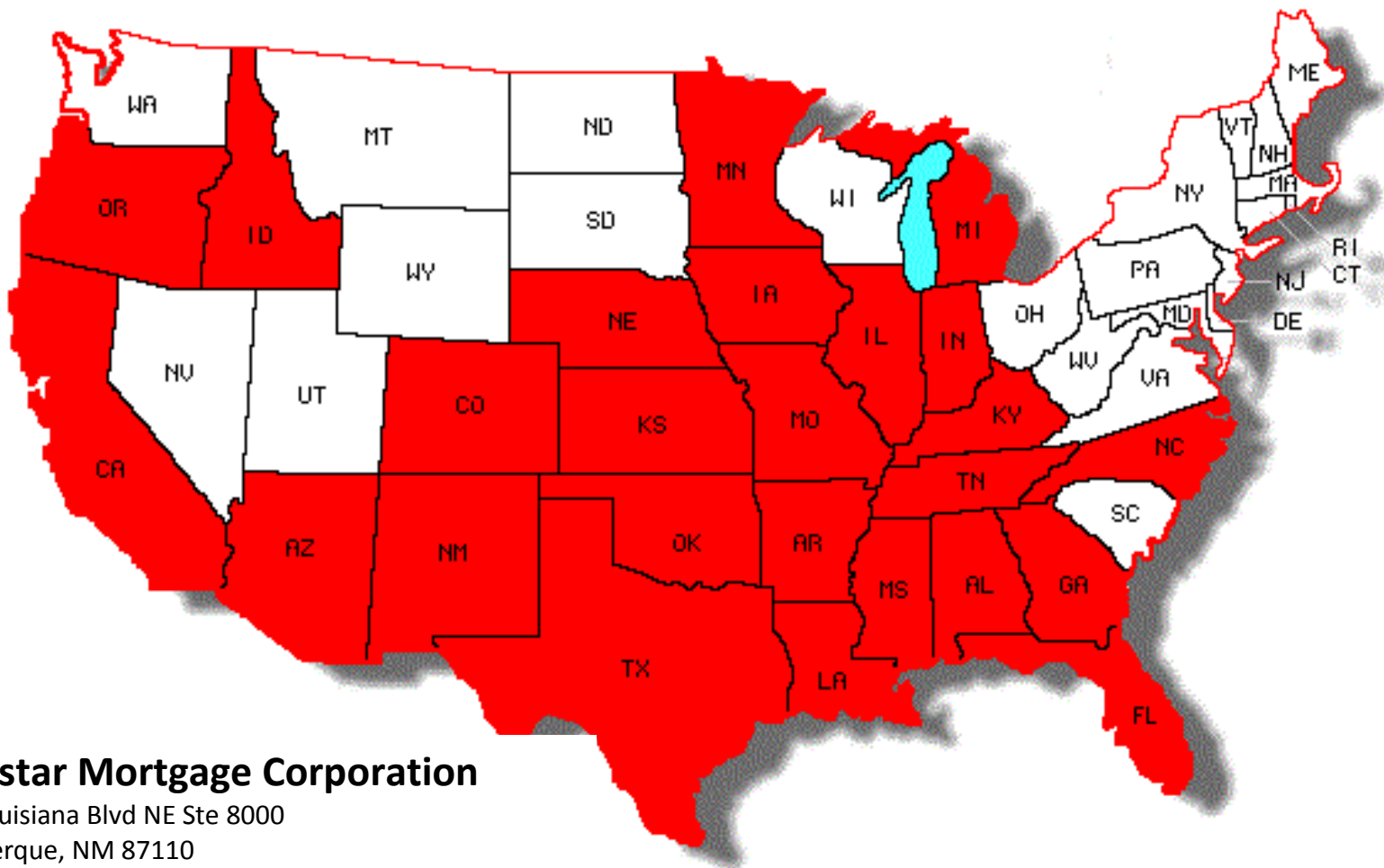
- ✓ At least 400 sq ft minimum floor area
- ✓ Built after June 15, 1976 as evidenced by the Federal Manufactured Home Construction and Safety Standards as evidenced by an affixed certification label
- ✓ Property is classified and taxed as real estate and is designed to be used as a dwelling with permanent foundation built to FHA requirements
- ✓ Built and remains on a permanent chassis
- ✓ Mortgage covers both the unit and its site, and has a term of not more than 30 years from the date amortization begins
- ✓ Foundation must certified by an approved structural engineer
- ✓ Finished grade beneath home is at or above the 100 year flood elevation
- ✓ In original location

AL, AZ, AR, CA, CO, FL, GA, IL, IN, IO, KS, KY, LA, MI, ME, MS, MO, NE, NM, NC, OK, OR, TN, TX

[PLEASE REFER TO FHA 4155 GUIDELINES FOR GUIDANCE ON ALL OTHER ELIGIBILITY REQUIREMENTS](#)

 State	SURVEY REQUIREMENTS BY STATE	
	Survey Required	
	Purchase	ALTA 9
Alabama	No	No
Arizona	No	No
Arkansas	No	No
California	No	No
Colorado	No	No
Florida	Yes	Yes
Georgia	No	No
Illinois	No	No
Indiana	No	No
Iowa	No	No
Kansas	No	No
Kentucky	No	No
Louisiana	No	No
Maine	No	No
Michigan	No	No
Mississippi	No	No
Missouri	No	No
Nebraska	No	No
New Mexico	Yes	Yes
North Carolina	No	No
Oklahoma	No	No
Oregon	No	No
Tennessee	No	No
Texas	Yes	Yes

Currently Accepting Correspondent Business in the Following States



Weststar Mortgage Corporation

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NMLS #93243

800-640-0635

