



Announcement CL 2017-10-03

Ohio – iQM Loan Products

October 3, 2017

Effective immediately, the State of Ohio is now eligible for all of Impac's iQM loan products. Updated loan product guidelines reflecting this change will be released in the near future.

An update to the *Quick Reference for iQM Documentation Requirements* removing the statement that Ohio was ineligible is attached.

We thank you for your continued business.

If you have any questions, contact your Relationship Manager at 888-850-0259 Option 1 or your Account Executive.



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

Legal Documentation Requirements for the iQM loan programs:

Depending on the loan program selected, required Notes/Riders for iQM loans include:

• Note for Fixed/Adjustable Rate loans – Fully Amortizing	Fannie Mae 3528
• Note for Interest Only Period Adjustable Rate loans State specific Notes are required for AK, FL, NH, PA, VA, VT, WI	Fannie Mae 3530
• Security Instrument ARM Rider	Fannie Mae 3187
• Security Instrument Interest Only ARM Rider	Fannie Mae 3155 Impac required form IMC-0001 04/16
• Early ARM Disclosure Statement Interest Only Program	Impac required form IMC-0002 04/17
• Early ARM Disclosure Statement Non-Interest Only Program	Impac required form IMC-0010 04/17

Refer to the Exhibit A matrix at the end of this document for documentation requirements with the applicable loan program code.

If your document vendor provides the Fannie Mae documents listed above, you must ensure that Section 4D of each of the Fannie Mae documents includes:

- **My interest rate will never be greater than _____%. My interest rate will never be less than the start rate or _____%.**

If your document vendor is unable to provide the Fannie Mae documents with Impac's required modification, Impac's *custom* Note and Security Instrument Rider must be used, along with the other documents (Early ARM Disclosure Statements) listed in Exhibit A, when applicable.

- As a reminder, Impac's iQM ARM loan products must use the initial interest rate (Note Start Rate) as the interest rate floor, and is required to be stated in Section 4D of the Note and Security Instrument Riders.



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

The adjustable rate specifics are available in each of the applicable loan program descriptions posted to the Correspondent Lending website: <https://impaccorrespondent.com/>

Interest Rate Adjustment Caps	5/1, 7/1 & 10/1 ARM (2/2/5) Initial: 2% up/down – Subsequent: 2% up/down – Lifetime: 5% up
Margin	Refer to rate sheet
Index	1-Year LIBOR (London InterBank Offer Rate)
Index Establish Date	45 days prior to the change date (aka “look back period”)
Interest Rate Floor	Note Start Rate
Conversion Option	None
Assumption	ARM products are assumable to a qualified borrower after the fixed term
Negative Amortization	None
Interest Only Option	Available for fixed period of ARMs

Reminders for HOEPA and HPML:

- Section 32 HOEPA loans are ineligible for purchase
- Section 35 Higher Priced Loans (HPMLs) are eligible for purchase provided the HPML requirements are satisfied.

iQM ineligibility features:

- Interest-only feature in the State of Illinois
- Foreign National, Investor, and Interest-only loan programs using the Texas Section 50(a)(6) Equity Cash-Out transactions.

FEMA (Disaster) Declaration requirements:

A re-certification of value will be required on locations eligible to receive individual and/or public assistance if the appraisal was completed **prior to the date of the last received FEMA disaster declaration update for that particular county.**



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

Borrower Affirmation Requirements for the following iQM loan programs:

- iQM Agency Plus
- iQM Alternative Documentation – Bank Statements Used to Qualify
- iQM Foreign National Program – Full Doc

Borrower Affirmation

Date:

Loan No

Borrower Name:

- I understand that my monthly payment on this loan will be as follows:
 - Fixed Mortgage
 - For _____ years
 - My monthly payment is \$ _____
 - Adjustable Rate Mortgage
 - For the first _____ years
 - My monthly payment is \$ _____
 - I understand my payment may adjust (more than once) after the first _____ years.
- I understand the checked items below on this property will be approximately this amount per month \$
 - Property taxes
 - Hazard Insurance
 - Flood Insurance
 - Mortgage Insurance

The checked items above will be impounded.

The items not checked will not be impounded; and if not impounded I am responsible to pay them directly.
- I believe I can afford to make the monthly payment on the loan.
- I am not aware of anything in the future that will affect my ability to make this loan payment.
- If my loan program did not require that I submit my prior tax returns, I understand that if I had provided additional verifiable documentation of my income, such as my tax returns or W-2 wage statements or other documentation deemed necessary to support my income, I may have been able to qualify for a loan with different loan terms or conditions such as a lower interest rate.

NOTE: If there is a discrepancy between the terms in this document and the actual loan documents, the terms of the loan documents prevail.

I certify that the above information and the information on the final Uniform Residential Loan Application (Form 1003) is true and correct as of this day and that it represents an accurate picture of my financial status.

Borrower name

Borrower name

Borrower name

Borrower name



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

Borrower Affirmation Requirements for the following iQM loan programs:

- iQM Alternative Documentation Program – Asset Qualification
- iQM Foreign National Program – Asset Qualification

Borrower Affirmation

Date:

Loan No

Borrower Name:

- I understand that Impac Mortgage Corp. will determine my Ability to Repay this mortgage loan, as it is required to do under existing law, solely on the basis of existing assets that I currently maintain.
- I understand that my monthly payment on this loan will be as follows:
 - Fixed Mortgage
 - For _____ years
 - My monthly payment is \$ _____
 - Adjustable Rate Mortgage
 - For the first _____ years
 - My monthly payment is \$ _____
 - I understand my payment may adjust (more than once) after the first _____ years.
- I understand the checked items below on this property will be approximately this amount per month \$
 - Property taxes
 - Hazard Insurance
 - Flood Insurance
 - Mortgage Insurance

The checked items above will be impounded.

The items not checked will not be impounded; and if not impounded I am responsible to pay them directly.
- I believe I can afford to make the monthly payment on the loan.
- I am not aware of anything in the future that will affect my ability to make this loan payment.
- My loan program did not require that I submit my prior tax returns. I understand that if I had provided verifiable documentation of my income, such as my tax returns or W-2 wage statements or other documentation deemed necessary to support my income, I may have been able to qualify for a different loan program with different loan terms or conditions such as a lower interest rate.

NOTE: If there is a discrepancy between the terms in this document and the actual loan documents, the terms of the loan documents prevail.

I certify that the above information and the information on the final Uniform Residential Loan Application (Form 1003) is true and correct as of this day and that it represents an accurate picture of my financial status.

Borrower name

Borrower name

Borrower name

Borrower name

IMC-0006 (Borrower Affirmation – Alternative Assets v2 - Rev 03/16)



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

iQM Investor loan program:

The iQM Investor loan program is designed exclusively for business purposes. Impac requires each iQM loan include a signed *Borrower's Intent to Proceed with Loan and Business Purpose Certification*. Look for an example at the end of this reference.

Regulatory requirements that apply to consumer purpose loans are not applicable to the iQM Investor loan program. These include, but not limited to the following:

- Truth in Lending Act (15 U.S.C. § 1601 et seq.)
- Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.)
- Gramm-Leach Bliley Act (15 U.S.C. §6802-6809)
- Homeowners Protection Act (12 U.S.C. § 4901 et seq.)

As a result, the following disclosures associated with these regulations **are not required for the iQM Investor loan program:**

- Acknowledgement of Receipt of Loan Estimate
- Acknowledgement of Intent to Proceed
- Borrower's Affirmation
- CHARM Booklet
- Credit and/or Debt Acknowledgement
- Early ARM Disclosure
- Loan Estimate
- Homeownership Counseling List
- Notice of Right to Cancel
- Notice of Servicing Transfer
- Servicing Disclosure
- Closing Disclosure
- Your Home Loan Toolkit



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

Borrower's Intent to Proceed with Loan and Business Purpose Loan Certification for the iQM Investor loan program:

Borrower's Intent to Proceed with Loan and Business Purpose Loan Certification

Date: _____ Loan #: _____

Borrower Name: _____

Mailing Address: _____

Loan Program: _____

Property Address: _____

This document is intended to express your request to proceed with the above referenced loan. If you wish to proceed, please return a signed and dated copy of this document to [ENTER NAME AND ADDRESS OF LOAN OFFICE OR DEPARTMENT].

By signing and returning this document I am confirming I wish to continue with the loan, that the loan is for business purposes and not household purposes, and that the loan proceeds are intended to be used (and will in fact be used) for business purposes only, not for my personal use. I also represent that I do not occupy the property as my primary residence or as a vacation home. I intend to lease or rent the property to a third person. I understand that because the loan will be made exclusively for business purposes, laws applicable to consumer purpose loans, including but not limited to the following, are not applicable to this loan: Truth in Lending Act (15 U.S.C. § 1601 *et seq.*), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 *et seq.*), Gramm-Leach Bliley Act (15 U.S.C. §6802–6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 *et seq.*), and Homeowners Protection Act (12 U.S.C. § 4901 *et seq.*).

By signing below I confirm I have read and understand this document and I intend to continue with the loan, and affirm that the Property is to be a non owner-occupied investment property.

Borrower Name	Date	Borrower Name	Date
Borrower Name	Date	Borrower Name	Date
Borrower Name	Date	Borrower Name	Date

Cert. Rev. 8/11/14



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

EXHIBIT A	
Loan Document Name/Number	Applicable Loan Program Codes
Fixed/Adjustable Rate Note Fannie Mae 3528 (Modified Section 4D to include: My interest rate will never be less than the start rate _____%.)	IA51AP, IA71AP, IA101AP IA51AD, IA71AD, IA101AD IA51AS, IA71AS, IA101AS IA51IN, IA71IN, IA101IN
Security Instrument ARM Rider Fannie Mae 3187 (Modified Section 4D to include: My interest rate will never be less than the start rate _____%.)	IA51AP, IA71AP, IA101AP IA51AD, IA71AD, IA101AD IA51AS, IA71AS, IA101AS IA51IN, IA71IN, IA101IN
Interest-Only Period Adjustable Rate Note Fannie Mae 3530 (retired document) Impac required Form IMC-0009 06/16 (Modified Section 4D to include: My interest rate will never be greater than _____%. My interest rate will never be less than the start rate or _____%.) Section 10 was amended to remove the first sentence: and waive the benefit of the homestead exemption as to the Property described in the Security Instrument (as defined below). Important Note: Interest only is ineligible in the State of Illinois. State-specific Notes required for AK, FL, NH, PA, VA, VT, WI, WV with these changes: AK: A Section 12 was added to include <i>Notice of Other Remedies</i> FL: A Section 12 was added to include <i>Documentary Tax</i> NH: A Section 12 was added to include <i>Attorneys' Fees</i> PA: Section 2, last paragraph added <i>Survival Event as defined in this Note</i> to last sentence. Section 3, 2 nd paragraph, directly following "Maturity Date." Added sentence: "I will continue to pay those amounts both before and after any Survival Event as defined in this Note, until I have paid all of the principal and interest and any other charges described below that I may owe under this Note." Section 7. (E). Added sentence: "I will pay the Note Holder back for those expenses paid by the Note Holder both before and after any Survival Event as defined in this Note." A Section 12 was added to include <i>Effect of Survival Events</i> . VA: First sentence in Section 10 includes verbiage relating to homestead exemption. VT: After Paragraph 11, a <i>Notice to Co-Signer</i> was added in bold caps. WI: Section 3A, 2 nd paragraph, 3 rd sentence reads: "Each monthly payment that includes both principal and interest will be applied to interest before Principal." WV: Section 7(A), 2 nd sentence reads: "The amount of the charge will be _____ of that portion of the installment of interest and/or principal and interest that is overdue, but not more than U.S. _____."	IA51APIO, IA71APIO, IA101APIO IA51ADIO, IA71ADIO, IA101ADIO IA51ASIO, IA71ASIO, IA101ASIO IA51INIO



Quick Reference for iQM Documentation Requirements

Updated October 3, 2017

EXHIBIT A	
Loan Document Name/Number	Applicable Loan Program Codes
Security Instrument IO ARM Rider Fannie Mae 3155 Impac required Form IMC-0001 04/16 NOTE: Interest only is ineligible in the State of Illinois. Paragraph 4C, 2 nd paragraph modified to be consistent with the Interest Only Note (3530) and reads as follows: "The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment."	IA51APIO, IA71APIO, IA101APIO IA51ADIO, IA71ADIO, IA101ADIO IA51ASIO, IA71ASIO, IA101ASIO IA51INIO
Early ARM Disclosure Statement Interest Only Program Impac required Form IMC-0002 04/17 NOTE: Interest only is ineligible in the State of Illinois.	IA51APIO, IA71APIO, IA101APIO IA51ADIO, IA71ADIO, IA101ADIO IA51ASIO, IA71ASIO, IA101ASIO IA51INIO
Early ARM Disclosure Statement Non Interest Only Program Impac required Form IMC-0010 04/17	IA51AP, IA71AP, IA101AP
Borrower's Intent to Proceed with Loan and Business Purpose Loan Certificate Rev. 8/11/14 Investor Program only: This is a required form as it applies to the loan program chosen.	IA51IN, IA71IN, IA101IN, IA51INIO IF15IN, IF30IN