

QM Findings



Issued: 02/07/2014 08:47 AM
Result: **General QM / Safe Harbor**

REQUESTED BY	BORROWER / COBORROWER	REQUESTED TERMS
Harry L. Jensen 2445 Morena Blvd., Ste. 102 San Diego, CA 921104156 NMLS #Company ID #357085 & Individual #236752 User Name: Harry Jensen	John Q. Smith Mary A. Smith Application Date:02/04/2014 Lender Loan No: LSC Casefile ID: 1702832 SUBJECT PROPERTY 1254 Main Street San Diego, CA 92110 Type: SFR Status: Owner Occ	Base Loan Amt: \$380,000.00 Note Loan Amt: \$380,000.00 LTV/CLTV: 80.00% / 80.00% Note Rate: 4.250% Loan Type: Conventional Amort Type: Fixed Amort Term: 360 months Maturity Term: 360 months Purpose: Purchase Purpose of Refi: Lien Pos: First Mortgage
QM ASSESSMENT (Version 5.2)		

This loan was evaluated against QM Type: **General QM**

QM REQUIREMENTS	ACTUAL LOAN DATA	RESULT
1. Max Points & Fees <= \$11,257.87 (3.00%)	\$1,640.00 (0.44%)	PASS
2. General QM DTI <= 43.00%	38.51%	PASS
3. Loan Term <= 30 years	30 years	PASS
4. No Balloon Payments	Maturity Term = Amort Term	PASS
5. No Negative Amortization	Negative Amortization Months = None	PASS
6. No Interest-Only	Interest-Only Term = None	PASS
Liability Protection was based on:	Lock Date: Amort Type: Fixed Loan Term: 30 years	APOR: 4.380% (02/03/2014) Lien Position: First Mortgage

SAFE HARBOR THRESHOLD	ACTUAL LOAN DATA	RESULT
APOR + 1.500% = 5.880%	APR = 4.339%	Safe Harbor
HPML THRESHOLD	ACTUAL LOAN DATA	RESULT
APOR + 1.500% = 5.880%	APR = 4.339%	Non-HPML

POINTS AND FEES ANALYSIS

TOTAL LOAN AMOUNT	POINTS & FEES CAP
TIL Amount Financed: \$375,262.22	Note Loan Amount: \$380,000.00
Fin QM Points and Fees: \$0.00	QM Points & Fees Cap: 3.00%
Total Loan Amount: \$375,262.22	Total Loan Amount: \$375,262.22
	Max QM Points & Fees: \$11,257.87
	Total QM Points & Fees: \$1,640.00
	Points & Fees Cushion: \$9,617.87

INCLUDED QM POINTS & FEES

HUD#	Fee Type	Affiliate	Paid To	PFC	POC	Fin	Paid By	Amount
801.1	Loan Origination Fee	-		-	-	-		\$0.00
801.5	Underwriting Fee	-	Lender	X	-	-	Borrower	\$995.00
801.6	Wire Transfer Fee	-	Lender	X	-	-	Borrower	\$75.00
804	Appraisal Fee	-	Lender	X	-	-	Borrower	\$525.00
805	Credit Report Fee	-	Lender	X	-	-	Borrower	\$25.00
807	Flood Certification	-	Lender	X	-	-	Borrower	\$20.00
Total QM Points & Fees:								\$1,640.00

EXCLUDED POINTS & FEES

HUD#	Fee Type	Affiliate	Paid To	PFC	POC	Fin	Paid By	Amount
806	Tax Related Service Fee	-	Lender	X	-	-	Borrower	\$80.00
901	Daily Interest Charges	-	Lender	X	-	-	Borrower	\$717.78
903	Hazard Insurance Premium	-		-	-	-	Borrower	\$475.00
1102	Settlement Or Closing Fee	-	ESCROW	X	-	-	Borrower	\$1,350.00
1104	Title Insurance Fee	-		X	-	-	Borrower	\$650.00
1110	Notary Fee	-	NOTARY	X	-	-	Borrower	\$150.00
1202.1	Mortgage Recording Fee	-	Other	X	-	-	Borrower	\$150.00
1302	Pest Inspection Fee	-	PEST CONTROL	-	-	-	Borrower	\$50.00
1303	Inspection Fee	-	HI COMPANY	-	-	-	Borrower	\$450.00
1311	Other	-	3-15-2014 to 6-30-2014	-	-	-	Borrower	\$1,593.00

QM QUAL RATE	MONTHLY PAYMENTS AND RATIOS	FUNDS SUMMARY
Note Rate: 4.250%	First Mortgage P&I: \$1,869.37	Cash from/to Borrower: \$97,305.78
1st Adj Cap:	Monthly MIP: \$0.00	Cash Out: \$0.00
1st Adj Period:	HOA Fees: \$0.00	Amount of Gift Funds: \$0.00
Adj Cap:	Second Mortgage P&I: \$0.00	Source of Gift Funds:
Adj Period:	Hazard Insurance: \$39.58	Total Closing Costs: \$4,520.00
Life Adj Cap:	Taxes & Special Assessments: \$400.00	Required (funds to close): \$97,305.78
Index:	Other: \$0.00	Available Funds: \$396,500.00
Margin:	Primary Housing Expenses: \$2,308.95	Reserves: (\$805.78)
QM Qual Rate: 4.250%	Housing Ratio: 32.52%	Months Reserves: -1
Monthly Payment: \$1,869.37	Total Fixed Payment: \$2,733.95	
	DTI: 38.51%	
	Residual Income: \$4,366.05	

LOAN DETAILS		INCOME INFORMATION			
Sales Price: \$475,000.00		Smith, John	Smith, Mary	Other 1003's	Grand Total
Appraised Value: \$475,000.00					
Improvements: \$0.00	Base Income:	\$4,300.00	\$2,800.00	\$0.00	\$7,100.00
Fee Simple: Yes	Overtime:	\$0.00	\$0.00	\$0.00	\$0.00
Leasehold: No	Bonus:	\$0.00	\$0.00	\$0.00	\$0.00
PMI, MIP, Funding Fee: \$0.00	Commissions:	\$0.00	\$0.00	\$0.00	\$0.00
Base Loan Amount: \$380,000.00	Dividend:	\$0.00	\$0.00	\$0.00	\$0.00
Note Loan Amount: \$380,000.00	Other:	\$0.00	\$0.00	\$0.00	\$0.00
Subordinate Financing: \$0.00	Subtotal:	\$4,300.00	\$2,800.00	\$0.00	\$7,100.00
	Net Rental:	\$0.00	\$0.00	\$0.00	\$0.00
	Subject Net Cash:	\$0.00	\$0.00	\$0.00	\$0.00
	Total Income:				\$7,100.00

LIABILITIES

Mortgages to be Paid Off

Borrower	Creditor	Monthly Payment	Balance
John Q. Smith	XYZ LENDER	\$1,800.00	\$300,000.00

Debts to be Paid Off

Borrower	Creditor	Monthly Payment	Balance
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Debts to Remain

Borrower	Creditor	Monthly Payment	Balance
John Q. Smith	AUTO LOAN	\$280.00	\$1,200.00
John Q. Smith	CREDIT CARD 1	\$60.00	\$1,200.00
John Q. Smith	CREDIT CARD 2	\$60.00	\$1,200.00
John Q. Smith	CREDIT CARD 3	\$25.00	\$500.00

Debts Excluded

Borrower	Creditor	Monthly Payment	Balance
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INCOMES

Borrower	Income Source	Amount
John Q. Smith	Base Employment	\$4,300.00
Mary A. Smith	Base Employment	\$2,800.00

ASSETS

Borrower	Type	Description	Account	Amount
John Q. Smith	Checking Account	XYZ BANK	XXXXXXXXXXXXXX	\$4,500.00
John Q. Smith	Savings Account	XYZ BANK	YYYYYYYYYYYYYY	\$22,000.00
John Q. Smith	Stock	MUTUAL FUNDS		\$120,000.00
John Q. Smith	Retirement Funds			\$250,000.00

QM MESSAGING

QM TYPE

- General QM requires underwriting based on a fully-amortizing schedule using the maximum rate permitted during the first five years after the date of the first periodic payment. Based on the loan product provided, a Qual Rate of 4.250% was applied for the General QM monthly payment calculation.
- The APR provided for this first-lien mortgage does not exceed the comparable-loan APOR as of 02/07/2014 by 1.5

percentage points or more. If the interest rate on this loan were set on 02/07/2014, this QM would be assessed as not higher-priced and therefore have a safe harbor, meaning that it is conclusively presumed to comply with the ATR/QM requirements.

3. You are required to retain evidence that you complied with the ATR/QM rule, including the prepayment penalty limitations, for three years after consummation, though you may want to keep records longer for business purposes.
4. You should consult with legal counsel or your compliance officer to understand your obligations under the rule, and to devise the policies and procedures you will need to have in place to comply with the rule's requirements.

POINTS AND FEES

1. Real estate-related fees under §1026.4(c)(7) have been excluded from QM points & fees, except the fees that were indicated as paid to the broker or lender or an affiliate, which have been included. Furthermore, you must include any charge that is unreasonable, or for which the creditor receives direct or indirect compensation in connection with the charge.
2. Third-party settlement agent fees under §1026.4(a)(2) have been excluded from QM points & fees, except the fees that were indicated as paid to the broker or lender or an affiliate, which have been included. This exclusion is based on the assumption that the charges are "bona fide", and neither the creditor nor the loan originator (or their affiliates) retains a portion of the charge.
3. Any Loan Origination Fee or Mortgage Broker Fee indicated in the file has been included in QM points & fees. In addition, any other loan originator compensation, if indicated as a prepaid finance charge item within GFE block 1, has also been included.
4. Compensation paid by a lender or a mortgage broker to its loan originator employees can be excluded. However, any lender-paid compensation to a mortgage broker who is not an employee of the lender must be included, and indicated in the file as a fee paid by the lender, and paid to the broker.
5. Other than broker compensation, charges that are paid by the lender have been excluded from QM points and fees.
6. There is no indication of a prepayment penalty stemming from the refinancing of a loan that the creditor or affiliate currently holds or is currently servicing. Note that the amount of penalties charged or collected from the consumer for prepaying their previous loan must be included in QM points and fees.
7. One or more fees do not have a paid to type indicated; in order to properly calculate the QM points and fees, the correct paid to field must be entered.