

Case ID Number	Lender ID Number	Lender Loan Number	Borrower name Property Address	Note Date	Transaction Type	Loan Officer	Reason for Self-Report	Action Plan	Audit Period
105-7554076-703	957109992	116102	Carf, Fredrick	0/24/2013	Purchase	Brenda Smith	Contract states selling broker to give 10% to borrower a tier closing. The concession was not taken into consideration during the maximum mortgage, minimum investment and LTV calculations	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	01/01/2013 - 01/31/2013: Post-Closing Audit
544-0308364-703	957100130	113866	Pea, David	1/19/2013	Purchase	Nina Ehrd	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	01/01/2013 - 01/31/2013: Post-Closing Audit
544-0452761-703	957109992	113732	Peterson,Shannon	4/19/2013	Purchase	Mac Church	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	Pre-purchase Audit to Investor
105-7554076-703	957109992	117457	Puato, Jill	2/22/2013	Purchase	Anne Atkins	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	02/01/2013 - 02-28-2013: Post-Closing Audit

105-7587477-703	957109992	117621	Blanchard, Gretchen	2/15/2013	Purchase	Frank Lee	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	Pre-Purchase Audit to Investor
105-7691510-709	957100045	121631	Batchelor, Jason	5/15/2013	Purchase	Silvia Taylor	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Investment form has been modified and distributed for operations use.  Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	Pre-Purchase Audit to Investor
105-7559795-703	957100045	117631	Zingarelli, Linda	2/15/2013	Purchase	Silvia Taylor	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	02/01/2013 - 02/28/2013: Post-Closing Audit
105-7586208-734	957100051	117250	Davis, Melissa	2/19/2013	Purchase	Ieff Charme	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	02/01/2013 - 02/28/2013: Post-Closing Audit

105-7561243-703	957100045	117659	Desnoes, Colin	2/1/2013	Purchase	Silvia Taylor	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	02/01/2013 - 02/28/2013: Post-Closing Audit
105-7565743-703	957100016	117975	Standard, Joseph	2/8/2013	Purchase	Faye Bell	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Investment form has been modified and distributed for operations use. Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	02/01/2013 - 02/28/2013: Post-Closing Audit
105-7410941-703	957100051	117219	Louis, Ernst	2/22/2013	Purchase	Brian Martin	Borrower did not meet minimum down payment requirement of 3.5% of own funds	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	02/01/2013 - 02/28/2013: Post-Closing Audit
105-7731786-703	957100992	120344	Jones, Saleemah	4/18/2013	Purchase	BUU Humph-Willis	Excess seller contributions	Effective immediately the closer must complete the Checklist for each FHA loan. The final line of each section must meet FHA guidelines. A completed and signed form will be placed in the loan documents. In addition, a standard seller contribution condition is required for each loan. Copy of the wording is attached. Communication to the entire Mortgage LOB was distributed regarding minimum down payment - copy is attached. A minimum down payment investment form has been modified and distributed for operations use.	Pre-Purchase Audit to Investor

## MINIMUM DOWN PAYMENT

Stated below is additional clarification regarding Fidelity Bank's policy regarding the minimum down payment investment for FHA and Agency loans. The original communication from Mike Vincent dated March 22, 2013 is included. **The policies are effective immediately.**

### FHA

- HUD requires a minimum down payment of 3.5%.
- The minimum down payment is based on the lesser of the appraised value or sales price (without considering closing costs the borrower is required to pay) minus any required adjustments.
- The minimum down payment must be provided from the borrower's own cash funds (own is defined as inclusive of gifts, loans from family members, loans from a governmental agency, or instrumentality or documented POC (not paid by a credit card) where there is no closing cost for the POC/application deposit funds to be applied due to an interested party paying all of the borrower's closing costs. Interested party is defined as the seller, realtors, builder/developer, or lender.
- POC/application deposit paid with a credit card may apply towards closing costs only.
- To ensure each loan meets FHA minimum down payment investment requirements, adjustments may be required to the interested party (seller, lender, builder, or realtor) contributions.

### CONVENTIONAL/AGENCY

- The borrower's minimum investment and total down payment must be documented according to Fannie Mae or Freddie Mac guidelines.
- Application deposit paid with a credit card may not be used for the minimum down payment investment or the total down payment.
- Application deposit paid with a credit card may apply towards closing costs only.
- Application deposit verified as paid with cash from an acceptable source of funds may apply towards the minimum down payment investment and the down payment.
- To ensure each loan meets Conventional/Agency guidelines, adjustments may be required to the interest party (seller, lender, builder, or realtor) contributions.