FIRST COLONY PLS CONVENTIONAL OVERLAYS: SECOND HOME & INVESTMENT

September 15, 2026

500 East Park Avenue,
Suite 900, Orem, Utah 84097

NMLS#3112

FIRST COLONY PLS – Second Home & Investment Overlays

First Colony WHOLESALE

Topic	Conventional Loan Policy Overview	Applies to	
		FNMA	FMHLC
Temporary Buydowns	Not Permitted	X	X
Borrower Eligibility	• Evidence of a valid social security number is required for all borrowers	X	X
AUS and Underwriting	Desktop Underwriter (DU) with 'Approve/Eligible' finding is required	X	
	Loan Prospect Advisor (LPA) with LPA 'Accept' recommendation is required		X
	Manual underwriting is not permitted	X	X
Maximum Loan Amount	Follow FHFA 2026 Conforming Loan Limits, unless otherwise noted	X	X
Minimum Credit Score	▪ 1 Unit: Minimum 660 FICO ▪ 2-4 Units: Minimum 680 FICO	X	X
Credit	Use of non-traditional credit is not acceptable	X	X
Ineligible Products	• HomeStyle Renovation Mortgages/Energy Mortgages • Construction to Perm Mortgages; Single Close Transactions • Temporary Buydowns • Interest Only Loan Program • HUD184	X	X
Ineligible Properties	• Manufactured Homes • Co-ops • Community Land Trusts	X	X
Appraisals	Successful UCDP Submission Summary Reports (SSRs) from both Fannie Mae and Freddie Mac are required. First Colony will not purchase loans that include the recently added proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable.	X	X
	Loans in disaster impacted areas – see Special Products Seller Guide for re-inspection requirements	X	X
	Appraisal Condition rating of a C5	X	X
Condo Project Review	• All manual reviews must be accompanied by documented evidence that the subject condominium project does not have an existing approval in Freddie Mac's Condo Project Advisor (CPA) or in Fannie Mae's Condo Project Manager (CPM)		X
State Restriction	• NY and HI – ineligible	X	X

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High Cost Loans	• First Colony will not purchase High Cost Loans	X	X
Down Payment & Closing Cost Assistance	Down payment and closing cost assistance subordinate financing is not permitted	X	X
Seasoning Requirements	Loans must not be aged more than 45 days from the loan closing date until the time the loan is delivered for purchase. This includes the date the credit and closing file is received and the loan is eligible for purchase. All loans must be purchased within 60 days of the note date.	X	X
Mortgage Insurance	Reduced MI is not permitted	X	
Escrow Waivers	• Tax and insurance escrows are required on all loans greater than 80% loan to value (LTV) with the exception of California where state law prescribes escrows are not required on loans less than 90% LTV • Flood insurance premiums paid by the borrower must be escrowed and cannot be waived regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required. Escrow waivers for property taxes and homeowners insurance are permitted on loans with LTVs less than or equal to 80% in accordance with the Fannie Mae Selling Guide and all state specific restrictions	X	X

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Version Control		
Date	**Topic**	**Update**
9/15/26	NEW – Maximum Loan Amount	Added new section to identify the Maximum Loan Amount: Follow FHFA 2026 Conforming Loan Limits, unless otherwise noted