

Job Aid: Entering Data for Fixed and Variable Rate Mortgage Loans With Declining Prepayment Premium Schedule

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Job Aid: Entering Data for Fixed and Variable Rate Mortgage Loans With Declining Prepayment Premium Schedule

1. INTRODUCTION

This Job Aid details how data should be entered in the applicable Fannie Mae Acquisition Systems for any Mortgage Loan with a Declining Prepayment Premium Schedule (also known as a Graduated Prepayment Premium), including (i) fixed rate Mortgage Loans, (ii) Adjustable Rate Mortgage Loans (ARM Loans) and Structured Adjustable Rate Mortgage Loans (SARM Loans), or (iii) Hybrid ARM Loans.

In the "Prepayment Protection Type and Defeasance" section select "Other Prepayment & Defeasance Options" from the first dropdown list. If the Declining Prepayment Premium schedule for the Mortgage Loan as shown on the Loan Documents is an allowable value in the dropdown (shown as Declining Premium in the Acquisition System), select "Declining Prepayment Premium Schedules including 1% Prepay". If the Declining Prepayment Premium schedule for the Mortgage Loan is <u>not</u> an allowable value in the dropdown, select "Declining Premium/Other Year Schedule".

Please contact MF_Acquisitions@fanniemae.com with any questions.



2. FIXED RATE MORTGAGE LOANS

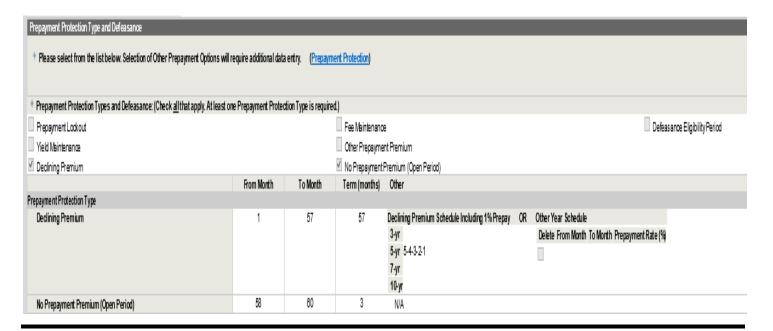
- 2.01. Declining Prepayment Premium schedule **IS** an allowable value in the dropdown.
- A. 5 Year Loan Term

Prepayment Schedule, Acquisition System, and Disclosure

5-4-3-2-1 Schedule – 3 Month Open Period (see print screen below):

- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 57;
- No Prepayment Premium (Open Period):
 - o From Month Field: 58;
 - o To Month Field: 60;
- Lender will need to enter into the Acquisition System (see print screen below):
 - o Select "5-4-3-2-1" from dropdown box beside the "5 yr. Prepayment Protection Type/Declining Premium Schedule" field.

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types, Terms** and **End Dates**, and **No Prepayment (Open), Term** and **End Date**.
- Annex A and Download Data files:
 - o Prepayment Provision: 5%(12), 4%(12), 3%(12), 2%(12), 1%(9), 0%(3);
 - o <u>Prepayment Provision End Date</u>: 5%(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date), O(End Date).







B. 7 Year Loan Term

Prepayment Schedule, Acquisition System, and Disclosure

10-10-5-4-3-2-1 Schedule – 24 Month Lockout Period; 3 Month Open Period (see print screen below):

- Prepayment Lockout:
 - o From Month Field: 1;
 - o To Month Field: 24;
- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 81;
- No Prepayment Premium (Open Period):
 - o From Month Field: 82;
 - o To Month Field: 84;
- Lender will need to enter into the Acquisition System (see print screen below):
 - o Select "10-10-5-4-3-2-1" from dropdown box beside the "7 yr. Prepayment Protection Type/Declining Premium Schedule" field.

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types, Terms** and **End Dates**, and **No Prepayment (Open), Term** and **End Date**.
- Annex A and Download Data files:
 - o <u>Prepayment Provision</u>: L(24), 5%(12), 4%(12), 3%(12), 2%(12), 1%(9), Open Period(3);
 - o <u>Prepayment Provision End Date</u>: 5%(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date), O(End Date).



Prepayment Protection Type and Defeasance										
* Please select from the list below. Selection of Other Prepayment Options will require additional data entry. (Prepayment Protection)										
+ Prepayment Protection Types and Defeasance: (Check <u>all</u> that apply. At least or	ne Prepayment Prote	ction Type is required	i)							
✓ Prepayment Lockout			Fee Maintenance	1		Defeasance Eligibility Period				
Yield Maintenance			Other Prepayme	nt Premium						
☑ Declining Premium			✓ No Prepayment P	Premium (Open Period)						
	From Month	To Month	Term (months)	Other						
Prepayment Protection Type										
Prepayment Lockout	1	24	24	N/A						
Declining Premium	1	81	81	Declining Premium Schedule Including 1% Prepay	OR	Other Year Schedule				
				3-уг		Delete From Month To Month Prepayment Rate (%)				
				5-уг						
				7-yr 10-10-5-4-3-2-1						
				10-yr						
No Prepayment Premium (Open Period)	82	84	3	N/A						



C. 10 Year Loan Term

Prepayment Schedule, Acquisition System, and Disclosure

5-5-4-4-3-3-2-2-1-1 Schedule – 3 Month Open Period (see print screen below):

- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 117;
- No Prepayment Premium (Open Period):
 - o From Month Field: 118;
 - o To Month Field: 120;
- Lender will need to enter into the Acquisition System (see print screen below):
 - o Select "5-5-4-4-3-3-2-2-1-1" from dropdown box beside the "10 yr. Prepayment Protection Type/Declining Premium Schedule" field.

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types**, **Terms** and **End Dates**, and **No Prepayment (Open)**, **Term** and **End Date**.
- Annex A and Download Data files:
 - o <u>Prepayment Provision</u>: 5%(24), 4%(24), 3%(24), 2%(24), 1%(21), O(3);
 - o <u>Prepayment Provision End Date</u>: 5%(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date), O(End Date).

Prepayment Protection Type and Defeasance									
† Please select from the list below. Selection of Other Prepayment Options will require additional data entry. (Prepayment Protection)									
+ Prepayment Protection Types and Defeasance: (Check <u>all</u> that apply. At least on	e Prepayment Prote	ction Type is required	i)						
Prepayment Lockout			Fee Maintenand	8		Defeasance Eligibility Period			
Yield Maintenance			Other Prepayme	nt Premium					
☑ Declining Premium			✓ No Prepayment	Premium (Open Period)					
	From Month	To Month	Term (months)	Other					
Prepayment Protection Type									
Declining Premium	1	117	117	Declining Premium Schedule Including 1% Prepay	OR	Other Year Schedule			
				3-yr		Delete From Month To Month Prepayment Rate (%)			
				5-yr					
				7-уг					
				10-yr5-5-4-4-3-3-2-2-1-1					
No Prepayment Premium (Open Period)	118	120	3	N/A					



2.02. Declining Prepayment Premium schedule <u>IS NOT</u> an allowable value in the dropdown.

"Declining Premium/Other Year Schedule" should be selected from the dropdown when the Declining Prepayment Premium Schedule for the Mortgage Loans is <u>not available</u> as an option in the dropdown box in Acquisition Systems. Lenders will need to enter in the Acquisition Systems: Select "Prepayment Lockout" (if applicable), "Declining Premium/Other Year Schedule" and "No Prepayment Premium (Open Period)" in the Prepayment Premium Protection Type and Defeasance" section.

A. 12 Year Loan Term

Prepayment Schedule, Acquisition System, and Disclosure

5-5-5-4-4-3-3-2-1-1 Schedule – **3 Month Open Period** (see print screen below):

- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 141;
- Other Year Schedule:
 - o From Month Field: 1; To Month Field: 48; Prepayment Rate (%): 5.0000;
 - From Month Field: 49; To Month Field: 72; Prepayment Rate (%): 4.00000;
 - o From Month Field: 73; To Month Field: 96; Prepayment Rate (%): 3.00000;
 - o From Month Field: 97; To Month Field: 120; Prepayment Rate (%): 2.00000;
 - o From Month Field: 121; To Month Field: 141; Prepayment Rate (%): 1.00000.
- No Prepayment Premium (Open Period):
 - o From Month Field: 142;
 - o To Month Field: 144.

- <u>UI</u>: Prepayment Protection Box will display separate **Prepayment Types**, **Terms** and **End Dates**, and **No Prepayment (Open)**, **Term** and **End Date**.
- Annex A and Download Data files Prepayment Provision will display:
 - o Loan Prepayment Provision: 5%(48), 4%(24), 3%(24), 2%(24), 1%(21), O(3);
 - o Loan Prepayment Provision End Date: 5%(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date), O(End Date).



Prepayment Protection Type and Deleasance + Please select from the list below. Selection of Other Prepayment Options will require additional data entry. Select Loan Term / Yied Maintenance Term (Prepayment Protection)								
+ Prepayment Protection Types and Defeasance: [Check all that app	ly. At least one Pr	epayment Protec	ction Type is requir	red.)				
Prepayment Lockout			Fee Maintenar	109				Defeasance Eligibility Period
☐ Yield Maintenance			Cther Prepayn	nent Premium				
☑ Declining Premium				nt Premium (Open Period)				
	From Month	To Month	Term (months)	Other				
Prepayment Protection Type								
Declining Premium	1	141	141	Declining Premium Schedule Including 1% Prepay 3-yr Select 3-yr Schedule ✓ 5 yr Select 5-yr Schedule ✓ 7-yr Select 7-yr Schedule ✓ 10-yr Select 1C-yr Schedule ✓	OR	Other Year Sched		Prepayment Rate (%) 5,00000 4,00000 3,00000 2,00000 1,00000
						7100 17507 11007	D GIOLO OSIO	
No Prepayment Premium (Open Period)	142	144	3	N/A				



B. 30 Year Loan Term

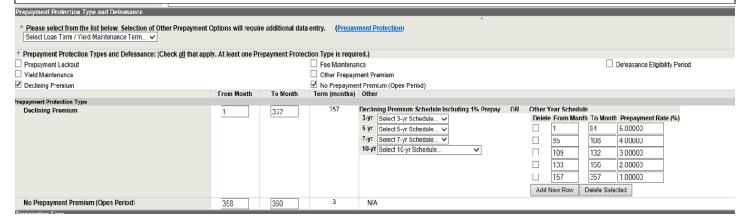
Prepayment Schedule, Acquisition System and Disclosure

5-5-5-5-5-5-5-4-4-3-3-2-2-1-1-1-1-1-1-1-1-1-1-1-1 Schedule – 3 Month Open Period (see print screen below):

- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 357;
- Other Year Schedule:
 - o From Month Field: 1; To Month Field: 84; Prepayment Rate (%): 5.0000;
 - o From Month Field: 85; To Month Field: 108; Prepayment Rate (%): 4.00000;
 - o From Month Field: 109; To Month Field: 132; Prepayment Rate (%): 3.00000;
 - o From Month Field: 133; To Month Field: 156; Prepayment Rate (%): 2.00000;
 - o From Month Field: 157; To Month Field: 357; Prepayment Rate (%): 1.00000;
- No Prepayment Premium (Open Period):
 - o From Month Field: 358;
 - o To Month Field: 360.

DUS Disclose (UI, Annex A, and Download Data File) will display:

- <u>UI</u>: Prepayment Protection Box will display separate **Prepayment Types**, **Terms** and **End Dates**, and **No Prepayment (Open)**, **Term** and **End Date**.
- <u>Annex A and Download Data files</u> Prepayment Provision will display:
 - o Loan Prepayment Provision: 5%(84), 4%(24), 3%(24), 2%(24), 1%(201), O(3);
 - o Loan Prepayment Provision End Date: 5% (End Date), 4% (End Date), 3% (End Date), 2% (End Date), 1% (End Date), O(End Date).



C. 15 Year Loan Term and 18 Year Loan Term

See chart below showing the schedules for the 15 and 18 Year Fixed Rate Declining Prepayment Premium transactions, and the text to be entered in "Declining Premium/Other Year Schedule" fields.



Loan Year	Schedule
15 Year	5-5-5-5-5-5-4-4-3-3-2-2-1-1
18 Year	5-5-5-5-5-5-4-4-3-3-2-2-1-1-1-1



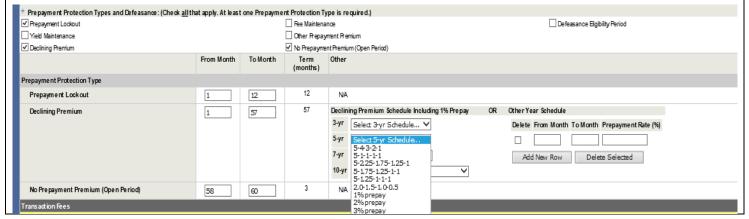
- 3. ADJUSTABLE RATE MORTGAGE LOANS (ARM LOANS) and STRUCTURED ARM LOANS (SARM LOANS)
 - 3.01. Entering data for 5 Year, 7 Year, and 10 Year Loan Terms into "Declining Prepayment Premium Schedules including 1% Prepay"
 - A. 5 Year Loan Term

Lender will need to enter the following into the Acquisition System in the "Prepayment Protection Type" section (see print screen below):

- Prepayment Lockout:
 - o <u>From Month Field</u>: 1;
 - o To Month Field: 12;
- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 57;
- No Prepayment Premium (Open Period):
 - o From Month Field: 58;
 - o To Month Field: 60;
- See Prepayment Schedules available in dropdown box for ARM Loans and fixed rate Mortgage Loans.
 - o Note: An ARM Loan only has the "5-1-1-1-1" option available without waiver. A SARM Loan has both "5-1-1-1" and the "5-4-3-2-1" options available without waivers. Select from dropdown box under the "5yr Prepayment Protection Type/Declining Premium Schedule" field.

DUS Disclose Example 5-4-3-2-1 (Annex A, UI, and Download Data File) will display:

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types**, **Terms** and **End Dates**, and **No Prepayment (Open)**, **Term** and **End Date**.
- Annex A and Download Data files:
 - Prepayment Provision: 5-4-3-2-1 will display L(12), 4%(12), 3%(12), 2%(12), 1%(9), O(3);
 - o <u>Prepayment Provision End Date</u>: L(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date).





B. 7 Year Loan Term

Prepayment Schedule, Acquisition System and Disclosure

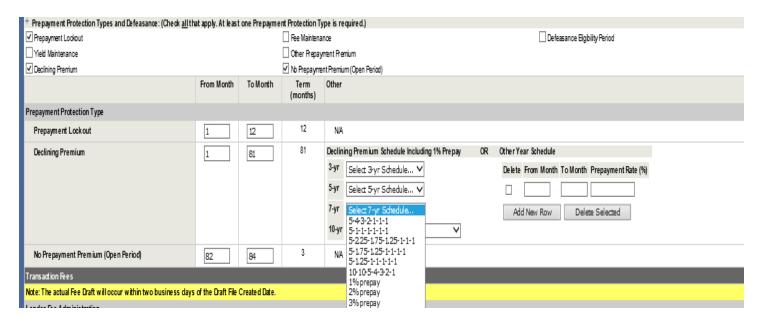
Lender will need to enter the following into the Acquisition System in the "Prepayment Protection Type" section (see print screen below):

- Prepayment Lockout:
 - o From Month Field: 1;
 - o To Month Field: 12;
- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 81;
- No Prepayment Premium (Open Period):
 - o From Month Field: 82;
 - o To Month Field: 84;
- See Prepayment Schedules available in dropdown box for ARM Loans and fixed rate Mortgage Loans.
 - o Note: An ARM Loan has the "5-1-1-1-1-1" option available without waiver. A SARM Loan has both "5-1-1-1-1" and the "5-4-3-2-1-1-1" options available without waivers. Select from dropdown box under the "7 yr Prepayment Protection Type/Declining Premium Schedule" field.

DUS Disclose Example 5-4-3-2-1-1-1 (Annex A, UI, and Download Data File) will display:

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types, Terms** and **End Dates,** and **No Prepayment (Open), Term** and **End Date**.
- Annex A and Download Data files:
 - o <u>Prepayment Provision</u>: 5-4-3-2-1-1-1 will display L(12), 4%(12), 3%(12), 2%(12), 1%(33), O(3);
 - o <u>Prepayment Provision End Date</u>: L(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date).





C. 10 Year Loan Term

Prepayment Schedule, Acquisition System and Disclosure

Lender will need to enter the following into the Acquisition System in the "Prepayment Protection Type" section (see print screen below):

• Prepayment Lockout:

From Month Field: 1;To Month Field: 12;

• Declining Premium:

o <u>From Month Field</u>: 1;o <u>To Month Field</u>: 117;

• No Prepayment Premium (Open Period):

o <u>From Month Field</u>: 118;o <u>To Month Field</u>: 120;

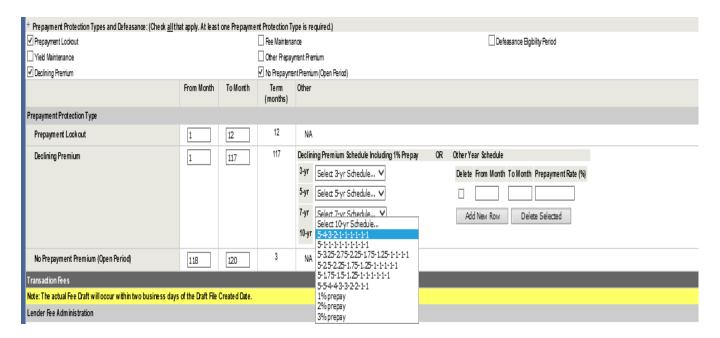
- See Prepayment Schedules available in dropdown box for ARM Loans and fixed rate Mortgage Loans.
 - o Note: An ARM Loan has the "5-1-1-1-1-1-1-1" option available without waiver. A SARM Loan has both "5-1-1-1-1-1-1" and the "5-4-3-2-1-1-1-1" options available without waivers. Select from dropdown box under the "10 yr Prepayment Protection Type/Declining Premium Schedule" field.

DUS Disclose Example 5-4-3-2-1-1-1-1 (Annex A, UI, and Download Data File) will display:

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types**, **Terms** and **End Dates**, and **No Prepayment (Open)**, **Term** and **End Date**.
- Annex A and Download Data files:
 - o <u>Prepayment Provision</u>: 5-4-3-2-1-1-1-1 will display L(12), 4%(12), 3%(12), 2%(12), 1%(69), O(3);



o <u>Prepayment Provision End Date</u>: L(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date).



D. 10 Year Loan Term

10 Year Loan Term	Prepayment Schedule, Acquisition System and Disclosure ARM Loan – 10 Yr. Loan Term; 1 Yr. Lockout Period, 105 Month at 1%; 3 Month Open Period (see print screen below):									
	Prepayment Lockout:									
	o <u>From Month Field</u> : 1;									
	o <u>To Month Field</u> : 12;									
	Declining Premium:									
	o From Month Field: 1;									
	o <u>To Month Field</u> : 117;									
	No Prepayment Premium (Open Period):									
	o From Month Field: 118;									
	o <u>To Month Field</u> : 120;									
	• Lender will need to enter into the Acquisition System (see print screen below):									
	o Select "1% prepay" from dropdown box beside the "10 yr. Prepayment Protection Type/Declining Premium Schedule" field.									
	DUS Disclose (Annex A, UI, and Download Data File) will display:									



- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types**, **Terms** and **End Dates**, and **No Prepayment (Open)**, **Term** and **End Date**.
- Annex A and Download Data files:
 - o Prepayment Provision: L(12), 1%(105), O(3);
 - o <u>Prepayment Provision End Date</u>: L(End Date), 1%(End Date), O(End Date).

+ Prepayment Protection Types and Defeasance: (Check all	that apply. At le	east one Prep	ayment Protectio	n Type is required.)		
☑ Prepayment Lockout			Fee Mainter	nance		☐ Defeasance Eligibility Period
☐ Yield Maintenance			Other Prepa	yment Premium		
✓ Declining Premium			✓ No Prepayn	nent Premium (Open Period)		
	From Month	To Month	Term (months)	Other		
Prepayment Protection Type						
Prepayment Lockout	1	12	12	NA		
Declining Premium	1	117	117	Declining Premium Schedule Including 1% Prepay	OR	Other Year Schedule
·				3-yr Select 3-yr Schedule ∨		Delete From Month To Month Prepayment Rate (%)
				5-yr Select 5-yr Schedule ∨		
				7-yr Select 7-yr Schedule ∨		Add New Row Delete Selected
				10-yr 1% prepay ∨		
No Prepayment Premium (Open Period)	118	120	3	NA		

4. HYBRID ARM LOANS

Note: On a Hybrid ARM Loan, the entire adjustable rate loan term is Open, with no Prepayment Premium due.

4.01. Entering data for 5 Year (5-4-3-2-1) and 10 Year (5-5-4-4-3-3-2-2-1-1) Loan Terms into "Declining Prepayment Premium Schedules including 1% Prepay"

A. 5 Year Fixed Rate Term and 25 Year Variable Rate Term

Prepayment Schedule, Acquisition System and Disclosure

30 year loan term – 5 year fixed rate term, and 25 year adjustable rate term(see print screen below):

- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 60;
- No Prepayment Premium (Open Period):
 - o From Month Field: 61;
 - o To Month Field: 360;
- Lender will need to enter into the Acquisition System (see print screen below):



o Select "5-4-3-2-1" from dropdown box beside the "5 yr. Prepayment Protection Type/Declining Premium Schedule" field.

DUS Disclose (Annex A, UI, and Download Data File) will display:

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types, Terms** and **End Dates,** and **No Prepayment (Open), Term** and **End Date**.
- Annex A and Download Data files:
 - o Prepayment Provision: 5%(12), 4%(12), 3%(12), 2%(12), 1%(12), O (300);
 - o <u>Prepayment Provision End Date</u>: 5%(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date), O(End Date).

* Prepayment Protection Types and Defeasance: (Check <u>all</u> that apply. At least one Prepayment Protection Type is required.)											
☐ Prepayment Lockout	☐ Fee Maintenance ☐ Defeasance Eligibility Period	☐ Defeasance Eligibility Period									
☐ Yield Maintenance	intenance										
✓ Declining Premium	✓ No Prepayment Premium (Open Period)										
	From To Month Term Other Ionth (months)										
Prepayment Protection Type											
Declining Premium	60 Declining Premium Schedule Including 1% Prepay OR Other Year Schedule 3-yr Select 3-yr Schedule V 5-yr 5-4-3-2-1										
No Prepayment Premium (Open Period)	360 300 N/A										

B. 10 Year Fixed Rate Term and 20 Year Variable Rate Term

Prepayment Schedule, Acquisition System and Disclosure

30 year loan term – 10 year fixed rate term, and 20 year variable rate term (see print screen below):

- <u>Declining Premium</u>:
 - o From Month Field: 1;
 - o To Month Field: 120;
- No Prepayment Premium (Open Period):
 - o From Month Field: 121;
 - o To Month Field: 360;
- Lender will need to enter into the Acquisition System (see print screen below):
 - o Select "5-5-4-4-3-3-2-2-1-1" from dropdown box beside the "10 yr. Prepayment Protection Type/Declining Premium Schedule" field.

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types, Terms, and End Dates** and **No Prepayment (Open), Term and End Date**.
- Annex A and Download Data files:



- o Prepayment Provision: 5%(24), 4%(24), 3%(24), 2%(24), 1%(24), O(240);
- o Prepayment Provision End Date: 5%(End Date), 4%(End Date), 3%(End Date), 2%(End Date), 1%(End Date), O(End Date).

† Prepayment Protection Types and Defeasance: (Check all that apply. At least one Prepayment Protection Type is required.)									
☐ Prepayment Lockout			☐ Fee Maintenance ☐ Defeasance Eligibility Period						
Yield Maintenance			☐ Other Prepayment Premium						
☑ Declining Premium ☑ No Prepayment Premium (Open Period)									
·	From Month	To Month	Term (months) Other						
Prepayment Protection Type									
Declining Premium	1	120	Declining Premium Schedule Including 1% Prepay OR Other Year Schedule 3-yr Select 3-yr Schedule \rightarrow Select 5-yr Schedule \rightarrow T-yr Select 7-yr Schedule \rightarrow Add New Row Delete Selected						
No Prepayment Premium (Open Period)	121	360	240 NA						



4.02. Entering data for 5 Year, 7 Year, 10 Year, 12 Year and 30 Year Terms into Declining Premium/Other Year Schedule"

"Declining Premium/Other Year Schedule" should be selected from the dropdown when Prepayment Schedules are <u>not available</u> as options in the dropdown box in Acquisition Systems. Lenders will need to enter in the Acquisition Systems: Select "Prepayment Lockout" (if applicable), "Declining Premium/Other Year Schedule" and "No Prepayment Premium (Open Period)" in the Prepayment Premium Protection Type and Defeasance" section.

A. 7 Year Fixed Rate Term and 23 Year Variable Rate Term

Prepayment Schedule, Acquisition System and Disclosure

30 year loan term – 84 Months of Declining Premium (3-3-2-2-1-1-1); 276 Month Open Period (see print screen below):

- Declining Premium:
 - o From Month Field: 1;
 - o To Month Field: 84;
- Other Year Schedule:
 - o From Month Field: 1; To Month Field: 24; Prepayment Rate (%): 3.00000;
 - o From Month Field: 25; To Month Field: 48; Prepayment Rate (%): 2.00000;
 - o From Month Field: 49; To Month Field: 84; Prepayment Rate (%): 1.00000;
- No Prepayment Premium (Open Period):
 - o From Month Field: 85;
 - o To Month Field: 360.

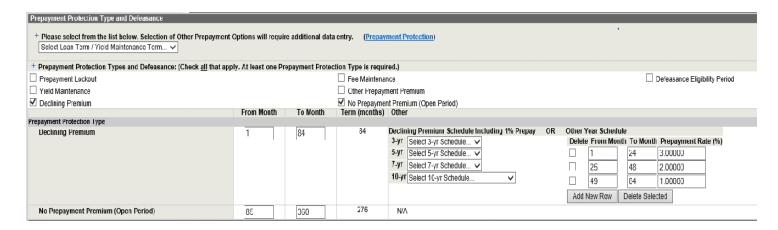
DUS Disclose (UI, Annex A, and Download Data File) will display:

• <u>UI</u>: Prepayment Protection Box will display separate **Percentage Types, Terms and End Dates,** and **No Prepayment (Open), Term and End Date**.

Annex A and Download Data files: Prepayment Provision will display:

- o Loan Prepayment Type: Declining Premium;
- o Loan Prepayment Provision: 3%(24), 2%(24), 1%(36), O(276);
- o Loan Prepayment Provision End Date: 3%(End Date), 2%(End Date), 1%(End Date), O(End Date).





B. Other 5 Year, 7 Year, 10 Year, and `12 Year Fixed Term Examples

See chart below showing the schedules for the 5, 7, 10, or 12 Year Hybrid ARM Loan Declining Prepayment Premium transactions, and the text to be entered in "Other Prepayment Premium – Other, Description" field.

Loan Year	Schedule
5 Year	3-2-1-1-1
7 Year	5-5-4-4-3-2-1
10 Year	3-3-3-2-2-1-1-1
12 Year	5-5-5-4-4-3-3-2-2-1-1



5. NON-STANDARD ARM LOANS and SARM LOANS

5.01. Entering data in the field "Declining Prepayment Premium Schedules including 1% Prepay".

The following examples show ARM Loans and SARM Loans with non-standard Prepayment lockout periods and loan terms. The allowable value "1% Prepay" can be selected from the dropdown box for the appropriate loan term.

A. Non-Standard Lockout Period

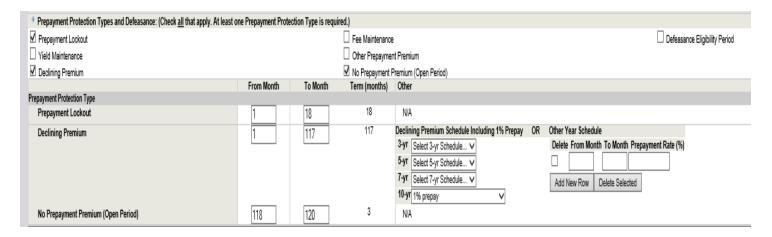
Prepayment Schedule, Acquisition System and Disclosure

ARM Loan – 10 Yr. Loan Term, 18 Month Lockout Period, 99 Months at 1% Prepayment Premium, 3 Month Open Period (see print screen below):

- Prepayment Lockout:
 - o From Month Field: 1;
 - o To Month Field: 18;
- <u>Declining Premium</u>:
 - o From Month Field: 1;
 - o To Month Field: 117;
- No Prepayment Premium (Open Period):
 - o From Month Field: 118;
 - o To Month Field: 120;
- Lender will need to enter into the Acquisition System (see print screen below):
 - o Select "1% prepay" from dropdown box beside the "10 yr. Prepayment Protection Type/Declining Premium Schedule" field.

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types, Terms and End Dates** and **No Prepayment (Open), Term and End Date**.
- Annex A and Download Data files:
 - o Prepayment Provision: L(18), 1%(99), O(3);
 - o Prepayment Provision End Date: L(End Date), 1%(End Date), O(End Date).





B. Non-Standard Loan Terms

Prepayment Schedule, Acquisition System and Disclosure

ARM Loan – 81 Month Loan Term, 12 Month Lockout Period, 66 Months at 1% Prepayment Premium, and 3 Month Open Period (see print screen below):

- <u>Prepayment Lockout</u>:
 - o From Month Field: 1;
 - o To Month Field: 12;
- <u>Declining Premium</u>:
 - o From Month Field: 1;
 - o To Month Field: 78;
- No Prepayment Premium (Open Period):
 - o From Month Field: 79;
 - o To Month Field: 81;
- Lender will need to enter into the Acquisition System (see print screen below):
 - o Select "1% prepay" from dropdown box beside the "7 yr. Prepayment Protection Type/Declining Premium Schedule" field.

- <u>UI</u>: Prepayment Protection Box will display **Prepayment Types**, **Terms** and **End Dates**, and **No Prepayment (Open)**, **Term** and **End Date**.
- Annex A and Download Data files:
 - o Prepayment Provision: L(12), 1%(66), O(3);
 - o Prepayment Provision End Date: L(End Date), 1%(End Date), O(End Date).



+ Prepayment Protection Types and De	feasance: (Check <u>all</u> t	hat apply. At	least one Prepayment Protection Type is required.)	l.)				
☑ Prepayment Lockout		Fee Mair	ntenance	☐ De	feasance Eligibility Period			
☐ Yield Maintenance		Other Pr	repayment Premium					
☑ Declining Premium		✓ No Preparent	ayment Premium (Open Period)					
	From To Month Month	n Term ((months)	Other					
Prepayment Protection Type		,						
Prepayment Lockout	1 12	12	N/A					
Declining Premium	1 78		3-yr Select 3-yr Schedule V 5-yr Select 5-yr Schedule V 7-yr 1% prepay 10-yr Select 10-yr Schedule V	OR	Other Year Schedule Delete From Month To Month Prepayment Rate (%) Add New Row Delete Selected			
No Prepayment Premium (Open Period)	79 81	3	N/A					