

NOTE: Principal curtailments cannot be used to calculate the loan amount, are only allowable for bona fide excesses at closing, and are subject to CMG Closing/Purchasing Manager discretion.

Product	Maximum Cash Back to Borrower	Maximum Premium Pricing/YSP or Excess Loan Amount Curtailment	Maximum Principal Curtailment (All Other Reductions)	Premium Pricing or Excess Loan Amount Curtailment Instructions	Principal Curtailment Instructions (All Other Reductions)
Conventional Purchase	Prohibited (except as allowable FNMA B2-1.2-01) ¹	Lesser of 2% or \$2,500	Excess amount must be clearly reflected on the HUD-1	Excess amount must be applied as principal curtailment at closing and clearly reflected on the HUD-1 form as Principal Curtailment	Excess amount must be applied as principal curtailment at closing and clearly reflected on the HUD-1 form as Principal Curtailment
Conventional R/T Refi	Lesser of 2% or \$2,000 ¹				
Conventional RP/OA HARP	250 ¹				
FHA Purchase	Prohibited ¹	\$2,000	Prohibited	Excess amount must be applied as principal curtailment at closing and clearly reflected on the HUD-1 form as Principal Curtailment	Note amount must be adjusted prior to closing
FHA Refinance	\$500				
FHA Streamline Refi					
VA Purchase	Prohibited ¹				
VA IRRL	\$50/\$500 ²				
VA Cash Out	No Limit/\$500 ³				
USDA Purchase	Prohibited ¹				
USDA R/T Refi	No Limit				

¹Closing costs, financing costs, and prepaids/escrows paid out of closing (POC) by the borrower may be reimbursed at closing and are not considered cash back to the borrower

²The loan amount must be calculated within \$50, cash back to the borrower ≤ \$500 is permitted under the following circumstances:

- Changes in final payoff figures
- Upfront fees paid for appraisal and/or credit report
- Refund of escrow balance from previous loan

³Cash back to the borrower must not exceed \$500 for the following scenarios:

- Refinance of a Non-VA loan into a VA for the purpose of lowering interest rate
- Refinance of a New Construction Loan
- Refinance of an Installment Land Sale Contract

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