

Appendix A

Webster Bank

Residential Underwriting Guidelines: Temporary Leave

General Policy on Borrower Income While on Temporary Leave. Otherwise qualified applicants on temporary leave from work, including maternity leave, paternity leave, family leave, and/or adoption leave, will be qualified for a mortgage loan using regular employment income if the applicant will return to work on or before the date the first mortgage payment is due. If the applicant will not return to work until after the first mortgage payment is due, the applicant's income received during the temporary leave period, plus available liquid financial reserves, will be used to qualify the borrower. Qualified applicants on temporary leave do not have to return to active work status in order to be approved for a loan, or in order to close on a loan.

Applicability of Policy. This policy applies to any applicant on temporary leave from employment, including maternity leave, paternity leave, family leave, and/or adoption leave. This policy applies both to applicants who currently are on temporary leave, and to applicants who plan to take temporary leave at a future date. This policy applies to situations in which an applicant is on paid or unpaid leave status with their employer due to pregnancy, birth, or securing custody (including adoption or foster care) of a child.

Calculation of Income

- a. The underwriter will consider regular employment income when determining an applicant's eligibility for a mortgage loan. If the applicant will return to work on or before the date the first mortgage payment is due, Webster Bank will consider the applicant's regular employment income in qualifying the applicant. If the applicant will not return to work until after the first mortgage payment is due, Webster Bank will use temporary leave income received by the applicant during the leave period to meet the Bank's underwriting criteria.
- b. If the borrower will not return to work until after the first payment is due and the temporary leave income received during the temporary leave period is not sufficient to qualify an applicant for a mortgage loan, Webster Bank will permit the applicant to supplement the temporary leave income with available liquid financial reserves in order to meet the eligibility criteria. Supplemental income using available liquid financial reserves will be calculated according to the method specified in the Fannie

- c. Mae Selling Guide, B3-3.1-09, *available at*:
<https://www.fanniemae.com/content/guide/selling/b3/3.1/09.html>.
- d. Webster will consider whether an applicant's employment or employment income is stable, predictable, or likely to continue without regard to the fact that an applicant is currently taking or previously took paid or unpaid maternity leave, paternity leave, family leave, and/or adoption leave, and returned to work with her or his pre-leave employer.

Return to Work. Webster will consider any applicant on temporary leave to be currently employed if the applicant provides written confirmation of her or his intent to return to work. Webster will determine the applicant's date of return to work with documentation from the applicant's employer, provided either by the applicant or by the applicant's employer.

Thereafter Webster will only cease considering a leave to be temporary when the applicant provides written notice to Webster that the applicant does not intend to return to work with the current employer.

Non-discouragement. Webster will not ask an applicant who is not currently on temporary leave due to maternity leave, paternity leave, family leave, and/or adoption leave if he or she intends to take leave in the future. Webster will not make statements that could discourage applicants who are on temporary leave or plan to take temporary leave from applying for a mortgage loan. Webster will not inquire if an applicant or member of her or his household is pregnant, plans to become pregnant, plans to adopt a child, or plans to become a foster parent. Webster will not require any applicant for a mortgage loan to return to work before accepting or processing a loan application or making a decision on an application using the criteria above.