

SECOND LIENS

Loan Amount	FICO	COMBINED LOAN AMT	COMBINED DTI	MAX CLTV		MAX CLTV		MAX CLTV	
				Primary Residence		Second Home		Investment	
				Full Doc	Bank Statement	Full Doc	Bank Statement	Full Doc	Bank Statement
\$75,000 - \$350,000	720+	\$2.0MM	50%	90%	85%	80%	75%	80%	75%
	700-719			90%	80%	80%	70%	80%	70%
	680-699			85%	75%	75%	65%	75%	65%
	660-679			80%	70%	70%	60%	70%	60%
\$350,001 - \$450,000	720+	\$2.5MM	50%	85%	80%	75%	70%	80%	70%
	700-719			85%	75%	75%	65%	75%	65%
	680-699			80%	70%	70%	60%	70%	60%
	660-679			75%	65%	65%	55%	65%	55%
\$450,001 - \$550,000	720+	\$2.5MM	50%	80%	75%	70%	65%	75%	65%
	700-719			80%	70%	70%	60%	70%	60%
	680-699			75%	65%	65%	55%	65%	55%
	660-679			70%	60%	60%	50%	60%	50%

TERMS			
LOAN TYPE	• Closed End Second Liens	• Piggyback Loans - Conforming Full Doc	• Standalones – Conforming Full and Non-QM ALT Doc
TRANSACTION TYPES	Purchase or Cash-Out Rate & Term ineligible		
AVAILABLE TERMS	Fixed Rate 10 YR, 15 YR, 20 YR, 30 YR	Balloon 30/15, 40/15 MIN Loan amount \$200K	
PROPERTY TYPES	SFR, PUD, Townhome, Modular, 2-4 Units (PR/2 nd Home MAX 75% INV 70% MAX), Warrantable Condos (PR/2 nd Home MAX 75% INV MAX 70%) Rural Full Doc Only – PR only, MAX 5 acres Rural 2 nd HM and INV, Ineligible		
PROPERTY LISTING	Properties that have been on the market within 6 months of the application date are ineligible.		
PROPERTY SEASONING	Properties owned for less than 6 months are ineligible. See complete guidelines for exclusions.		
INELIGIBLE SR. LIEN	Loans in active forbearance or deferments (deferred balance due to a documented hardship may remain open, without documented hardship, deferred amounts must be paid prior to or through closing). When leaving open supporting documents with date correlation will be required. Negative amortization Reverse Mortgages Balloon loans with balloon payments coming due during the amortization of the 2 nd lien.		
SENIOR LIEN	ARM – with < 3 Yrs. Fixed period remaining qualified on fully indexed payment Interest Only – May be qualified using I/O payment and MAX DTI 45% or PITIA MAX 50%		
TITLE POLICY	An ALTA short form up to the maximum allowable loan amounts permitted.		

UNDERWRITING		
UNDERWRITING	Piggyback – In addition to first lien requirements the guidance within must also be met. Standalone - Manual	
DOCUMENTATION TYPE	Wage Earner <ul style="list-style-type: none"> Most recent 1- or 2-year W2; and Most recent paystubs with YTD Tax Transcripts required 	Self-Employed <ul style="list-style-type: none"> Most recent 1- or 2-years tax returns (business and personal) including all schedules; and Most recent borrower or CPA prepared YTP P&L; OR Most recent 3 months bank statements Tax Transcripts required



ALT DOC – STANDALONE ONLY			
Bank Statements	<ul style="list-style-type: none"> MIN 1 borrower self-employed for 2 years MIN ownership 25% 12 or 24 Months personal or business bank statements Primary Borrower – SE income must be MIN 50% of the total qualifying income. 		
	Personal Bank Statements		Business Bank Statements
	Personal and Business combined accounts <ul style="list-style-type: none"> EXPENSE RATIO – 50% Standard MIN 20% with Expense Letter or P&L CPA/CTEC/EA Expense letter - must state actual expense ratio CPA/CTEC/EA P&L - Annual deposits on bank statements must be within 75% of the gross receipts reflected on the P&L Personal and Business separate accounts – 100% of business deposits <ul style="list-style-type: none"> 100% of business deposits 2 MO. Business bank statements required Deposits from sources other than self-employment must be excluded 		<ul style="list-style-type: none"> EXPENSE RATIO – 50% Standard MIN 20% with Expense Letter or P&L CPA/CTEC/EA Expense letter - must state actual expense ratio CPA/CTEC/EA P&L - Annual deposits on bank statements must be within 75% of the gross receipts reflected on the P&L
ASSETS	Purchase transactions – Documented cash to close per Fannie Mae Seller Guide.		
RESERVES	Standalone – None Piggyback – No additional reserves required – follow 1 st lien requirements		
NON-OCCUPANT	Non-Occupant, Co-borrowers – ineligible		
CREDIT			
TRADELINES	<ul style="list-style-type: none"> Standalone <ul style="list-style-type: none"> 3 tradelines reporting for last 12 Mo. with activity in the past 12 Mo. OR 2 tradelines reporting in the last 24 Mo. with activity in the past 12 Mo. Institutional VOM/VOR for MIN 12 M. may be used as a tradeline. PR Only – Borrower not meeting required tradelines may be eligible with a current mortgage history 0x30x12 reporting on the credit report (no private mtgs). Piggyback loans – Follow AUS 		
FICO	Lower of 2 or MID of 3 Multiple Borrowers – Primary wage earners FICO used for qualifying SE Borrowers - with equal ownership the lowest score will be used		
CO-BORROWER	MIN FICO 500		
CREDIT REPORT	Required for every borrower		
DEROGATORY INFO	Derogatory or disputed tradelines within the past 2 years must be explained by the borrower		
ADVERSE CREDIT	<ul style="list-style-type: none"> Open charge-offs or collections, including medical less than or equal to \$1,000 per occurrence may remain open. All judgements, garnishments, or tax liens must be paid off prior to or at closing 		
HOUSING HISTORY	<ul style="list-style-type: none"> 0 X 30 X 12 – All mortgages – MIN 12 MO. History required Institutional VOM/VOR acceptable Canceled checks if private Rent free borrowers – Follow AUS 		
CREDIT EVENTS	FC/SS/DIL/BK seasoning 48 MO. Multiple events 7 years.		
FTHB	If no homeownership in the past 3 years, then, 0x30x12 documented housing history required.		
APPRAISAL REQUIREMENTS			
APPRAISAL OPTIONS	Standalone	Appraisal dated within 12 MO. of Note Date + Appraisal desk review	
	Piggyback	<ol style="list-style-type: none"> Primary Residence and Second Homes - New appraisal from 1st lien with AVM supporting value; or Investment Property – New 2055 from 1st lien and AVM supporting value 	
DECLINING MARKETS	Primary Residence or 2 nd home	MAX 75% CLTV	Investment Properties MAX 70% CLTV
AVM	AVM must support appraised value within 10%. If >10% the lower of the 2 values must be used to determine CLTV.		
COMPLIANCE			
ENTITY VESTING	Investment Properties only Standalone program only Maximum members - 4		
FEES	Section 32, State and Federal High Cost - Ineligible		
STATES	Ineligible - TX 50 (a) (6), AK, AR, DE, HI, OK, MO, MS, MT, ND, NE, NM, NY, SD, VT, WY		

