

TRANSACTION TYPE		NUMBER OF UNITS				MAX LTV/CLTV/HCLTV			MIN FICO			MAX DTI				
Purchase, R&T, C/O		2-4 Units				80%			640			50%				
FULL & ALT DOCUMENTATION																
Loan Amount	FICO	PRIMARY RESIDENCE				SECOND HOME				INVESTMENT PROPERTIES						
		Property	Purchase	R/T	Cash Out	Property	Purchase	R/T	Cash Out	Property	Purchase	R/T	Cash Out			
LTV/CLTV																
\$100k - \$1.5MM	700+	1-Unit, SFR, Condo, PUD	80%	80%	80%	1-Unit, SFR, Condo, PUD	75%	75%	70%	1-4 Units, SFR, Condo, PUD	75%	75%	70%			
	660-699		80%	80%	80%		70%	70%	65%		70%	70%	65%			
	640-659		75%	75%	70%											
>\$1.5MM - \$2.0MM	740+		80%	80%	80%		75%	75%	60%		75%	75%	70%			
	720-739		80%	80%	75%		70%	70%	60%		75%	75%	70%			
	700-719		70%	70%	70%		70%	70%	60%		75%	75%	70%			
	680-699										70%	70%	65%			
>\$2.0MM - \$2.5MM	660-679											60%	60%			
	740+		75%	75%	70%						70%	70%	65%			
	720-739		60%	60%	60%						70%	70%	65%			
	700-719										70%	70%	65%			
\$100k - \$1.5MM	680-699		2-4 Units													
	720+			75%	75%		60%									
>\$1.5MM - \$2.0MM	700-719			70%	70%		60%									

**GENERAL PROGRAM REQUIREMENTS**

<b>Available Terms</b>	FIXED   30 YR & 40 15 YR	ARMs   5/6, 7/6	Margin   6.00%	Index   30-day avg. SOFR
<b>Qualifying Rate</b>	FIXED   Note Rate		ARMs Greater of the fully indexed or Note Rate	
<b>Interest Only</b>	FIXED   30 YR & 40 YR	ARMs   5/6, 7/6	Index   30-day avg. SOFR	MIN FICO 680
<b>2:1 Temporary BD</b>	Purchase Only	MIN FICO 680	DTI must be qualified using the actual note rate, not bought down rate.	
	Available on Full Doc and Bank Statements only		30 YR Fixed rate only	BD must be seller or builder paid.
<b>Loan Amount</b>	MIN   \$100K		MAX   \$2.5MM	
<b>Escrows</b>	Required on all loans			
<b>Occupancy</b>	Primary Residence, Second Homes, and Investment Properties			
<b>Loan Purpose</b>	Purchase, Rate & Term Refinance and Cash Out			
<b>Eligible Property Types</b>	SFR, PUDS, Townhomes, Warrantable Condo's & 2-4 Units			
<b>Non-Warrantable Condo</b>	MAX 70% LTV   Available on PR, 2 <sup>nd</sup> Homes and Investment Properties			
<b>Investment Properties</b>	Will be treated as a Business Purpose Loan   Proceeds may not be used personal use and paying off personal debt not permitted.			
<b>Cash-Out Requirements</b>	<ul style="list-style-type: none"> <li>Seasoning ≥6 Mo. use appraised value. If value has increased by 120% of acquisition, the appraisal should show recent improvements to justify increase.</li> <li>PR and 2<sup>nd</sup> HM. Cash-out may NOT be used to satisfy reserve requirements.</li> <li>Investment Properties – Cash out MAY be used to satisfy reserve requirements.</li> </ul>			
<b>Cash-in-Hand</b>	LTV ≤ 60% - Unlimited   LTV > 60% - MAX \$750k			

**DOCUMENTATION REQUIREMENTS**

<b>Photo ID</b>	Unexpired government issued photo ID
<b>IRS Letter</b>	IRS letter confirming the ITIN is assigned to the borrower and ITIN was issued prior to loan application



<b>ITIN Expiration</b>	Evidence ITIN is not expired	<b>Full Doc/1099</b> – Tax transcripts	<b>Alt Doc</b> - 1 of the following: IRS issued letter dated <3 YRS. <b>Or</b> IRS Executed W-7, <b>Or</b> Letter from Tax preparer confirming most recent tax returns prepared & filed by the tax preparer using the borrowers ITIN number
<b>DACA</b>	DACA eligible with ITIN/SSN and valid US driver's license of other government ID.		
<b>BORROWER ELIGIBILITY</b>			
<b>Non-Occupant Co-Borrowers (NOCB)</b>	PR or R&T (R&T NOCB must be on current mortgage)		MAX Loan amount \$1MM
	Combined DTI MAX 43%	Occupant Borrower DTI MAX 65%	NOCB must be a relative
<b>INCOME</b>			
<b>FULL DOCUMENTATION</b>			
<b>Wage Earner</b>	<ul style="list-style-type: none"> <li>WVOE w/ previous years and YTD income</li> <li>Most recent 2 year signed tax returns filed with ITIN, all schedules.</li> </ul>		<ul style="list-style-type: none"> <li>Tax Transcripts required on 1040s.</li> <li>VVOE with 10 days of Note Date</li> </ul>
	<b>QUALIFYING INCOME</b>	<ul style="list-style-type: none"> <li>Monthly average of previous year and YTD income.</li> </ul>	
<b>Self-Employed</b>	<ul style="list-style-type: none"> <li>Most recent 2 years signed personal, or business tax returns filed with ITIN, all schedules. 2 years required if borrower ownership &gt;25%</li> <li>Tax preparer prepared YTD P&amp;L signed by the borrower</li> </ul>		<ul style="list-style-type: none"> <li>2 Mo. bank statements matching the good through date of the P&amp;L</li> <li>Tax Transcripts required on 1040s.</li> <li>Verification of business existence</li> </ul>
	<b>QUALIFYING INCOME</b>	<ul style="list-style-type: none"> <li>Monthly average from the tax returns</li> </ul>	
<b>ALT DOCUMENTATION</b>			
<b>Personal Bank Statements</b>	<b>Self-Employed Only</b>	<ul style="list-style-type: none"> <li>12/24 business or personal bank statements</li> <li>Business in existence for 2 or more years</li> <li>Multiple <b>personal</b> accounts permitted – Transfers between personal accounts to be excluded.</li> </ul>	<ul style="list-style-type: none"> <li>Most recent 2 Mo. business bank statements required.</li> <li>Evidence borrower owns MIN of 20% of the business.</li> <li>Borrower must be S/E ≥ 2 YR.</li> </ul>
	<b>Large Deposits</b>	<ul style="list-style-type: none"> <li>Deposits greater than 50% of the average gross deposits over a 12 Mo. period must be sourced or excluded.</li> </ul>	
	<b>Expense Ratio</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
	<b>QUALIFYING INCOME</b>	<ul style="list-style-type: none"> <li>Eligible deposits x ownership % ÷ 12 or 24 Mo.</li> </ul>	
<b>Business Bank Statements</b>	<b>Self-Employed Only</b>	<ul style="list-style-type: none"> <li>12/24 business or personal bank statements</li> <li>Borrower must be S/E ≥ 2 YR.</li> <li>Multiple accounts may be used for multiple businesses</li> </ul>	<ul style="list-style-type: none"> <li>Business must be in existence ≥ 2 YR.</li> <li>Business Narrative required.</li> <li>Evidence borrower owns MIN of 25% of the business.</li> </ul>
	<b>Large Deposits</b>	<ul style="list-style-type: none"> <li>Deposits greater than 50% of the average gross deposits over a 12 Mo. period must be sourced or excluded.</li> </ul>	
	<b>Expense Ratio</b>	<b>Standard:</b> 50%	<b>P&amp;L:</b> CPA/LIC. Tax Preparer (MIN 10%)
	<b>QUALIFYING INCOME</b>	<ul style="list-style-type: none"> <li>Eligible deposits x ownership % ÷ 12 or 24 Mo. - less expense ratio</li> </ul>	
<b>Profit and Loss Statement</b>	<b>Self-Employed Only</b>	<ul style="list-style-type: none"> <li>12/24 Month CPA/LIC. Tax Preparer prepared P&amp;L</li> <li>CPA/LIC. Tax Preparer must attest they have prepared the borrower most recent tax returns.</li> <li>Gross receipts on P&amp;L ÷ 12 or 24 Mo. must be equal to or no less than 20% less of the monthly income (less any disallowable deposits) calculated with 2 months bank statements.</li> </ul>	<ul style="list-style-type: none"> <li>P&amp;L must be signed and dated by CPA/LIC. Tax Prepared</li> <li>Most recent 2 Months business bank statements required</li> </ul>
	<b>QUALIFYING INCOME</b>	<ul style="list-style-type: none"> <li>Net income reported on the P&amp;L ÷ 12 or 24 Mo.</li> </ul>	
<b>1099 Employee or Sole Proprietors</b>	<b>Contract Employee</b>	<ul style="list-style-type: none"> <li>1 or 2 years 1099</li> <li>Evidence borrowers 1099 MIN for 2 years.</li> <li>WVOE with YTD earning</li> </ul>	<ul style="list-style-type: none"> <li>Wage and income tax transcripts required.</li> <li>Borrower cannot be owner of company paying 1099 earnings</li> </ul>
	<b>Expense Ratio</b>	<ul style="list-style-type: none"> <li>WVOE must confirm borrower has no job-related expenses or MIN 10%</li> </ul>	
	<b>QUALIFYING INCOME</b>	<ul style="list-style-type: none"> <li>1099 reported income ÷ 12/24</li> </ul>	



<b>Residual Income</b>	Minimum residual income thresholds apply to <b>HPML loans</b> that are OO and 2nd homes only using the following calculation:										
	<table border="1"> <thead> <tr> <th>Number of Household Members</th> <th>Minimum Residual Income</th> </tr> </thead> <tbody> <tr> <td>1 Person</td> <td>\$1,500</td> </tr> <tr> <td>2 Person</td> <td>\$2,500</td> </tr> <tr> <td>For each additional household member</td> <td>\$150</td> </tr> </tbody> </table>		Number of Household Members	Minimum Residual Income	1 Person	\$1,500	2 Person	\$2,500	For each additional household member	\$150	
Number of Household Members	Minimum Residual Income										
1 Person	\$1,500										
2 Person	\$2,500										
For each additional household member	\$150										
<b>Co-Mingled Accounts</b>	Accounts used as both personal and business expenses will be considered as business bank statements.										
<b>NSFs</b>	<ul style="list-style-type: none"> <li>2 or more in the most recent 2 Mo. up to 5 in the most recent 12 Mo. OR 0 in most recent 3 Mo. up to 7 in the most recent 12 Mo. is acceptable.</li> <li>NSFs tied to Overdraft protection that is not a line of credit and does not result in new debt may be excluded.</li> </ul>										
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>From a property being retained and converted into an investment property – borrower must qualify full PITIA payment</li> </ul>										
<b>Declining Income</b>	<ul style="list-style-type: none"> <li>Evidence of declining income may result in disqualification.</li> </ul>										
<b>CREDIT</b>											
<b>Trade Lines</b>	All Borrowers must meet requirements	2 open and active for 24 months	3 open and active for 12 months								
<b>Minimum FICO</b>	Primary Wage earner MIN 640   All other borrowers MIN 580		MIN 2 FICOs required for all borrowers.								
<b>Non-Traditional Credit</b>	<ul style="list-style-type: none"> <li>MIN 2 FICOs required for each borrower.</li> <li>3 credit references may be provided with 12 months payment histories from the application date and 12 Mo. canceled checks.</li> <li><b>MAX Loan amount \$1.5MM</b></li> </ul>										
<b>Housing History</b>	MAX 0 x 30 x 12   No Housing History or <12 Mo. PR & 2 <sup>nd</sup> HM only, 10% MIN contribution required   Rent Free – LOE from landlord required										
<b>Collections</b>	Amounts specified may remain open when borrower has reserves over and above required to cover balance or 5% of the balance included in the DTI & DTI ≤50% Collections/Charge offs left open <24 MO cumulate balance \$5k   ≥ 24 Mo. \$2,500 per occurrence   All medical collections may remain open										
<b>Judgement/Tax Liens</b>	All items that impact title must be paid   When a repayment plan est. for MIN 3 MO. with payment history & payment included in DTI may remain open.										
<b>Adverse Credit</b>	BK, 120+ mortgage late - 48 MO seasoning   CCCS plan completed 3 Yrs. Prior to application   <b>SS, DIL, FC, or 120+ mortgage late - 7 Years seasoning</b>										
<b>ASSETS</b>											
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>100% allowed after MIN borrower contribution of 10% met.</li> <li>100% gift funds - MAX LTV 75%</li> </ul>	<ul style="list-style-type: none"> <li>Primary Residence <b>and Second Homes</b></li> <li>Donor must be a relative and provide a bank statement evidencing ability to donate</li> </ul>									
<b>Funds to Close</b>	<ul style="list-style-type: none"> <li><b>Must be sourced and seasoned for 30 days</b></li> </ul>										
<b>Business Assets</b>	Permitted with 3rd Party Tax Preparer/CPA stating withdraw of fund will not negatively impact the business										
<b>Reserves</b>	Loan Amounts ≤ \$500k = 3 Months PITIA   >\$500 - \$1.5MM = 6 Months PITIA   >\$1.5MM = 12 Months PITIA										
<b>APPRAISAL</b>											
<b>Requirements</b>	Loan Amounts > \$2MM   2 full appraisals										
<b>Supporting Products</b>	CDA within 10% of appraised value   CDA >10% - second full appraisal required										
<b>Declining Markets</b>	Appraiser indicated declining markets – 5% LTV reduction										
<b>HPML Loans</b>	Purchase Transactions: 2 full appraisal required <b>if</b> seller acquired the property within 90 days and new purchase price increased by >20%; or The seller acquired the property within 91 to 180 days and the new purchase price is more than 20% of the sellers' acquisition price.										
<b>COMPLIANCE</b>											
<b>State Restrictions</b>	VT – Ineligible and any States STG Mortgage currently not licensed in.		TX 50 (a) (6) and (a) (4) not permitted								

