

1099 MATRIX (12 & 24 MONTH)										
LOAN AMOUNT	MIN FICO	PRIMARY RESIDENCE			SECOND HOME			INVESTMENT		
		P	R/T	C/O	P	R/T	C/O	P	R/T	C/O
		LTV/CLTV								
≤ \$1.0 MM	740	80%	80%	80%	80%	80%	80%	80%	80%	75%
	720	80%	80%	80%	80%	80%	75%	80%	80%	75%
	700	80%	80%	80%	80%	80%	75%	80%	80%	75%
	680	80%	80%	75%	80%	80%	75%	75%	75%	75%
≤ \$1.5 MM	740	80%	80%	80%	80%	80%	80%	80%	80%	75%
	720	80%	80%	80%	80%	80%	75%	80%	80%	75%
	700	80%	80%	80%	80%	80%	75%	80%	80%	75%
	680	80%	80%	75%	80%	80%	75%	75%	75%	75%
≤ \$2.0 MM	740	80%	80%	80%	80%	80%	75%	80%	80%	75%
	720	80%	80%	80%	80%	80%	75%	80%	80%	75%
	700	80%	80%	75%	80%	80%	75%	80%	80%	70%
	680	80%	80%	70%	80%	80%	70%	75%	75%	70%
≤ \$2.5 MM	740	80%	80%	75%	80%	75%	75%	75%	75%	75%
	720	80%	80%	75%	80%	75%	75%	75%	75%	75%
	700	75%	75%	70%	75%	75%	70%	75%	75%	70%
	680	75%	75%	65%	75%	75%	70%	75%	75%	65%
≤ \$3.0 MM	740	75%	75%	70%	75%	75%	70%	70%	70%	60%
	720	75%	75%	70%	75%	75%	70%	70%	70%	60%
	700	75%	75%	65%	70%	70%	65%	70%	70%	60%
	680	70%	70%	65%	70%	70%	65%	65%	65%	
1099 PROGRAM DETAIL (12 & 24 MONTH)										
PROGRAM HIGHLIGHTS		• For borrowers with a history of 1099 (independent contractor) income • 1099 income may be combined with other income types & rental income • Does not require: Tax Returns								
DOCUMENTATION REQUIREMENTS		• 1 or 2 years of 1099s • Year-to-date earnings statement/ledger • 1099 IRS-Transcripts or a Written VOE from Contract Employer • Business Narrative								
RESTRICTIONS		• Must be paid directly to borrower (not a business name) • Limited to 1 contract employer (up to 3 allowed if common in industry) • Must be for services only (goods not permitted) • Contract employer may not be owned by a family member • 1099 income must represent 51%+ of Qualifying Income								
QUALIFYING INCOME		• A 10% expense ratio will be used in calculating the income • When 24 months of 1099 information is provided, the lower of the 12 month or 24 month calculation must be used • Greater than 20% decline from 24 month to 12 month calculation requires documentation and further review to ensure income stability								
SELF EMPLOYMENT		• Self Employed 2 Years, or 1 Year + 2 year History of Same Type of Work								
ALLOWABLE ACCOUNTANTS		• CPA, EA, CTEC, Licensed Tax Attorneys, and Chartered Tax Advisors • PTIN tax preparers permitted by exception only								
SHORT-TERM RENTAL RESTRICTIONS		• When using short-term rental income from subject property - 5% LTV/CLTV reduction from allowable limit per matrix								
VERBAL VOE		• VVOE within 10 days of closing								
4506-C		• Signed IRS Form 4506-C for 1099 Forms								
TERMS										
AVAILABLE TERMS		30 YR Amortization: Fixed 30 Fixed 30 I/O 5/6 ARM 5/6 ARM I/O 7/6 ARM 7/6 ARM I/O 40 YR Amortization: Fixed 40 I/O 5/6 ARM I/O 7/6 ARM I/O								
ARM QUALIFYING		Greater of the Note Rate or Fully Indexed (Margin + Index)								
INTEREST-ONLY		10 YR I/O Period MIN 700 FICO								
I/O LTV LIMITS		MAX LTV/CLTV 80% > \$2.0MM to \$2.5 MM - MAX LTV/CLTV 75% > \$2.5MM to \$3.0MM - MAX LTV/CLTV 70%								
I/O QUALIFYING		Qualify at amortizing term (30 YR I/O Qualify at 240 Months, 40 YR I/O Qualify at 360 Months)								
LOAN AMOUNT		MIN \$150K MAX \$3.0MM								
SUBORDINATE FINANCING		Permitted								



PROPERTY TYPES	
ELIGIBLE PROPERTY TYPES	Condos (Warrantable & Non-Warrantable) Condotel Leaseholds Modular PUD SFR 1 Unit with ADU 2-4 Unit
INELIGIBLE PROPERTY TYPES	2-4 Unit Properties with an ADU Agricultural Properties Assisted Living/Continuing Care Facilities Barndominiums Boarding Houses Builder Model Leaseback C5 or C6 Property Condition Grades Community Land Trusts Commercial Properties Cooperatives (Co-ops) Dorm-Style Housing Farms Fractional Ownerships Geodesic Domes Hawaii properties located in lava zones 1 and/or 2 Homes on Native American Land (Reservations) Houseboats Industrial Properties Live-work Projects Log Homes/Log Cabins Manufactured Homes Mixed Use Properties Mobile Homes Office Properties Properties Subject to Rent Control Properties Under Construction Properties used for the cultivation, distribution, manufacture, or sale of Marijuana Properties with evidence of Sinkhole Activity Properties with more than 1 ADU Properties with more than 4 units Second Homes with 2-4 Units Tenants in Common Properties Theme Park Resort Properties Timeshares Unique Properties Vacant Lots
ACCESSORY DWELLING UNIT (ADU)	Eligible for all occupancies May use rental income from ADU to qualify MAX of 1 ADU unit per property 2-4 Unit properties with ADUs are not permitted
RURAL	Primary Residence & Second Home only MAX 10 acre MAX LTV/CLTV 75% 3 comps within 10 miles
MAX ACREAGE	10 acres
CONDO-WARRANTABLE	MAX LTV/CLTV 80% Must meet Fannie Mae or Freddie Mac requirements
CONDO-NON-WARRANTABLE	MAX LTV/CLTV 80%
CONDOTEL	Purchase MAX LTV/CLTV 75% Rate/Term & Cash-Out MAX LTV/CLTV 65% MAX Loan Amount \$1.0MM Primary Residence & Second Homes permitted by exception only
2-4 UNIT	Second Homes not permitted ADUs not permitted
APPRAISAL REQUIREMENTS	
LOAN AMOUNT (≤ \$2MM)	1 Full Appraisal and a secondary valuation (CU Score, LCA Score, or CDA) 3 comps within 10 miles
LOAN AMOUNT (\$2MM+)	2 Full Appraisals, use the lower value for qualifying 3 comps within 10 miles
SECONDARY VALUATION	File must contain either a CU or LCA Score of 2.5 or less, or a Collateral Desktop Analysis (CDA) is required
COLLATERAL DESKTOP ANALYSIS (CDA REPORT)	When CDA is required, it must support appraisal within 10% CDAs more than 10% below appraisal require two Full Appraisals CDA with "High Risk" score may not be used and file must contain two Full Appraisals
DECLINING MARKETS	5% LTV/CLTV reduction from allowable limit per matrix for LTV > 65%
FLIPS/RAPID APPRECIATION	Additional valuation may be required. See Guidelines
UNDERWRITING	
DTI	MAX DTI 50%
RESIDUAL INCOME	\$1,500
RESERVE REQUIREMENTS	Loan Amount < \$1MM = 3 months ≥ \$1MM to \$1.5MM = 6 months > \$1.5MM = 9 months Rate-Term Refi w/ LTV/CLTV ≤ 65% - No Reserves Required Cash-out amount may be used to meet reserve requirement
CASH-OUT LIMITS	Maximum Cash-in-Hand: LTV/CLTV > 65% - \$1MM LTV/CLTV ≤ 65% - No limit Maximum Total Cash-Out (includes non-mortgage debts): No limit
QUALIFYING FICO SCORE	Midscore from Primary Wage Earner (highest income earner) on the file MIN 640 FICO required for all borrowers
TRADELINES	Borrowers with 3 FICO Scores - No Tradeline Requirement All others - 3 tradelines reporting for last 12 months or 2 tradelines reporting for 24 months, with activity in past 12 months
DOCUMENT AGE	MAX 120 days old at Closing (Income, Assets, Credit Report, Appraisal, Title)
ASSET STATEMENTS	U.S. Based: 1 Month Foreign Assets: 2 Months
FOREIGN ASSETS	All Foreign Assets including Downpayment, Closing Costs & Reserves must be held in U.S. based account for 30 days
ELIGIBLE BORROWERS	US Citizen Permanent Resident Alien Non Permanent Resident Alien
INELIGIBLE BORROWERS	Foreign National ITIN
BORROWER RESTRICTIONS	Non Permanent Resident - Purchase & Rate/Term Only, Max LTV/CLTV 80%
NON-OCCUPANT CO-BWR	Not permitted
CREDIT EVENTS	BK 7 & 13 seasoning - 48 months discharge/dismissal date SS, DIL, FC, Mod, 120+ housing late seasoning - 48 months
HOUSING HISTORY	0x30x12
< 12 MONTHS HOUSING HISTORY OR RENT-FREE	MAX LTV/CLTV 80% Primary Residence only 10% MIN borrower contribution (own funds) Any available portion of housing history must reflect 0x30 6 months reserves after closing LOE from the borrower and rent-free housing provider
RENT-FREE RESTRICTIONS	Borrowers living rent-free with anyone other than spouse are subject to rent-free restrictions
ALIMONY/CHILD SUPPORT	Document 3 year continuance & most recent 12 months evidence of on time receipt
UNPAID COLLECTIONS	Medical - No Limits Non-Medical from last 24 months - \$2K MAX (total of all accounts) Non-Medical older than 24 months - \$2.5K MAX per account
FIRST-TIME HOME BUYER RESTRICTIONS	FTHB defined as all borrowers have not owned real estate in past 3 years Primary Residence & Second Home only No I/O
SELLER CONTRIBUTIONS	Primary Residence & Second Home - MAX 6% Investment Properties - MAX 3%
GIFT FUNDS	Primary Residence - when LTV/CLTV > 75%, borrower must contribute 5% own funds Second Home & Investment Properties - borrower must contribute 10% own funds
GIFT OF EQUITY	Primary Residence & Second Home - Permitted Investment Properties - Not permitted
LISTED FOR SALE	Removed from Market: Rate/Term: 1 month, Cash-Out: 6 months, Cash-Out under 6 months: refer to full guidelines
CASH-OUT SEASONING	6-12 months Primary: 75% MAX LTV/CLTV, 2nd Hm/Inv: 70% MAX LTV/CLTV (N/A for: inherited/court award/delayed fin.)
RATE-TERM SEASONING	None Required - Used Appraised Value
PREPAYMENT PENALTY	Available on Business Purpose Loans Lengths - 1 to 5 Years Structure - 6 months of interest
PREPAYMENT PENALTY RESTRICTIONS	Not allowed in: AK DC MD ME MI MN ND NJ NM OH RI VT Certain Restrictions in: AR IA IL IN KY MO MS NE OK PA SC TX WA
TEXAS	Texas 50(a)(6), Texas 50(a)(4) and Texas 50(f)(2) - Permitted Closing doc review by attorney required at CTC
INELIGIBLE STATES	AK AR HI OK MO ND NY SD WY U.S. Possessions or Territories
TEMPORARY GEOGRAPHIC RESTRICTIONS	Primary Residence Only for Philadelphia County in Pennsylvania and the Baltimore Metro Area in Maryland
ENTITY VESTING	Business purpose loans may be vested in LLC, LP, GP, CORP or S CORP
ESCROW ACCOUNTS	Required for the following: LTV > 80% Properties in Flood Zones Higher Priced Mortgage Loans (HPML)

