

Bank Statements 1099 Only W2 Only 1 Year Tax Return Asset Qualifier		
Purchase / Rate & Term Refinance / *Cash Out Refinance		
	LTV / CLTV	FICO
Primary Residence & Second Home	80% / 85%	700
	75% / 80%	660
Investment Properties <i>*Loan amount capped at \$2,000,000 max</i>	75% / 80%	740
	70% / 75%	680
Maximum Loan Amounts		
\$100,000 - \$2,000,000		80% LTV
\$2,000,001 - \$3,000,000		75% LTV
\$3,000,001 - \$4,000,000		65% LTV

Products		
1/6m, 5/6m, 7/6m & 10/6m ARM	30 Yr Fixed	
5/6m, 7/6m & 10/6m ARM IO	30 Yr Fixed IO	
IO Period	Amortization Term	Maturity
10 Years	20 Years	30 Years
ARM Margins & Caps		
1/6 Month ARM*	Margin: 5.00	Caps: 2/2/5
5/6 Month ARM	Margin: 4.50	Caps: 2/2/5
7/6 Month ARM	Margin: 4.50	Caps: 5/2/5
10/6 Month ARM	Margin: 4.50	Caps: 5/2/5
*1/6 Month ARM additional product details: Floor = Margin. Max loan amount = \$2,500,000. Interest Only not permitted. Investment properties not permitted. Refer to guidelines for State restrictions.		
All Interest Only transactions are capped at 80% LTV max.		

Program Requirements	
Minimum Loan Amount	\$100,000
Asset Qualifier	DTI not applicable.
Enhance Debt Ratio*	43% - 50%
*Enhanced: DTI above 43% and up to 50% requires a 5% reduction in max LTV as listed in the above grid. ***Note: Max DTI for all investment property transactions and all cash out transactions is 43%.	

Additional Program Information	
Credit Seasoning	
Mortgage History	0 x 30 x 12
Foreclosure	36 months
Short Sale/DIL	36 months
BK Seasoning	36 months

*Cash Out Restrictions
• Max cash in hand is \$2,000,000
• *Max LTV/CLTV for cash out:
• Primary Residence & Second Homes - 75% / 75%
• Investment Properties - 65% / 65%
• Texas 50 (a)(6) loans are not permitted

Property Type Requirements	
Property Type	Max LTV
2-4 Units / Rural Properties	75%
Attached PUD/Condominium	
Florida Condominium	70%
Non-Warrantable Condominium	65%
Log Homes	Not Allowed



Alternative Income Documentation Types	
12 Months Bank Statements	Income calculated based on 12 months recent Business or Personal bank statements. Refer to program guidelines for calculation methods available. Bank statements should show a stable or increasing trend. If the trend is declining and/or irregular, additional documentation may be required up to and including an additional 12 months of statements.
1099 only	Validated most recent 1 year 1099. Borrower must receive compensation either in the form of commissions or as an independent contractor. An expense ratio must be developed using one of the two below methods. Method 1: Utilize 50% baseline expense factor. Multiply the expense ratio by the gross receipts shown on the 1099. Method 2: Provide a CPA letter stating the business' expense ratio based on the most recent year's tax return. Multiply the expense ratio by the gross receipts shown on the 1099.
W2 only	Validated most recent year W2 and current VOE or pay stub used as qualifying income. Refer to guidelines for specific guidance and requirements.
1 Yr. Tax Return	Filed most recent year tax returns to be utilized for income qualifying per FNMA guidelines. Refer to guidelines for specific guidance and requirements.
Asset Qualifier	Qualification is determined solely based on the Applicant's liquid assets and assets they can liquidate without restriction. Option 1: Mortgage Only Total post-closing assets must meet 125% of the outstanding mortgage debt for which the Borrower has personal liability, including the proposed mortgage(s) on the subject property. Option 2: Traditional Total post-closing assets must meet the sum of the below: <ul style="list-style-type: none"> • 100% of the loan amount • Reserves required per program • 60 months of total debt service (do not include subject property's PITIA or PITIA on rented properties with documented rental income) • 60 months of net rental losses on rental properties (do not include subject property's PITIA) *Rental Calculation (Option 2 only) Rental properties are counted on a net basis based on 75% of lease less PITIA to determine impact on debt service. Net rent can never exceed \$0 for determining impact. For example, a property with a lease of \$1,600 and PITIA of \$1,500 would have a \$300 per month debt added to debt service (\$1,600 x 75% - \$1,500 = \$300). Other owned properties require additional reserves.
Additional Program Requirements	
Appraisal	Loan amounts over \$1,500,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a condition rating of C5 or C6 or a quality rating of Q6 are not acceptable. *Properties located within a Declining Market as defined by the appraiser require a 5% reduction to the max LTV/CLTV offered (refer to grid above).
Assets	Sourced and seasoned for 30 days
Cash Out	Max cash in hand is \$2,000,000.
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit - max 75% LTV)
Compliance	<ul style="list-style-type: none"> • Escrows required for all HPML loans, refer to guidelines for additional escrow requirements • No section 32 or state high cost • "Total borrower paid points and fees up to 5%" • Compliance with all applicable federal and state regulations
Credit	Standard two (2) tradelines reporting for 12+ months or one (1) tradeline reporting for 24+ months with activity in the last 90 days. Qualifying FICO = the FICO of the Primary Wage Earner which will be the score used for pricing
Gift Funds	Not permitted on Investment Property transactions. Cannot be used for reserves when utilizing Asset Qualifier for income. Refer to guides for all other requirements
Max Financed Properties	Maximum 20 financed properties including subject property.
Mortgage History	0 x 30 x 12. Recent Forbearance: 12 months seasoning required after borrower exits forbearance plan.
Occupancy	Primary Residence, Second Homes and Investment Properties
Prepayment Penalty	Investment Only: 6 months interest of 80% of the amount prepaid (Standard Term = 3 yrs.), unless otherwise limited by applicable law. Not allowed in AK, KS, NC, NM, or PA (loan amounts < \$278,204).
Property Types	SFR, PUD, Townhome, Condominium, 2-4 Unit, Non-Warrantable Condominiums, Modular & Rural. Log Homes and Manufactured Homes are not eligible.
Qualifying Payment	ALL: Use Qualifying Rate (refer to box) for calculating PITIA Interest Only: qualify using the interest only payment
Qualifying Rate	Fixed = Note Rate; ARM: 1/6m & 5/6m = Greater of Note Rate or Fully Indexed Rate; 7/6m & 10/6m = Note Rate
Reserves	Loan amount up to \$2M: 6 months PITIA. Loan amount greater than \$2M: 12 months PITIA. Other REO owned: 2 months of each property's PITIA. All Investment property transactions require a minimum 12 months PITIA reserves. Cash out can be used towards the reserves requirement.
Seller Concessions	Up to 6% for Primary Residences & Second Homes. Up to 3% for Investment Properties.
Subordinate Financing	Max 85% CLTV -refer to grid above under LTV/CLTV section. Secondary financing must be institutional. Seller carrybacks are not permitted.

