

Bank Statements | **1099 Only** | **W2 Only** | **1 Year Tax Return**
NEW!!! **Asset Depletion** | **P&L Only** **NEW!!!**

Purchase / Rate & Term Refinance / *Cash Out Refinance

	LTV / CLTV	FICO
Primary Residence & Second Home	85% / 85%	720
	80% / 80%	680
	75% / 80%	660
Investment Properties *Loan amount capped at \$2,000,000 max	75% / 80%	740
	70% / 75%	680
Maximum Loan Amounts		
\$100,000 - \$3,000,000	85% LTV	
\$3,000,001 - \$4,000,000	65% LTV	

Products		
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		
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
Program Requirements		
Minimum Loan Amount	\$100,000	
Interest Only Transactions	Max 75% LTV	
Mortgage Insurance	Not Required	
Credit Seasoning		
Mortgage History	0 x 30 x 12	
BK Seasoning	36 months	
Short Sale/DIL	36 months	
Foreclosure	36 months	

Additional Program Information

DTI Restrictions	
Primary Residence & Second Home	50% max DTI
Investment Property	43% max DTI
Cash Out Transactions	
Non-Warrantable Condos	
Non-Permanent Resident Alien	
First Time Homebuyer	45% max DTI

*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 - 70% / 70%
• Cash out not permitted on Interest Only transactions
• Texas 50 (a)(6) loans are not permitted

Property Type Requirements

Property Type	Max LTV
2-4 Units / Rural Properties	80%
Attached PUD/Condominium	
Florida Condominium	75%
Non-Warrantable Condominium	70%
Log Homes	Not Allowed



Alternative Income Documentation Types*	
Asset Depletion	<p>Qualification is determined solely based on the Applicant's liquid assets and assets they can liquidate without restriction. Assets must be seasoned a minimum of 90 days. Assets being considered must be verified with the most recent three (3) monthly account statements, quarterly statement(s), or VOD.</p> <p>All individuals listed on the asset account(s) must be on the Note and Mortgage.</p> <p>Calculation Method:</p> <p>Qualifying income is based upon the total assets eligible for depletion, less down payment, less out of pocket closing costs, divided by 60.</p>
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	<p>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.</p> <p>Method 1: Utilize 50% baseline expense factor. Multiply the expense ratio by the gross receipts shown on the 1099.</p> <p>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.</p>
W2 Only	Validated most recent year W2 and current VOE 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.
P&L Only	24 Month CPA, EA, or CTEC compiled P&L Statement - minimum 50% business ownership required. Qualifying income is the net income from the P&L divided by the time period covered (24-months) multiplied by the borrower's ownership percentage.
*Other Income	Most Alternative Income Options notated above include additional supplemental income options such as rental income, retirement/pension, social security and/or additional CoBorrower income. Please refer to the guidelines for additional information.
Additional Program Requirements	
Appraisal	<p>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.</p> <p>*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).</p>
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	<p>Standard two (2) tradelines reporting for 12+ months or one (1) tradeline reporting for 24+ months with activity in the last 90 days.</p> <p>Qualifying FICO = the FICO of the Primary Wage Earner which will be the score used for pricing</p>
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	<p>Investment Only: 3% of the amount prepaid that exceeds 20% of the original principal balance, unless otherwise limited by applicable law.</p> <p>Not allowed in AK, KS, MN, NC (loan amounts > \$100,000) NM, or PA (loan amounts < \$301,022).</p>
Property Types	SFR, PUD, Townhome, Condominium, 2-4 Unit, Non-Warrantable Condominiums, Modular & Rural. Log Homes and Manufactured Homes are not eligible.
Qualifying Payment	<p>ALL: Use Qualifying Rate (refer to box) for calculating PITIA</p> <p>Interest Only: qualify using the fully amortized payment based on the term remaining after the expiration of the interest-only period.</p>
Qualifying Rate	Fixed = Note Rate; ARM: 5/6m, 7/6m & 10/6m = Greater of Note Rate or Fully Indexed 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.

