

# Rockstone Products Alert

\*Please Check Matrix for Program Details and LTV restrictions or contact your AE.



# Rockstone Wholesale, Inc.

444 West Lake St., Suite 1700  
Chicago, IL 60606  
[www.rockstonewholesale.com](http://www.rockstonewholesale.com) | 866.281.3111

Effective Date: 7/22/2024

ROCKSTONE NONQM MATRIX					
CONTACTS		TURN TIMES		LENDER FEES	
<p><b>Applications:</b> <a href="mailto:submission@rockstonewholesale.com">submission@rockstonewholesale.com</a> *Submit to TPO Portal if you have logins</p> <p><b>Help Desk:</b> <a href="mailto:helpdesk@rockstonewholesale.com">helpdesk@rockstonewholesale.com</a></p> <p><b>Lock Request:</b> <a href="mailto:lockdesk@rockstonewholesale.com">lockdesk@rockstonewholesale.com</a></p> <p><b>Lock Desk Closes at 7:00 PM EST</b></p>		<p><b>Initial Disclosures:</b> 24 Hours</p> <p><b>Initial Underwrite:</b> 1 - 2 Business Days</p> <p><b>Conditions:</b> 1 - 2 Business Days</p> <p><b>Docs:</b> 24 Hours</p>		<p><b>Underwriting Fee:</b> \$1,695</p> <p><b>Doc Fee:</b> \$150.00 (TX Only)</p>	
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<p><u>Non-QM   Investor Products</u></p> <p><b>ALPHA</b>      <i>FULL DOC</i>      Page 2</p> <p><b>ALPHA</b>      <i>ALT DOC</i>      Page 4</p> <p><b>BETA</b>      <i>FULL DOC</i>      Page 7</p> <p><b>BETA</b>      <i>ALT DOC</i>      Page 10</p> <p><b>DELTA</b>      <i>INVESTOR DSCR</i>      Page 14</p> <p><b>ZETA</b>      <i>FOREIGN NATIONAL</i>      Page 16</p> <p><b>OMEGA</b>      <i>FULL DOC</i>      Page 18</p> <p><b>OMEGA</b>      <i>ALT DOC</i>      Page 19</p> <p><b>ITIN</b>      <i>ITIN</i>      Page 20</p> <p><b>SIGMA</b>      <i>2ND LIEN &amp; HELOC</i>      Page 22</p> <p><b>GAMMA</b>      <i>MULTI &amp; MIXED USE</i>      Page 24</p>			<p><u>***Notes***</u></p> <p>COMING SOON</p>		
			<p><b>Rockstone Wholesale, Inc.</b></p> <p>ISAOA, ATIMA</p> <p>444 West Lake St., Suite 1700</p> <p>Chicago, IL 60606</p>		
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## Full Doc

Maximum LTV/CLTVs		Primary Residence			
Credit Score	Loan Amount	Purchase & Rate/ Term	Cash-Out Refinance	Property	
740	\$150,000 - \$3,000,000	80%	75%	SFR, PUD, W/Condo, & 2-4 Units	
	\$3,000,001 - \$3,500,000	75%	70%		
720	\$150,000 - \$1,500,000	80%	75%		
	\$1,500,001 - \$3,000,000	80%	75%		
700	\$150,000 - \$1,500,000	80%	75%		
	\$1,500,001 - \$3,000,000	75%	70%		
680	\$150,000 - \$1,500,000	75%	70%		
	\$1,500,001 - \$2,000,000	75%	65%		
Maximum LTV/CLTVs		Second Home			
Credit Score	Loan Amount	Purchase & Rate/ Term	Cash-Out Refinance		Property
740	\$150,000 - \$3,000,000	80%	75%	SFR, PUD, & W/Condo	
	\$3,000,001 - \$3,500,000	75%	70%		
720	\$150,000 - \$1,500,000	80%	75%		
	\$1,500,001 - \$3,000,000	75%	70%		
700	\$150,000 - \$1,500,000	80%	75%		
	\$1,500,001 - \$3,000,000	75%	70%		
680	\$150,000 - \$1,000,000	75%	70%		
	\$1,000,001 - \$2,000,000	70%	65%		
Housing Event / Credit Event					
Credit Event Minimum Requirements BK/FC/SS/DIL/Mod	Borrowers with significant derogatory credit events must meet the following criteria: <ul style="list-style-type: none"> <li>▣ Max DTI 45%</li> <li>▣ All borrowers must have reestablished acceptable credit verified after the credit event.</li> <li>▣ Borrower with unrelated multiple significant credit events, are ineligible.</li> <li>▣ Must meet all other Flex Supreme requirements.</li> <li>▣ Minimum 4 years must have elapsed from the date of the credit event</li> <li>▣ FTHB - requires &gt;= 7 years</li> </ul>				
State Restrictions					
<ul style="list-style-type: none"> <li>▣ FL: Non-Permanent Resident Aliens from China are ineligible.</li> <li>▣ HI: Non-licensed State.</li> <li>▣ TX: Refinance of Texas Section 50(a)(6), Texas Section 50(f)(2) and Texas Section 50(a)(3) Loans are ineligible.</li> </ul>					
General Requirements					
Product Type	<ul style="list-style-type: none"> <li>▣ 40-Year Fixed Rate Interest Only</li> <li>▣ 30-Year Fixed Rate – Fully Amortizing</li> <li>▣ 20-Year Fixed Rate – Fully Amortizing</li> </ul>				
Interest Only	<ul style="list-style-type: none"> <li>▣ 10 year I/O period</li> <li>▣ Must qualify off fully amortizing payment</li> </ul>				
Loan Amounts	<ul style="list-style-type: none"> <li>▣ Min \$150,000 and Max \$3,500,000</li> </ul>				
Occupancy	<ul style="list-style-type: none"> <li>▣ Primary and Second Homes.</li> <li>▣ Investment Properties are not permitted.</li> </ul>				
Loan Purpose	<ul style="list-style-type: none"> <li>▣ Purchase, Rate/Term, Debt Consolidation and Cash Out</li> </ul>				
Cash Out	<ul style="list-style-type: none"> <li>▣ Minimum of 6 (six) months seasoning from most recent transaction</li> <li>▣ Max cash-out - \$1,000,000</li> <li>▣ Refinance of an existing Texas 50(a)(6), Texas Section 50(a)(4) and Texas Section 50(a)(3) Loans are ineligible.</li> <li>▣ Not permitted in Declining Markets</li> </ul>				
Rate and Term	<ul style="list-style-type: none"> <li>▣ Max cash back is the lesser of \$5,000 or 2% of the loan amount.</li> <li>▣ Paying off debt at closing with any portion of the allowable cash back will result in the loan being deemed a cash out refinance.</li> </ul>				
Borrower Eligibility	<ul style="list-style-type: none"> <li>▣ US Citizens</li> <li>▣ Permanent Resident Aliens</li> <li>▣ Non-Permanent Resident (H1B &amp; L1 Visas only)</li> </ul>		Ineligible: <ul style="list-style-type: none"> <li>▣ Non-Occupant Co-Borrowers</li> <li>▣ ITINs</li> <li>▣ Foreign Nationals</li> </ul>		
Appraisals	<ul style="list-style-type: none"> <li>▣ FNMA Form 1004, 1025, 1073 with interior/exterior inspection.</li> <li>▣ 2<sup>nd</sup> Appraisal required for loans &gt; \$2,000,000.</li> <li>▣ Appraisal Review Product to be ordered on all loans with an SSR over 2.5 with the exception of those with a full second appraisal.</li> </ul>				
Property Type	<ul style="list-style-type: none"> <li>▣ Single Family (Attached, Detached), PUD</li> <li>▣ Warrantable Condominiums – FNMA Full Project Review, FNMA PERS Approved or</li> <li>▣ 2-4 Unit (not eligible for FTHBs)</li> <li>▣ Max 10 acres</li> <li>▣ Leasehold not permitted.</li> <li>▣ Rural Properties are not permitted.</li> <li>▣ Non-Warrantable Condos and Condotels are not permitted</li> </ul>				
Declining Markets	<ul style="list-style-type: none"> <li>▣ Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.</li> <li>▣ Cash Out not permitted in Declining Markets.</li> </ul>				
Income Requirements – Full Doc					
Income	<ul style="list-style-type: none"> <li>▣ Wage/Salary: Paystubs, W-2, 2-Years or 1-Year of Tax Returns, IRS Form 4506</li> <li>▣ Self-Employed: 2-Years or 1-Year of Personal and Business Tax Returns, YTD P&amp;L, IRS Form 4506, 2 months of most recent bank statements</li> <li>▣ Verbal VOE required within 10-days of Note Date for wage earners; 30 days for self-employed borrowers.</li> </ul>				
Underwriting Requirements – Full Doc					

Credit Score	<p>For each borrower:</p> <ul style="list-style-type: none"> <li>▫ The lowest mid-score(s) of 3 scores will be used to qualify.</li> <li>▫ A minimum of 2 scores is required.</li> <li>▫ Borrowers with 2 credit scores: use the lower of the two scores to qualify.</li> <li>▫ Non-traditional credit reports and credit reports which are not Tri-Merge.</li> <li>▫ The loan qualifying score will be based on the lowest qualifying score of all borrowers.</li> </ul>	DTI Requirements	▫ Max 50%
		Residual	<ul style="list-style-type: none"> <li>▫ Defined as Gross Monthly Income – Total Monthly Obligations.</li> <li>▫ Requirement based on # in household.</li> <li>▫ Applies to HPML loans or when the DTI &gt; 43%:</li> <li>▫ 1 person = \$1,500</li> <li>▫ 2 persons = \$2,500</li> <li>▫ Add \$150 per additional household member</li> </ul>
		Assets	<ul style="list-style-type: none"> <li>▫ 60-day asset verification required</li> <li>▫ Deposits &gt; 50% of gross income must be documented on purchases.</li> </ul>
Tradelines	<ul style="list-style-type: none"> <li>▫ Each borrower must have a min of 3 traditional tradelines rated for at least 12 months.</li> <li>▫ At least 3 trades must reflect an acceptable payment history – no exceptions.</li> <li>▫ Closed accounts may be used to satisfy the min tradeline requirements if payment history is acceptable.</li> <li>▫ Deferred accounts (w/o payment history) cannot be used to meet the min requirement.</li> </ul>	Reserves	<ul style="list-style-type: none"> <li>▫ ≤ \$500,000 = 3 months PITIA</li> <li>▫ &gt; \$500,000 to \$1,500,000 = 6 months PITIA</li> <li>▫ &gt; \$1,500,000 to \$2,500,000 = 9 months PITIA</li> <li>▫ &gt; \$2,500,000 to \$3,500,000 = 12 months PITIA</li> <li>▫ Cash-out proceeds may be used to satisfy reserves.</li> <li>▫ Borrowers owning multiple financed properties require an additional 2 months of the subject properties PITIA in total (not per additional REO)</li> </ul>
		Gift Funds	<ul style="list-style-type: none"> <li>▫ 5% primary</li> <li>▫ 10% second home</li> <li>▫ Gift funds not permitted to be used towards reserves.</li> <li>▫ 100% of down payment and closing cost</li> <li>▫ Permitted on 1-unit properties only, provided borrower meets the minimum contribution.</li> </ul>
		First Time Home Buyers	<ul style="list-style-type: none"> <li>▫ 1-Unit Primary Residence only</li> <li>▫ 0x30x24 rental history</li> <li>▫ At least 1 borrower must have a 24-month rental history.</li> <li>▫ Min 7-years seasoning for credit events.</li> </ul>
Housing/Rental History	<ul style="list-style-type: none"> <li>▫ 0x30x12</li> <li>▫ FT HB 0x30x24</li> </ul>	Prepayment Penalty	▫ Not permitted.
Age of Documentation	<ul style="list-style-type: none"> <li>▫ Credit reports must be dated within 120 days of the Note date.</li> <li>▫ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>		

Maximum LTV/CLTVs		Primary Residence		
Credit Score	Loan Amount	Purchase & Rate/ Term	Cash-Out Refinance	Property
740	\$150,000 - \$3,000,000	80%	75%	SFR, PUD, W/Condo, & 2-4 Units
	\$3,000,001 - \$3,500,000	75%	70%	
720	\$150,000 - \$1,500,000	80%	75%	
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Maximum LTV/CLTVs		Second Home		
Credit Score	Loan Amount	Purchase & Rate/ Term	Cash-Out Refinance	Property
740	\$150,000 - \$3,000,000	80%	75%	SFR, PUD, & W/Condo
	\$3,000,001 - \$3,500,000	75%	70%	
720	\$150,000 - \$1,500,000	80%	75%	
	\$1,500,001 - \$3,000,000	75%	70%	
700	\$150,000 - \$1,500,000	80%	75%	
	\$1,500,001 - \$3,000,000	75%	70%	
680	\$150,000 - \$1,000,000	75%	70%	
	\$1,000,001 - \$2,000,000	70%	65%	
Housing Event / Credit Event Seasoning Requirements				
Credit Event Minimum Requirements BK/FC/SS/DIL/Mod	Borrowers with significant derogatory credit events must meet the following criteria: <ul style="list-style-type: none"> <li>☐ Max DTI 45%</li> <li>☐ All borrowers must have reestablished acceptable credit verified after the credit event.</li> <li>☐ Borrower with unrelated multiple significant credit events, are ineligible.</li> <li>☐ Must meet all other Flex Supreme requirements.</li> <li>☐ Minimum 4 years must have elapsed from the date of the credit event.</li> </ul> FTHB - requires >= 7 years seasoning from the completion date of a significant derogatory credit event.			
State Restrictions				
<ul style="list-style-type: none"> <li>☐ FL: Non-Permanent Resident Aliens from China are ineligible.</li> <li>☐ HI: Non-licensed State.</li> <li>☐ TX: Refinance of Texas Section 50(a)(6), Texas Section 50(f)(2) and Texas Section 50(a)(3) Loans are ineligible.</li> </ul>				
General Requirements				
Product Type	<ul style="list-style-type: none"> <li>☐ 40-Year Fixed Rate Interest Only</li> <li>☐ 30-Year Fixed Rate – Fully Amortizing</li> <li>☐ 20-Year Fixed Rate – Fully Amortizing</li> </ul>			
Interest Only	<ul style="list-style-type: none"> <li>☐ 10 year I/O period</li> <li>☐ Must qualify off fully amortizing payment</li> </ul>			
Loan Amounts	☐ Min \$150,000 and Max \$3,500,000			
Occupancy	<ul style="list-style-type: none"> <li>☐ Primary and Second Homes.</li> <li>Investment Properties not permitted</li> </ul>			
Loan Purpose	☐ Purchase, Rate/Term, and Debt Consolidation / Cash Out			
Cash Out	<ul style="list-style-type: none"> <li>☐ Minimum of 6 (six) months seasoning from most recent transaction</li> <li>☐ Max cash-out - \$1,000,000</li> <li>☐ Refinance of an existing Texas 50(a)(6), Texas Section 50(a)(4) or Texas Section 50(a)(3) Loan are ineligible.</li> </ul> Not permitted in Declining Markets.			
Rate and Term	<ul style="list-style-type: none"> <li>☐ Max cash back is the lesser of \$5,000 or 2% of the loan amount.</li> <li>☐ Paying off debt at closing with any portion of the allowable cash back will result in the loan being deemed a cash out refinance.</li> </ul>			
Borrower Eligibility	<ul style="list-style-type: none"> <li>☐ US Citizens</li> <li>☐ Permanent Resident Aliens</li> <li>☐ Non-Permanent Resident (H1B &amp; L1 Visas only)</li> </ul>	Ineligible: <ul style="list-style-type: none"> <li>☐ Non-Occupant Co-Borrowers</li> <li>☐ ITINs</li> <li>☐ Foreign Nationals</li> </ul>		
Appraisals	<ul style="list-style-type: none"> <li>☐ FNMA Form 1004, 1025, 1073 with interior/exterior inspection.</li> <li>☐ 2nd Appraisal required for loans &gt; \$2,000,000.</li> <li>☐ Appraisal Review Product to be ordered on all loans with an SSR over 2.5 with the exception of those with a full second appraisal.</li> </ul>			
Property Type	<ul style="list-style-type: none"> <li>☐ Single Family (Attached, Detached), PUD</li> <li>☐ Warrantable Condominiums – FNMA Full Project Review, FNMA PERS Approved or CPM Approval</li> <li>☐ 2-4 Unit (not eligible for FTHBs)</li> <li>☐ Max 10 acres</li> <li>☐ Leasehold not permitted.</li> </ul>			

	<ul style="list-style-type: none"> <li>▫ Rural Properties are not permitted.</li> <li>▫ Non-Warrantable Condos and Condotel are not permitted</li> </ul>		
Declining Markets	<ul style="list-style-type: none"> <li>▫ Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.</li> <li>Cash Out not permitted in Declining Markets.</li> </ul>		
<b>Income Requirements - Alt Doc</b>			
Stability and Continuance of Self-Employment	<ul style="list-style-type: none"> <li>▫ Borrower's self-employment income used to calculate the DTI must be reasonable for the profession, verified stable and likely to continue.</li> <li>▫ Sellers must verify the borrower's self-employment for the most recent consecutive 2 full years in the same business.</li> <li>▫ Borrowers receiving 1099 income (filing as Schedule C or E) are eligible provided that the 1099 income is in the same line of work and meets the required most recent consecutive 2 full years.</li> <li>▫ The name of business noted on the initial 1003 must match the business name noted as account holder on the business bank account(s).</li> </ul>		
Acceptable Variance Levels	<p>12-months Bank Statements</p> <ul style="list-style-type: none"> <li>▫ Variances from month to month are likely to occur; however, a consistent pattern of declining deposits on a monthly basis or evidence of a decline in earnings will require sufficient satisfactory justification/explanation from the borrower and the income should be carefully considered for qualifying.</li> </ul> <p>24-months Bank Statements</p> <ul style="list-style-type: none"> <li>▫ If the eligible deposits decline greater than 5% up to 10% year over year, it should be addressed.</li> <li>▫ If the decline of deposits is greater than 10% year over year, then the account is ineligible for use in the income calculation.</li> <li>▫ See Declining Income in the Flex NonQM guide.</li> </ul>		
Personal Bank Statements	<ul style="list-style-type: none"> <li>▫ 24 or 12-months of Personal and 2-months of business bank statements. If updated bank statements are provided, the income must be recalculated.</li> <li>▫ Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements.</li> <li>▫ The business bank statements must reflect business activity and transfers to the personal account.</li> <li>▫ Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment)</li> </ul>		
Business Bank Statements / Co-Mingled Bank Statements	<ul style="list-style-type: none"> <li>▫ 24 or 12-months of business bank statements. If updated bank statements are provided, the income must be recalculated. Qualifying income is determined by ONE of the following analysis methods: <ul style="list-style-type: none"> <li>o Fixed Expense Ratio (50%); OR</li> <li>o Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%, OR</li> <li>o 3rd party prepared Profit &amp; Loss Statement (CPA or EA).</li> </ul> </li> <li>▫ Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment)</li> </ul>		
Asset Utilization	<ul style="list-style-type: none"> <li>▫ May not be used as supplemental income.</li> <li>▫ Assets must be seasoned for 3 months to be deemed eligible.</li> <li>▫ Monthly Income Calculation = <ul style="list-style-type: none"> <li>o Net Qualified Assets / 84 Months. Restrictions: <ul style="list-style-type: none"> <li>o Cash-out transactions are ineligible.</li> <li>o Max LTV must be reduced by 10%.</li> </ul> </li> </ul> </li> <li>▫ <u>Ineligible Assets:</u> <ul style="list-style-type: none"> <li>o Business assets.</li> <li>o Unseasoned Foreign Assets.</li> <li>o Proceeds from sale of real estate which is not seasoned for a minimum of 6 months.</li> <li>o Privately traded or restricted / non-vested stocks.</li> <li>o Assets which produce income already included in the income calculation.</li> </ul> </li> </ul>		
IRS Form 1099	<ul style="list-style-type: none"> <li>▫ 2-Years' 1099 (filing as Schedule C or E) only</li> <li>▫ Fixed Expense Ratio of 10%</li> <li>▫ YTD documentation to support continued receipt of income from the same source.</li> <li>▫ Refer to the Flex Supreme Alt Doc Bank Statement Income Documentation section in the Guidelines.</li> </ul>		
<b>Underwriting Requirements – Alt Doc</b>			
Credit Score	<ul style="list-style-type: none"> <li>For each borrower: <ul style="list-style-type: none"> <li>▫ The lowest mid-score(s) of 3 scores will be used to qualify.</li> <li>▫ A minimum of 2 scores is required.</li> <li>▫ Borrowers with 2 credit scores: use the lower of the two scores to qualify.</li> <li>▫ Non-traditional credit reports and credit reports which are not Tri-Merge.</li> <li>▫ The loan qualifying score will be based on the lowest qualifying score of all borrowers.</li> </ul> </li> </ul>	DTI Requirements	▫ Max 50%
	Residual	<ul style="list-style-type: none"> <li>▫ Defined as Gross Monthly Income – Total Monthly Obligations.</li> <li>▫ Requirement based on # in household.</li> <li>▫ Applies to HPML loans or when the DTI &gt; 43%: <ul style="list-style-type: none"> <li>▫ 1 person = \$1,500</li> <li>▫ 2 persons = \$2,500</li> <li>▫ Add \$150 per additional household member.</li> </ul> </li> </ul>	
		Assets	<ul style="list-style-type: none"> <li>▫ 60-day asset verification required</li> <li>▫ Deposits &gt; 50% of gross income must be documented on purchases.</li> </ul>

Tradelines	<ul style="list-style-type: none"> <li>▫ Each borrower must have a min of 3 traditional tradelines rated for at least 12 months.</li> <li>▫ At least 3 trades must reflect an acceptable payment history – no exceptions.</li> <li>▫ Closed accounts may be used to satisfy the min tradeline requirements if payment history is acceptable.</li> <li>▫ Deferred accounts (w/o payment history) cannot be used to meet the min requirement.</li> </ul>	Reserves	<ul style="list-style-type: none"> <li>▫ ≤ \$500,000 = 3 months PITIA</li> <li>▫ &gt; \$500,000 to \$1,500,000 = 6 months PITIA</li> <li>▫ &gt; \$1,500,000 to \$2,500,000 = 9 months PITIA</li> <li>▫ &gt; \$2,500,000 to \$3,500,000 = 12 months PITIA</li> <li>▫ Cash-out proceeds may be used to satisfy reserves.</li> <li>▫ Borrowers owning multiple financed properties require an additional 2 months of the subject properties PITIA in total (not per additional REO)</li> </ul>
	<ul style="list-style-type: none"> <li>▫ If borrower does not have sufficient credit reference in the U.S., foreign credit reference may not be used, and the loan will be ineligible.</li> <li>▫ Borrower who do not meet the requirements above are ineligible.</li> <li>▫ Tradeline requirements are not waived when the Primary has 3 credit scores.</li> </ul>		Gift Funds
	Housing/Rental History	<ul style="list-style-type: none"> <li>▫ 0x30x12</li> <li>▫ FT HB 0x30x24</li> </ul>	First Time Home Buyers
Age of Documentation	<ul style="list-style-type: none"> <li>▫ Credit reports must be dated within 120 days of the Note date.</li> <li>▫ Income and Asset Documentation must be dated</li> </ul>	<ul style="list-style-type: none"> <li>▫ At least 1 borrower must have a 24-month rental history.</li> </ul>	
PPP	<ul style="list-style-type: none"> <li>▫ Not permitted.</li> </ul>	<ul style="list-style-type: none"> <li>▫ When at least one borrower has owned a residential property in the prior 3 years, the FT HB requirements do not apply.</li> </ul>	

Maximum LTV/CLTVs		Standard Doc - Primary Residence		
Credit Score	Loan Amount	Purchase / Rate & Term	Debt Consolidation	Cash-Out Refinance
760	<=1,500,000	90	80	80
	1,500,001 – 2,000,000	90	80	80
	2,000,001 – 2,500,000	80	75	75
	2,500,001 – 3,000,000	80	75	70
	3,000,001 – 3,500,000	75	70	70
740	<=1,500,000	90	80	80
	1,500,001 – 2,000,000	90	80	80
	2,000,001 – 2,500,000	80	75	75
	2,500,001 – 3,000,000	80	75	70
	3,000,001 – 3,500,000	75	70	70
720	<=1,500,000	90	80	80
	1,500,001 – 2,000,000	90	80	80
	2,000,001 – 2,500,000	80	75	75
	2,500,001 – 3,000,000	80	75	70
	3,000,001 – 3,500,000	75	70	70
700	<=1,500,000	85	80	80
	1,500,001 – 2,000,000	80	75	75
	2,000,001 – 2,500,000	80	75	70
	2,500,001 – 3,000,000	75	70	70
	3,000,001 – 3,500,000	75	70	70
680	<=1,500,000	80	75	75
	1,500,001 – 2,000,000	80	75	75
	2,000,001 – 2,500,000	75	70	70
	2,500,001 – 3,000,000	70	65	65
	<=1,000,000	80	75	75
660	1,000,001 – 1,500,000	75	70	70
	1,500,001 – 2,500,000	70	65	65
	< = 1,000,000	75	70	70
640	1,000,001 – 1,500,000	75	70	65
	1,500,001 – 2,000,000	70	65	60
	< = 1,000,000	75	70	70
Occupancy Restrictions - 2 <sup>nd</sup> Home		Occupancy Restrictions – Investment (Business Purpose)		
760+	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix or 85%	760+	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix	
700-759	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix or 80%	700-759	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix	
700+	<i>Cash Out</i> Lesser of LTV in above matrix or 80%	700+	<i>Cash Out</i> Lesser of LTV in above matrix	
640-699	<i>Purchase or Rate &amp; Term</i> Reduce LTV by 5% to a Max of 80%	640-699	<i>Purchase or Rate &amp; Term</i> Reduce LTV by 5% to a Max of	
	<i>Cash Out</i> Reduce LTV in the above matrix by 5%		<i>Cash Out</i> Reduce LTV in the above	
<b>Housing History and Housing Event Seasoning Restrictions</b> Past due balloon: considered a delinquency (1x30) not a housing event, only within 180 days of maturity. Ch.13: use filing date if discharged; use dismissal date if dismissed.				
	1x30x12	2 x 30 x 12	0x60x12	0x90x12 O/O Only
BK/FC/SS/DIL/Mod:	>=48 Mo	>= 36 Mo	>= 24 Mo	>= 12 Mo
Max LTV/CLTV:	90	80	70	65
Max LTV Cash-out	80	75	70	NA
Max Loan Amt:	\$3,500,000	\$3,000,000	2,000,000	\$2,000,000
State Restrictions				

IL counties: Cook, Kane, Peoria and Will: Not permitted for OO and SH – Does not apply to Correspondents.

FL: Non-Permanent Resident Aliens from China are ineligible

NY:

o STRs in the 5 NYC Boroughs are ineligible.

o No 5/6 ARMs on OO loans below the FNMA loan limits.

o Subprime permitted on Fixed Rate only. See guidelines for full details.

MS: LTVs must be reduced by 5%.

HI: Non-licensed State

**General Requirements – Full Doc**

Product Type	40 Yr Fixed; 40-yr Fixed I/O = Max 80% LTV 30-Yr Fixed, 15-Yr Fixed, 5/6 ARM 30-Yr Term Fully Amortizing, 5/6 ARM 30-Yr Term (10-Yrs I/O period), 5/6 ARM 40-Yr Term (10-Yrs I/O period) ARMs not available in MS		
Interest Only	Min Credit Score: 680	Max LTV: 80%	10 year I/O period Must qualify off fully amortizing payment
Loan Amounts	Min: \$125,000 Loan Amounts \$125,000 - \$149,999 require a 5% reduction in LTV	Max: \$3,500,000	
Occupancy	Primary, Second Home, Investment Property (Business Purpose)		
Loan Purpose	Purchase, Rate/Term, Debt Consolidation and Cash Out		
Cash Out	Minimum of six (6) months seasoning from most recent transaction. See guide for details. Max cash-out (defined as cash in hand): • If LTV <= 60% = Unlimited • If LTV > 60% = Max \$750K or unlimited with 18 months reserves exclusive of cash back. o If Express/DU approved, may waive the 18 months reserves for loans < 2M. Condos – Max 75% LTV		
Debt Consolidation	Primary Residence only Max \$5000 cash in hand Minimum 3 months reserves after closing (no additional reserves required for other loan features) Non-mtg debt being paid max \$250K	Non-occupant co-borrowers not permitted. Consumer debt max 0x60x6 Total debt savings 10% or greater Recoup closing costs in 60	
2-1 Temporary Buydown Purchase Option	Minimum Score 680 Max LTV 80% Max DTI 50% Qualify off Full Payment (Note Rate) O/O, 2nd Home and Investment Properties.	Eligible w/Select Prime Full & Alt Doc, ITIN to 80% LTV and DSCR 1-4 Units only. Not eligible for Mixed Use, or FN. Available on 30-Yr Fixed Term only.	Seller or Builder Funded Only for Wholesale Broker Clients. Lender Paid or 3rd Party Buydowns (Excluding Real Estate Agents, Brokerages, Borrower, or relatives) are permitted for Correspondent Clients only. See Guides for Max Interested Party Contribution Limits.
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. 2 <sup>nd</sup> Appraisal required for loans > \$2,000,000. Appraisal Review Product to be ordered on all loans with an SSR over 2.5 with the exception of those with a full second appraisal.		
Property Type	Single Family, Attached, Detached, Condominiums, 2-4 Unit Condotels		
Condo and 2-4 Unit LTV Limits	Condos – Warrantable / Non-Warrantable o Purchase & Rate/Term: Max 85% LTV o Cash-out: 75% LTV 2-4 Units: Max 80% LTV		
Condotel	<u>NOO Purchase or Rate/Term</u> 700+ Max 75%LTV 680-699 Max 70% LTV <u>NOO Cash Out</u> 700+ Max 65% LTV 680-699 Max 60% LTV	Max Loan Amount \$1,500,000 Minimum 6 months reserves Minimum 400 square feet Must have full kitchen & 1 separate bedroom.	Must be in a resort area or affiliated with a national hotel chain.
Declining Markets	Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.		
Rural Property	Rural properties (as defined in the Guides) permitted for OO only, up to 80% LTV; Max 20 acres		

**Income Requirements – Full Doc**

Wage/Salary: Paystubs, W-2, 2 Years or 1 Year of Tax Returns, IRS Form 4506

Self-Employed: 2 Years or 1 Year of Personal and Business Tax Returns, YTD P&L, IRS Form 4506, 2 months of most recent bank statements

Verbal VOE required within 10-days of Note Date for wage earners; 30 days for self-employed borrowers

**Underwriting Requirements – Full Doc**

Credit Score	Middle of 3 scores or lower of 2 for Primary Income- Earner. Additional borrowers must have a minimum score of 540.	DTI Requirements	Max 50% 40 Yr Fixed Must Qualify as a 30-Yr at <=55% DTI.
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Tradelines	<ul style="list-style-type: none"> <li>▫ Primary wage earner has 3 scores; or</li> <li>▫ 2 open and reporting 24-months; or</li> <li>▫ 3 open and reporting 12-months; or</li> <li>▫ 24-months mortgage rating reporting on credit</li> <li>▫ NOTE: ITINs must follow trade requirements in ITIN section of guide</li> </ul>	Residual OO and 2 <sup>nd</sup> Homes only	<ul style="list-style-type: none"> <li>▫ Defined as Gross Monthly Income – Total Monthly Obligations.</li> <li>▫ Requirement based on # in household.</li> <li>▫ Applies to HPML loans or when the DTI &gt; 43% on OO and 2<sup>nd</sup> homes only:</li> <li>▫ 1 person = \$1,500</li> <li>▫ 2 persons = \$2,500</li> <li>▫ Add \$150 per additional household member</li> </ul>
Assets	<ul style="list-style-type: none"> <li>▫ 30-day asset verification required</li> <li>▫ Deposits &gt; 50% of gross income must be documented on purchases</li> </ul>		
Gift Funds	<ul style="list-style-type: none"> <li>▫ Gift funds permitted provided borrower meets minimum contribution:</li> <li>▫ 5% primary</li> <li>▫ 10% second home/investment</li> <li>▫ Gift funds not permitted to be used towards reserves.</li> <li>▫ 100% of down payment and closing cost may come from gifted funds for OO and SH with a 5% reduction in LTV to a max of 80%.</li> </ul>	Reserves	<ul style="list-style-type: none"> <li>▫ &lt;= \$500,000 = 3 months PITIA w/LTV &lt;= 80%</li> <li>▫ &lt;= \$500,000 = 6 months PITIA w/LTV &gt; 80%</li> <li>▫ &gt; \$500,000 to \$1,500,000 = 6 months PITIA</li> <li>▫ &gt; \$1,500,000 to \$2,500,000 = 9 months PITIA</li> <li>▫ &gt; \$2,500,000 to \$3,500,000 = 12 months PITIA</li> <li>▫ Cash-out proceeds may be used to satisfy reserves.</li> <li>▫ Debt consolidation = 3 months PITIA</li> <li>▫ NON-PERM: When qualifying with US credit, min 6 months reserves; with foreign credit, min 12 months reserves.</li> </ul>
FTHB	<ul style="list-style-type: none"> <li>▫ Permitted to a maximum loan size of \$1.5m on O/O, 2<sup>nd</sup> Home, and NOO.</li> </ul>	Prepayment Penalty	<ul style="list-style-type: none"> <li>▫ Required on Investment Properties when permitted.</li> <li>▫ See PPP Requirements Matrix.</li> <li>▫ No PPP – Correspondent Only</li> </ul>
Age of Documentation	<ul style="list-style-type: none"> <li>▫ Credit reports must be dated within 120 days of the Note date.</li> <li>▫ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>		
<b>Full Doc</b> Follow standard guidelines where silent in this section.			
Underwriting Method	<ul style="list-style-type: none"> <li>▫ DU Approve Eligible and Approve/Ineligible</li> <li>▫ Ineligibility only due to loan size or feature, such as IO.</li> <li>▫ Loan may not be ineligible due to risk factors</li> </ul>	Income	<ul style="list-style-type: none"> <li>▫ Follow program documentation requirements.</li> <li>▫ Follow program DTI restrictions.</li> <li>▫ Transcripts required for number of years of income used to qualify on Full Doc loans.</li> </ul>
Credit	<ul style="list-style-type: none"> <li>▫ Follow AUS with the exception of housing history must be 0x30x12 and no extenuating circumstances for BK/Housing event</li> </ul>	Reserves	<ul style="list-style-type: none"> <li>▫ LTVs &gt; 85%:</li> <li>▫ Up to \$1.5M with 760+ Score = 6 months PITIA</li> <li>▫ LTV &lt;= 85%:</li> <li>▫ Loans &lt;= \$2,000,000 follow DU Findings</li> <li>▫ Loans &gt; \$2,000,000 must meet product reserve requirements.</li> </ul>
Eligibility	<ul style="list-style-type: none"> <li>▫ 740-759 Score &gt; 85% LTV not eligible; follow standard program requirements</li> </ul>		
Loans with a Non- Occupant Co-Borrower	Ratios for the Occupying Borrower and Non-Occupant Co-Borrower may be blended provided FNMA requirements are	Appraisals / Property	<ul style="list-style-type: none"> <li>▫ Reduced Condo Reviews not permitted.</li> </ul>
		Age of Documentation	<ul style="list-style-type: none"> <li>▫ Credit reports must be dated within 120 days of the Note date.</li> <li>▫ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>

Maximum LTV/CLTVs		Bank Statements and 1099 - Primary Residence		
Credit Score	Loan Amount	Purchase/Rate and Term	Debt Consolidation	Cash-Out Refinance
760	<=1,500,000	90	80	80
	1,500,001 – 2,000,000	90	80	80
	2,000,001 – 2,500,000	80	75	75
	2,500,001 – 3,000,000	80	75	70
	3,000,001 – 3,500,000	75	70	70
740	<= \$1,000,000	90	80	80
	<=1,500,000	90	80	80
	1,500,001 – 2,000,000	90	80	80
	2,000,001 – 2,500,000	80	75	75
	2,500,001 – 3,000,000	80	75	70
720	3,000,001 – 3,500,000	75	70	70
	<=1,500,000	90	80	80
	1,500,001 – 2,000,000	90	80	80
	2,000,001 – 2,500,000	80	75	75
	2,500,001 – 3,000,000	80	75	70
700	3,000,001 – 3,500,000	75	70	70
	<=1,500,000	85	80	80
	1,500,001 – 2,000,000	80	75	75
	2,000,001 – 2,500,000	80	75	70
	2,500,001 – 3,000,000	75	70	70
680	3,000,001 – 3,500,000	75	70	70
	<=1,500,000	80	75	75
	1,500,001 – 2,000,000	80	75	75
	2,000,001 – 2,500,000	75	70	70
660	2,500,001 – 3,000,000	70	65	65
	<=1,000,000	80	75	75
	1,000,001 – 1,500,000	75	70	70
640	1,500,001 – 2,000,000	70	65	65
	<= 1,000,000	75	70	70
	1,000,001 – 1,500,000	75	70	65
	1,500,001 – 2,000,000	70	65	60
<b>Occupancy Restrictions - 2<sup>nd</sup> Home</b>		<b>Occupancy Restrictions – Investment (Business Purpose)</b>		
760+	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix or 85%	760+	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix or	
700-759	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix or 80%	700-759	<i>Purchase or Rate &amp; Term</i> Lesser of LTV in above matrix or	
700+	<i>Cash Out</i> Lesser of LTV in above matrix or 80%	700+	<i>Cash Out</i> Lesser of LTV in above matrix or	
640-699	<i>Purchase or Rate &amp; Term</i> Reduce LTV by 5% to a Max of 80%	640-699	<i>Purchase or Rate &amp; Term</i> Reduce LTV by 5% to a Max of	
	<i>Cash Out</i> Reduce LTV in above matrix by 5%		<i>Cash Out</i> Reduce LTV in above matrix by 5%	
<b>Housing History and Housing Event Seasoning Restrictions</b>				
Past due balloon: considered a delinquency (1x30) not a housing event, only within 180 days of maturity. <i>Ch. 13: use filing date if discharged; use dismissal date if dismissed.</i>				
Housing History	1x30x12	2 x 30 x 12	0x60x12	0x90x12 O/O Only
BK/FC/SS/DIL/Mod:	>=48 Mo	>= 36 Mo	>= 24 Mo	>= 12 Mo
Max LTV/CLTV:	90	80	70	65
Max LTV Cash-out	80	75	70	NA
Max Loan Amt:	\$3,500,000	\$3,000,000	2,000,000	\$2,000,000
<b>State Restrictions</b>				

<ul style="list-style-type: none"> <li>IL counties: Cook, Kane, Peoria and Will: Not permitted for OO and SH – Does not apply to Correspondents.</li> <li>FL: Non-Permanent Resident Aliens from China are ineligible</li> <li>NY: <ul style="list-style-type: none"> <li>o STRs in the 5 NYC Boroughs are ineligible.</li> <li>o No 5/6 ARMs on OO loans below the FNMA loan limits.</li> <li>o Subprime permitted on Fixed Rate only. See guidelines for full details.</li> </ul> </li> <li>MS: LTVs must be reduced by 5%.</li> <li>HI: Non-licensed State</li> </ul>		
<b>General Requirements – Alt Doc</b>		
Product Type	<ul style="list-style-type: none"> <li>40 Yr Fixed, 40-yr Fixed I/O = Max 80% LTV</li> <li>30-Yr Fixed, 15-Yr Fixed</li> <li>5/6 ARM 30-Yr Term Fully Amortizing, 5/6 ARM 30-Yr Term (10-Yrs I/O period), 5/6 ARM 40-Yr Term (10-Yrs I/O period)</li> <li>ARMs not available in MS</li> </ul>	
Interest Only	<ul style="list-style-type: none"> <li>Min Credit Score: 680</li> </ul>	<ul style="list-style-type: none"> <li>Max LTV: 80%</li> <li>10 year I/O period</li> <li>Must qualify off fully amortizing payment</li> </ul>
Loan Amounts	<ul style="list-style-type: none"> <li>Min: \$125,000 no exceptions</li> <li>Max: \$3.5M</li> <li>Loan Amounts \$125,000 - \$149,999 require a 5% reduction in LTV</li> </ul>	
Occupancy	<ul style="list-style-type: none"> <li>Primary, Second Home, Investment Property (Business Purpose)</li> </ul>	
Loan Purpose	<ul style="list-style-type: none"> <li>Purchase, Rate/Term, and Cash Out</li> </ul>	
Cash Out	<ul style="list-style-type: none"> <li>Minimum of 6 (six) months seasoning from most recent transaction. See guide for details.</li> <li>Condos – Max 75% LTV</li> <li>Max cash-out (defined as cash in hand): <ul style="list-style-type: none"> <li>LTV &lt;= 60% = Unlimited</li> <li>LTV &gt; 60% = Max \$750K or unlimited with 18 months reserves exclusive of cash back; or</li> <li>If Express (DU) approved, may waive the 18 months reserves for loans &lt; \$2M.</li> </ul> </li> </ul>	
Debt Consolidation	<ul style="list-style-type: none"> <li>Primary Residence only</li> <li>Max \$5,000 cash in hand</li> <li>Minimum 3 months reserves after closing (no additional reserves required for other loan features)</li> <li>Non-mtg debt being paid max \$250K.</li> </ul>	<ul style="list-style-type: none"> <li>Non-occupant co-borrowers not permitted.</li> <li>Consumer debt max 0x60x6</li> <li>Total debt savings 10% or greater recoup closing costs in 60 months.</li> </ul>
2-1 Temporary Buydown Purchase Only Option	<ul style="list-style-type: none"> <li>Eligible w/Select Prime Full &amp; Alt Doc (Bank Statement Only); ITIN to 80% LTV and Investor DSCR 1-4 Units.</li> <li>Minimum Score 680</li> <li>Max LTV 80%</li> <li>Max DTI 50%.</li> </ul>	<ul style="list-style-type: none"> <li>Qualify off Full Payment (Note Rate)</li> <li>O/O, 2<sup>nd</sup> Home and Investment Properties.</li> <li>Available on 30-year Fixed Term only</li> <li>Not eligible for Mixed Use, or FN.</li> <li>Seller or Builder Funded Only</li> </ul>
Appraisals	<ul style="list-style-type: none"> <li>FNMA Form 1004, 1025, 1073 with interior/exterior inspection.</li> <li>2<sup>nd</sup> Appraisal required for loans &gt; \$2,000,000.</li> <li>Appraisal Review Product to be ordered on all loans with an SSR over 2.5 with the exception of those with a full second appraisal.</li> </ul>	
Property Type	<ul style="list-style-type: none"> <li>Single Family, Attached, Detached, Condominiums, 2-4 Units, Condotel</li> </ul>	
Condo and 2-4 Unit LTV Limits	<ul style="list-style-type: none"> <li>Condos – Warrantable / Non-Warrantable <ul style="list-style-type: none"> <li>Purchase &amp; Rate/Term: Max 85% LTV</li> <li>Cash-out: 75% LTV</li> </ul> </li> <li>2-4 Units: Max 80% LTV</li> </ul>	
Condotel	<ul style="list-style-type: none"> <li><u>NOO Purchase or Rate/Term</u></li> <li>700+ Max 75%LTV</li> <li>680-699 Max 70% LTV</li> <li><u>NOO Cash Out</u></li> <li>700+ Max 65% LTV</li> <li>680-699 Max 60% LTV</li> </ul>	<ul style="list-style-type: none"> <li>Max Loan Amount \$1,500,000</li> <li>Minimum 6 months reserves</li> <li>Minimum 400 square feet</li> <li>Must have full kitchen &amp; 1 separate bedroom.</li> <li>Must be in a resort area or affiliated with a national hotel chain</li> </ul>
Declining Markets	<ul style="list-style-type: none"> <li>Declining markets, as identified by the appraiser, require a 5% LTV reduction off</li> </ul>	
Rural Property	<ul style="list-style-type: none"> <li>Rural properties (as defined in the Guides) permitted for OO only, up to 80% LTV; Max</li> </ul>	
<b>Income Requirements – Alt Doc</b>		
Personal Bank Statements	<ul style="list-style-type: none"> <li>24 or 12-months of Personal and 2-months of business bank statements.</li> <li>Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements.</li> <li>The business bank statements must reflect business activity and transfers to the personal account.</li> <li>Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment)</li> </ul>	

Business Bank Statements / Co- Mingled Bank Statements	<ul style="list-style-type: none"> <li>▫ 24 or 12-months of business bank statements. Qualifying income is determined by ONE of the following analysis methods: <ul style="list-style-type: none"> <li>○ Fixed Expense Ratio (50%); OR</li> <li>○ Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%, OR</li> <li>○ 3rd party prepared Profit &amp; Loss Statement (CPA or EA).</li> </ul> </li> <li>▫ Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment)</li> </ul>		
P&L and 2 Months Bank Statements	<ul style="list-style-type: none"> <li>▫ 24 or 12-month P&amp;L, prepared by CPA or EA or PTIN licensed Tax Preparer.</li> <li>▫ Minimum of 2-months business bank statements</li> <li>▫ Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment)</li> <li>▫ Minimum 760 score required for &gt; 85% LTV to Max \$1.5M</li> </ul>		
P&L Only	<ul style="list-style-type: none"> <li>▫ Max Loan Amount \$1,500,000</li> <li>▫ 700+ Score: Max LTV is the lesser of the LTV on the Matrix or 80% Owner Occupied; 75% NOO and 2<sup>nd</sup> Home.</li> <li>▫ 680-699 Score: Max LTV is the lesser of the LTV on the Matrix or 75% Owner Occupied; 70% NOO and 2<sup>nd</sup> Home.</li> <li>▫ 24- or 12-month P&amp;L; prepared by CPA/EA or Tax Preparer. CPA/EA/Tax Preparer must also attest to having prepared the borrower's most recent tax returns. Verbal verification of P&amp;L is required prior to closing.</li> <li>▫ Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history.</li> <li>▫ Not permitted with Express or for licensed professionals with a business in existence for one year.</li> </ul>		
IRS Form 1099	<ul style="list-style-type: none"> <li>▫ 2-Years or 1-Year 1099</li> <li>▫ &gt; 85% LTV up to \$1.5M</li> <li>▫ Fixed Expense Ratio of 10%</li> </ul>	<ul style="list-style-type: none"> <li>▫ YTD Documentation to support continued receipt of income from same source, is required only when the most recent 1099 is &gt;90 days from the note date.</li> </ul>	
Tip Income	<p>Sample target borrower: restaurant server, bartender, cabdriver, etc.</p> <ul style="list-style-type: none"> <li>▫ Must have a history of receipt of at least one full year without gaps in employment.</li> <li>▫ WVOE with 2+ Months Bank Statements with 680 score to 80% LTV</li> <li>▫ May not be employed by a family members or related individuals.</li> </ul>		
WVOE	<ul style="list-style-type: none"> <li>▫ WVOE – FNMA 1005 completed with the past 2 years of income/employment. Form must be completed by Human Resources, Payroll, or an Officer of the Company.</li> <li>▫ Two (2) most recent months of bank statements reflecting deposits from the employment verified via the WVOE in both statements. The deposits must support at least 65% of the gross wages reflected on the WVOE.</li> <li>▫ Verification of delivery and receipt of the FNMA Form 1005 must comprise the following form of documentation: Physical mail, Fed-Ex, facsimile, or email communication. Physical mail, Fed-Ex, and facsimile must come directly from the employer's address. An email communication must properly identify the Company representative.</li> <li>▫ One-year history with the same employer with minimum two (2) years in the same line of work.</li> <li>▫ Minimum credit score of 680.</li> <li>▫ One-year 0x30 housing history is required; borrowers without a housing history must qualify under a different documentation type.</li> <li>▫ OO Max 80% LTV; SH and NOO Max 75% LTV.</li> <li>▫ Borrowers may not be employed by family members or related individuals.</li> <li>▫ W2s, Tax Returns, Paystubs, 4506-C are not required.</li> <li>▫ Borrowers can have no other active source of income; passive income such as rental income may be included.</li> </ul>		
Asset Utilization	<ul style="list-style-type: none"> <li>▫ Eligible assets divided by 60 to determine a monthly income stream; or if &lt;=60% DTI without using assets for income, divide eligible assets by 36 months to determine qualifying income (sourced and seasoned for 4-months).</li> <li>▫ Purchase/Rate &amp; Term: <ul style="list-style-type: none"> <li>○ &lt;= 85% LTV – follow LTV limits per the matrix</li> <li>○ &gt; 85%LTV – permitted per the matrix provided the DTI is &lt;=60% without using assets for income.</li> </ul> </li> <li>▫ Cash Out: follow LTV limits per the matrix.</li> <li>▫ ITIN: allowed - See Alt Doc ITIN section for limitations.</li> </ul>		
Less than 2 years Self Employment options	<ul style="list-style-type: none"> <li>▫ OPTION 1: S/E 18+ months with 3+yrs prior experience in the same line of business.</li> <li>▫ OPTION 2: Licensed Professional (medical, legal, accounting, etc.) with 12+ months business existence provided 3+yrs prior experience in the same line of work or evidence of formal education in related field.</li> </ul> <p>For both Option 1 and Option 2, the following requirements apply:</p> <ul style="list-style-type: none"> <li>▫ Minimum Score: 700</li> <li>▫ Max LTV: 80% OO / 75% 2<sup>nd</sup> Home / 70% NOO</li> <li>▫ Not available for P&amp;L only documentation type</li> <li>▫ Not available for Select Prime Express</li> </ul>		
<b>Underwriting Requirements – Alt Doc</b>			
Credit Score	<ul style="list-style-type: none"> <li>▫ Middle of 3 scores or lower of 2 for Primary Income Earner.</li> <li>▫ Additional borrowers must have a min score of 540.</li> </ul>	DTI Requirements	<ul style="list-style-type: none"> <li>▫ Max 50%</li> <li>▫ 40 Yr Fixed Must Qualify as a 30-Yr at &lt;=55% DTI.</li> </ul>
Tradelines	<ul style="list-style-type: none"> <li>▫ Primary wage earner has 3 scores; or</li> <li>▫ Min 2 open &amp; reporting 24-months; or</li> <li>▫ 3 open and reporting 12-months; or</li> <li>▫ 24-months mortgage rating reporting on credit</li> </ul>	Residual OO and 2 <sup>nd</sup> Homes only	<ul style="list-style-type: none"> <li>▫ Defined as Gross Monthly Income – Total Monthly Obligations.</li> <li>▫ Requirement based on # in household.</li> <li>▫ Applies to HPML loans or when the DTI &gt; 43% on OO and 2nd homes only:</li> <li>▫ 1 person = \$1,500</li> <li>▫ 2 persons = \$2,500</li> <li>▫ Add \$150 per additional household member.</li> </ul>

Assets	<ul style="list-style-type: none"> <li>▣ 30-days asset verification required</li> <li>▣ Deposits &gt; 50% of gross income or average deposits on a bank statement loan must be documented on purchases.</li> </ul>	Reserves	<ul style="list-style-type: none"> <li>▣ &lt;= \$500,000 = 3 months PITIA w/LTV &lt;= 80%</li> <li>▣ &lt;= \$500,000 = 6 months PITIA w/LTV &gt; 80%</li> <li>▣ &gt; \$500,000 to \$1,500,000 = 6 months PITIA</li> <li>▣ &gt; \$1,500,000 to \$2,500,000 = 9 months PITIA</li> <li>▣ &gt; \$2,500,000 to \$3,500,000 = 12 months PITIA</li> <li>▣ Cash-out proceeds may be used to satisfy reserves.</li> <li>▣ NON-PERM: When qualifying with US credit, min 6 months reserves; with foreign credit, min 12 months reserves.</li> </ul>
Gift Funds	<ul style="list-style-type: none"> <li>▣ Gift funds permitted provided borrower meets minimum contribution:</li> <li>▣ 5% primary</li> <li>▣ 10% second home/investment</li> <li>▣ Gift funds not permitted to be used towards reserves.</li> <li>▣ 100% of down payment and closing cost may come from gifted funds for OO and SH with a 5% reduction in LTV to a max of 80%.</li> </ul>	Prepayment Penalty	<ul style="list-style-type: none"> <li>▣ Required on Investment Properties when permitted.</li> <li>▣ See PPP Requirements Matrix</li> <li>▣ No PPP – Correspondent Only</li> </ul>
		Age of Documentation	<ul style="list-style-type: none"> <li>▣ Credit reports must be dated within 120 days of the Note date.</li> <li>▣ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>
FTHB	Permitted to a maximum loan size of \$1.5m		
<b>Alt Doc</b> Follow standard guidelines where silent in this section.			
Underwriting Method	<ul style="list-style-type: none"> <li>▣ DU Approve Eligible and Approve/Ineligible</li> <li>▣ Ineligibility only due to loan size or feature, such as IO.</li> </ul>	Income	<ul style="list-style-type: none"> <li>▣ Follow program documentation requirements.</li> <li>▣ Follow program DTI restrictions.</li> <li>▣ P&amp;L Only not permitted.</li> <li>▣ One-Year Self Employed professionals not permitted.</li> </ul>
Credit	<ul style="list-style-type: none"> <li>▣ Follow AUS with the exception of housing history must be 0x30x12 and no extenuating circumstances for</li> <li>▣ 740-759 Scores and &gt; 85% LTV not eligible; follow standard program requirements</li> </ul>	Reserves	<ul style="list-style-type: none"> <li>▣ LTVs &gt; 85%:</li> <li>▣ Up to \$1.5M with 760+ Score = 6 months PITIA LTV &lt;= 85%:</li> <li>▣ Loans &lt;= \$2,000,000 follow DU Findings</li> <li>▣ Loans &gt; \$2,000,000 must meet product reserve requirements.</li> </ul>
Eligibility			
Loans with a Non-Occupant Co-Borrower	<ul style="list-style-type: none"> <li>▣ Ratios for the Occupying Borrower and Non- Occupant Co-Borrower may be blended provided FNMA requirements are</li> </ul>	Appraisals / Property	<ul style="list-style-type: none"> <li>▣ Reduced Condo Reviews not permitted.</li> </ul>
		Age of Documentation	<ul style="list-style-type: none"> <li>▣ Credit reports must be dated within 120 days of the Note date.</li> <li>▣ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>

Maximum LTV/CLTVs		>=1.00 DSCR*		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
740	125,000 - < 150,000	80	80	75
	150,000 - 1,000,000	85	80	75
	1,000,001 – 1,500,000	85	75	70
	1,500,001 – 2,000,000	75	75	60
	2,000,001 – 2,500,000	70	70	60
	2,500,001 – 3,000,000	70	70	60
720	125,000 - <150,000	80	80	75
	150,000 - 1,000,000	85	80	75
	1,000,001 – 1,500,000	85	75	70
	1,500,001 – 2,000,000	75	75	60
	2,000,001 – 2,500,000	70	70	60
	2,500,001 – 3,000,000	70	70	60
700	<=1,500,000	75	75	70
	1,500,001 – 2,000,000	70	70	60
	2,000,001 – 2,500,000	70	70	60
	2,500,001 – 3,000,000	70	70	60
680	<=1,500,000	75	75	70
	1,500,001 – 2,000,000	70	70	60
	2,000,001 – 2,500,000	70	70	60
660	<=1,000,000	70	70	65
	1,000,001 – 1,500,000	65	65	60
	1,500,001 – 2,000,000	60	60	55
640 – 659	<=1,000,000	65	65	60
	1,000,001 – 1,500,000	60	60	55
	1,500,001 – 2,000,000	55	55	50
Maximum LTV/CLTVs		< 1.00 DSCR* Note Minimum DSCR is .75		
740	<=1,000,000	75	75	70
	1,000,001 – 1,500,000	75	75	70
	1,500,001 – 2,000,000	75	75	60
720	<=1,000,000	75	75	70
	1,000,001 – 1,500,000	70	70	65
	1,500,001 – 2,000,000	65	65	NA
700	<=1,000,000	75	75	70
	1,000,001 – 1,500,000	70	70	65
	1,500,001 – 2,000,000	65	65	NA
680	<=1,000,000	65	65	60
Maximum LTV/CLTV		No Ratio		
740	<=1,000,000	75	75	65
	1,000,001 – 1,500,000	70	70	60
	<=1,000,000	70	70	60
720	1,000,001 – 1,500,000	65	65	60
	<=1,000,000	65	65	60
700	1,000,001 – 1,500,000	65	65	60
Housing History		Housing Event Seasoning		Property Type Restrictions
<ul style="list-style-type: none"> <li>10x30x12 – No reduction</li> <li>1x30x12: <ul style="list-style-type: none"> <li>o 5% LTV reduction</li> <li>o Past due balloon will be considered a delinquency (1x30) not a housing event, only if within 180 days of maturity.</li> <li>o 1x30 not permitted on No Ratio</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>BK/FC/SS/DIL/Mod: <ul style="list-style-type: none"> <li>o &gt;=36 Mo – No reduction</li> <li>o &gt;=24 Mo – Max 75% LTV Purchase &amp; Max 70% LTV Rate/Term &amp; Cash-out</li> <li>o Discharged Ch 13, use filing date; min 1yr discharged.</li> <li>o Dismissed Ch 13, use dismissal date. No Ratio: <ul style="list-style-type: none"> <li>o Requires 3+ years from a housing event.</li> <li>o Multiple BKs not permitted.</li> <li>o Chapter 13s must be discharged or dismissed 24+ months.</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>o 1-4 Units :</li> <li>o Purchase ONLY to 85%</li> <li>o 2 Units - Refinance: <ul style="list-style-type: none"> <li>o Max LTV/CLTV: 80%</li> <li>o 3-4 Units - Refinance: <ul style="list-style-type: none"> <li>o &gt;= 1.00 DSCR = Max LTV 75%</li> <li>o &lt; 1.00 DSCR = Max LTV 70%</li> </ul> </li> </ul> </li> <li>o Condos: <ul style="list-style-type: none"> <li>o Ineligible for &gt; 80% LTV</li> <li>o 720+ Purchase/R&amp;T: Max 80%</li> <li>o &lt; 720 Purchase/R&amp;T: Max 75%</li> <li>o 720+ Cash Out: Max 75%</li> <li>o &lt; 720 Cash Out: Max 70%</li> </ul> </li> </ul>		
State Restrictions				
<ul style="list-style-type: none"> <li>o FL: Non-Permanent Resident Aliens originating from China are ineligible</li> <li>o HI: Non-licensed State.</li> <li>o NY: <ul style="list-style-type: none"> <li>o STRs in the 5 NYC Boroughs are ineligible.</li> <li>o No 5/6 ARMs on OO loans below the FNMA loan limits.</li> <li>o Subprime permitted on Fixed Rate only. See guidelines for full details.</li> <li>o MS: LTVs must be reduced by 5%.</li> </ul> </li> </ul>				
General Requirements – Investor				
Product Type	<ul style="list-style-type: none"> <li>o 40-Year Fixed IO = Max 75% LTV</li> <li>o 30-Yr Fixed IO = Max 80% LTV</li> <li>o 30-Yr Fixed, 15-Yr Fixed</li> <li>o Interest only not permitted on No Ratio.</li> <li>o When ARMs are reinstated, ARMs are not permitted in MS or with DSCRs &lt; 1</li> </ul>			
Interest Only	<ul style="list-style-type: none"> <li>o Min Credit Score: 640 when DSCR &gt;= 1%</li> <li>o Min Credit Score: 700 when DSCR &lt; 1%</li> <li>o Interest Only not allowed on No Ratio Loans</li> </ul>	<ul style="list-style-type: none"> <li>o Borrower to qualify using the IO payment based on the qualifying rate (Greater of the fully indexed rate or note rate).</li> </ul>		
Loan Amounts	<ul style="list-style-type: none"> <li>o Min: 75,000</li> <li>o Max \$3,000,000</li> </ul>	<ul style="list-style-type: none"> <li>o Loan Amounts \$75K to &lt; \$100K: <ul style="list-style-type: none"> <li>o Max LTV 65%</li> <li>o 1% DSCR Required</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>o Loan Amounts &gt;=\$100,000 to &lt; \$125,000: <ul style="list-style-type: none"> <li>o Max LTV 75% Purchase/Rate and Term.</li> <li>o Max LTV 70% Cash Out.</li> <li>o 1% DSCR Required</li> </ul> </li> </ul>	
Occupancy	Investment Properties (Business Purpose)			
Loan Purpose	Purchase, Rate/Term, and Cash Out			
2-1 Temporary Buydown Purchase Only Option	<ul style="list-style-type: none"> <li>o Seller Paid Buydown/Concession</li> <li>o Min Score 680</li> <li>o Min DSCR &gt;= .75</li> </ul>	<ul style="list-style-type: none"> <li>o Borrower qualifies at actual rate (pre-buydown).</li> <li>o Lender Paid or 3<sup>rd</sup> Party Paid Buydown (Excluding Real Estate Agents, Brokers, Borrower, or relatives) permitted for Correspondent Clients only.</li> </ul>		
Cash-Out	<ul style="list-style-type: none"> <li>o LTV &gt; 60% - \$500,000 or when DSCR is &gt;= .75</li> <li>o Unlimited cash out permitted with 18 months reserves exclusive of cash back</li> <li>o LTV &lt;=60% - Unlimited</li> </ul>	<ul style="list-style-type: none"> <li>o NOTE: that cash-in-hand limits do not apply to Delayed Financing Transactions</li> <li>o Cash out refinance on properties acquired in the past 12 months require DSCR of .75</li> <li>o Condos in FL max LTV 75%</li> </ul>		
Property Type	<ul style="list-style-type: none"> <li>o Single Family, Attached, 2-4 Units, Warrantable Condo, and Non-Warrantable Condo.</li> <li>o C4 condition rating or better.</li> <li>o Condotel</li> <li>o Rural Properties are not eligible.</li> </ul>			
Condotel	<ul style="list-style-type: none"> <li>o Purchase or Rate/Term: <ul style="list-style-type: none"> <li>o 700 Score / Max LTV 70%</li> <li>o 680 Score / Max LTV 65%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>o Cash Out: <ul style="list-style-type: none"> <li>o 700 Score / Max LTV 65%</li> <li>o 680 Score / Max LTV 60%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>o Min DSCR &gt;= .75</li> <li>o Max Loan Amt: \$1,500,000</li> <li>o Min Reserves: 6 months</li> </ul>	

Appraisals	<ul style="list-style-type: none"> <li>FNMA Form 1004, 1025, 1073 with interior/exterior inspection</li> <li>2<sup>nd</sup> Appraisal required for loan amounts &gt; \$2m on loans with a DSCR &gt; .75.</li> <li>No Ratio loans with loan amounts &gt; \$1,500,000 require 2 appraisals.</li> <li>Appraisal Review Product to be ordered on all loans with an SSR over 2.5 with the exception of those with a full second appraisal.</li> </ul>		
Declining Markets	<ul style="list-style-type: none"> <li>Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.</li> </ul>		
Rural Property (Vacation Areas Only)	<ul style="list-style-type: none"> <li>Properties meeting the rural definition are not allowed.</li> <li>Property up to 2-acres, not meeting the rural definition, eligible with the following restrictions: <ul style="list-style-type: none"> <li>If property is accessible by a gravel road and distance of comparables is &gt; 1 mile away, the property could be considered rural even if it is marked suburban, and then Max LTV is the lesser of 65% LTV or the applicable Matrix LTV.</li> <li>Min DSCR &gt;= 1.00</li> </ul> </li> </ul>		
<b>Income Requirements – Investor DSCR</b>			
Income	<p><b>General Requirements:</b></p> <ul style="list-style-type: none"> <li>All refinance transactions require the property to be leased. Vacant property not eligible with the exceptions of properties leased through short term rental agencies or on certain Delayed Financing loans (see guides for details).</li> <li>Property must not be occupied by any member of the borrower's LLC or any family member.</li> </ul> <p><b>Short Term Rentals:</b></p> <ul style="list-style-type: none"> <li>Defined as properties leased on a nightly, weekly, monthly, or seasonal basis.</li> <li>ALL STRs require evidence from third party vendor (such as Property Guard, Vrolio or equivalent) validating that the governing municipality where the subject STR is located allows properties to be rented as STRs; with the exception of the five (5) New York City Boroughs (Manhattan, Brooklyn, The Bronx, Queens and Staten Island), which are ineligible for purchase by NQM Funding.</li> <li>Not permitted for No Ratio.</li> <li>Max LTV: <ul style="list-style-type: none"> <li>o Lesser of 75% or the LTV/CLTV available per the matrix.</li> <li>o Foreign Nationals: Lesser of 70% or the LTV/CLTV available per the matrix.</li> </ul> </li> </ul> <p><b>DSCR Calculation Methods and Minimum DSCR:</b></p> <ul style="list-style-type: none"> <li><b>Option 1:</b> Lesser of 1007/1025 completed using either long-term or short-term market rents – Min DSCR .75.</li> <li><b>Option 2:</b> When the 1007/1025 is prepared with the use of short-term rentals, the appraiser is required to address the seasonality of the subject property short term rental market in computing the market rent. If the appraiser fails to appropriately address for seasonality, gross rents should be computed using the vacancy factor as determined by the AirDNA Property Earning Report. For example, if the occupancy rate is 60%, a 40% vacancy factor must be applied to the short term rental income from the comparable rent schedule.</li> <li><b>Option 3:</b> For Long Term Rentals, when the actual rent as documented from the lease exceeds market rents, the higher figure may be used with two months proof of receipt of the higher rental income.</li> <li><b>Option 4:</b> AirDNA / Min DSCR 1.15. Available only on purchases or recently renovated refinances</li> </ul> <p>AirDNA's "Revenue Calculator/Property Earning Potential Report" (fka Rentalizer) must meet the following requirements):</p> <ul style="list-style-type: none"> <li>Forecast period must cover 12 months from Note date.</li> <li>Occupancy rate must be &gt;= 50%.</li> <li>Income calculation (AirDNA annual gross revenue ÷ 12)</li> <li>Must have five (5) comparison properties.</li> <li>Must be similar in size, room count, amenities, availability, and occupancy.</li> <li>For 2-4 Units, a report must be pulled on each individual unit in AirDNA, and the sum of all combined units' rental income will be used to determine the DSCR ratio.</li> </ul>		
<b>Underwriting Requirements – Investor DSCR</b>			
Credit Score	Lowest Middle score of all borrowers	DSCR	<ul style="list-style-type: none"> <li>Loan amounts &gt;= \$75K - &lt; \$125K: 1.00.</li> <li>Cash out refinances on properties acquired in the past 12 months: .75.</li> <li>Minimum DSCR .75 unless qualifying using the No Ratio guides.</li> <li>Condotels min DSCR &gt;= .75</li> <li>See matrix for all else.</li> </ul>
Tradelines when DSCR is .75 or greater	<ul style="list-style-type: none"> <li>All borrowers have 3 scores: or</li> <li>Min: 2 open and reporting 24- months; or</li> <li>3 open and reporting 12-months; or</li> <li>24-months mortgage rating reporting on credit</li> </ul>	Reserves (>= .75)	<ul style="list-style-type: none"> <li>Loan Amount to \$500K and &lt;=80% LTV = 3 months of PITIA</li> <li>Loan Amount to \$500K and &gt; 80% LTV = 6 months of PITIA</li> <li>Loan Amount &gt;\$500K to \$2.0M = 6 months of PITIA</li> <li>Loan Amount &gt; \$2.0M = 12 months of PITIA</li> <li>Multi-Family @ 80% LTV requires greater of 6 months or reserves indicated above.</li> <li>Cash out may be used to satisfy requirement</li> </ul>
Tradelines – No Ratio	<ul style="list-style-type: none"> <li>Each borrower must have a minimum of two trades within 24 months that show a 12-month history OR a combined credit profile between both borrowers with a minimum of three tradelines.</li> <li>Tradeline activity is not required.</li> <li>Eligible trades cannot have delinquency in the past 24 months.</li> <li>Current housing not reporting on credit may count as a trade if cancelled checks/debits are provided.</li> </ul>	Reserves – No Ratio	<ul style="list-style-type: none"> <li>Loan Amount &gt;=\$75K to \$500K – 3 months of PITIA</li> <li>Loan Amount &gt; \$500,000 – \$2.0M = 6 months of PITIA</li> <li>Cash out may be used to satisfy requirement</li> </ul>
		Gift Funds	<ul style="list-style-type: none"> <li>Allowed after min 10% borrower contribution.</li> <li>Cannot be used to meet reserve requirements</li> </ul>
		Assets	<ul style="list-style-type: none"> <li>30-day asset verification required</li> </ul>
Investor Experience	Not required	Age of Documentation	<ul style="list-style-type: none"> <li>Credit reports must be dated within 120 days of the Note date.</li> <li>Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>
Prepayment Penalty	<ul style="list-style-type: none"> <li>Required on Investment Properties when permitted.</li> <li>See PPP Requirements Matrix</li> </ul>		

Maximum LTV/CLTVs		2 <sup>nd</sup> Home 2 Year Standard Doc/Asset Utilization (Investment properties reduce LTV by 5%)			
Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out Refi	
700+	<=1,500,000	75	70	65	
	1,500,001 – 2,500,000	70	70	65	
	2,500,001 – 3,000,000	65	65	60	
Foreign Credit	<=1,000,000	70	70	65	
	1,000,001 – 1,500,000	70	70	65	
	1,500,001 – 2,500,000	65	65	60	
	2,500,001 – 3,000,000	60	60	55	
Housing History	Housing Event Seasoning	First Time Investor	Unleased Properties		
0x30x12	BK/FC/SS/DIL/Mod: > 48 Mo	Allowed	Not Allowed on Refinances		
Property Type Restrictions					
Condo & 2-4 Units: Max LTV/CLTV: 70%					
Maximum LTV/CLTVs		DSCR (Investment Only)			
DSCR	Credit Score	Loan Amount	Purchase	R/T Refi	Cash-Out
>=1.00	700+	<=2,000,000	70	70	65
		2,000,001 – 2,500,000	65	65	60
		2,500,001 – 3,000,000	60	60	55
	Foreign Credit	<=2,000,000	70	70	65
		2,000,001 – 2,500,000	65	65	60
		2,500,001 – 3,000,000	55	55	50
Housing History	Housing Event Seasoning	First Time Investor	Unleased Properties		
0x30x12	BK/FC/SS/DIL/Mod: >= 36 Mo	Allowed	Not Allowed on Refinances		
State Restrictions					
<ul style="list-style-type: none"> <li>FL: Foreign Nationals originating from China are ineligible</li> <li>HI: Non-licensed State.</li> <li>IL: counties: Cook, Kane, Peoria, and Will: 2nd Homes not permitted - Does not apply to Correspondents.</li> <li>NY: <ul style="list-style-type: none"> <li>o STRs in the 5 NYC Boroughs are ineligible.</li> <li>o No 5/6 ARMs on OO loans below the FNMA loan limits.</li> <li>o Subprime permitted on Fixed Rate only. See guidelines for full details.</li> </ul> </li> <li>MS: LTVs must be reduced by 5%.</li> </ul>					
General Requirements					
Product Type	<ul style="list-style-type: none"> <li>o 30-Yr Fixed, 15-Yr Fixed, 30-Yr Interest Only</li> <li>o When ARMs are reinstated, ARMs are not available in MS</li> </ul>				
Interest Only	30-Yr Interest Only Available				
Loan Amounts	<ul style="list-style-type: none"> <li>o Min: 150,000 (no exceptions)</li> <li>o Max: 3,000,000</li> </ul>				
Occupancy	<ul style="list-style-type: none"> <li>o Full Doc – 2<sup>nd</sup> Home and Investment Property (Business Purpose)</li> <li>o DSCR – Investment Property (Business Purpose)</li> </ul>				
Loan Purpose	Purchase, Rate/Term, and Cash Out				
Cash-Out	<ul style="list-style-type: none"> <li>o \$750,000 if LTV &gt; 50%</li> <li>o Unlimited for LTV &lt;= 50%</li> </ul>				
Property Type	<ul style="list-style-type: none"> <li>o Single Family, Attached, 2-4 Units, Warrantable and Non-Warrantable Condo, Condotel (See NQM Funding, LLC Guide for Restrictions).</li> <li>o C4 condition rating or better.</li> <li>o Condo &amp; 2-4 Units - Max LTV/CLTV: Purchase and R/T = 70%; Cash-out = 65%</li> </ul>				
Appraisals	<ul style="list-style-type: none"> <li>o FNMA Form 1004, 1025, 1073 with interior/exterior inspection,</li> <li>o 2nd Appraisal required for loan amounts &gt; \$2M.</li> </ul>				
Declining Markets	Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.				
Rural Property (Vacation Areas Only)	<ul style="list-style-type: none"> <li>o Not allowed as defined in the Guidelines.</li> <li>o Property up to 2-acres, not meeting the rural definition, eligible with the following restrictions:</li> <li>o If property is accessible by a gravel road and comparables distance are &gt; 1 mile away, the property could be considered rural even if it is marked suburban, and then Max LTV is the lesser of 65% LTV or the applicable Matrix LTV.</li> </ul>				
Condotel	<ul style="list-style-type: none"> <li>o Full Doc NOO Purchase or Rate/Term</li> <li>o Max 70% LTV</li> <li>o DSCR Purchase or Rate/Term</li> <li>o Max 65% LTV</li> <li>o Full Doc NOO or DSCR Cash Out</li> <li>o Max 60% LTV</li> </ul>	<ul style="list-style-type: none"> <li>o Max Loan Amount \$1,500,000</li> <li>o Minimum 6 months reserves</li> <li>o Minimum 400 square feet</li> <li>o Must have full kitchen &amp; 1 separate bedroom.</li> </ul>	<ul style="list-style-type: none"> <li>o Must be in a resort area or affiliated with a national hotel chain.</li> </ul>		
ACH Form	Automatic Payment Authorization (ACH) Form is required for set-up along with a copy of a cancelled check.				
Income Requirements – Foreign National					
Income – Standard Doc	<ul style="list-style-type: none"> <li>o <u>Salary/Wage</u></li> <li>o Paystubs covering a minimum of 30-days (which include YTD income) and ONE of the following: <ul style="list-style-type: none"> <li>o W-2 equivalent; OR</li> <li>o Two (2) years tax returns from borrower country of origin; OR</li> </ul> </li> <li>o A letter from employer on company letter head providing current monthly salary, YTD earnings and total earnings for the past 2-years. Letter from employer must be on company letterhead, including address and company web address, Employer to be independently verified (LexisNexis, D&amp;B, Google, other). All docs must be translated by an independent certified translator.</li> <li>o <u>Self-Employed</u></li> <li>o Must be self-employed for a minimum of 2 years evidenced by a letter from the borrower's CPA or local equivalent (the "Accountant") on Accountant letterhead. The letter must include income figures for each of the last 2 years and YTD income. A business license (where required) and organization documents should be provided; and</li> <li>o A copy of the Accountant's current license is required. The Business &amp; Accountant must be independently verified; and</li> <li>o All documents must be translated by an independent certified translator.</li> </ul>				



Asset Utilization	<ul style="list-style-type: none"> <li>▫ Eligible assets must be sourced and seasoned for a minimum of four (3) months.</li> <li>▫ Qualified assets and reserves may be deposited in a financial institution outside the U.S. subject to State/LTV restrictions.</li> <li>▫ Eligible assets must be divided by 60 to determine a monthly income stream.</li> </ul>		
Income – DSCR	<p><b>General Requirements:</b></p> <ul style="list-style-type: none"> <li>▫ All refinance transactions require the property to be leased. Vacant property not eligible with the exceptions of properties leased through short term rental agencies or on certain Delayed Financing loans (see guides for details).</li> <li>▫ Property must not be occupied by any member of the borrower's LLC or any family member.</li> </ul> <p><b>Short Term Rentals:</b></p> <ul style="list-style-type: none"> <li>▫ Defined as properties leased on a nightly, weekly, monthly, or seasonal basis.</li> <li>▫ ALL STRs require evidence from third party vendor (such as Property Guard, Vrolio or equivalent) validating that the governing municipality where the subject STR is located allows properties to be rented as STRs; with the exception of the five (5) New York City Boroughs (Manhattan, Brooklyn, The Bronx, Queens and Staten Island), which are ineligible for purchase by NQM Funding.</li> </ul> <p><b>DSCR Calculation Methods and Minimum DSCR:</b></p> <ul style="list-style-type: none"> <li>▫ <b>Option 1:</b> Lesser of 1007/1025 completed using either long-term or short-term market rents – DSCR min 1.00.</li> <li>○ When the 1007/1025 is prepared with the use of short-term rentals, the appraiser is required to address the seasonality of the subject property short term rental market in computing the market rent. If the appraiser fails to appropriately address for seasonality, gross rents should be computed using the vacancy factor as determined by the AirDNA Property Earning Report. For example, if the occupancy rate is 60%, a 40% vacancy factor must be applied to the short term rental income from the comparable rent schedule.</li> <li>○ For Long Term Rentals, when the actual rent as documented from the lease exceeds market rents, the higher figure may be used with two months proof of receipt of the higher rental income.</li> <li>▫ <b>Option 2:</b> 12-month lookback period to determine avg rents or annual or monthly statements from AirBNB or similar service - DSCR min 1.00.</li> <li>▫ <b>Option 3:</b> AirDNA / Min DSCR 1.15. Available only on purchases or recently renovated refinances</li> <li>▫ AirDNA's "Revenue Calculator/Property Earning Potential Report" (fka Rentalizer) must meet the following requirements): <ul style="list-style-type: none"> <li>▫ Forecast period must cover 12 months from Note date.</li> <li>▫ Occupancy rate must be &gt;= 50%.</li> <li>▫ Income calculation (AirDNA annual gross revenue ÷ 12)</li> <li>▫ Must have five (5) comparison properties.</li> <li>▫ Must be similar in size, room count, amenities, availability, and occupancy.</li> <li>▫ For 2-4 Units, a report must be pulled on each individual unit in AirDNA, and the sum of all combined units' rental income will be used to determine the DSCR ratio.</li> </ul> </li> </ul>		
<b>Underwriting Requirements – Foreign National</b>			
Documentation Requirements	<p>Provide borrower's valid and unexpired passport and documentation the borrower is legally present:</p> <ul style="list-style-type: none"> <li>▫ Copy of borrower's unexpired visa OR an I-797 with valid extension dates and I-94</li> <li>▫ Borrowers from countries participating in the visa waiver program are not required to provide a visa.</li> <li>▫ Citizens of Canada traveling to the US do not require nonimmigrant visa.</li> </ul>		
Credit Score	Middle of 3 scores or lower of 2, if available	DTI Requirements	Standard Max 50% (does not apply to DSCR)
Tradelines	Minimum: 2 open and reporting 24-months or 3 open and reporting 12-months even if 3 credit scores are available. See Guide for requirements	Reserves	<ul style="list-style-type: none"> <li>▫ 12-months of PITIA</li> <li>▫ 6-months with 5% LTV reduction.</li> <li>▫ Cash out may be used to satisfy requirement</li> </ul>
Assets	<ul style="list-style-type: none"> <li>▫ 30-days asset verification required for US Based Accounts; 60-days for Foreign Assets</li> <li>▫ Deposits &gt; 50% of gross income must be documented on purchases</li> </ul>	FN – Residual Income 2 <sup>nd</sup> Homes only	<ul style="list-style-type: none"> <li>▫ Defined as Gross Monthly Income – Total Monthly Obligations.</li> <li>▫ Requirement based on # in household.</li> <li>▫ FN: applies to HPML loans or when the DTI &gt; 43% on 2nd homes only: <ul style="list-style-type: none"> <li>▫ 1 person = \$1,500</li> <li>▫ 2 persons = \$2,500</li> <li>▫ Add \$150 per additional household member.</li> </ul> </li> </ul>
Gift Funds	See NQMF Guidelines for Restrictions		
Age of Documentation	<ul style="list-style-type: none"> <li>▫ Credit reports must be dated within 120 days of the note date.</li> <li>▫ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>		
Escrow Impounds	<ul style="list-style-type: none"> <li>▫ Escrow of taxes and insurance are required with ACH payments for all Foreign National Loans.</li> </ul>		
Prepayment Penalty	<ul style="list-style-type: none"> <li>▫ Required on NOO when permitted.</li> <li>▫ See PPP Requirements Matrix</li> </ul>		

Maximum LTV/CLTVs		Full Documentation – Primary Residence				
Credit Score	Loan Amount	Purchase	Rate & Term	Cash-Out	Max DTI	
740	\$3,500,001 - \$4,000,000	70	70	60	38%	
720		65	65	55		
740	\$4,000,001 - \$4,500,000	65	65	55		
720		60	60	50		
740	\$4,500,001 - \$5,000,000	65	65	55		
720		60	60	50		
<b>State Restrictions</b>						
FL: Non-Permanent Resident Aliens from China are ineligible. HI: Non-licensed State. IL counties: Cook, Kane, Peoria, and Will: Not permitted for OO - Does not apply to Correspondents. MS: LTVs must be reduced by 5%.						
<b>Program Description</b>						
Program Description	The Super Jumbo Program is a specialty product for high-net-worth borrowers (Solid and stable income and credit, considerable assets to cover down payment, closing costs and reserves). The collateral must be a prime real estate property within a prime real estate market for the property type.					
Underwriting	Manual Underwriting. Express (DU) is not permitted.					
<b>General Requirements</b>						
Products	30-Year Fixed Fully Amortizing 40-Year Fixed IO					
Interest Only	Purchase, R/T and Cash-Out: allowed per LTV limits in Matrix					
Loan Amounts	Minimum Loan Amount: \$3,500,001					
Income Documentation	1-Yr Full Documentation 2-Yrs Full Documentation					
Borrower Eligibility	Non-Occupant Co-Borrowers are not permitted. First Time Home Buyers are not permitted. ITIN borrowers are not permitted.					
Occupancy	Primary Residence					
Property Types	SFR/PUD 1-Unit SFR with more than one Accessory Dwelling Unit is not permitted. Condo (Warrantable/Non-Warrantable) Max 2 acres No farms/rural properties					
Appraisal Requirements	Two (2) Full Appraisals (interior/exterior) FNMA Form 1004, 1073 with interior/exterior inspection					
Declining Markets	Purchase and R/T: the lesser of matrix LTV or max 65% Cash-Out: the lesser of matrix LTV or max 55%					
Cash-Out	Max cash-out (defined as cash in hand): \$1,500,000. Cash-Out proceeds may not be used to meet reserves					
<b>Income Requirements</b>						
Full Doc Income	W-2, 2 Years or 1 Year, IRS Form 4506 Self-Employed: 2 Years or 1 Year of Personal and Business Tax Returns, YTD P&L, IRS Form 4506, 2 months of most recent bank statements. S/E Borrower must have a minimum of 2 full years in the current business. The business must be in existence and operating for a minimum of 2 full years. Verbal VOE required within 10-days of Note Date for wage earners. 30 days for self-employed borrowers					
<b>Underwriting Requirements Super Jumbo - Full Doc</b>						
Credit Score	Middle of 3 scores or lower of 2 for Primary Income Earner.	DTI Requirements	Max 38%			
		Housing History	0x30x24			
Assets	30-day asset verification required	Escrow Waivers	Not permitted			
Tradelines	Primary wage earner has 3 scores; or Min 2 open & reporting 24-months; or 3 open and reporting 12-months; or 24-months mortgage rating reporting on credit	Reserves	> \$3.5M to \$4.0M: 12 months min PITIA reserves > \$4.0M to \$5.0M: 18 months min PITIA reserves Cash-Out proceeds may not be used to meet reserves.			
Gift Funds	Permitted after 20% contribution towards down payment, closing costs, prepaid and reserves are met from Borrower's own funds.	Age of Documentation	Credit reports must be dated within 120 days of the Note date. Income and Asset Documentation must be dated within 90 days of the Note date.			
Credit Events	>= 48 months	Prepayment Penalty	Not permitted			

Maximum LTV/CLTVs		Alt Documentation – Primary Residence			
Credit Score	Loan Amount	Purchase	Rate & Term	Cash-Out	Max DTI
740	\$3,500,001 - \$4,000,000	70	70	60	38%
720		65	65	55	
740	\$4,000,001 - \$4,500,000	65	65	55	
720		60	60	50	
740	\$4,500,001 - \$5,000,000	65	65	55	
720		60	60	50	
State Restrictions					
FL: Non-Permanent Resident Aliens from China are ineligible. HI: Non-licensed State. IL counties: Cook, Kane, Peoria, and Will: Not permitted for OO - Does not apply to Correspondents. MS: LTVs must be reduced by 5%.					
Program Description					
Program Description	The Super Jumbo Program is a specialty product for high-net-worth borrowers (Solid and stable income and credit, considerable assets to cover down payment, closing costs and reserves). The collateral must be a prime real estate property within a prime real estate market for the property type.				
Underwriting	Manual Underwriting Express (DU) is not permitted.				
General Requirements					
Products	30-Year Fixed Fully Amortizing 40-Year Fixed IO				
Loan Amounts	Minimum Loan Amount: \$3,500,001				
Interest Only	Purchase, R/T and Cash-Out: allowed per LTV limits in Matrix				
Borrower Eligibility	Non-Occupant Co-Borrowers are not permitted. First Time Home Buyers are not permitted. ITIN borrowers are not permitted.				
Occupancy	Primary Residence only				
Property Types	SFR/PUD- 1=Unit Condo (Warrantable/Non-Warrantable) Max 2 acres No farms or rural properties				
Appraisal Requirements	Two (2) Full Appraisals (interior/exterior) FNMA Form 1004, 1073 with interior/exterior inspection				
Declining Markets	Purchase and R/T: the lesser of matrix LTV or max 65% Cash-Out: the lesser of matrix LTV or max 55%				
Cash-Out	Max cash-out (defined as cash in hand): Max \$1,500,000 Cash-Out proceeds may not be used to meet reserves.				
Income Requirements - Super Jumbo – Alt Doc					
Self-Employment	S/E Borrower must have a minimum of 2 full years in the current business. The business must be in existence and operating for a minimum of 2 full years.				
Personal Bank Statements:	24 months of Personal and 2-months of business bank statements. Qualifying income is determined by the total eligible deposits from the 24 months of personal statements divided by the number of statements. The business bank statements must reflect business activity and transfers to the personal account. Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history.				
Business Bank Statements:	24 months of business bank statements. Qualifying income is determined by ONE of the following analysis methods: Fixed Expense Ratio (50%); OR Expense Ratio provided by a 3rd party (CPA or EA) min ratio of 10%, OR 3rd party prepared Profit & Loss Statement (CPA or EA). Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history				
Asset Utilization	Eligible assets divided by 84 to determine a monthly income stream (sourced/seasoned for 3-months) Purchase, Rate/Term and Cash-Out: follow LTV limits in matrix. Maximum loan amount \$5,000,000				
Underwriting Requirements - Super Jumbo - Alt Doc					
Credit Score	Middle of 3 scores or lower of 2 for Primary Income Earner.	DTI Requirements	Max 38%		
		Housing History	0x30x24		
Assets	30-day asset verification required	Escrow Waivers	Not permitted		
Tradelines	Primary wage earner has 3 scores; or Min 2 open & reporting 24-months; or 3 open and reporting 12-months; or 24-months mortgage rating reporting on credit	Reserves	> \$3.5M to \$4.0M: 12 months min PITIA reserves > \$4.0M to \$5.0M: 18 months min PITIA reserves Cash-Out proceeds may not be used to meet reserves.		
Gift Funds	Permitted after 20% contribution towards down payment, closing costs, prepaid and reserves are met from Borrower's own funds.	Age of Documentation	Credit reports must be dated within 120 days of the Note date. Income and Asset Documentation must be dated within 90 days of the Note date.		
Credit Events	>= 48 months	Prepayment Penalty	Not permitted		



ITIN – FULL DOC MATRIX



Maximum LTV/CLTVs		Primary Residence		
Credit Score	Loan Amount	Purchase & R/T	Cash-Out	Number of Units
740	125,000 – 1,500,000	85*	80	1-Unit SFR/PUD, Condo*
	1,500,001 – 2,000,000	80	80	
	2,000,001 - 2,500,000	75	70	
720	125,000 – 1,500,000	85*	80	
	1,500,001 - 2,000,000	80	75	
	2,000,001 – 2,500,000	60	60	
700	125,000 - 1,500,000	85*	80	
	1,500,001 - 2,000,000	70	70	
660	125,000 - 1,500,000	80	75	
640	125,000 - 1,500,000	75	70	
720	125,000 - 1,500,000	80	75	2-4-Units Family Housing
	1,500,001 - 2,000,000	75	60	
700	125,000 - 1,500,000	80	70	
	1,500,001 - 2,000,000	70	60	
680	125,000 - 1,500,000	75	70	
Notes	<ul style="list-style-type: none"> <li>• SFR, PUD, Townhouse: Max 85% LTV</li> <li>• Warrantable Condo* Projects: Max 80% LTV</li> <li>• Non-Warrantable Projects: Max 75% LTV</li> </ul>			
Maximum LTV/CLTVs		Second Home		
Credit Score	Loan Amount	Purchase & R/T	Cash-Out	Number of Units
720	125,000 - 1,500,000	75	70	1-Unit SFR, Condo, PUD
	1,500,001 – 2,000,000	75	60	
700	125,000 – 1,500,000	75	70	
	1,500,001 – 2,000,000	70	60	
660-699	125,000 - 1,500,000	70	65	
Notes	<ul style="list-style-type: none"> <li>• Second Homes: 2-4 Unit Properties are Ineligible</li> <li>• Non-Warrantable Projects: Max 75% LTV</li> </ul>			
Maximum LTV/CLTVs		Investment Property (Business Purpose)		
Credit Score	Loan Amount	Purchase & R/T	Cash-Out	Number of Units
700	125,000 – 1,500,000	75	70	1-4-Units, Condo, PUD
	1,500,001 – 2,000,000	75	70	
	2,000,001 – 2,500,000	70	65	
680	125,000 – 1,500,000	70	65	
	1,500,001 – 2,000,000	70	65	
	2,000,001 – 2,500,000	65	60	
660	125,000 – 1,500,000	70	65	
	1,500,001 – 2,000,000	60	N/A	
Notes	<ul style="list-style-type: none"> <li>• Non-Warrantable Condos: Max 75% LTV</li> </ul>			
ITIN – Full Doc – Overlays				
ITIN Overlays	<ul style="list-style-type: none"> <li>▣ <b>Max Loan Amount:</b> \$2,500,000</li> <li>▣ <b>Eligible Products/Terms:</b> <ul style="list-style-type: none"> <li>○ 5/6 SOFR ARM 30-Yr Term</li> <li>○ 5/6 I/O SOFR ARM 30-Yr</li> <li>○ 30-Yr FRM Full Am &amp; I/O</li> <li>○ 15-Year Fixed Fully Amortizing</li> </ul> </li> <li>▣ <b>I/O:</b> ARMs and 30-Yr FRM= 30-yr Term only</li> <li>▣ <b>Tradelines:</b> <ul style="list-style-type: none"> <li>○ Waived with three (3) scores.</li> <li>○ Spouses may combine trades.</li> <li>○ If no full housing history and has 3 scores, OR when only 2 scores are available: <ul style="list-style-type: none"> <li>▣ 2 open &amp; active trades for 24 months; OR</li> <li>▣ 3 open &amp; active trades for 12 months.</li> </ul> </li> </ul> </li> <li>▣ <b>Housing/Rental History:</b> 0x30x12 plus VOR or VOM</li> <li>▣ <b>Credit Event Seasoning:</b> 4 -years for BK, SS, DIL and 7-years for FCL.</li> <li>▣ <b>Max Cash-Out:</b> <ul style="list-style-type: none"> <li>○ If LTV &gt; 60% = Max \$750K (Not eligible with DU option for unlimited cash-out with 18 months additional reserves).</li> </ul> </li> <li>▣ <b>Ratios and Qualifying:</b> <ul style="list-style-type: none"> <li>○ See Residual Income in the guidelines.</li> </ul> </li> <li>▣ <b>Income Doc Types:</b> <ul style="list-style-type: none"> <li>○ <b>Wage Earner:</b> WVOE, 1-2 yrs W-2, 1-2-yrs 1040s plus transcripts; and WVOE within 10 days from closing.</li> <li>○ If FNMA DU Validation electronic vendor VOE w/Income is provided, then transcript is not required.</li> <li>○ No eligible for Express (DU)</li> <li>○ <b>Self-Employed Borrower:</b> 1-2-yrs 1040s plus transcripts; YTD P&amp;L, plus 2-mos bank statements good thru the P&amp;L period end date, transcripts; K-1s and Schedule E for business entities prior 1-2 yrs is &gt;=25% ownership. Business Verification required within 30 days from closing.</li> </ul> </li> <li>▣ <b>Gift Funds:</b> <ul style="list-style-type: none"> <li>○ Gift funds not permitted on NOO.</li> </ul> </li> <li>▣ <b>Property Restrictions:</b> <ul style="list-style-type: none"> <li>○ Condo Warrantable – Max 80% LTV</li> <li>○ Condo Non-Warrantable – Max 75% LTV</li> </ul> </li> </ul>			

**ITIN – ALT DOC Matrix**

Maximum LTV/CLTVs		Primary Residence		
Credit Score	Loan Amount	Purchase & R/T	Cash-Out	Number of Units
740	125,000 - 1,500,000	80	80	1-Unit SFR, Condo, PUD
	1,500,001 – 2,000,000	80	80	
	2,000,001 - 2,500,000	75	70	
720	125,000 - 1,500,000	80	80	
	1,500,001 - 2,000,000	80	75	
	2,000,001 – 2,500,000	60	60	
700	125,000 - 1,500,000	80	80	
	1,500,001 - 2,000,000	70	70	
660	125,000 - 1,500,000	80	75	
640	125,000 - 1,500,000	75	70	
720	125,000 - 1,500,000	80	75	2-4-Units Family Housing
	1,500,001 - 2,000,000	75	60	
700	125,000 - 1,500,000	80	70	
	1,500,001 - 2,000,000	70	60	
680	125,000 - 1,500,000	75	70	
Notes	• Non-Warrantable Projects: Max 75% LTV			
Maximum LTV/CLTVs		Second Home		
Credit Score	Loan Amount	Purchase & R/T	Cash-Out	Number of Units
720	125,000 – 1,500,000	75	70	1-Unit SFR, Condo, PUD
	1,500,001 – 2,000,000	75	60	
700	125,000 – 1,500,000	75	70	
	1,500,001 – 2,000,000	70	60	
660-699	125,000 – 1,500,000	70	65	
Notes	• Second Homes: 2-4 Unit Properties are Ineligible • Non-Warrantable Projects: Max 75% LTV			
Maximum LTV/CLTVs		Investment Property		
Credit Score	Loan Amount	Purchase & R/T	Cash-Out	Number of Units
700	125,000 – 1,500,000	75	70	1-4-Units, Condo, PUD
	1,500,001 – 2,000,000	75	70	
	2,000,001 – 2,500,000	70	65	
680	125,000 – 1,500,000	70	65	
	1,500,001 – 2,000,000	70	65	
	2,000,001 – 2,500,000	65	60	
660	125,000 – 1,500,000	70	65	
	1,500,001 – 2,000,000	60	N/A	
Notes	• Non-Warrantable Condos: Max 75% LTV			
ITIN – Alt Doc – Overlays				
ITIN Overlays	<ul style="list-style-type: none"> <li>▫ <b>Max Loan Amount:</b> \$2,500,000</li> <li>▫ <b>Eligible Products/Terms:</b> <ul style="list-style-type: none"> <li>○ 5/6 SOFR ARM 30-Yr Term</li> <li>○ 5/6 I/O SOFR ARM 30-Yr</li> <li>○ 30-Yr FRM Full Am &amp; I/O</li> <li>○ 15-Year Fixed Fully Amortizing</li> </ul> </li> <li>▫ <b>I/Q:</b> ARMs and 30-Yr FRM/30-yr Term only</li> <li>▫ <b>Tradelines:</b> <ul style="list-style-type: none"> <li>○ Waived with three (3) scores.</li> <li>○ Spouses may combine trades.</li> <li>○ If no full housing history and has 3 scores, OR when only 2 scores are available:                             <ul style="list-style-type: none"> <li>▫ 2 open &amp; active trades for 24 months; OR</li> <li>▫ 3 open &amp; active trades for 12 months.</li> </ul> </li> </ul> </li> <li>▫ <b>Housing/Rental History:</b> 0x30x12 and VOR/VOM</li> <li>▫ <b>Credit Event Seasoning:</b> 4 -years for BK, SS, DIL and 7-years for FCL.</li> <li>▫ <b>Max Cash-Out:</b> <ul style="list-style-type: none"> <li>○ LTV &gt; 60% = Max \$750K (Not eligible with DU option for unlimited cash-out with 18 months additional reserves).</li> </ul> </li> </ul>			
	<ul style="list-style-type: none"> <li>▫ <b>Ratios and Qualifying:</b> <ul style="list-style-type: none"> <li>○ See Residual Income in the guidelines.</li> </ul> </li> <li>▫ <b>Income Doc Types:</b> <ul style="list-style-type: none"> <li>○ 12- or 24- months personal or business bank statements</li> <li>○ CPA/Tax Prep/EA 12-Month P&amp;L + 2 months bank statements</li> <li>○ P&amp;L Only not eligible</li> <li>○ 12- or 24- months 1099s</li> <li>○ Not eligible for Express (DU), WVOE w/Bank Statements or P&amp;L Only.</li> </ul> </li> <li>▫ <b>Asset Utilization:</b> Supplemental or standalone (60 months only). May be combined with Full Doc Income as primary source of income.</li> <li>▫ <b>Gift Funds:</b> <ul style="list-style-type: none"> <li>○ Gift funds not permitted on NOO.</li> </ul> </li> <li>▫ <b>Property Restrictions:</b> <ul style="list-style-type: none"> <li>○ Condo Non-Warrantable - Max 75% LTV</li> </ul> </li> </ul>			

FLEX CLOSED END SECOND LIEN 2 Year ALT Doc or 2 Year Full Doc										
Occupancy	Transaction Type	Property Type	Min Credit Score	CLTV	Max Loan Amount	Max Exposure w/CLTV > 80%	Max Exposure w/CLTV 70.01-80%	Max Exposure w/CLTV <= 70%		
Primary Residence	Purchase & Rate/Term Refinance	SFR	740	85%	\$500,000	\$2,000,000		\$4,000,000		
			720	80%						
		SFR/Condo <sup>1</sup>	740	85%						
			700	80%						
			680	80%						
	Cash Out	SFR	740	85%					\$3,500,000	\$4,000,000
			720	80%						
		SFR/Condo <sup>1</sup>	700	80%					\$3,000,000	\$3,500,000
			680	75%						
<b>*Second Homes and Non-Warrantable Condos: reduce max LTV by 5%</b>										
<b>General Requirements – Second Lien</b>										
Restrictions	<ul style="list-style-type: none"> <li>TPO must be approved to deliver second liens.</li> <li>Not permitted in MS, NJ, NY, TN, or TX</li> <li>FL: Non-Permanent Resident Aliens from China are ineligible.</li> <li>HI: Non-licensed state.</li> <li>IL: 2<sup>nd</sup> liens in IL are only ineligible for TRID loans located in Cook, Kane, Peoria and Will Counties. Does not apply to Correspondents.</li> </ul>									
Product Type	<ul style="list-style-type: none"> <li>Fixed Closed End Second</li> <li>Manual Underwriting only – Not eligible for Express (DU) .</li> </ul>									
Available Terms	15-Year, 20-Year, 25-Year, and 30-Year									
Loan Amounts	<ul style="list-style-type: none"> <li>Min: \$125,000</li> <li>Max: \$500,000</li> </ul>									
Occupancy	Primary and Second Home <sup>1</sup>									
Borrowers	Non-Occupant Co-Borrowers are not permitted on the 1st or 2nd lien.									
Loan Purpose	Purchase, Rate/Term Refinance and Cash Out									
Cash-Out	<ul style="list-style-type: none"> <li>Cash-out with less than six (6) months seasoning is permitted, provided the LTV is based off the lesser of the purchase price or the appraised value.</li> <li>For a refinance transaction paying off an existing subordinate lien, if that subordinate lien was a cash out transaction, a minimum of six (6) months seasoning must elapse prior to the new refinance.</li> </ul>									
Property Type	<ul style="list-style-type: none"> <li>Single Family, Attached, Detached</li> <li>PUD</li> <li>Townhouse</li> <li>Warrantable Condos</li> <li>*Non-Warrantable Condominium with 5% reduction in LTV</li> <li>Condotel not permitted.</li> </ul>									
Appraisals	Full interior/exterior appraisal required.									
Declining Markets	Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.									
Rural Property	Not permitted									
<b>Income Requirements – Second Lien</b>										
Full Doc	2-year Full Doc									
Personal Bank Statements:	<ul style="list-style-type: none"> <li>24 months of Personal and 2-months of business bank statements.</li> <li>Qualifying income is determined by the total eligible deposits from the 24 months of personal statements divided by the number of statements.</li> <li>The business bank statements must reflect business activity and transfers to the personal account.</li> <li>Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history.</li> </ul>									
Business Bank Statements:	<ul style="list-style-type: none"> <li>24 months of business bank statements. Qualifying income is determined by ONE of the following analysis methods:                             <ul style="list-style-type: none"> <li>Fixed Expense Ratio (50%); OR</li> <li>Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%, OR</li> <li>3rd party prepared Profit &amp; Loss Statement (CPA or EA)</li> </ul> </li> <li>Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history.</li> </ul>									
24 months CPA/EA prepared Profit & Loss Statement	<ul style="list-style-type: none"> <li>24 months P&amp;L, prepared by CPA or EA</li> <li>Minimum of 2-months business bank statements</li> <li>Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history</li> </ul>									
IRS Form 1099	<ul style="list-style-type: none"> <li>2 Years 1099</li> <li>Fixed Expense Ratio of 10%</li> <li>YTD Documentation to support continued receipt of income from same source.</li> </ul>									
Asset Utilization	Not permitted									
<b>Underwriting Requirements – Second Lien</b>										
Credit Score	<ul style="list-style-type: none"> <li>Middle of 3 scores or lower of 2 for Primary Income Earner.</li> <li>Additional borrowers must have a minimum</li> </ul>	DTI Requirements	<ul style="list-style-type: none"> <li>Max 50% Primary</li> <li>Max 43% Second Home</li> </ul>							
Mortgage History	0x30x24	I/O First Mortgage Qualifying Requirements	<ul style="list-style-type: none"> <li>Interest Only (I/O) First Mortgage must be qualified at the fully amortizing P&amp;I payment</li> </ul>							
	<ul style="list-style-type: none"> <li>If the Primary wage earner has 3 credit scores, there are no further tradeline requirements.</li> <li>Otherwise, trades must meet one of the</li> </ul>	Assets	<ul style="list-style-type: none"> <li>30-days asset verification required</li> <li>Deposits &gt; 50% of gross income or average deposits on a bank statement loan must be documented on purchases</li> </ul>							

<p style="text-align: center;">Tradelines</p>	<p>following:</p> <ul style="list-style-type: none"> <li>▫ 3 reporting for 12+ months + activity within most recent 12 months (may be closed)</li> <li>▫ 2 reporting for 24+ with activity within most recent 12 months (may be closed)</li> <li>▫ 24-months mortgage history reporting on credit report with a score</li> </ul>	<p style="text-align: center;">Gift Funds</p>	<p>Gift funds permitted provided borrower meets minimum contribution:</p> <ul style="list-style-type: none"> <li>▫ 5% primary</li> <li>▫ 10% second home</li> <li>▫ Gift funds not permitted to be used towards reserves</li> <li>▫ Defined as Gross Monthly Income – Total Monthly Obligations.</li> <li>▫ Requirement based on # in household.</li> <li>▫ Applies to HPML loans or when the DTI &gt; 43% on OO and 2nd homes only:</li> <li>▫ 1 person = \$1,500</li> <li>▫ 2 persons = \$2,500</li> <li>▫ Add \$150 per additional household member</li> </ul>
<p style="text-align: center;">Housing Event and BK Seasoning</p>	<p>▫ 4 years</p>	<p style="text-align: center;">Reserves</p>	<ul style="list-style-type: none"> <li>▫ 6 months reserves required.</li> <li>▫ Cash out may be used to satisfy requirement</li> </ul>
<p style="text-align: center;">Age of Documentation</p>	<ul style="list-style-type: none"> <li>▫ Credit reports must be dated within 120 days of the Note date.</li> <li>▫ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>	<p style="text-align: center;">Prepayment Penalty</p>	<ul style="list-style-type: none"> <li>▫ Not permitted</li> </ul>



# GAMMA

## Investor – DSCR (5-10 Units or Mixed Use 2-

Investment Property (Business Purpose)

Maximum LTV/CLTVs		>=1.00 DSCR		
Credit Score	Loan Amount	Purchase	R/T Refinance	Cash-Out Refinance
720+	<=1,500,000	75	75	70
	1,500,001 – 2,000,000	75	70	65
	2,000,001- 2,500,000	70	70	65
	2,500,001 – 3,000,000	70	70	65
700+	<=1,500,000	75	75	65
	1,500,001 – 2,000,000	70	70	65
	2,000,001- 2,500,000	65	65	60
	2,500,001 – 3,000,000	65	65	60
680 - 699	<=1,500,000	70	65	65
	1,500,001 – 2,000,000	65	60	60
	2,000,001- 2,500,000	65	60	60
	2,500,001 – 3,000,000	65	60	60
660-679	<=1,500,000	65	65	60
	1,500,001 – 2,000,000	60	60	55
<b>Housing History</b>	<b>State Restrictions</b>	<b>Investor Experience</b>		
0x30x24	<ul style="list-style-type: none"> <li>FL: Foreign Nationals or Non-Permanent Resident Aliens from China are ineligible.</li> <li>HI: Non-licensed States.</li> <li>MS: Reduce LTVs by 5%.</li> </ul>	<ul style="list-style-type: none"> <li>No First Time Investors</li> <li>Experienced Investor: Borrower must have a history of owning and managing commercial or residential real estate for at least 1 year in the last 3 years</li> </ul>		
<b>Housing Event Seasoning</b>				
0 BK/FC/SS/DIL/Mod: 24 Mos				
<b>General Requirements</b>				
Product Type	0 40-Yr Fixed, 30-Yr Fixed, 15-Yr Fixed, 40 YR I/O, 30 YR I/O.			
Interest Only	<ul style="list-style-type: none"> <li>Min Credit Score: 660</li> <li>Max LTV: 75%</li> </ul>	<ul style="list-style-type: none"> <li>Borrower to qualify using the IO payment based on the qualifying rate (Greater of the fully indexed rate or note rate).</li> </ul>		
Loan Amounts	<ul style="list-style-type: none"> <li>Min: \$250,000 and Max \$3,000,000</li> <li>Loan sizes under \$400,000 require a 5% reduction to LTV</li> </ul>			
Occupancy	0 Investment Properties (Business Purpose)			
Loan Purpose	0 Purchase, Rate/Term, and Cash Out			
Cash-Out	0 Max cash-out: \$1,000,000			
Foreign National	<ul style="list-style-type: none"> <li>Min DSCR &gt;= 1.00</li> <li>Min Score: 700 if using US Credit</li> <li>Foreign Credit is permitted.</li> <li>Reserves: 12 months PITIA</li> </ul>	<b>LTV requirements:</b> <ul style="list-style-type: none"> <li>&lt;= \$2.0M = Purch &amp; R/T: 70% LTV or Cash-Out: 65% LTV</li> <li>&gt; \$2.0M - \$2.5M = Purch &amp; R/T: 65% LTV or Cash-Out: 60% LTV</li> <li>&gt; \$2.5M - \$3.0M = Purch &amp; R/T: 60% LTV or Cash-Out: 55% LTV</li> </ul>		
Property Type	<ul style="list-style-type: none"> <li>Residential 5-10 Units</li> <li>Mixed Use 2-8 units. For properties with less than 5 units, at least 1 unit must be commercial.                             <ul style="list-style-type: none"> <li>2-3 Units: Max 1 commercial unit</li> <li>4-5 Units: Max 2 commercial units</li> <li>6-8 Units: Max 3 commercial units</li> </ul> </li> <li>Commercial space must not exceed 49% of the total building area</li> </ul>			
Property Requirements	<ul style="list-style-type: none"> <li>Minimum 400 square feet per unit</li> <li>Be accessible for year-round residential use.</li> <li>Contain a full kitchen and bath.</li> <li>Represent highest and best use of the property.</li> <li>Not contain any health or safety issues</li> </ul>			
Property Condition	<ul style="list-style-type: none"> <li>No fair or poor ratings</li> <li>No environmental issues (Storage or use of hazardous material, ex. Dry Cleaners, Laundromat)</li> <li>No health or safety issues as noted by the appraiser (ex. Broker windows, stairs, etc.)</li> <li>No excessive deferred maintenance that could become a health or safety issue for tenants.</li> <li>No structural deferred maintenance (ex. Foundation, roof, electrical, plumbing)</li> </ul>			



Unleased Units	<ul style="list-style-type: none"> <li>▫ Maximum 1 vacant unit on a 2-3 Unit property; 2 vacancies on 4+ units. Note that properties are permitted to be delivered vacant on purchase transactions.</li> <li>▫ Unleased units must be in lease ready condition; units cannot be undergoing rehab, etc.</li> </ul>		
Appraisals	<p><b>Residential 5-10 units:</b></p> <ul style="list-style-type: none"> <li>▫ FHLMC 71A</li> <li>▫ FHLMC 71B for loan amounts &lt; \$750K (Correspondent only)</li> <li>▫ Narrative report may be used but is not required. <b>Mixed Use 2-8 Units:</b></li> <li>▫ FHLMC 71A</li> <li>▫ FHLMC 71B for loan amounts &lt; \$750 (Correspondent only)</li> <li>▫ General Purpose Commercial Forms (ex. GP Commercial Summary Form) or Narrative report</li> </ul> <p>For loan amounts &gt; \$2M, a second appraisal is not required if the 71A or Commercial Narrative report is provided. The following are required with each report:</p> <ul style="list-style-type: none"> <li>▫ Full Interior Inspection of each unit</li> <li>▫ Rent roll.</li> <li>▫ Income and Expense Statement</li> <li>▫ Photos of subject including exterior/interior and street scene</li> <li>▫ Aerial photo</li> <li>▫ Sketch or floor plan of typical units.</li> <li>▫ Map</li> <li>▫ Plot plan or survey.</li> <li>▫ Appraiser qualifications</li> </ul> <p>BPO to be ordered on all transactions with the exception of those including two full appraisals.</p>		
Declining Markets	▫ Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV.		
Rural Property	▫ Up to 2 acres, not meeting the rural definition, permitted		
<b>Income Requirements – DSCR (5-10 Units or Mixed Use 2-8 Units)</b>			
Income	<ul style="list-style-type: none"> <li>▫ Use lower of Estimated market rent or lease agreement.</li> <li>▫ For leases that have converted to month-to-month, provide 2 months bank statements to support rental income.</li> <li>▫ Vacant unit(s) – use 75% of market rents. Max 1 vacancy on 2–3-unit properties or 2 vacancies on 4+ units.</li> <li>▫ Reduce qualifying rents by any management fee reflected on the appraisal report.</li> <li>▫ 2-8 Mixed Use: Income from commercial space must not exceed 49% of the total property income.</li> <li>▫ Minimum DSCR &gt;=1.00</li> <li>▫ Loan Amounts =&gt; \$2,000,000 also require Debt Yield of 9% or greater (Net Operating Income/Loan Amount = 9% or greater)</li> </ul>		
<b>Underwriting Requirements – DSCR (5-10 Units or Mixed Use 2-8 Units)</b>			
Credit Score	▫ Middle of 3 scores or lower of 2 of all Borrowers	Reserves	<ul style="list-style-type: none"> <li>▫ Loan Amt &lt;= \$1.5M: 6 Months PITIA</li> <li>▫ Loan Amt &gt; \$1.5M - \$2.0M: 9 months PITIA</li> <li>▫ Loan Amt &gt; \$2.0M - \$2.5M: 12 Months PITIA</li> <li>▫ Loan Amt &gt; \$2.5M - \$3.0M: 12 Months PITIA</li> <li>▫ Cash out may be used to meet reserve requirements</li> </ul>
Tradelines	<ul style="list-style-type: none"> <li>▫ All borrowers have 3 scores: or</li> <li>▫ Min: 2 open and reporting 24- months; or</li> <li>▫ 3 open and reporting 12-months.</li> </ul>	Gift Funds	<ul style="list-style-type: none"> <li>▫ Allowed after min 10% borrower contribution.</li> <li>▫ Cannot be used to meet reserve requirements</li> </ul>
Assets	▫ 30-day asset verification required	Age of Documentation	<ul style="list-style-type: none"> <li>▫ Credit reports must be dated within 120 days of the Note date.</li> <li>▫ Income and Asset Documentation must be dated within 90 days of the Note date.</li> </ul>
Prepayment Penalty	<ul style="list-style-type: none"> <li>▫ Required on Investment Properties when permitted.</li> <li>▫ See PPP Requirements Matrix</li> </ul>		