

Blue Color: Differences from PRIME

Primary Residence			
Loan Amount	Reserves Month	Max DTI %	FICO
150,000 to 1,000,000	6	50	740
			720
			700
			680
			660
1,000,001 to 1,499,999	9	50	740
			720
			700
			680
			660
1,500,000 to 1,999,999	9	50	740
			720
			700
			680
			660
2,000,000 to 2,499,999	12	50	740
			720
			700
			680
			660
2,500,000 to 3,000,000	12	50	740
			720
			700

Primary Residence											
Full Doc 2 Years or 1099		Steamlined Doc 1 Year or 1099		Asset Depletion		Bank Statement 12Mo or 24 Mo		P & L Only 12 Mo		WVOE	
Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out
90	80	90	80	85	N/A	90	80	80	80	80	80
85	75	85	75	85	N/A	85	75	80	75	80	75
85	75	85	75	85	N/A	85	75	80	75	80	75
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
85	75	85	75	85	N/A	85	75	80	75	80	75
85	75	85	75	85	N/A	85	75	80	75	80	75
80	70	80	70	N/A	N/A	80	70	80	70	80	70
75	70	75	70	N/A	N/A	75	70	75	70	75	70
85	75	85	75	85	N/A	85	75	80	75	80	75
80	70	80	70	80	N/A	80	70	80	70	80	70
80	70	80	70	80	N/A	80	70	80	70	80	70
75	65	75	65	N/A	N/A	75	65	75	65	75	65
75	60	75	60	N/A	N/A	75	60	75	60	75	60
80	70	80	70	80	N/A	80	70	80	70	80	70
80	70	80	70	80	N/A	80	70	80	70	80	70
75	65	75	65	75	N/A	75	65	75	65	75	65
70	60	70	60	N/A	N/A	70	60	70	60	70	60
70	N/A	70	N/A	N/A	N/A	70	N/A	70	N/A	70	N/A
75	65	75	65	75	N/A	75	65	75	65	75	65
75	65	75	65	75	N/A	75	65	75	65	75	65
70	60	70	60	70	N/A	70	60	70	60	70	60

Second Home

Loan Amount	Reserves Month	Max DTI %	FICO
150,000 to 1,000,000	6	50	740
			720
			700
			680
			660
1,000,001 to 1,499,999	9	50	740
			720
			700
			680
			660
1,500,000 to 1,999,999	9	50	740
			720
			700
			680
			660
2,000,000 to 2,499,999	12	50	740
			720
			700
			680
			660
2,500,000 to 3,000,000	12	50	740
			720
			700

Second Home

Full Doc 2 Years or 1099		Streamlined Doc 1 Year or 1099		Asset Depletion		Bank Statement 12Mo or 24 Mo		P & L Only 12 Mo		WVOE	
Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out
85	75	85	75	N/A	N/A	85	75	80	75	80	75
85	75	85	75	N/A	N/A	85	75	80	75	80	75
85	75	85	75	N/A	N/A	85	75	80	75	80	75
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
85	75	85	75	N/A	N/A	80	75	80	75	80	75
85	75	85	75	N/A	N/A	80	75	80	75	80	75
85	70	85	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
75	70	75	70	N/A	N/A	75	70	75	70	75	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
75	65	75	65	N/A	N/A	75	65	75	65	75	65
70	60	70	60	N/A	N/A	70	60	70	60	70	60
75	65	75	65	N/A	N/A	75	65	75	65	75	65
75	65	75	65	N/A	N/A	75	65	75	65	75	65
75	65	75	65	N/A	N/A	75	65	75	65	75	65
70	N/A	70	N/A	N/A	N/A	70	N/A	70	N/A	70	N/A
65	N/A	65	N/A	N/A	N/A	65	N/A	65	N/A	65	N/A
70	60	70	60	N/A	N/A	70	60	70	60	70	60
70	60	70	60	N/A	N/A	70	60	70	60	70	60
70	60	70	60	N/A	N/A	70	60	70	60	70	60

Investment			
Loan Amount	Reserves Month	Max DTI %	FICO
150,000 to 1,000,000	6	50	740
			720
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1,000,001 to 1,499,999	9	50	740
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85	75	85	75	N/A	N/A	85	75	80	75	80	75
85	75	85	75	N/A	N/A	85	75	80	75	80	75
85	75	85	75	N/A	N/A	85	75	80	75	80	75
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
85	75	85	75	N/A	N/A	80	75	80	75	80	75
85	75	85	75	N/A	N/A	80	75	80	75	80	75
85	70	85	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
75	70	75	70	N/A	N/A	75	70	75	70	75	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
80	70	80	70	N/A	N/A	80	70	80	70	80	70
75	65	75	65	N/A	N/A	75	65	75	65	75	65
70	60	70	60	N/A	N/A	70	60	70	60	70	60
75	65	75	65	N/A	N/A	75	65	75	65	75	65
75	65	75	65	N/A	N/A	75	65	75	65	75	65
75	65	75	65	N/A	N/A	75	65	75	65	75	65
70	N/A	70	N/A	N/A	N/A	70	N/A	70	N/A	70	N/A
65	N/A	65	N/A	N/A	N/A	65	N/A	65	N/A	65	N/A
70	60	70	60	N/A	N/A	70	60	70	60	70	60
70	60	70	60	N/A	N/A	70	60	70	60	70	60
70	60	70	60	N/A	N/A	70	60	70	60	70	60

LTV Restrictions			
LTV Restrictions For Prime+			
			LTV
Property Type	Purchase & Rate-Term	Condo	85%
		Non-Warrantable Condo	80%
		2-4 Unit	85%
		Rural - OO	75%
		Rural - 2nd Home	70%
Property Type	Cash-Out -LTV	Condo	85%
		Non-Warrantable Condo	80%
		2-4 Unit	85%
		Rural	Ineligible
Borrower Eligibility		Permanent Resident Alien	Eligible No Restrictions
		Non - Permanent Resident Alien	Max 80% LTV, No Cash Out
Declining Markets			5% LTV Reduction
Interest Only			Max 85% LTV, 700 FICO

Credit					
Housing Lates				0X30X12	
Credit Event Seasoning	Foreclosure, Short Sale, Default Modification, Notice of Default or 120+ Days Delinquent			48 Months	Seasoning for all Credit Events are defined as date of discharge/dismissal or property resolution completion date, to note date.
	Bankruptcy 7, 11, 13				
Expanded DTI (50.01-55)	Primary Only	700 FICO	Max 80% LTV	1.5X Minimum Residual Income See Residual Income Section	NO FT HB
	Asset Depletion - Not Eligible				
Cash-Out Max	LTV < 60%: Unlimited Cash-Out LTV > 60% (Max \$750,000.)				
Cash-Out Proceeds	May be used as Reserves				
Residual Income for DTI >43%	Per VA guideline or \$2500+\$150 per dependent				
FT HB	No Interest Only				
Non-Occupant Co-Borrower	1 Unit, Owner Occupied, Max 43% DTI, Max 80% LTV, Cash-Out Not Allowed				
Non-Permanent Resident Alien	Purchase and Rate/Term Refinance Only,Cash-out Not Allowed.				80%
Reserves for Additional Financed Properties	Additional 2 Consecutive Months of PITIA/ITIA per each financed Property				
FT HB without rental housing history (rent free)	Full / Bank Statement Doc Only	Max Loan Amount	Max DTI	FICO	LTV
	Standard Tradelines only	\$1.0M	45%	700	80%
	No gifts allowed			680	75%
	Occupant Borrowers Only			660	70%



PRIME+ Documentation

Blue Color: Differences from PRIME

Documentation Options				
Full Doc 2Yr	Standard FNMA Documentation	<ul style="list-style-type: none"> Alternative Loan Review Form (Exhibit F) or DU Ineligible finding is required at time of submission 2 Years W2's or 1040 Tax Returns, YTD 30 Days Paystub and VVOE For Self-Employed: 2 Years Tax Returns (Personal and Business), K-1's, and YTD P&L 		
		Streamline Doc 1Yr	<ul style="list-style-type: none"> Alternative Loan Review Form (Exhibit F) or DU Ineligible finding is required at time of submission Wage Earner - 1 year most recent W-2 or 1 year tax returns plus YTD 30 days paystubs and VVOE Self-Employed - 1 year most recent tax returns (Personal & Business), plus YTD P&L (Borrower prepared ok with tax returns on full doc only) 	
			<ul style="list-style-type: none"> Personal & Business Combined or Business (12mo or 24mo): <ul style="list-style-type: none"> At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) Asset Depletion allowed with Bank Statement documentation Income documented separately (SSI, W2, etc.) but included in deposits being reviewed must be backed out of deposits. Gross rents from any REOs are to be backed out of the deposit totals. Standard expense factors apply: 50% expense factor <ul style="list-style-type: none"> If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required PTIN is acceptable if documented as employed by 3rd party tax preparation service Minimum expense factor with 3rd party prepared P&L or letter is 10% Personal & Business Separated (12mo or 24mo): <ul style="list-style-type: none"> At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) Asset Depletion allowed with Bank statement documentation Personal used to qualify, 2 months business to show business cash flows in order to utilize 100% of business related deposits in personal account (no expense fac 	
P & L Only	P & L (12 mo.) [CPA, CTEC, EA]	<ul style="list-style-type: none"> Self-employed (2yrs - 25% or greater ownership) CPA/CTEC/EA signed/prepared Profit and Loss Statement(s) covering the most recent 12 month period. A gap P&L covering period between end of 12 month P&L and application required when gap is greater than three (3) months. A letter from the CPA, CTEC or EA on their business letterhead showing address, phone number, and license number is required with the following information: <ul style="list-style-type: none"> CPA/CTEC/EA prepared the most recent year's busines tax return filing; and, PTIN's are not acceptable to prepare/sign P&L statements The business name, borrower's name, and percentage of business ownership by the borrower. Business License for the past 2 years Minimum expense factor with P&L is 10% for service business and 20% for product business (see guidelines for details) No other income documentation type other than Asset Depletion can be combined with the P&L for the self-employed borrower. Income from co-borrowers who are W2 wage earners is to be documented with most recent W2 and paystub. Maximum 80% LTV, Minimum FICO 660 		
		WVOE	FNMA Form 1005	<ul style="list-style-type: none"> WVOE FNMA Form 1005 completed by HR, Payroll, Company Officer plus 2 months personal bank statements supporting WVOE employment wages or EVOE from WorkNumber, Finicity, etc) Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program

Documentation Options (Continued)		
WVOE	FNMA Form 1005	<ul style="list-style-type: none"> Maximum 80% LTV, Minimum FICO 660
1099	1099 (12mo)	<ul style="list-style-type: none"> 1099 plus either: Check/check stub or bank statement showing employment deposits (10% expense factor applied, see guidelines for specifics)
		<ul style="list-style-type: none"> Qualifying income = 1099 gross - 10% expense factor. Current check stub or bank statement deposits must support amounts consistent with 1099 levels
Asset Depletion	Asset Statement (6mo)	<ul style="list-style-type: none"> Most recent 6 months asset documentation verified by: cash in bank (100%); stocks, bonds, and/or mutual funds (90%); IRAs, 401K, and/or retirement accts (80%)
		<ul style="list-style-type: none"> Allowable assets divided by 60 months = qualifying income
		<ul style="list-style-type: none"> Maximum 50% DTI - No Expanded DTI available - Max 85% LTV, Minimum FICO 700, No Cash Out, Owner Occupied Only

Quick References				
Acreage		<ul style="list-style-type: none"> Maximum 20 acres 		
Appraisal		<ul style="list-style-type: none"> Loan amounts > \$2,000,000 = Two Full Appraisals 	<ul style="list-style-type: none"> See guidelines for details 	
		<ul style="list-style-type: none"> Loan amounts < \$2,000,000 = 1 Full Appraisal + AVM or FNMA CU Risk score of 2.5 or less 		
		<ul style="list-style-type: none"> 2nd Full Appraisal required if AVM Confidence Score is below 90% 		
Assets		<ul style="list-style-type: none"> See guidelines for details 	<ul style="list-style-type: none"> Assets sourced or seasoned for two months unless utilizing assets to document income (6 months) 	
		<ul style="list-style-type: none"> Gift funds are acceptable for use toward down payment and loan costs 		
		<ul style="list-style-type: none"> Gift funds are not acceptable for First Time Investors 		
Borrower Eligibility	Citizenship	<ul style="list-style-type: none"> US Citizen 	<ul style="list-style-type: none"> Permanent Resident Alien 	
		<ul style="list-style-type: none"> Non-Permanent Resident Alien (with US Credit) Current VISA E-1, E-2, E-3, EB-5, G-1 through G-5, H-1, L-1, NATO, O-1, R-1, TN NAFTA. Provide EAD when applicable. 		
		<ul style="list-style-type: none"> Max 80% LTV, CLTV and No Cash-Out 		
Cash-Out		<ul style="list-style-type: none"> LTV < 60%: Unlimited Cash-Out. 	<ul style="list-style-type: none"> LTV > 60% Max Cash Out \$750,000 	<ul style="list-style-type: none"> Unlimited Cash-Out for Properties Owned Free & Clear
		<ul style="list-style-type: none"> Cash-out may be counted toward reserve requirement 	<ul style="list-style-type: none"> See guidelines for details (Ineligible on Asset Depletion) 	
		<ul style="list-style-type: none"> Property owned between 6-12 months - LTV/CLTV is based on lower of the appraised value or purchase price plus documented improvements. Less than 6 mos. seasoning not allowed 		
Compliance		<ul style="list-style-type: none"> No Section 32 or state High Cost 	<ul style="list-style-type: none"> Points and Fees max 5% limit 	
		<ul style="list-style-type: none"> Loans must comply with all applicable federal and state regulations 		
		<ul style="list-style-type: none"> Fully documented Ability to Repay including Borrower Attestation 		
		<ul style="list-style-type: none"> Impounds required on LTV > 80% or HPML loans unless otherwise specified by applicable state law 		
Credit		<ul style="list-style-type: none"> 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months 		
		<ul style="list-style-type: none"> Minimum credit score 660 		
Consumer Charge-offs and Collections		<ul style="list-style-type: none"> Following may remain open: 		
		<ul style="list-style-type: none"> Collections and charge-offs < 24 months old with a maximum cumulative balance of \$2,000 	<ul style="list-style-type: none"> All medical collections regardless of amount 	
		<ul style="list-style-type: none"> Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence 	<ul style="list-style-type: none"> Collections and charge-offs that have expired under the state statute of limitations on debts; evidence of expiration must be documented 	
Eligible Non-Arm's Length and Interested Party Transactions		<ul style="list-style-type: none"> Existing property Purchase, Primary Residence Only 	<ul style="list-style-type: none"> Seller(s) representing themselves as agent in real estate transaction 	
		<ul style="list-style-type: none"> Buyer(s)/Borrower(s) representing themselves as agent in real estate transaction 		
First Time Home Buyer	With Housing History	<ul style="list-style-type: none"> Minimum FICO 660 	<ul style="list-style-type: none"> Must have documented 0x30 housing history 	
	Without Housing History	<ul style="list-style-type: none"> Full Doc or Bank Bank Statement Only 	<ul style="list-style-type: none"> Standard tradelines required 	
		<ul style="list-style-type: none"> No gifts allowed 	<ul style="list-style-type: none"> Non-occupying co-borrowers not allowed 	

Quick References (Continued)

Purchase Between Family Members	<ul style="list-style-type: none"> Full Documentation and Bank Statement Documentation only 	<ul style="list-style-type: none"> Must provide a 12-month mortgage history on existing mortgage securing subject property confirming Family Sale is not a foreclosure bailout 			
	<ul style="list-style-type: none"> Gift of Equity requires a gift letter and the equity gift credit is to be shown on the CD 				
Interest Only	<ul style="list-style-type: none"> Qualifying ratios are based on fully amortized P&I payments over the scheduled remaining loan term after the interest only period has expired. IE: 30 yr IO product is qualified at fully amortized payment for 20 yrs. 				
	SOFR 5/1 30yr ARM	5yr Fixed	10yr I/O	20yr Full Amortization after I/O Period	
	SOFR 5/1 40yr ARM	5yr Fixed	10yr I/O	30yr Full Amortization after I/O Period	
	SOFR 7/1 30yr ARM	5yr Fixed	10yr I/O	20yr Full Amortization after I/O Period	
	SOFR 7/1 40yr ARM	5yr Fixed	10yr I/O	30yr Full Amortization after I/O Period	
	30yr Fixed		10yr I/O	20yr Full Amortization after I/O Period	
	40yr Fixed		10yr I/O	30yr Full Amortization after I/O Period	
Minimum Property Standards	600 sq. ft. for 1 unit properties	2+ units no minimum. Size must be supported by market comparison	Maximum deferred maintenance cannot exceed \$2,000		
	Property constructed for year-round use	Permanently affixed continuous heat source	No health or safety issues both internal or external		
Property Types	SFR	Condominium	Townhouse	D-PUD	
	PUD	Modular	Rowhouse	2 - 4 Unit	Rural (Owner Occupied Only)
Property Types - Ineligible	Condotels	Log Cabins	Mixed-Use	Multi-Family 5+ Units	Manufactured Housing
	Florida Cono Projects subject to Florida SB-4D requirements for Structural Integrity Studies and Milestone Structural Inspections.				
Property Flips	<ul style="list-style-type: none"> When the subject property is being resold within 365 days of its acquisition by the seller and the sales price has increased more than 10%, the transaction is considered a "flip." The following should be used to determine the 365-day period: the acquisition date (the day the seller became the legal owner of the property), and the purchase date (the day both parties executed the purchase agreement). 				
	Property seller on the purchase contract must be the owner of record	<ul style="list-style-type: none"> The property was marketed openly and fairly, through a multiple listing service, auction, FSBO offering (documented), or developer marketing 			
	Flip transactions must comply with the TILA HPML Appraisal Rule in Reg Z	<ul style="list-style-type: none"> Sufficient documentation to validate actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.) 			
	Increases in value are to be documented with commentary from the appraiser and recent comparable sales	<ul style="list-style-type: none"> All transactions must be arm's length, with no identity of interest between the buyer and property seller or other parties participating in the sales transaction 			
Qualifying Payment	Full Amortization:	Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA)			
	Interest Only (DTI):	Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA), fully amortized payment on remaining term after I/O per			
Rental Income (Short-Term)	Short Term Leases (including but limited to VRBO/Airbnb) are NOT eligible				
Residual Income	Required on DTI > 43% only	Per VA or \$2,500 plus an additional \$150/dependent			
	VA Residual Income Calc per VA Form #26-6393 and VA Residual Income Tables in VA Lending Manual Chapter 4.9				
Seasoning for Property Recently Listed on the Market	For all transaction types, subject property must be taken off the market on or before application date.				
	For Cash-Out refinances, loans must be seasoned for at least 6 months from the listing contract expiration date to the new Note date.				
Seasoning	Rate and Term: No seasoning. At least 1 borrower from the existing loan must be in the new loan.				
	Cash Out: 6 months from existing Note date to application date of new loan. LTV/CLTV is the lower of the purchase price or appraised value.				
	LLC Cash Out: 12 months seasoning required if the property was owned prior to closing by LLC that is majority-owned by the borrower.				
Seller Concessions / IPC	Primary and 2nd homes: Per FNMA (LTV 75.01-90% up to 6% toward closing - 75% LTV of less max 9%				
	Investment: Max 3% of the lesser of property's sales price or appraised value				

Quick References (Continued)

States	Ineligible	• TX (No Interest-Only when using Texas Section 50(a)(6) Equity Cash-Out transactions)
	Eligible	• State eligibility subject to VPM review of applicable docs
Subordinate Financing		• CLTV max = LTV max

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