

Blue Color: Differences from PRIME

Primary Residence				Primary Residence											
Loan Amount	Reserves Month	Max DTI %	FICO	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
150,000 to 1,000,000	6	50	740	90	80	90	80	85	80	90	80	80	80	80	80
			720	85	75	85	75	85	75	85	75	80	75	80	75
			700	85	75	85	75	85	75	85	75	80	75	80	75
			680	80	70	80	70	N/A	N/A	80	70	80	70	80	70
			660	80	70	80	70	N/A	N/A	80	70	80	70	80	70
1,000,001 to 1,499,999	9		740	85	75	85	75	85	75	85	75	80	75	80	75
			720	85	75	85	75	85	75	85	75	80	75	80	75
			700	85	75	85	75	85	75	85	75	80	75	80	75
			680	80	70	80	70	N/A	N/A	80	70	80	70	80	70
			660	75	70	75	70	N/A	N/A	75	70	75	70	75	70
1,500,000 to 1,999,999	9		740	85	75	85	75	85	75	85	75	80	75	80	75
			720	80	70	80	70	80	70	80	70	80	70	80	70
			700	80	70	80	70	80	70	80	70	80	70	80	70
			680	75	65	75	65	N/A	N/A	75	65	75	65	75	65
			660	75	60	75	60	N/A	N/A	75	60	75	60	75	60
2,000,000 to 2,499,999	12	740	80	70	80	70	80	70	80	70	80	70	80	70	
		720	80	70	80	70	80	70	80	70	80	70	80	70	
		700	75	65	75	65	75	65	75	65	75	65	75	65	
		680	70	60	70	60	N/A	N/A	70	60	70	60	70	60	
		660	70	N/A	70	N/A	N/A	N/A	70	N/A	70	N/A	70	N/A	
2,500,000 to 3,000,000	12	740	75	65	75	65	75	65	75	65	75	65	75	65	
		720	75	65	75	65	75	65	75	65	75	65	75	65	
		700	70	60	70	60	70	60	70	60	70	60	70	60	

Second Home				Second Home											
Loan Amount	Reserves Month	Max DTI %	FICO	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
150,000 to 1,000,000	6	50	740	85	75	85	75	85	75	85	75	80	75	80	75
			720	85	75	85	75	85	75	85	75	80	75	80	75
			700	85	75	85	75	85	75	85	75	80	75	80	75
			680	80	70	80	70	N/A	N/A	80	70	80	70	80	70
			660	80	70	80	70	N/A	N/A	80	70	80	70	80	70
1,000,001 to 1,499,999	9		740	85	75	85	75	85	75	85	75	80	75	80	75
			720	85	75	85	75	85	75	85	75	80	75	80	75
			700	85	70	85	70	85	70	85	70	80	70	80	70
			680	80	70	80	70	N/A	N/A	80	70	80	70	80	70
			660	75	70	75	70	N/A	N/A	75	70	75	70	75	70
1,500,000 to 1,999,999	9		740	80	70	80	70	80	70	80	70	80	70	80	70
			720	80	70	80	70	80	70	80	70	80	70	80	70
			700	80	70	80	70	80	70	80	70	80	70	80	70
			680	75	65	75	65	N/A	N/A	75	65	75	65	75	65
			660	70	60	70	60	N/A	N/A	70	60	70	60	70	60

2,000,000 to 2,499,999	12	740	75	65	75	65	75	65	75	65	75	65	75	65
		720	75	65	75	65	75	65	75	65	75	65	75	65
		700	75	65	75	65	75	65	75	65	75	65	75	65
		680	70	N/A	70	N/A	N/A	N/A	70	N/A	70	N/A	70	N/A
		660	65	N/A	65	N/A	N/A	N/A	65	N/A	65	N/A	65	N/A
2,500,000 to 3,000,000	12	740	70	60	70	60	70	60	70	60	70	60	70	60
		720	70	60	70	60	70	60	70	60	70	60	70	60
		700	70	60	70	60	70	60	70	60	70	60	70	60
		700	70	60	70	60	70	60	70	60	70	60	70	60

Investment				Investment											
Loan Amount	Reserves Month	Max DTI %	FICO	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
150,000 to 1,000,000	6	50	740	85	75	85	75	85	75	85	75	80	75	80	75
			720	85	75	85	75	85	75	85	75	80	75	80	75
			700	85	75	85	75	85	75	85	75	80	75	80	75
			680	80	70	80	70	N/A	N/A	80	70	80	70	80	70
			660	80	70	80	70	N/A	N/A	80	70	80	70	80	70
1,000,001 to 1,499,999	9	50	740	85	75	85	75	85	75	80	75	80	75	80	75
			720	85	75	85	75	85	75	80	75	80	75	80	75
			700	85	70	85	70	85	70	80	70	80	70	80	70
			680	80	70	80	70	N/A	N/A	80	70	80	70	80	70
			660	75	70	75	70	N/A	N/A	75	70	75	70	75	70
1,500,000 to 1,999,999	9	50	740	80	70	80	70	80	70	80	70	80	70	80	70
			720	80	70	80	70	80	70	80	70	80	70	80	70
			700	80	70	80	70	80	70	80	70	80	70	80	70
			680	75	65	75	65	N/A	N/A	75	65	75	65	75	65
			660	70	60	70	60	N/A	N/A	70	60	70	60	70	60
2,000,000 to 2,499,999	12	50	740	75	65	75	65	75	65	75	65	75	65	75	65
			720	75	65	75	65	75	65	75	65	75	65	75	65
			700	75	65	75	65	75	65	75	65	75	65	75	65
			680	70	N/A	70	N/A	N/A	N/A	70	N/A	70	N/A	70	N/A
			660	65	N/A	65	N/A	N/A	N/A	65	N/A	65	N/A	65	N/A
2,500,000 to 3,000,000	12	50	740	70	60	70	60	70	60	70	60	70	60	70	60
			720	70	60	70	60	70	60	70	60	70	60	70	60
			700	70	60	70	60	70	60	70	60	70	60	70	60

LTV Restrictions			
LTV Restrictions For Prime+			
Property Type	Purchase & Rate-Term	Condo	LTV 85%
		Non-Warrantable Condo	80%
		2-4 Unit	85%
		Rural - OO	75%
		Rural - 2nd Home	10% LTV Reduction
	Cash-Out -LTV	Condo	85%
		Non-Warrantable Condo	80%
		2-4 Unit	85%
		Rural	Ineligible
		Permanent Resident Alien	Eligible No Restrictions
Borrower Eligibility	Non - Permanent Resident Alien	Max 80% LTV, No Cash Out	
Declining Markets		10% 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 Redial Inocme	NO FTHB
Cash-Out Max	Asset Depletion - Not Eligible				
Cash-Out Proceeds	LTV ≤ 60%: Unlimited Cash-Out LTV > 60% (Max \$750,000.)				
Residual Income for DTI >43%	May be used as Reserves				
FTHB	Per VA guideline or \$2500+\$150 per dependent				
Non-Occupant Co-Borrower	No Interest Only				
Reserves for Additional Financed	1 Unit, Owner Occupied, Max 43% DTI, Max 80% LTV, Cash-Out Not Allowed				
	Additional 2 Consecutive Months of PITIA/ITIA per each financed Property				
FTHB 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%

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
		<ul style="list-style-type: none"> For Self-Employed: 2 Years Tax Returns (Personal and Business), K-1's, and YTD P&L
Streamline Doc 1Yr	W-2 (12mo)	<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
	Tax Returns (12mo)	<ul style="list-style-type: none"> Self-Employed - 1 year most recent tax returns (Personal & Business), plus YTD P&L (Borrower prepared ok with tax returns on full doc only)
Bank Statement	Bank Statement (24mo, 12mo)	<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 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 20% 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
		<ul style="list-style-type: none"> Self-employed (2yrs - 25% or greater ownership)
		<ul style="list-style-type: none"> 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.
		<ul style="list-style-type: none"> 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 business 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.
		<ul style="list-style-type: none"> Business License for the past 2 years Minimum expense factor with P&L is 20% for service business and 40% 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
		<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) Qualifying income = 1099 gross - 10% expense factor. Current check stub or 3 month bank statement deposits must support amounts consistent with 1099 levels
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 Maximum 80% LTV, Minimum FICO 660
		<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%) Allowable assets divided by 84 months = qualifying income 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 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 2nd Full Appraisal required if AVM Confidence Score is below 90%
Assets		<ul style="list-style-type: none"> See guidelines for details Assets sourced or seasoned for two months unless utilizing assets to document income (6 months) Gift funds are acceptable for use toward down payment and loan costs
Borrower Eligibility	Citizenship	<ul style="list-style-type: none"> US Citizen 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. Max 80% LTV, CLTV and No Cash-Out
Cash-Out		<ul style="list-style-type: none"> LTV ≤ 60%: Unlimited Cash-Out. LTV > 60% Max Cash Out \$750,000 Unlimited Cash-Out for Properties Owned Free & Clear
		<ul style="list-style-type: none"> Cash-out may be counted toward reserve See guidelines for details (Ineligible on Asset Depletion) 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.

Compliance	•	No Section 32 or state High Cost	•	Points and Fees max 5% limit						
	•	Loans must comply with all applicable federal and state regulations								
	•	Fully documented Ability to Repay including Borrower Attestation								
Credit	•	Impounds required on LTV > 80% or HPML loans unless otherwise specified by applicable state law								
	•	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months								
Consumer Charge-offs and Collections	•	Minimum credit score 660								
	•	Following may remain open:								
	•	Collections and charge-offs < 24 months	•	All medical collections regardless of amount						
Eligible Non-Arm's Length and Interested Party Transactions	•	Collections and charge-offs ≥ 24 months	•	Collections and charge-offs that have expired under the state statute of limitations on debts; evidence of expiration must be documented						
	•	old with a maximum of \$2,500 per occurrence	•							
	•	Existing property Purchase, Primary Residence Only								
First Time Home Buyer	•	Buyer(s)/Borrower(s) representing themselves as agent in real estate transaction								
	Purchase Between Family Members With Housing Without Housing History	•	Full Documentation and Bank Statement	•	Must provide a 12-month mortgage history on existing mortgage securing subject property confirming Family Sale is					
		•	Gift of Equity requires a gift letter and the equity gift credit is to be shown on the CD							
•	Minimum FICO 660	•	Must have documented 0x30X12 housing history							
Interest Only	•	Full Doc or Bank Bank Statement Only	•	Standard tradelines required						
	•	No gifts allowed	•	Non-occupying co-borrowers not allowed						
	•	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								
Minimum Property Standards	•	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	7yr Fixed	10yr I/O	20yr Full Amortization after I/O Period					
	•	SOFR 7/1 40yr ARM	7yr 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					
Property Types	•	600 sq. ft. for 1 unit properties	•	2+ units no minimum. Size	•	Maximum deferred maintenance cannot exceed \$2,000				
	•	Property constructed for year-round use	•	Permanently affixed continuous	•	No health or safety issues both internal or external				
Property Types - Ineligible	•	SFR	•	Condominium	•	Townh	•	D-PUD		
	•	PUD	•	Modular	•	Rowho	•	2 - 4 Unit	•	Rural (Owner Occupied Only)
Property Flips	•	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.								
Qualifying Payment	•	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								
	•	Property seller on the purchase contract			•	The property was marketed openly and fairly, through a multiple listing service, auction, FSBO offering (documented),				
	•	Flip transactions must comply with the			•	Sufficient documentation to validate actual cost to construct or renovate (e.g., purchase contracts, plans and				
Rental Income (Short-Term)	•	Increases in value are to be documented			•	All transactions must be arm's length, with no identity of interest between the buyer and property seller or other				
	•	Full Amortization:			Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA)					
Residual Income	•	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					
	•	Short Term Leases (including but limited to VRBO/AirBNB) are NOT eligible								
Seasoning	•	Required on DTI > 43% only								
	•	VA Residual Income Calc per VA Form #26-6393 and VA Residual Income Tables in VA Lending Manual Chapter 4.9								
	•	Rate and Term: No seasoning. At least 1 borrower from the existing loan must be in the new loan.								
Seasoning for Property Recently Listed on the Market	•	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	•	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.								
States	•	Per FNMA (LTV 75.01-90% up to 6% toward closing - 75% LTV of less max 9%								
	•	Max 3% on investor product								
Subordinate Financing	•	TX (No Interest-Only when using Texas Section 50(a)(6) Equity Cash-Out transactions)								
	•	State eligibility subject to review of applicable docs								
	•	CLTV max = LTV max								

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