

Matrix		
Loan Amount	Max DTI %	FICO
75,000 to 350,000	50	720
		700
		680
		660
350,001 to 450,000	50	720
		700
		680
		660
450,001 to 600,000	50	720
		700
		680
		660

Owner Occupied CLTV			
Full Doc	Bank Statement	1099 WVOE	P&L Only
90	85	85	80
90	80	80	75
85	75	75	70
80	70	70	65
85	80	80	75
85	75	75	70
80	70	70	65
75	65	65	60
80	75	75	70
80	70	70	65
75	65	65	60
70	60	60	55

2nd Home CLTV			
Full Doc	Bank Statement	1099 WVOE	P&L Only
80	75	75	70
80	70	70	65
75	65	65	60
70	60	60	55
80	70	70	65
75	65	65	60
70	60	60	55
65	55	55	50
75	65	65	60
70	60	60	55
65	55	55	50
60	50	50	45

Non Owner CLTV			
Full Doc	Bank Statement	1099 WVOE	P&L Only
80	75	75	70
80	70	70	65
75	65	65	60
70	60	60	55
80	70	70	65
75	65	65	60
70	60	60	55
65	55	55	50
75	65	65	60
70	60	60	55
65	55	55	50
60	50	50	45

Combined Lien Balance

Max Combined Lien Balance	\$2,000,000	\$3,000,000	\$3,500,000	\$4,000,000
Max CLTV	90%	85%	75%	65%

Occupancy		Amortization Term	Minimum Loan Amount
Property Type	Fixed / Full Amortization	10 yr.	\$75,000
		15 yr.	
		20 yr.	
		30 yr.	
Non Owner	Balloon	30/15 yr.	\$200,000
		40/15 yr.	
		10 yr.	
		15 yr.	
Non Owner	Fixed / Full Amortization	20 yr.	\$75,000
		30 yr.	
		30/15 yr.	
		40/15 yr.	

CLTV Restrictions

Property Type	Warrantable Condo Primary	75%	
	Warrantable Condo Investment	70%	
	2-4 Unit Primary	75%	
	2-4 Unit Investment	70%	
Declining Markets	Rural Property	Primary Only (Max. 10acres)	80%
	Owner Occupied / 2nd Homes		75%
Non-Owner		70%	

Documentation Options

Full Doc 2Yr	Standard FNMA Documentation	• Non QM and Agency Eligible
		• Salaried: 2 years W2 and YTD paystub covering minimum 30 days. W2 Transcripts
		• Self-Employed: 2 years tax returns, all schedules & transcripts. YTD P&L or 3 months business bank statements to support continuance of tax return income.
Full Doc 1Yr	W-2 (12 Month) Tax Returns (12 months)	• Non QM and Agency Eligible
		• Salaried: 1 year most recent W2 and YTD paystub covering minimum 30 days. W2 transcripts
		• Self-Employed: 1 year tax returns, all schedules and transcripts. YTD P&L or 3 months business bank statements to support continuance of tax return income.
Bank Statement	(24 months or 12 months)	• Personal & Business- Combined or Business (12mo or 24mo):
		• 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
		• Standard expense factors apply: 50% expense factor
		• If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required
		• Minimum expense factor with 3rd party prepared P&L or letter is 20%
		• Personal & Business Separated (12mo or 24mo):
		• 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 factor)
P&L Only	P&L (12 Months)	• 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:
		• CPA/CTEC/EA prepared the most recent year's business tax return filing; and,
		• 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 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.
1099	1099 (12 Months)	• 1099 plus either: Current check/check stub or bank statement showing deposits from each 1099 payor (10% expense factor applied).
		• Qualifying income = 1099 gross - 10% expense factor. Current check stub or bank statement deposits must support amounts consistent with 1099 levels
WVOE	FNMA Form 1005	• WVOE FNMA Form 1005 completed by HR, Payroll, Company Officer plus 2 mos personal bank statements supporting wages, or WVOE from online data source (Work Number, etc.)
		• Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program

Quick References

Assets

Assets

- None required on stand alone CES. Piggyback purchases require copy of assets for 1st lien.

Credit

Borrower Eligibility

- US Citizen
- Non-Permanent Resident Alien (with US Credit)
- Permanent Resident Alien

Borrower Eligible Vesting

- Individuals
- Joint tenants
- Tenants in Common
- Inter Vivos Revocable Trust
- Business Entity – Investor properties only. (LLC, Corp, LP & GP)

Borrower Ineligibility

- Non Occupant Co-borrowers
- All persons with >25% interest in the business entity ("Interested Persons") must apply for the loan and meet credit requirements
- Maximum of four (4) individual members/partners/shareholders. No entities as members.
- Persons who sign the note or a personal guaranty must sign an Occupancy Affidavit prior to closing.

Business Entity Business Purpose Loans Only	•	Formation and Operating documents:
	•	Articles of Incorporation and bylaws
	•	Certificate of Formation and Operating Agreement, or Partnership Agreement
	•	Tax Identification Number
	•	Certificate of Good Standing
Calculation of Senior Lien	•	1st lien ARMS with < 3 years fixed period remaining must be qualified at fully indexed payment

Credit (Continued)

Credit	Stand-Alone	• 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months
	Piggy-Back	• Default to AUS Approval (If applicable), no minimum tradelines required.
	Limited Credit	• Available for Primary only with 0x30x12 mortgage reported on credit (No private party mortgages)
Credit Scores		• Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner. • Non Traditional Credit ineligible
Credit Event Seasoning		• 48 Months- Foreclosure actions (NOI, NOD), short sale, deed in lieu, bankruptcy. No Multiple events in last 7 years
Derogatory Credit		• Open charge-offs or collections ≤ \$1,000 per occurrence are acceptable. • Open Medical collections ≤ \$1000 per occurrence ok.
Housing Lates		• 0x30x12 On all mortgages for all borrowers. Minimum 12 months housing history required
Calculation of Senior Lien ARMs		• 1st lien ARMS with < 3 years fixed period remaining qualified on fully indexed payment
Ineligible Senior Loans		• Loans in active forbearance or deferment. Deferred balance due to a documented hardship may remain open. Without documented hardship, deferred amounts must be paid through closing.
		• Negative Amortization
		• Reverse Mortgages
		• Private Party
Interest Only Senior Lien		• Max 45% DTI using Senior Liens Interest Only Payments. The current I/O payment on the senior lien is used to calculate DTI. • 1st lien ARMS with < 3 years fixed period remaining qualified on fully indexed payment.
Maximum Combined Liens		• The maximum combined 1st and 2nd liens is based on the loan amount. See matrix for limits.
Senior Lien Documentation		• Stand-Alone CES:
		• Current (within 60 days) first mortgage statement showing: Principal balance, Fully amortized, Term
		• HOA statement when applicable
		• HOI, flood insurance (if applicable), flood cert
		• Piggy Back 2nd: Follow 1st Lien Requirements
		• 1st mortgage approval reflecting 2nd .
		• DU/LP Approve/Eligible, or LP Accept or Approve/Accept/Ineligible due to loan size or non-conforming 1st liens (if applicable).
		• Purchase agreement (if applicable).
		• HOI, flood insurance (if applicable), flood cert, HOA statement (if applicable).
		• Closing instructions reflecting 2nd.
	• Eligible in Texas Purchase Piggy Back 2nd only	
Tradeline Requirements		The primary wage-earner must meet either of the minimum tradeline requirements listed below:
		• At least three (3) tradelines reporting for a minimum of twelve (12) months with activity in the last 12 months; or,
		• At least two (2) tradelines reporting for a minimum of twenty-four (24) months with activity in the last 12 months
Tradeline (Primary Only)		• On Primary residence only , borrowers who do not have the minimum tradelines are acceptable with a current mortgage history on their credit report reporting 0x30x12 (no private party mortgages).

Property Type

Acreage		• Maximum 10 acres Max 5 acres on Rural Primary Residence
Appraisal requirements		• Primary Residence and Second Homes
		• Declining markets maximum 75% CLTV on Primary/2nd Homes.
		• Full appraisal (1004, 1025, 1073)
		• Non Owner
		• Declining markets maximum 70% CLTV on investor properties.
	• Full Appraisal (1004, 1025, 1073) and Appraisal Desk Review supporting value within 10% variance. If the review variance is greater than 10%, the lower of the two is to be used to calculate CLTV.	

Property Type (Continued)

Property Type	Eligible	<ul style="list-style-type: none"> SFR (Max 10 acres), PUD, Condo-Warrantable & 2-4 Unit max 75% CLTV for Primary, 70% CLTV for NOO Rural - Primary max 80% CLTV, Full Doc only, Max.10 acres
	Ineligible	<ul style="list-style-type: none"> Rural Investments • Condotels • Non-warrantable Condos • Manufactured • 5 plus-units • Log Homes • Working Farms and Hobby Farms • Unique Properties • Agricultural or Commercial Zoned Properties • Co-ops • Room and Board Facilities • Adult Assisted Living/Care Facilities
Rural Property		<ul style="list-style-type: none"> Primary, Full Doc, maximum 5 acres, reduce CLTV by 10% allowed
Title Report		<ul style="list-style-type: none"> Alta Short Form - Lenders Policy
Title Seasoning		<ul style="list-style-type: none"> Properties owned less than six (6) months ineligible. Seasoning is not required for properties that are inherited or legally acquired through a divorce, separation, or dissolution of a domestic partnership.
Seasoning: Property Listing		<ul style="list-style-type: none"> > 6 months seasoning no restrictions ≤ 6 months ownership seasoning ineligible for refinance
		<ul style="list-style-type: none"> ≤ 6 months seasoning since previous refinance on either 1st lien or 2nd lien max 80% CLTV
States		<ul style="list-style-type: none"> Ineligible: Texas 50a6, New York, and Vermont

Miscellaneous

Compliance		<ul style="list-style-type: none"> No Section32 or state High Cost
		<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"> Higher-Priced Mortgage Loans (HPML) and higher Priced Covered Transactions (HPCT) are permitted subject to Compliance with all applicable regulatory requirements

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