

Matrix			
Loan Amount	Max Combined	Max DTI %	FICO
75,000 to 350,000	2 mil	50	720
			700
			680
			660
350,001 to 450,000	2.5 mil	50	720
			700
			680
			660
450,001 to 550,000	2.5 mil	50	720
			700
			680
			660

Owner Occupied CLTV	
Full Doc	Bank Statement
90	85
90	80
85	75
80	70
85	80
85	75
80	70
75	65
80	75
80	70
75	65
70	60

2nd Home CLTV	
Full Doc	Bank Statement
80	75
80	70
75	65
70	60
75	70
75	65
70	60
65	55
70	65
70	60
65	55
60	50

Non Owner CLTV	
Full Doc	Bank Statement
80	75
80	70
75	65
70	60
80	70
75	65
70	60
65	55
75	65
70	60
65	55
60	50

Occupancy		Amortization Term	Minimum Loan Amount
Property Type	Fixed / Full Amortization	10 yr.	\$75,000
		15 yr.	
		20 yr.	
		30 yr.	
Non Owner	Fixed / Full Amortization	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.	
Non Owner	Balloon	30 yr.	\$200,000
		30/15 yr.	
		40/15 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%
	Rural Property	Primary Only (Max. 5 acres) -10%
Declining Markets	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)

Quick References

Assets

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

Borrower Eligibility		• US Citizen		
		• Non-Permanent Resident Alien (with US Credit)		
		• Permanent Resident Alien		
Borrower Eligible Vesting		• Individuals	• Tenants in Common	• Business Entity – Investor properties only. (LLC, Corp, LP & GP)
		• Joint tenants	• Inter Vivos Revocable Trust	
Borrower Ineligibility		• Non Occupant Co-borrowers		
Business Entity Business Purpose Loans Only		• 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.		
		• 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	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 Derogatory Credit		• 48 Months- Foreclosure actions (NOI, NOD), short sale, deed in lieu, bankruptcy. No Multiple events in last 7 years		
		• Open charge-offs or collections ≤ \$1,000 per occurrence are acceptable.		
		• Open Medical collections ≤ \$1000 per occurrence ok.		

Credit (Continued)		
Housing Lates		<ul style="list-style-type: none"> 0x30x12 On all mortgages for all borrowers. Minimum 12 months housing history required
Calculation of Senior Lien ARMs		<ul style="list-style-type: none"> 1st lien ARMS with < 3 years fixed period remaining qualified on fully indexed payment
Ineligible Senior Loans		<ul style="list-style-type: none"> 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.
		<ul style="list-style-type: none"> Negative Amortization
		<ul style="list-style-type: none"> Reverse Mortgages
		<ul style="list-style-type: none"> Private Party
		<ul style="list-style-type: none"> Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien
Interest Only Senior Lien		<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> The maximum combined 1st and 2nd liens is based on the loan amount. See matrix for limits.
Senior Lien Documentation		<ul style="list-style-type: none"> Stand-Alone CES:
		<ul style="list-style-type: none"> Current (within 60 days) first mortgage statement showing: Principal balance, Fully amortized, Term
		<ul style="list-style-type: none"> HOA statement when applicable
		<ul style="list-style-type: none"> HOI, flood insurance (if applicable), flood cert
		<ul style="list-style-type: none"> Piggy Back 2nd: Follow 1st Lien Requirements
		<ul style="list-style-type: none"> 1st mortgage approval reflecting 2nd .
		<ul style="list-style-type: none"> DU/LP Approve/Eligible, or LP Accept or Approve/Accept/Ineligible due to loan size or non-conforming 1st liens (if applicable).
		<ul style="list-style-type: none"> Purchase agreement (if applicable).
		<ul style="list-style-type: none"> HOI, flood insurance (if applicable), flood cert, HOA statement (if applicable).
		<ul style="list-style-type: none"> Closing instructions reflecting 2nd.
		<ul style="list-style-type: none"> Eligible in Texas Purchase Piggy Back 2nd only
Tradeline Requirements		The primary wage-earner must meet either of the minimum tradeline requirements listed below:
		<ul style="list-style-type: none"> At least three (3) tradelines reporting for a minimum of twelve (12) months with activity in the last 12 months; or,
		<ul style="list-style-type: none"> At least two (2) tradelines reporting for a minimum of twenty-four (24) months with activity in the last 12 months
Tradeline (Primary Only)		<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> Maximum 10 acres Max 5 acres on Rural Primary Residence
Appraisal requirements		<ul style="list-style-type: none"> Primary Residence and Second Homes
		<ul style="list-style-type: none"> Declining markets maximum 75% CLTV on Primary/2nd Homes.
		<ul style="list-style-type: none"> Full appraisal (1004, 1025, 1073)
		<ul style="list-style-type: none"> Non Owner
		<ul style="list-style-type: none"> Declining markets maximum 70% CLTV on investor properties.
		<ul style="list-style-type: none"> 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	Eligible	<ul style="list-style-type: none"> SFR, PUD, Townhome, Rowhome, Modular Condo-Warrantable & 2-4 Unit max 75% CLTV for Primary, 70% CLTV for Investment Rural - Primary, Full Doc only, Max. 5 acres
	Ineligible	<ul style="list-style-type: none"> Rural Investments • Condotel • 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. Less than 6 months seasoning ineligible
States		<ul style="list-style-type: none"> Ineligible: Texas 50a6, Cash-Out New York, and Vermont

Miscellaneous		
Compliance	•	No Section32 or state High Cost
	•	Loans must comply with all applicable federal and state regulations
	•	Fully Documented Ability to Repay including Borrower Attestation
	•	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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