



NON OWNER PRIME Matrix

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

Full Doc 12mo or 24mo	
Purchase R/T	Cash Out
80	75
80	75
75	70
75	70
80	75
80	75
75	70
70	65
70	65
70	65
70	60
70	60
70	60

Bank Statement 12mo or 24mo	
Purchase R/T	Cash Out
80	75
80	75
75	70
75	70
80	75
80	75
75	70
70	60
70	60
70	60
70	60
70	60
70	60

P & L Only	
Purchase R/T	Cash Out
75	70
75	70
75	65
70	65
70	65
70	65
70	60
70	60
65	60
65	60
65	60
65	60

Asset Depletion	
Purchase R/T	Cash Out
75	70
75	70
75	65
70	65
70	65
70	65
70	60
70	60
65	60
65	60
65	60
65	60

DSCR	
Purchase R/T	Cash Out
80	70
80	70
75	70
75	70
80	70
80	70
75	70
70	65
70	65
70	65
70	60
70	60
70	60
65	60
65	60
65	55
65	55
60	55

LTV Restrictions			
			LTV
Property Type	Purchase & Rate-Term	Condo	75%
		Non-Warrantable Condo	75% (No Foreign Nat'l)
		Condotel (Max \$1.5mil Loan Amount)	75% (No Foreign Nat'l)
		2-4 Unit	75%
		Modular	75%
	Cash-Out - Max \$500K - \$1M Cash out (Max 80% of Loan Amount over \$625K Loan Amount)	Condo	70%
		Non-Warrantable Condo	70% (No Foreign Nat'l)
		Condotel (Max \$1.5mil Loan Amount)	65% (No Foreign Nat'l)
		2-4 Unit	70%
		Modular	70%
Loan Type	Interest Only		80%
Declining Values	Declining Values		10% LTV Reduction
Housing Lates	*All past due housing payments must be cured by application and remain paid as agreed thru closing.	Multiple 30 day lates but 0x60	5% LTV Reduction
Credit Event Seasoning	FC, SS, DIL	24-35 months	5% LTV Reduction
	BK 7	24-35 months	5% LTV Reduction
		12-23 months	5% LTV Reduction / No Cash-Out
	BK 13	Discharge	-

LTV Restrictions Continued					
Reduced Reserves	(max -3 mos. reserves)				5% LTV Reduction
Expanded DTI (50.01-55) Not available for Asset Depletion	Investment	+3 months reserves	Min 680 FICO	Max 1.5 mil loan amount	75% Max LTV
DSCR .75 to .999	No Cash-Out	Min 700 FICO			5% LTV Reduction

Overlays					
Cash-Out	* Max \$500K - \$1M Cash out (Max 80% of Loan Amount over \$625K Loan Amount)				
Credit	Standard	No Mortgage or Rental History	Max 50% DTI		Lower of Matrix LTV or 70% LTV
First Time Investor		Mortgage History Required	Min. 660 FICO	Max Loan Amount \$750,000	
Residual Income for DTI >43%	Per VA guideline or \$2500+\$150 per dependent				
Prepayment Penalty Structures	6 months interest	6 months interest on the amount paid greater than 20% of the original Unpaid Principle Balance. Applies to payoff due to sale or refinance.			States not permitted: AK, DE, MN, NH, NM, OH, IL, CO, MI, NJ, RI PA (Min. \$301,022 Loan Amount)
	5% Fixed	5% of any outstanding balance during the prepayment penalty term available for DSCR only . Applies to payoff due to sale or refinance.			
Unleased Properties		Purchase	Qualify with Market Rents		
		Refinance	Max 1 vacancy for 2-4 units - Use Market Rent for Vacancy		
		DSCR	Refinance with previous rent history documented		5% LTV Reduction

Foreign National					
Foreign National (DSCR Only)	Minimum 1.10 DSCR	12 mos reserves	Min 660 FICO	Max 1.5 mil loan amount	5% LTV Reduction
Foreign National	VISA Types allowed:	B-1, B-2, H-2, H-3, I, J-1, J-2, O-2, P-1, P-2, TN NAFTA, Laser Visa			
	Documentation	<ul style="list-style-type: none"> Copy of the borrowers valid and unexpired passport (including photograph) Copy of the borrower's valid and unexpired visa (including photograph) OR an I-797 form with valid extension dates and I-94. Borrowers from countries participating in the State Department's Visa Waiver Program (VWP) are not required to provide a valid visa. The credit file should be documented with a current print out of the participating countries with the borrower's country of origin highlighted. Participating countries can be found at: https://travel.state.gov/content/visas/en/visit/visa-waiver-program.html 			
		All parties involved on transaction must be screened through exclusionary lists, must be cleared through OFAC's SND list, search of Specially Designated Nationals & Blocked Persons List may be completed via US Department of Treasury:			
		All borrowers must complete IRS form W-8BEN			
		Documents signed by Borrowers outside of the United States must be notarized by a U.S. embassy or consular official. The certificate of acknowledgment must meet the standard notarial requirements and must include the embassy or consular seal			
	Without Qualifying US Credit	Must provide evidence of the following:			
		Two (2) credit or banking reference letters from verified financial institutions in the borrower's country of origin			
		a.	Each letter of reference must state the type and length of the relationship, how the account is held, payment amount, outstanding balance and status of account including a minimum 12 month payment history.		
		b.	A single reference source may provide verification of multiple accounts. Individual account detail must be provided.		
		c.	The letter must mention the borrower by name.		
d.		Name, title, and contact information of the person signing the letter must be included.			
e.	Currency must be converted to U.S. Dollars and signed and dated by certified translator.				
f.	All documents must be translated into English.				
Housing History Required	Evidence of 2 yr mortgage and/or rental housing history with 0x30x12 or documentation of free and clear property ownership.				
Automatid Debit Payment	An executed Automatic Debit Payment Agreement (ACH) Form (Exhibit C) from a U.S. Bank, including either the bank routing number, account number, and account type or a voided check is required for transactions involving a Foreign National.				
Assets held in Foreign Accounts	May be used as source of funds to close and meet reserve requirements.				
	Closing funds and reserves must be transferred to a US domiciled account in borrower's name at least 10 days prior to closing.				
	Assets held in foreign accounts must be documented as follows:				
	<ul style="list-style-type: none"> Assets must be verified in U.S. Dollar equivalency at the current exchange rate via either www.xe.com or the Wall Street Journal conversion table. 				

Foreign National Continued

Foreign National	Assets held in Foreign Accounts		.	A copy of the two (2) most recent statements of that account. If the funds are not seasoned a minimum of sixty (60) days, a letter of explanation is required along with the information to comprise a sixty (60) day chain of funds.
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NON OWNER PRIME Documentation

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 tax returns, recent paystub (self-employed YTD P&L) 1040 transcripts required 	
		Full Doc 1Yr	W-2 (12mo)
Full Doc 1Yr	Tax Returns (12mo)		<ul style="list-style-type: none"> Self-Employed - 1 year most recent tax returns plus either:
	Bank Statement	Bank Statement (24mo, 12mo)	<ul style="list-style-type: none"> 1040 Transcripts required 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 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%
<ul style="list-style-type: none"> 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 factor) 			
<ul style="list-style-type: none"> Self-employed (2yrs - 25% or greater ownership) P&L prepared by tax professional Minimum expense factor with P&L is 20% for service business and 40% for product business (see guidelines for details) 			
<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 or reviewed the most recent 2 years of business tax return filing; and, The business name, borrower's name, and percentage of business ownership by the borrower. 			
<ul style="list-style-type: none"> Income from co-borrowers who are W2 wage earners is to be documented with most recent W2 and paystub. 			
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%) Allowable assets divided by 84 months = qualifying income Maximum 50% DTI - No Expanded DTI available 	
		DSCR	> 1.00
<ul style="list-style-type: none"> Short term rental accepted on refinance transactions only with 3rd party documentation of 12mos rents. For Purchases, the 1007 in the file will be used to determine DSCR Ratio 20% vacancy factor applies to SFR refinances only. See guidelines for limitations and treatment of vacant unit(s) 			
.99-.75	<ul style="list-style-type: none"> Gross monthly rent divided by PITIA of subject property must be greater than or equal to 1.00 for max LTV DSCR from .99 to .75 available for Purchase; or R/T ok with a 5% LTV reduction. Cash-out NOT allowed. Prepayment penalty must be in compliance with the terms and limitations of the applicable state or federal law 		

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 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% 			
<ul style="list-style-type: none"> All 1 unit investor appraisals require form 1007 Single Family Comparable Rent Schedule 			
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) 		
	<ul style="list-style-type: none"> Gift funds are acceptable for use toward down payment and loan costs 		
Borrower Eligibility	Citizenship	<ul style="list-style-type: none"> US Citizen Non-Permanent Resident Alien (with US Credit) 	
		<ul style="list-style-type: none"> Permanent Resident Alien Foreign Nationals (DSCR Only) 	
Cash-Out	<ul style="list-style-type: none"> Cash-out max is based on LTV (See matrix - Max \$500K - \$1M Cashout based on LTV. If loan amount is over \$625k, cash out is maxed at 80%LTV) 		
	<ul style="list-style-type: none"> Cash-Out example: 625,000 loan amount x 80% allows 500,000 cash out Example 2 : 850,000 loan amount x 80% allows 680,000 cash out 		
	<ul style="list-style-type: none"> Cash-out may be counted toward reserve requirement 		<ul style="list-style-type: none"> See guidelines for details

Quick References Continued

Cash-Out	<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 (Excluding DSCR) 					
	<ul style="list-style-type: none"> Impounds required on LTV > 80% or HPML loans unless otherwise specified by applicable state law 					
Credit	Standard					
<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 No mortgage or rental history (Lower of Matrix LTV or 70% LTV, 50% DTI) 						
Consumer Charge-offs and Collections	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 			
First Time Investor	<ul style="list-style-type: none"> Primary mortgage history is required 		<ul style="list-style-type: none"> Minimum FICO 660 	<ul style="list-style-type: none"> Maximum loan amount \$750,000 		
	<ul style="list-style-type: none"> Any borrower who has not owned at least one investment property for a minimum of 12 months at any time within the most recent 36 months 					
Investor History						
Borrower must have a history of owning and managing at least one property for a minimum of 12 months within the most recent 36 months on DSCR product						
Borrower must have a housing history for all investor products						
States	Ineligible					
<ul style="list-style-type: none"> TX (No Interest-Only when using Texas Section 50(a)(6) Equity Cash-Out transactions) 						
Interest Only	<ul style="list-style-type: none"> SOFR 5/6 30yr ARM 		5yr Fixed	10yr I/O	20yr Full Amortization after I/O Period	
	<ul style="list-style-type: none"> SOFR 5/6 40yr ARM 		5yr Fixed	10yr I/O	30yr Full Amortization after I/O Period	
	<ul style="list-style-type: none"> SOFR 7/6 30yr ARM 		7yr Fixed	10yr I/O	20yr Full Amortization after I/O Period	
	<ul style="list-style-type: none"> SOFR 7/6 40yr ARM 		7yr Fixed	10yr I/O	30yr Full Amortization after I/O Period	
	<ul style="list-style-type: none"> 30yr Fixed 				10yr I/O	20yr Full Amortization after I/O Period
	<ul style="list-style-type: none"> 40yr Fixed 				10yr I/O	30yr Full Amortization after I/O Period
Minimum Property Standards	<ul style="list-style-type: none"> 600 sq. ft. for 1 unit properties 		<ul style="list-style-type: none"> 2+ units no minimum. Size must be supported by market comparison 		<ul style="list-style-type: none"> Maximum deferred maintenance cannot exceed \$2,000 	
	<ul style="list-style-type: none"> Property constructed for year-round use 		<ul style="list-style-type: none"> Permanently affixed continuous heat source 		<ul style="list-style-type: none"> No health or safety issues both internal or external 	
Prepayment Penalty Option						
<ul style="list-style-type: none"> Prepayment penalty must be in compliance with the terms and limitations of the applicable state or federal law 						
Property Types						
<ul style="list-style-type: none"> SFR 	<ul style="list-style-type: none"> Condominium 	<ul style="list-style-type: none"> Townhouse 	<ul style="list-style-type: none"> D-PUD 	<ul style="list-style-type: none"> Non-Warrantable Condo / Condotel 		
<ul style="list-style-type: none"> PUD 	<ul style="list-style-type: none"> Modular 	<ul style="list-style-type: none"> Rowhouse 	<ul style="list-style-type: none"> 2 - 4 Unit 			
Property: Condotels	Eligible		<ul style="list-style-type: none"> Condotel units are categorized as non-warrantable condos. Minimum 500 square feet. 			
	<ul style="list-style-type: none"> Kitchen required with full size appliances, refrigerator, stove, oven. 		<ul style="list-style-type: none"> Investor concentration ok to 100% 			
	<ul style="list-style-type: none"> Bedroom required – no studios. 					
	Ineligible		<ul style="list-style-type: none"> Properties with hotel, motel in name. Converted hotel or motel Projects with less than 10 units. Properties with Registration desks/office. Properties that are not located in a resort/destination area (beach, ski, lake) 			
Property Flips						
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).						
<ul style="list-style-type: none"> 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 				
<ul style="list-style-type: none"> 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.) 				
<ul style="list-style-type: none"> 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						
<ul style="list-style-type: none"> Full Amortization: 		Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA)				
<ul style="list-style-type: none"> 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 period				
<ul style="list-style-type: none"> Full Amortization (DSCR): 		Qualifying ratios based on Note Rate (PITIA)				
<ul style="list-style-type: none"> Interest Only (DSCR): 		Qualifying ratios based on Note Rate Initial Interest Only payment (ITIA)				

Quick References Continued

Qualifying Payment	• Full Amortization (DSCR):	Qualifying ratios based on Note Rate (PITIA)
	• Interest Only (DSCR):	Qualifying ratios based on Note Rate Initial Interest Only payment (ITIA)
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	• 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 applicatiion date of new loan. DSCR with prepayment penalty ok with no seasoning on cash out.	
	• LLC Cash Out: 12 months seasoning required if the property was owned prior to closing by LLC that is majority-owned by the borrower.	
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.	
	• Cash-out DSCR with prepayment penalty ok with no seasoning.	
Seller Concessions / IPC	• Max 3% on Investor product	
Subordinate Financing	• CLTV max = LTV max	
	• Subordinate Financing payment must be included in DSCR calculation	

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