



# PRIME SECONDS Matrix

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
85	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.		\$75,000.00
		15 yr.		
		20 yr.		
		30 yr.		
Property Type	Balloon	30/15 yr.		\$200,000.00
		40/15 yr.		
Non Owner	Fixed / Full Amortization	10 yr.		\$75,000.00
		15 yr.		
		20 yr.		
		30 yr.		
	Non Owner	Balloon	30/15 yr.	
40/15 yr.				

CLTV Restrictions		
Property Type	2-4 Unit Primary	75.00%
	2-4 Unit Investment	70.00%
Declining Markets	Owner Occupied / 2nd Homes	75.00%
	Non-Owner	70.00%

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**PRIME SECONDS Documentation**

**Documentation Options**

<b>Full Doc 2Yr</b>	Standard FNMA Documentation	<ul style="list-style-type: none"> <li>Non QM and Agency Eligible</li> </ul>
		<ul style="list-style-type: none"> <li>Salaried: 2 years W2 and YTD paystub covering minimum 30 days. W2 Transcripts</li> </ul>
		<ul style="list-style-type: none"> <li>Self-Employed: 2 years tax returns, all schedules &amp; transcripts. YTD P&amp;L or 3 months business bank statements to support continuance of tax return income.</li> </ul>
<b>Full Doc 1Yr</b>	W-2 (12 Month) Tax Returns (12 months)	<ul style="list-style-type: none"> <li>Non QM and Agency Eligible</li> </ul>
		<ul style="list-style-type: none"> <li>Salaried: 1 year most recent W2 and YTD paystub covering minimum 30 days. W2 transcripts</li> </ul>
		<ul style="list-style-type: none"> <li>Self-Employed: 1 year tax returns, all schedules and transcripts. YTD P&amp;L or 3 months business bank statements to support continuance of tax return income.</li> </ul>
<b>Bank Statement</b>	(24 months or 12 months)	<ul style="list-style-type: none"> <li>Personal &amp; Business-<b>Combined</b> or <b>Business</b> (12mo or 24mo):</li> </ul>
		<ul style="list-style-type: none"> <li>At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)</li> </ul>
		<ul style="list-style-type: none"> <li>Asset Depletion allowed with Bank Statement documentation</li> </ul>
		<ul style="list-style-type: none"> <li>Standard expense factors apply: 50% expense factor</li> </ul>
		<ul style="list-style-type: none"> <li>If business operates &lt; standard expense factor, P&amp;L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required</li> </ul>
		<ul style="list-style-type: none"> <li>Minimum expense factor with 3rd party prepared P&amp;L or letter is 20%</li> </ul>
		<ul style="list-style-type: none"> <li>Personal &amp; Business <b>Separated</b> (12mo or 24mo):</li> </ul>
		<ul style="list-style-type: none"> <li>At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)</li> </ul>
		<ul style="list-style-type: none"> <li>Asset Depletion allowed with Bank statement documentation</li> </ul>
		<ul style="list-style-type: none"> <li>Personal used to qualify, 3 months business to show business cash flows in order to utilize 100% of business related deposits in personal account (no expense factor)</li> </ul>

**Quick References**

<b>Acreage</b>	<ul style="list-style-type: none"> <li>Maximum 10 acres</li> </ul>
<b>Appraisal requirements</b>	<ul style="list-style-type: none"> <li><b>Primary Residence and Second Homes</b></li> </ul>
	<ul style="list-style-type: none"> <li>Declining markets maximum 75% CLTV on Primary/2nd Homes.</li> </ul>
	<ul style="list-style-type: none"> <li>Non HPML Loans: Previous appraisal within 12 months + Residential Appraisal Review. Review Value must be equal to or greater than the appraisal. CLTV is calculated using the lower value of the original appraisal or appraisal review.</li> </ul>
	<ul style="list-style-type: none"> <li>or</li> </ul>
	<ul style="list-style-type: none"> <li>New Residential Appraisal and AVM supporting value within 10% Variance. If the AVM variance is greater than 10%, the lower of the two is used to calculate CLTV.</li> </ul>
	<ul style="list-style-type: none"> <li><b>Non Owner</b></li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>Declining markets maximum 70% CLTV on investor properties.</li> </ul>
	<ul style="list-style-type: none"> <li>A new Residential Appraisal plus an AVM supporting value within 10%. If the AVM variance is greater than 10%, the lower of the two is used to calculate CLTV.</li> </ul>
	<ul style="list-style-type: none"> <li>or</li> </ul>
	<ul style="list-style-type: none"> <li>New 2055 Appraisal and Residential Review supporting value within 10% variance. If the AVM variance is greater than 10%, the lower of the two is to be used to calculate CLTV.</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>None Required</li> <li>US Citizen</li> <li>Non-Permanent Resident Alien (with US Credit)</li> <li>Permanent Resident Alien</li> </ul>
<b>Borrower Eligible Vesting</b>	<ul style="list-style-type: none"> <li>Individuals</li> <li>Tenants in Common</li> <li>Business Entity – Investor properties only. (LLC, Corp, LP &amp; GP)</li> </ul>
	<ul style="list-style-type: none"> <li>Joint tenants</li> <li>Inter Vivos Revocable Trust</li> </ul>
<b>Borrower Ineligibility</b>	<ul style="list-style-type: none"> <li>Non Occupant Co-borrowers</li> </ul>
<b>Business Entity Business Purpose Loans Only</b>	<ul style="list-style-type: none"> <li>All persons with &gt;25% interest in the business entity ("Interested Persons") must apply for the loan and meet credit requirements</li> </ul>
	<ul style="list-style-type: none"> <li>Maximum of four (4) individual members/partners/shareholders. No entities as members.</li> </ul>
	<ul style="list-style-type: none"> <li>Persons who sign the note or a personal guaranty must sign an Occupancy Affidavit prior to closing.</li> </ul>
	<ul style="list-style-type: none"> <li>Formation and Operating documents:</li> </ul>
	<ul style="list-style-type: none"> <li>Articles of Incorporation and bylaws</li> <li>Certificate of Formation and Operating Agreement, or Partnership Agreement</li> </ul>
	<ul style="list-style-type: none"> <li>Tax Identification Number</li> <li>Certificate of Good Standing</li> </ul>

## Quick References Continued

<b>Calculation of Senior Lien</b>		<ul style="list-style-type: none"> <li>• 1st lien ARMS with &lt; 3 years fixed period remaining must be qualified at fully indexed payment</li> </ul>
<b>Credit Scores</b>		<ul style="list-style-type: none"> <li>• Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner.</li> <li>• Non Traditional Credit ineligible</li> </ul>
<b>Credit Event Seasoning</b>		<ul style="list-style-type: none"> <li>• 48 Months- Foreclosure actions (NOI, NOD), short sale, deed in lieu, bankruptcy. No Multiple events in last 7 years</li> </ul>
<b>Credit</b>		<ul style="list-style-type: none"> <li>• 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months</li> </ul>
<b>Compliance</b>		<ul style="list-style-type: none"> <li>• No Section32 or state High Cost</li> <li>• Loans must comply with all applicable federal and state regulations</li> <li>• Fully Documented Ability to Repay including Borrower Attestation</li> <li>• Higher-Priced Mortgage Loans(HPML) and higher Priced Covered Transactions (HPCT) are permitted subject to Compliance with all applicable regulatory requirements</li> </ul>
<b>Derogatory Credit</b>		<ul style="list-style-type: none"> <li>• Charge-offs or Collections acceptable if paid off over 12 months prior. No delinquent tradelines at closing.</li> <li>• Open Medical collections &lt; \$1000 per occurrence ok.</li> </ul>
<b>Housing Lates</b>		<ul style="list-style-type: none"> <li>• 0x30x12 On all mortgages for all borrowers. Minimum 12 months housing history required</li> </ul>
<b>Ineligible Senior Loans</b>		<ul style="list-style-type: none"> <li>• 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.</li> <li>• Negative Amortization</li> <li>• Reverse Mortgages</li> <li>• Private Party</li> <li>• Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien</li> </ul>
<b>Interest Only Senior Lien</b>		<ul style="list-style-type: none"> <li>• Max 45% DTI using Senior Liens Interest Only Payments</li> </ul>
<b>Maximum Combined Liens</b>		<ul style="list-style-type: none"> <li>• The maximum combined 1st and 2nd liens is based on the loan amount. See matrix for limits.</li> </ul>
<b>Property Type</b>	Eligible	<ul style="list-style-type: none"> <li>• SFR, PUD, Condo-Warrantable, Modular. <b>2-4 Unit max 75% CLTV for Owner occupied, 70% CLTV for Investment</b></li> </ul>
	Ineligible	<ul style="list-style-type: none"> <li>• Rural • Condotels • Non-warrantable Condos • Manufactured • Multi-unit • 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</li> </ul>
<b>Qualifying Payment</b>		<ul style="list-style-type: none"> <li>• Qualifying ratios based on Full Note Rate</li> </ul>
<b>Title Report</b>		<ul style="list-style-type: none"> <li>• Alta Short Form - Lenders Policy</li> </ul>
<b>Title Seasoning</b>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Seasoning: Property Listing</b>		<ul style="list-style-type: none"> <li>• &gt; 6 months seasoning no restrictions. <b>Less than 6 months seasoning ineligible</b></li> </ul>
<b>States</b>		<ul style="list-style-type: none"> <li>• Ineligible: Texas, New York, and Vermont</li> </ul>

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