



Non-QM Seconds Matrix

			Owner Occupied	
			Full Doc	Bank Statement
			12 months	
Loan Amount	Max DTI	FICO	CLTV	CLTV
\$100,001 - \$450,000	50%	740	80%	80%
		720	80%	75%
		700	75%	70%
		680	70%	N/A

Details

Declining Markets	Maximum 75% CLTV on Owner Occupied.
Appraisal Requirements	Previous appraisal within 12 months + Residential Appraisal Review. Review value must be equal to or greater than appraisal. - OR - New Residential Appraisal and AVM supporting value within 10% variance. Lower of two values to be used.
Borrowers - Eligible	US Citizen
	Non-Permanent Resident Alien (with US Credit)
	Permanent Resident Alien
Borrowers – Ineligible	Non-occupant co-borrowers
	Vesting is not permitted to be in the name of an LLC, Corporation or Partnership
Compliance	No Section 32 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 complying with all applicable regulatory requirements.
Credit	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months
Credit Event Seasoning	48 months – Foreclosure, short-sale, deed in lieu, bankruptcy, No multiple events in the last 7 years.

Non-QM Seconds Matrix	
Details	
Amortization Terms	10yr, 15yr, 20yr, 30yr
Credit Scores	Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner.
	Non-traditional credit ineligible.
Derogatory Credit	No open charge-offs or collections in 48 months. No delinquent tradelines at closing.
Housing Lates	0 x 30 x 12 On all mortgages for all borrowers. Minimum 12 months housing history required.
Ineligible Senior Liens	Loans in active forbearance or deferment
	Negative amortization
	Reverse mortgages
	Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien.
Interest Only Senior Lien	Max 45 DTI using Senior Lien Interest Only Payment
Maximum Combined Liens	\$2MM
Minimum Loan Amount	\$100,001
Property Type	SFR in PUD SFR with townhouse or row home design allowed, Condo-Warrantable, Max 2 acres
Qualifying Payment	Qualifying ratios based on Full Note Rate
Reserves	None required
Seasoning	> 6 months seasoning no restrictions. Less than 6 months seasoning ineligible.
Title Report	ALTA Short Form – Lenders Policy

Documentation Options		Additional Program Requirements
Full Doc 1Yr	W-2 (12mo) Tax Returns (12mo)	<p>Non-QM and Agency Eligible</p> <ul style="list-style-type: none"> Non-QM: Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding. Agency: DU Approve/Eligible may be used. <p>Wage Earner - 1 year most recent W-2 plus 30 days paystubs Self-Employed - 1 year most recent tax returns plus either:</p> <ul style="list-style-type: none"> YTD P&L after April 30th 3 months bank statements verifying cash flow (No P&L)
Bank Statement	Bank Statement (12mo)	<p>Personal & Business-Combined or Business (12 months):</p> <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 <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 Minimum expense factor with 3rd party prepared P&L or letter is 20% <p>Personal & Business Separated (12 months):</p> <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)