



Eligibility

Standard Doc

Loan Amount	Credit Score	Primary	Second Home	Investment
\$150,001 - \$350,000	740	85	80	75
	700	85	80	65
	680	75	75	N/A
\$350,001 - \$500,000	740	85	75	75
	700	85	75	65
	680	75	70	N/A

Alt-Doc

Loan Amount	Credit Score	Primary	Second Home	Investment
\$150,001 - \$350,000	740	85	75	70
	700	80	70	60
	680	75	65	N/A
\$350,001 - \$500,000	740	80	70	65
	700	75	65	60
	680	70	60	N/A

General Requirements

Product and Term	Fixed Rate - Fully amortizing terms of 10, 15, 20, 25 & 30 years
Loan Amounts	<ul style="list-style-type: none"> Min: \$150,001 Max: \$500,000
Combined Loan Balance	<ul style="list-style-type: none"> The CLTV of the combined loan balances are restricted as follows: <ul style="list-style-type: none"> Combined loan balance > \$2,000,000 – maximum 80% CLTV Combined loan balance > \$3,000,000 – maximum 75% CLTV Maximum combined loan balance for all liens not to exceed \$4,000,000
Loan Purpose	Stand-Alone Cash Out (Simultaneous/Piggyback not allowed)
Ownership Seasoning	Borrower must have owned property for 6 months
Occupancy	Primary, Second Home, Investment
Cash-Out	Max cash-out: \$500,000
Eligible Borrower	<ul style="list-style-type: none"> U.S. Citizen Permanent Resident Alien
State Restrictions	<ul style="list-style-type: none"> Not Eligible: Texas Restricted: IL, NJ (Max CLTV 80%, Min. FICO 720)

Property Listed for Sale

3 Months	6 Months	12 Months
Not Eligible		No restrictions

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Income Requirements	
Standard Doc	<ul style="list-style-type: none"> Wage/Salary: 1-year Paystubs, W-2, IRS Forms 4506-C, Verbal VOE Self-Employed: 1-year personal and business (if applicable) Tax returns, YTD P&L, IRS Form 4506-C
Personal Bank Statements	<ul style="list-style-type: none"> 12-months of Personal and 2-months of business bank statements. Qualifying income is determined by the total eligible deposits from the 12-months of personal statements divided by the number of statements The business bank statements must reflect business activity and transfers to the personal account
Business Bank Statements	<ul style="list-style-type: none"> 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> Fixed Expense Ratio (50%) Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10% 3rd party prepared Profit & Loss Statement (CPA or EA)
IRS Form 1099	<ul style="list-style-type: none"> 1-Year 1099 Fixed Expense Ratio of 10% YTD documentation to support continued receipt of income
Pre-close Reverification of employment	<ul style="list-style-type: none"> Verbal VOE within 10-days wage/salary Business verification for S/E by 3rd party within 10-days of Note Date
Underwriting Requirements	
Underwriting	Loans must be manually underwritten based on applicable doc type.
Application	FNMA Form 1003 - Current version of the Uniform Residential Loan Application
Age of Documents	<ul style="list-style-type: none"> Credit Documents: May not be over 90-days old at the time of closing. Appraisals: May not be over 120-days old at time of closing.
Gap Credit	A Gap report within 10-days of closing or Debt monitoring report required.
Qualifying Credit Score	<ul style="list-style-type: none"> Middle of 3 or lower of 2 score for the primary wage earner Rapid rescoring not allowed.
Housing History	0x30x12 - verification of mortgage history required on all loans.
Credit Events	<ul style="list-style-type: none"> Foreclosure: 48 month waiting period Short Sale, Deed in Lieu, Modification: 48 month waiting period Any Bankruptcy: 48 month waiting period Forbearance: 24 months of consecutive payments since exiting plan
Tradelines	<ul style="list-style-type: none"> Min 2 reporting 24 months with activity in the last 12 months, or 3 reporting 12 months with activity in the last 12 months If the primary wage earner has 3 credit scores, the tradeline requirement is waived
Maximum DTI	<ul style="list-style-type: none"> 80% CLTV: Maximum DTI ratio 50% 85% CLTV: Maximum DTI ratio 45%

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Appraisal and Property

Eligible Property	<ul style="list-style-type: none"> • Single Family • PUD attached or detached • FNMA Warrantable Condo (Max CLTV 80%) • 2 - 4 units (Max CLTV 75%) 	
Appraisals	<p>HPML requires the following:</p> <ul style="list-style-type: none"> • HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance. <p>Loan Amount ≤ \$250,000</p> <ul style="list-style-type: none"> • AVM from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings, • Or, Exterior Drive-By appraisal (2055) • Or, New Appraisal (FNMA Form 1004/1073) • Or, prior 1st lien appraisal can be used if dated within 12 months of subject loan Note Date and must include: <ul style="list-style-type: none"> ○ A new Property Condition Report with acceptable findings ○ And, Recertification of Value (1004D Update) by the original appraiser. ○ And, the subject loan must be originated by the same lender as the first 	
Appraisals	<p>Loan Amount > \$250,000</p> <ul style="list-style-type: none"> • New Appraisal (1004/1073) • Or, prior 1st lien appraisal can be used if dated within 12 months of subject loan Note Date and must include: <ul style="list-style-type: none"> ○ A new Property Condition Report with acceptable findings ○ And, Recertification of Value (1004D Update) by the original appraiser. ○ And, the subject loan must be originated by the same lender as the first • LTV is determined by the lower of the Prior Appraisal Value or current AVM Value. 	
AVM and FSD Score	The following AVM vendors are acceptable:	
	AVM Vendor	Acceptable FSD Score at 85%
	Clear Capital	≤ 0.13
Property Condition Report	When required, an Exterior Property Condition Report (i.e., Clear Capital Property Condition Report Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property's physical condition and characteristics.	
Property	<ul style="list-style-type: none"> • Minimum property size 750 Square Feet • Condition Rating of C5/C6 not eligible • Any property located in a declining market as reported by the appraiser requires a 5% CLTV reduction. 	
Recently Listed Properties	Cannot be currently listed, or not listed for sale in the past 6 months.	
Title Insurance	<ul style="list-style-type: none"> • Owner and Encumbrance Report for loan balances less than or equal to \$250,000, or • Alta Full Title Policy, or • Residential Limited Coverage Junior Policy 	





Appraisal and Property

Homeowners Insurance	Use of the existing coverage amount is permitted. Loss payee clause must reflect seller Insurance as additional insured.
HPML Loan	<ul style="list-style-type: none"> • Evidence of senior lien escrow account for hazard insurance and property tax is required if the subject loan is a HPML. • In no case will an escrow be created with the 2nd lien servicer
Ineligible Senior Liens	<ul style="list-style-type: none"> • Senior liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> ○ Loans in active forbearance or deferment ○ Negative amortization ○ Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien ○ Reverse Mortgages ○ Private Mortgages
Ineligible Loan	<ul style="list-style-type: none"> • Lien Free Properties - if the subject property is lien free, including delayed financing, ineligible. • Unseasoned cash-out - if the existing lien is a cash-out, measured within six (6) months of the note date to note date. • Frequent Refinances - Two (2) or more cash-out refinances in the past twelve (12) months. • Purchase transaction • All existing subordinate liens must be satisfied. No resubordinated permitted . • All Solar Panel loans and leases must be paid off

