



## Flexible Alt Doc (FAN)

Bank Statement / CPA P&L+2 Mo Bank Statements / 1099 / Asset Utilization

Min FICO	Max Loan Amount	Max LTV / CLTV			
		Primary		Second Home / Investment	
		Purchase / Rate&Term	Cash-Out	Purchase / Rate&Term	Cash-Out
720	2,000,000	80	80	80	80
	2,500,000	80	75	80	75
	3,000,000	80	70	80	70
	3,500,000	75	70	75	70
700	1,500,000	80	80	80	80
	2,000,000	80	75	80	75
	2,500,000	80	70	80	70
	3,500,000	75	70	75	70
680	2,000,000	80	75	75	70
	2,500,000	75	70	70	65
	3,000,000	70	65	65	60
660	1,000,000	80	75	75	70
	1,500,000	75	70	70	65
	2,500,000	70	65	65	60
640	1,000,000	75	70	70	65
	1,500,000	75	65	70	60
	2,000,000	70	60	65	55
Restrictions					
Feature			Max LTV/CLTV		
			Primary	Second Home / Investment	
Income Type		<= 2 years Self- Employment		80	Second Home: 75 Investment: 70
Property Type		Condos - Cash Out		75	75
		Condos - Limited Review		80	75
		Rural Properties		80	75
BK/FC/SS/DIL/Mod >= 36 Mo (Max Loan Amount \$3MM)		Purchase / Rate&Term		80	
		Cash Out		75	
BK/FC/SS/DIL/Mod >= 24 Mo (Max Loan Amount \$2MM)		Purchase / Rate&Term		70	
		Cash Out			
BK/FC/SS/DIL/Mod >= 12 Mo (Max Loan Amount \$2MM)		Purchase / Rate&Term		65	
		Cash Out		NA	
2-1 Temporary Buydown (Purchase/30YR Fixed Only/Min FICO 680)					
Declining Markets - Requires a 5% LTV/CLTV reduction when > 65% LTV/CLTV					



General Requirements			
Product Type	♦ 30-Yr Fixed ♦ 5/6 ARM	Loan Amounts	♦ Min. \$250,000 ♦ Max. \$3,500,000
Occupancy	♦ Primary ♦ Second Home ♦ Investment	Loan Purpose	♦ Purchase ♦ Rate/Term ♦ Cash Out
Borrower Eligibility	♦ US Citizens ♦ Permanent Resident Alien ♦ Non-Permanent Resident Alien	Ineligible Borrower	♦ ITINs ♦ Foreign Nationals
Cash-Out	♦ Minimum of six (6) months seasoning from most recent transaction. ♦ Max cash-out (defined as cash in hand): - If LTV/CLTV <= 60%: Unlimited - If LTV/CLTV > 60%: Max \$1MM or unlimited with 18 months reserves exclusive of cash back. ♦ Condos: Max 75% LTV/CLTV	2-1 Temporary Buydown	♦ Purchase Only ♦ Minimum Credit Score 680 ♦ 30 Year Fixed Only ♦ Qualify using Note Rate ♦ Seller / Builder / Lender / 3rd Party funded buydowns only
Appraisals	♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection. ♦ 2nd Appraisal required for loans > \$2,000,000 ♦ Appraisal Review Product to be ordered on all loans with an SSR over 2.5, with the exception of those with a full second appraisal.		
Property Type	♦ SFR with 1 or more ADUs or 2-4 units with 1 ADU are permitted if subject property is in a municipality that allows. The Appraiser must specifically confirm compliance with local regulations. ♦ Condos Max LTV/CLTV: - Warrantable / Non-Warrantable: Cash-out 75% - Limited Review (Warrantable): Second Home 75% / Investment 75% ♦ 2-4 Units ♦ Rural Properties permitted for: - Primary: Max 20 acres - Second Home and Investment: Max LTV/CLTV 75% &Max 2 acres		
Declining Market	♦ As identified by the appraiser, require a 5% LTV/CLTV reduction off the above matrix when > 65% LTV/CLTV		
Income Requirements			
Personal Bank Statements	♦ 12- or 24-months of personal and 2-months of business bank statements. ♦ Qualifying income is determined by the total eligible deposits from the 12- or 24-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/Co- Mingled Bank Statements:	♦ 24 or 12-months of business bank statements. Qualifying income is determined by ONE of the following analysis methods: ♦ Fixed Expense Ratio (50%); OR ♦ Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%, OR ♦ 3rd party prepared Profit & Loss Statement (CPA or EA).		
P&L and 2 Months Bank Statements	♦ 24 or 12-month P&L, prepared by CPA or EA or PTIN licensed Tax Preparer. ♦ Minimum of 2-months business bank statements		
IRS Form 1099	♦ 2-Years or 1-Year 1099 ♦ Fixed Expense Ratio of 10% ♦ YTD Documentation to support continued receipt of income from same source, is required only when the most recent 1099 is >90 days from the note date.		
Less than 2 years Self-Employment options	♦ OPTION 1: S/E 18+ months with 3+yrs prior experience in the same line of business. ♦ OPTION 2: Licensed Professional (medical, legal, accounting, etc.) with 12+ months business existence provided 3+yrs prior experience in the same line of work or evidence of formal education in related field.  ♦ For both Option 1 and Option 2, the following requirements apply: - Min FICO: 700 - Max LTV/CLTV: Second Home 75% / Investment 70%		
Asset Utilization	♦ Eligible assets divided by 60 to determine a monthly income stream; or if <=60% DTI without using assets for income, divide eligible assets by 36 months to determine qualifying income (sourced and seasoned for 3- months).		



Underwriting Requirements			
DTI Requirements	♦ Max 50%	Housing History	♦ 1x30x12
First Time Home Buyer (FTHB)	♦ Permitted to a maximum loan size of \$1.5M	Credit Event Seasoning	♦ BK/FC/SS/DIL >= 12 Months
Document Age	♦ Credit - 120 days ♦ Income and Assets - 90 days	Interested Party Contributions	♦ Primary and Second Homes: - LTV/CLTV <= 75% LTV: 9% - LTV/CLTV > 75%: 6% ♦ Investment: ALL = 6%
Credit Score	♦ Middle of 3 scores or lower of 2 for Primary Income Earner. ♦ Additional borrowers must have a minimum score of 540.		
Tradelines	♦ Primary wage earner has 3 scores: or ♦ 2 open and reporting 24 months; or ♦ 3 open and reporting 12 months; or ♦ 24-months mortgage rating reporting on credit ♦ Authorized User Account not allowed		
Reserves	♦ Loan Amount <= \$500,000: 3 months PITIA ♦ Loan Amount \$500,001 - \$1,500,000: 6 months PITIA ♦ Loan Amount \$1,500,001 - \$2,500,000: 9 months PITIA ♦ Loan Amount \$2,500,001 - \$3,500,000: 12 months PITIA ♦ Cash-out proceeds may be used to satisfy reserves.		
Gift Funds	<b>Gift funds permitted provided borrower meets minimum contribution:</b> ♦ 10% investment ♦ Gift funds are not permitted to be used towards reserves. ♦ 100% of down payment and closing cost may come from gifted funds for Primary and Second Home		
Assets	♦ 30-day asset verification required ♦ Deposits > 50% of gross income must be documented on <b>PURCHASES ONLY</b>		
Prepayment Penalty – Investment Only	♦ Required on Investment Properties when permitted ♦ 5% fixed on 80% of remaining loan balance		
Exceptions	♦ Min 2 compensating factors required for exception: - Significant Gross Disposable Income - Significant Reserves (beyond requirements) - DTI well below related Program max - Lengthy & deep credit history with solid performance - Demonstrated capacity to carry a heavy debt load with on time performance - FICO well above related Program minimum with solid performance - LTV well below related Program Max w/ CDA value w/in 5% and C3 condition - Long, Clean Mortgage History - Significant time in the same job		



## Prime Alt Doc (PAV)

### Bank Statement / 1099 / Asset Utilization

#### Bank Statement, 1099

Min FICO	Max Loan Amount	Max LTV / CLTV					
		Primary			Second Home / Investment		
		Purchase	Rate&Term	Cash-Out	Purchase	Rate&Term	Cash-Out
720	2,000,000	80	80	80	80	80	75
	2,500,000	80	75	75	80	75	75
	3,000,000	75	70	70	75	70	70
	3,500,000	70	65	N/A	70	65	N/A
	4,000,000	70	65	N/A	N/A	N/A	N/A
700	1,500,000	80	80	80	80	80	75
	2,000,000	80	75	70	80	75	70
	2,500,000	75	70	65	75	70	65
	3,000,000	75	70	65	75	70	65
	3,500,000	70	65	N/A	70	65	N/A
680	1,500,000	80	80	75	80	80	75
	2,000,000	80	75	70	80	75	70
	2,500,000	75	70	65	75	70	65
	3,000,000	70	65	65	70	65	65
660	1,000,000	80	80	75	80	80	75
	1,500,000	80	75	75	80	75	75
	2,000,000	75	70	65	75	70	65
	2,500,000	70	65	65	70	65	65
640	1,000,000	80	75	70	80	75	70
	1,500,000	70	65	65	70	65	65
	2,000,000	65	N/A	N/A	65	N/A	N/A

Declining Market: Max Loan Amount \$2MM

Credit Event Seasoning 24-35 Mo: Max Loan Amount \$1.5MM, Max LTV/CLTV Purchase 80% - Refinance 75%

Credit Event Seasoning 12-23 Mo: Max Loan Amount \$1MM, Max LTV/CLTV Purchase 70% - Refinance N/A

#### Asset Utilization

Min FICO	Max Loan Amount	Max LTV / CLTV					
		Primary			Second Home / Investment		
		Purchase	Rate&Term	Cash-Out	Purchase	Rate&Term	Cash-Out
720	2,000,000	80	75	70	80	75	70
	2,500,000	75	70	70	75	70	70
	3,000,000	70	N/A	N/A	N/A	N/A	N/A
700	2,000,000	80	75	70	80	75	70
	2,500,000	75	70	65	75	70	65
	3,000,000	70	N/A	N/A	N/A	N/A	N/A
680	1,500,000	80	75	70	80	75	70
	2,000,000	75	70	65	75	70	65
	2,500,000	70	65	60	70	65	60

Declining Market: Max Loan Amount \$2MM

Credit Event Seasoning 24-35 Mo: Not allowed

Credit Event Seasoning 12-23 Mo: Not allowed



General Requirements			
Product Type	♦ 30-Yr Fixed ♦ 5/6 ARM ♦ 7/6 ARM	Loan Amounts	♦ Min. \$250,000 ♦ Max. \$4,000,000
Occupancy	♦ Primary ♦ Second Home ♦ Investment	Loan Purpose	♦ Purchase ♦ Rate/Term ♦ Cash Out
Acreage	♦ Property up to 20-acres, not meeting the rural definition, eligible.	Cash-In-Hand	♦ Max Cash-In-Hand: Unlimited
Property Type	♦ Single Family: Attached, Detached ♦ 2-4 Units and Condominiums ♦ Rural: Not Eligible  <b>State Condominium Requirements:</b> California: An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground as evidenced on the condo questionnaire. Projects with an unacceptable or no inspection are ineligible.		
Appraisals	♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection. ♦ Appraisal review product required unless 2nd appraisal obtained. ♦ <b>2nd Appraisal required for loans &gt; \$2,000,000.</b>		
Declining Market	♦ If the appraisal report identifies the property in a declining market, the maximum loan amount is limited to \$2.0MM.		
Income Requirements			
Personal Bank Statements	♦ 12- or 24-months of personal and 2-months of business bank statements. ♦ Qualifying income is determined by the total eligible deposits from the 12- or 24-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	♦ 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: ♦ Fixed Expense Ratio (50%) ♦ Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) min ratio of 10% ♦ 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)		
IRS Form 1099	♦ 1-year or 2-years 1099 ♦ Fixed Expense Ratio of 10% ♦ YTD Documentation to support continued receipt of income from same source		
Asset Utilization	♦ Eligible assets divided by 84 to determine a monthly income stream		
Underwriting Requirements			
DTI Requirements	♦ Max: 50%	Credit Event Seasoning	♦ Bank Statement / 1099 >= 12 Months ♦ Asset Utilization >= 36 Months
Document Age	♦ 120-days	Housing History	♦ 1x30x12
Reserves	♦ Loan Amount <= \$1.5M: 3-months of PITIA ♦ Loan Amount > \$1.5M: 9-months of PITIA ♦ Loan Amount > \$2.5M: 12-months of PITIA ♦ Escrow Waiver: 12-months of PITIA ♦ Cash out may be used to satisfy requirement	Prepayment Penalty – Investment Only	♦ Prepayment periods up to 3-Years eligible ♦ 3% fixed on remaining loan balance
		Gift Funds	♦ Min contribution: - 5% primary/second home - 10% investment
Credit Score	♦ Use representative credit score of the borrower with the highest qualifying income		
Assets	♦ Min of 30-days asset verification required; Deposits > 100% of gross income must be sourced on <b>PURCHASES ONLY</b>		
Tradelines	♦ Min 2 reporting 24-months w/activity in last 12- months or ♦ 3 reporting 12-months w/recent activity. ♦ <b>If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived</b> ♦ Authorized User Account not allowed		
Escrows	♦ HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable). ♦ Non-HPML and Business Purpose loans: Escrow waiver allowed with minimum FICO 720 & 12 months of reserves		