

Prime VOE (PVV)							
Written Verification of Employment							
Min FICO	Max Loan Amount	Max LTV / CLTV					
		Primary		Second Home		Investment	
		Purchase / Rate&Term	Cash-Out	Purchase / Rate&Term	Cash-Out	Purchase / Rate&Term	Cash-Out
720	2,000,000	80	75	80	75	75	75
	2,500,000	75	70	75	70	60	65
	3,000,000	75	70	N/A	N/A	60	50
	4,000,000	70	N/A	N/A	N/A	N/A	N/A
700	1,500,000	80	75	80	75	75	75
	2,000,000	80	75	80	75	75	70
	2,500,000	75	70	75	70	60	65
	3,000,000	75	70	N/A	N/A	60	50
680	4,000,000	70	N/A	N/A	N/A	N/A	N/A
	1,500,000	80	75	80	75	75	75
	2,000,000	80	75	80	75	75	70
	2,500,000	70	70	70	70	N/A	65
660	3,000,000	70	70	N/A	N/A	N/A	N/A
	1,500,000	80	75	80	75	70	70
	2,000,000	75	70	75	70	70	65
	2,500,000	N/A	N/A	N/A	N/A	N/A	65
2-4 Units for 2nd home not allowed							
Income Requirements							
Written Verification of Employment	♦ FNMA Form 1005 & Two (2) most recent months of personal bank statements reflecting deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE.						
General Requirements							
Product Type	♦ 30-Yr Fixed			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 10-acres, not meeting the rural definition, eligible.			Cash-In-Hand	♦ Max Cash-In-Hand: Unlimited		
Property Type	♦ Single Family ♦ PUD ♦ Condominiums ♦ 2-4 Units ♦ Rural: Not Eligible						
Appraisals	♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection. ♦ Appraisal review product required unless 2nd appraisal obtained. ♦ 2nd Appraisal required for loans > \$2,000,000.						

Underwriting Requirements			
DTI Requirements	♦ Max: 49.99%	Housing History	♦ 1x30x12
Minimum Borrower Contribution	♦ Not required	Interested Party Contributions (IPC)	♦ Primary limited to 6% ♦ Second Homes limited to 6% ♦ Investment limited to 2%
Gift Funds	♦ 100% Gift funds are allowed for closing costs, down payments and reserves		
Assets	♦ Cash deposits not allowed		
Large Deposits	♦ Source of large deposit is not required to be documented if the eligible assets on file is from US bank or brokerage accounts. Any cash deposits must be reduced by the amount of deposit, and the remaining funds must be sufficient for the down payment, closing costs and financial reserves.		
Reserves	♦ <b>Primary &amp; 2nd Home:</b> <ul style="list-style-type: none"> <li>- LTV &lt;=75% <b>AND</b> Loan balance &lt;= \$1MM: No reserves</li> <li>- LTV &gt; 75%: 4 months PI</li> <li>- Loan balance &gt; \$1MM: 4 months PI</li> </ul> ♦ <b>Investment:</b> <ul style="list-style-type: none"> <li>- Loan balance &lt;= \$1MM: 6 months PI</li> <li>- Loan balance &gt; \$1MM: 9 months PI</li> <li>- Loan balance &gt; \$2MM: 12 months PI</li> </ul> ♦ No Additional reserves for each financed property (other than subject) ♦ Cash out net proceeds can be used for reserve requirement		
Document Age	♦ Income/Asset/Credit report must be dated within 90 days from closing ♦ Appraisal/prelim report must be dated within 120 days from closing		
Credit Score	♦ Each borrower's individual representative FICO score is determined by taking the middle of three or lower of two FICO scores. The representative FICO for the loan that must be used for underwriting is the lowest of the representative FICO scores among the borrowers.		
Tradelines	♦ Min 2 reporting 24-months w/activity in last 12- months or ♦ 3 reporting 12-months w/recent activity. ♦ <b>If any one of the borrowers has three (3) credit scores, the minimum tradeline requirement is waived</b> ♦ Authorized User Account not allowed		
Credit Event Seasoning	♦ Bankruptcy (Ch. 7, 11 and 13): None in the last four (4) years ♦ Foreclosure: None in the last seven (7) years ♦ Short Sale or Deed-In-Lieu: None in the last two (2) years ♦ Loan Modification: None as long as no mortgage late in the last 24 months ♦ Consumer Credit Counseling: Credit must be re-established following completion (similar to above 3 trade lines rule except 24 months and no delinquencies are required)		
Prepayment Penalty – Investment Only	♦ Where permitted by applicable laws and regulations on an investment property, a prepayment charge may be assessed in the period up to three (3) years following the execution date of the Note. The following prepayment structures may be used: ♦ Declining structures that do not exceed 5% and do not drop below 3% in the five years. For example: (5%/4%/3%) - The prepayment charge will be equal to the percentage in effect and applied to any curtailment or the entire outstanding principal balance during the prepay period. ♦ The prepayment charge will be charged in effect to a full Payment or one or more partial Payments, and the total of all such Prepayment in any 12-month period exceeds twenty percent (20%) of the original Principal amount of the loan. Prepayment charge amount will be in an amount equal to: <ul style="list-style-type: none"> <li>- Five (5) percent of the portion of such prepayment if paid during the first year from the execution date of the Note</li> <li>- Four (4) percent of the portion of such prepayment if paid during the second year from the execution date of the Note</li> <li>- Three (3) percent of the portion of such prepayment if paid during the third year from the execution date of the Note</li> </ul>		
Escrows	♦ Property tax and insurance escrows may be waived ♦ Individual state laws may supersede this requirement. ♦ Investment & FICO <720: tax and insurance must be impounded		

Flexible VOE (FVN) Written Verification of Employment			
Min FICO	Max Loan Amount	Max LTV / CLTV	
		Purchase / Rate&Term / Cash-Out	
		Primary	Second Home / Investment
700	1,500,000	70	65
Restrictions			
Feature		Max LTV / CLTV	
BK/FC/SS/DIL/Mod >= 24 Mo		70	
BK/FC/SS/DIL/Mod >= 12 Mo	Purchase / Rate&Term	65	
	Cash Out	N/A	
2-1 Temporary Buydown (Purchase / 30YR Fixed Only) Declining Markets - Requires a 5% LTV/CLTV reduction when > 65% LTV/CLTV			
Income Requirements			
WVOE	<ul style="list-style-type: none"><li>♦ WVOE – FNMA 1005 completed with the past 2 years of income/employment. Form must be completed by Human Resources, Payroll, or an Officer of the Company.</li><li>♦ Verification of delivery and receipt of the FNMA Form 1005 required</li><li>♦ One-year history with the same employer with a minimum of two (2) years in the same line of work.</li><li>♦ One-year 0x30 housing history is required; borrowers without a housing history are not permitted.</li><li>♦ Borrowers may not be employed by family members or related individuals.</li><li>♦ W2s, Tax Returns, Paystubs, 4506-C are not required.</li><li>♦ Borrowers can have no other active source of income; passive income such as rental income may be included.</li><li>♦ <b>No income deposit required</b></li></ul>		
General Requirements			
Product Type	<ul style="list-style-type: none"><li>♦ 30-Yr Fixed</li><li>♦ 5/6 ARM</li></ul>	Loan Amounts	<ul style="list-style-type: none"><li>♦ Min. \$250,000</li><li>♦ Max. \$1,500,000</li></ul>
Occupancy	<ul style="list-style-type: none"><li>♦ Primary</li><li>♦ Second Home</li><li>♦ Investment</li></ul>	Loan Purpose	<ul style="list-style-type: none"><li>♦ Purchase</li><li>♦ Rate/Term</li><li>♦ Cash Out</li></ul>
Borrower Eligibility	<ul style="list-style-type: none"><li>♦ US Citizens</li><li>♦ Permanent Resident Alien</li><li>♦ Non-Permanent Resident Alien</li></ul>	Ineligible Borrower	<ul style="list-style-type: none"><li>♦ ITINs</li><li>♦ Foreign Nationals</li></ul>
2-1 Temporary Buydown	<ul style="list-style-type: none"><li>♦ Purchase Only</li><li>♦ 30 Year Fixed Only</li><li>♦ Qualify using Note Rate</li><li>♦ Seller / Builder / Lender / 3rd Party funded buydowns only</li></ul>		
Cash-Out	<ul style="list-style-type: none"><li>♦ Minimum of six (6) months seasoning from most recent transaction.</li><li>♦ Max cash-out (defined as cash in hand):<ul style="list-style-type: none"><li>- If LTV/CLTV &lt;= 60%: Unlimited</li><li>- If LTV/CLTV &gt; 60%: Max \$1MM or unlimited with 18 months reserves exclusive of cash back.</li></ul></li></ul>		
Appraisals	<ul style="list-style-type: none"><li>♦ FNMA Form 1004, 1025, 1073 with interior/exterior inspection.</li><li>♦ 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.</li></ul>		
Property Type	<ul style="list-style-type: none"><li>♦ 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.</li><li>♦ Condos</li><li>♦ 2-4 Units</li><li>♦ Rural Properties permitted for: Primary Max 20 acres / Second Home and Investment Max 2 acres</li></ul>		
Declining Market	<ul style="list-style-type: none"><li>♦ As identified by the appraiser, require a 5% LTV/CLTV reduction off the above matrix when &gt; 65% LTV/CLTV</li></ul>		

Underwriting Requirements			
DTI Requirements	♦ Max 50%	Housing History	♦ 0x30x12
First Time Home Buyer (FTHB)	♦ Permitted	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: 9% ♦ 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 > \$500,000: 6 months PITIA ♦ LTV/CLTV > 70%: 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		