



Prime BS (PBV)

Personal or Business Bank Statement

Occupancy	Min FICO	Max Loan Amount	Max LTV / CLTV		
			Purchase	Rate&Term	Cash-Out
Primary	700	1,500,000	90	85	75
		2,000,000	85	85	75
		3,000,000	75	75	70
		4,000,000	70	70	N/A
	680	1,500,000	90	85	75
		2,000,000	80	80	75
		3,000,000	70	70	70
	660	1,500,000	80	80	75
		2,000,000	75	75	70
2nd Home	720	2,000,000	85	85	75
		2,500,000	75	75	70
	700	2,000,000	85	80	75
		2,500,000	75	75	70
	680	1,500,000	85	80	75
		2,000,000	80	80	75
		2,500,000	70	70	70
	660	1,500,000	80	80	75
		2,000,000	75	75	70
Investment	720	2,000,000	75	75	75
		2,500,000	60	60	65
		3,000,000	60	60	50
	700	1,500,000	75	75	75
		2,000,000	75	75	70
		2,500,000	60	60	65
		3,000,000	60	60	50
	680	1,500,000	75	75	75
		2,000,000	75	75	70
		2,500,000	N/A	N/A	65
	660	1,500,000	70	70	70
		2,000,000	70	70	65
		2,500,000	N/A	N/A	65

Condo & 2-4 Units Maximum LTV/CLTV: 85%

2-4 Units for 2nd home not allowed

Income Requirements

Personal Bank Statements	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ 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)

General Requirements

Product Type	◆ 30-Yr Fixed	Loan Amounts	<ul style="list-style-type: none"> ◆ Min. \$250,000 ◆ Max. \$3,500,000
Occupancy	<ul style="list-style-type: none"> ◆ Primary ◆ Second Home ◆ Investment 	Loan Purpose	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ Single Family ◆ PUD ◆ Condominiums ◆ 2-4 Units (Not allowed for 2nd Home) ◆ Rural: Not Eligible 		
Appraisals	<ul style="list-style-type: none"> ◆ 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	♦ Primary & 2nd Home: - LTV <=75% AND Loan balance <= \$1MM: No reserves - LTV > 75%: 4 months PI - Loan balance > \$1MM: 4 months PI ♦ Investment: - Loan balance <= \$1MM: 6 months PI - Loan balance > \$1MM: 9 months PI - Loan balance > \$2MM: 12 months PI ♦ 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. ♦ If any one of the borrowers has three (3) credit scores, the minimum tradeline requirement is waived ♦ 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: - Five (5) percent of the portion of such prepayment if paid during the first year from the execution date of the Note - Four (4) percent of the portion of such prepayment if paid during the second year from the execution date of the Note - <u>Three (3) percent of the portion of such prepayment if paid during the third year from the execution date of the Note</u>		
Escrows	♦ Property tax and insurance escrows may be waived if LTV is less than or equal to 80%. ♦ Property tax and insurance escrows are required if LTV is greater than 80%. ♦ Individual state laws may supersede this requirement.		



Flexible BS (FBN)

Personal or Business Bank Statement

Occupancy	Min FICO	Max Loan Amount	Max LTV / CLTV		
			Purchase	Rate&Term	Cash-Out
Primary	720	2,000,000	90	90	80
		2,500,000	80	80	75
		3,000,000	80	80	70
		3,500,000	75	75	70
	700	1,500,000	85	85	80
		2,000,000	80	80	75
		2,500,000	80	80	70
		3,500,000	75	75	70
	680	2,000,000	80	80	75
		2,500,000	75	75	70
		3,000,000	70	70	65
	660	1,000,000	80	80	75
		1,500,000	75	75	70
		2,500,000	70	70	65
	640	1,000,000	75	75	70
		1,500,000	75	75	65
		2,000,000	70	70	60
Second Home	760	2,000,000	85	85	80
		2,500,000	80	80	75
		3,000,000	80	80	70
		3,500,000	75	75	70
	720	2,000,000	80	80	80
		2,500,000	80	80	75
		3,000,000	80	80	70
		3,500,000	75	75	70
	700	1,500,000	80	80	80
		2,000,000	80	80	75
		2,500,000	80	80	70
		3,500,000	75	75	70
	680	2,000,000	75	75	70
		2,500,000	70	70	65
		3,000,000	65	65	60
	660	1,000,000	75	75	70
		1,500,000	70	70	65
		2,500,000	65	65	60
	640	1,000,000	70	70	65
		1,500,000	70	70	60
		2,000,000	65	65	55
Investment	760	1,500,000	85	85	80
		2,000,000	80	80	80
		2,500,000	80	80	75
		3,000,000	80	80	70
	720	3,500,000	75	75	70
		2,000,000	80	80	80
		2,500,000	80	80	75
		3,000,000	80	80	70
		3,500,000	75	75	70
	700	1,500,000	80	80	80
		2,000,000	80	80	75
		2,500,000	80	80	70
		3,500,000	75	75	70
	680	2,000,000	75	75	70
		2,500,000	70	70	65
		3,000,000	65	65	60
	660	1,000,000	75	75	70
		1,500,000	70	70	65
		2,500,000	65	65	60
	640	1,000,000	70	70	65
		1,500,000	70	70	60
		2,000,000	65	65	55



Restrictions			
Feature		Max LTV / CLTV	
		Primary	Second Home / Investment
Income Type (Min FICO 700)	<= 2 years Self- Employment	80	Second Home: 75 Investment: 70
Property Type	Condos - Purchase / Rate&Term	85	85
	Condos - Cash Out	75	75
	Condos - Limited Review	80	75
	Rural Properties	80	75
	2-4 Units	80	
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	N/A	
2-1 Temporary Buydown (Purchase/30YR Fixed Only/Min FICO 680) Declining Markets - Requires a 5% LTV/CLTV reduction 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:	♦ 12 or 24-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).		
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: Primary 80% / Second Home 75% / Investment 70%		
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 ♦ Condos (Max LTV/CLTV see restrictions above) ♦ 2-4 Units (Max LTV/CLTV see restrictions above) ♦ Rural Properties permitted for: - Primary: Max LTV/CLTV 80% & 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		



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	Gift funds permitted provided borrower meets minimum contribution: ♦ 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 PURCHASES ONLY		
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		