



## Prime 1099 (PCV)

### Form 1099

Min FICO	Max Loan Amount	Max LTV / CLTV					
		Primary			Second Home / Investment		
		Purchase	Rate&Term	Cash-Out	Purchase	Rate&Term	Cash-Out
720	1,500,000	90	85	80	85	80	75
	2,000,000	85	80	80	85	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	90	85	80	85	80	75
	2,000,000	85	75	70	85	75	70
	3,000,000	75	70	65	75	70	65
	3,500,000	70	65	N/A	70	65	N/A
680	1,000,000	90	85	75	85	80	75
	1,500,000	85	80	75	85	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
620	1,000,000	70	70	N/A	70	70	N/A

## Restrictions

Feature		Max Loan Amount	Max LTV / CLTV		
			Purchase	Rate&Term	Cash-Out
Property Type	Condos	4,000,000	85	85	85
	2-4 Units	4,000,000	85	85	85
	Rural Properties	4,000,000	80	75	75
	Declining Market	2,000,000	85	80	80
Credit Event Seasoning	BK/FC/SS/DIL/Mod >= 24 Mo	1,500,000	80	75	75
	BK/FC/SS/DIL/Mod >= 12 Mo	1,000,000	70	N/A	N/A

## Income Requirements

IRS Form 1099	<ul style="list-style-type: none"> <li>♦ 1-year or 2-years 1099</li> <li>♦ Fixed Expense Ratio of 10%</li> <li>♦ YTD Documentation to support continued receipt of income from same source</li> </ul>
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General Requirements			
Product Type	♦ 30-Yr Fixed ♦ 5/6 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
ARM Detail	♦ Index: SOFR 30 Day Average ♦ Caps: 2/1/5 ♦ Margin/Floor: 4.500% ♦ Qualifying Rate: Greater of Note Rate or Fully Indexed Rate (rounded to the nearest 0.125)		
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 appraisal report identifies the property in declining market, max LTV/CLTV is limited to 85% for purchase and 80% for refinance, max loan amount limited to \$2.0MM		
Underwriting Requirements			
DTI Requirements	♦ Max: 50%	Credit Event Seasoning	♦ >= 12 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 ♦ 5% 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		



## Flexible 1099 (FCN)

### Form 1099

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	70
		1,500,000	75	75	65
		2,500,000	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	65
		1,500,000	70	70	60
		2,500,000	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
		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	65
		1,500,000	70	70	60
		2,500,000	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	85	
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			
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: 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
ARM Detail	♦ Index: SOFR 30 Day Average ♦ Caps: 2/1/5 ♦ Margin/Floor: 4.500% ♦ Qualifying Rate: Greater of Note Rate or Fully Indexed Rate (rounded to the nearest 0.125)		
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	<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	♦ Prepayment periods up to 3-Years eligible ♦ 5% fixed on 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		