

Standard Doc, Asset Depletion, Asset Qualifier, Bank Statements, 1099 Only, W2 Only, & 1 Year Tax Return Transactions

FICO & LTV/CLTV		Purchase & Rate/Term Refinance			Cash Out Refinance		
FICO	Loan Amt	Owner Occupied	Second Home	Investment	Owner Occupied	Second Home	Investment
740	≤ \$1.5m	90	85	85	80	75	75
	≤ \$2.5m	85	80	80	75	70	70
	≤ \$3.0m	80	75	75	70	65	65
	≤ \$3.5m	75	70	70	65	60	60
720	≤ \$1.5m	90	85	85	80	75	75
	≤ \$2.5m	80	80	80	70	70	70
	≤ \$3.5m	75	70	70	65	60	60
700	≤ \$1.5m	85	85	85	75	75	75
	≤ \$2.5m	80	80	80	70	70	70
	≤ \$3.0m	75	75	70	65	65	60
680	≤ \$1.5m	80	80	80	70	70	70
	≤ \$2.5m	75	75	75	65	65	65
660	≤ \$1.5m	80	80	80	70	70	70
	≤ \$2.5m	75	70	70	60	60	60
640	≤ \$1.5m	75	75	75	65	65	65
	≤ \$2.0m	70	65	65	55	55	55

P&L Transactions

FICO & LTV/CLTV		Purchase & Rate/Term Refinance			Cash Out Refinance		
FICO	Loan Amt	Owner Occupied	Second Home	Investment	Owner Occupied	Second Home	Investment
740	≤ \$2.0m	80	80	75	75	75	70
	≤ \$2.5m	80	80	75	70	70	65
	≤ \$3.0m	75	75	70	65	65	60
720	≤ \$1.5m	80	80	75	75	75	70
	≤ \$2.5m	80	80	75	75	75	70
700	≤ \$1.5m	80	80	75	75	75	70
	≤ \$2.0m	80	80	75	70	70	65
	≤ \$2.5m	75	75	70	65	65	60
680	≤ \$3.0m	70	70	65	60	60	60
	≤ \$1.5m	80	80	75	70	70	65
	≤ \$2.0m	75	75	70	65	65	60
680	≤ \$2.5m	70	70	70	60	60	55
	≤ \$3.0m	70	70	65	N/A	N/A	N/A

Program Requirements

Appraisal	Loan amounts over \$2,000,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a rating of C5, C6 or Q6 are not acceptable. Properties located within a Declining Market as defined by the appraiser require a 5% reduction to the max LTV/CLTV offered (see grid above).
Property Types	SFR, PUD, Townhome, Condominium, Non-Warrantable Condos, 2-4 Unit, Modular & Rural. Log Homes and Manufactured Homes are not eligible.
Qualifying FICO	Qualifying FICO = the FICO of the Primary Wage Earner.
* DTI > 50% up to 55%	Min. 700 FICO, Primary Residence only, FTHB and P&L Income not permitted.

General Requirements

Product Type	5/6 ARM, 10/6 ARM, 30 Yr Fixed (IO), 30 Year Fixed (Step)
Loan Amount	\$3.5m max, \$100k min
Occupancy	Primary, Second Home, Investment
Max LTV, Min FICO	90%, 640
Max DTI	LTV ≤ 65% = 55%*, LTV > 65% = 50%
Payment History	0 x 30 x 12
Credit Event Seasoning (BK,FC,SS,DIL)	> 4+ Years
Interest Only	Business Purpose Transactions only, (10/20 IO), ARMs & Fixed
I.O. Restrictions	Min. 700 FICO, Max 85% LTV, No cash out
Step Program	Permitted up to max 85% LTV
ARM Margin	4.00%

Cash Out Requirements

LTV > 60%	\$1,000,000 max cash out
LTV ≤ 60%	Unlimited cash out

Borrower Eligibility

FTHB	No Interest Only (IO)
Non-Occupant Co-Borrower	1 unit, O/O only, Max 50% DTI, Max 80% LTV/CLTV, No cash out
Permanent Resident Alien	Eligible, No Restrictions
Non-Permanent Resident Alien	Max 80% LTV/CLTV, Max 50% DTI

Property Type

Warrantable Condos & 2-4 Units	Max 85% LTV/CLTV
Florida Warrantable Condos	Max 80% LTV/CLTV
Non-Warrantable Condos	Max 80% LTV/CLTV
Rural Properties	Owner Occupied only, No cash out, Max 80% LTV/CLTV

Income Qualification

Standard (Full) Doc	Max 90% LTV/CLTV
Asset Depletion* & Asset Qualifier	Max 85% LTV/CLTV, Primary & Second Home Only *60 Month or 84 Month Amortization for DTI
Bank Statements, 1099 Only, W2 Only, & 1 Yr Tax Return	Max 90% LTV/CLTV
12 Month P&L	Max 80% LTV/CLTV, Max 50% DTI, Min. 680 FICO

Reserves

Utilize the higher of based on grid below:

\$150,000 - \$1,500,000	3 Months PITIA
\$1,500,001 - \$2,500,000	6 Months PITIA
> \$2,500,000+	9 Months PITIA
LTVs ≥ 85% - 89.99%	6 Months PITIA
LTV = 90%	12 Months PITIA
Additional Financed Properties	6 months PITIA for the subject property if the borrower owns additional financed properties, unless subject loan amount requires 9 Months PITIA. Refer to guidelines for specifics.
Cash Out Used as Reserves	Permitted



Standard (Full) Income Documentation Options

Standard Documentation	<ul style="list-style-type: none"> • Wage/Salary: YTD Pay stubs, 2-year W2(s), IRS Form 4506C, Verbal VOE • Self-Employed: 2-year Personal and Business (if applicable) Tax Returns, YTD P&L, 2 recent months business bank statements to support P&L, IRS Form 4506C • Refer to guidelines for specifics on other types of standard income requirements (i.e., Auto Allowance, Rental Income, Non-Taxable Income, etc.)
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Alternative Income Documentation Options

Asset Qualifier (ATR)	<p>Qualification is determined solely based on the Applicant's liquid assets and assets they can liquidate without restriction.</p> <p>Option 1: Mortgage Only Total post-closing assets must meet 125% of the outstanding mortgage debt for which the Borrower has personal liability, including the subject property.</p> <p>Option 2: Traditional Total post-closing assets must meet the sum of the below:</p> <ul style="list-style-type: none"> • 100% of the loan amount • Reserves required per program • 60 months of total debt service (do not include subject property PITIA or PITIA on rented properties with documented rental income) • 60 months of net rental losses on rental properties (do not include subject property PITIA - refer to guidelines for specifics)
Asset Depletion (DTI)	<p>Borrowers must have a minimum of the lesser of \$1m in qualifying assets or must have qualifying assets equal to the subject loan amount.</p> <p>Reserves are not required for the Asset Depletion income option.</p> <p>Assets used for qualifying must be seasoned for a minimum of 30 days. All individuals listed on the account statements must be on the Note and Mortgage.</p> <p>Calculation Method: Qualifying income is based upon the total assets eligible for depletion, less down payment, less out of pocket closing costs, divided by 60 or 84.</p>
Bank Statements	<p>Income calculated based on 12 to 24 months recent Business and/or Personal bank statements. Refer to program guidelines for calculation methods available.</p> <p>If the trend is declining and/or irregular additional documentation may be required up to and including an additional 12 months of statements.</p>
1099 Only	<p>Validated most recent 1 year 1099 plus most recent YTD pay stub reflecting at least 30 full days earnings or 3 months bank statement showing deposit receipts.</p> <p>Utilize 10% baseline expense factor. Multiply the expense ratio by the gross receipts reflected on the validated 1099. Refer to guidelines for retired borrowers.</p>
W2 Only	<p>Validated most recent 1 year W2 to be utilized for income qualifying. Wage Earners only - self-employment not permitted.</p>
1 Year Tax Return	<p>Validated most recent year tax returns to be utilized for income qualifying. Self-employed borrowers only - minimum 25% ownership. Refer to guidelines for specifics.</p>
12 Month P&L	<p>12 Month CPA, EA or CTEC prepared P&L Statement - minimum 50% business ownership required. Qualifying income is the lower of the net income from the P&L divided by the time period covered (12 months) multiplied by the borrower's ownership percentage or monthly income disclosed on the initial signed URLA.</p>
Other Income	<p>Supplemental income options such as rental income, retirement/pension, social security and/or additional CoBorrower income. Please refer to guidelines for specifics.</p>

Additional Program Requirements

Gift Funds	<p>Gift funds are acceptable as 100% down payment for loans ≤ 80% LTV. Gift funds are acceptable for loans > 80% LTV with 5% minimum borrower contribution.</p>
Tradelines	<p>Standard two (2) tradelines reporting for 12+ months within the last 24 months, or a combined credit profile between Borrower and CoBorrower within a minimum of three (3) tradelines. Refer to guidelines for additional tradeline options and guidance.</p>
Assets	<p>Sourced and seasoned for 30 days.</p>
Cash Out Refinance	<p>LTV/CLTV is calculated based on the current appraised value if the subject ownership has been seasoned at least 6 months.</p>
Compliance	<ul style="list-style-type: none"> • Escrows required for all HPML loans, refer to guidelines for additional escrow requirements • No section 32 or state high cost • Compliance with all applicable federal and state regulations • "Total borrower paid points and fees up to 5%"
Max Financed Properties	<p>Maximum 20 financed properties including subject property.</p>
Prepayment Penalty	<p>Permitted on Non-Owner Occupied (Investment Properties) only.</p> <p>Where permitted by applicable laws and regulations. Total points, fees and APR may not exceed current state and federal high-cost thresholds.</p>
Qualifying Rate	<p>Fixed = Note Rate; 5/6m or 10/6 ARM = Greater of Note Rate or Fully Indexed Rate</p>
Qualifying Payment	<p>All: Use Qualifying Rate (refer to box above) for calculating PITIA</p> <p>Interest Only: qualify using the fully amortized payment based on the term remaining after the expiration of the interest-only period.</p> <p>Step Payment: qualify using the 30 year fixed fully amortized payment</p>
Seller Concessions	<p>Maximum Interested Party Contributions permitted up to 6%.</p>
Subordinate Financing	<p>Primary Residences only. Refer to grid above for max LTV/CLTV availability. Secondary financing must be institutional. Seller carrybacks are not permitted.</p>



Bank Statements | 1099 Only | W2 Only | 1 Yr Tax Return | Asset Depletion | WVOE Only

Purchase / Rate & Term Refinance / *Cash Out Refinance	
Primary Residence & Second Home	LTV / CLTV
	85% / 85%
	FICO
	720
Investment Properties *Loan amount capped at \$2,500,000 max	80% / 80%
	FICO
	700
Maximum Loan Amounts	75% / 75%
	FICO
	660
\$150,000 - \$2,000,000	85% LTV
\$2,000,001 - \$3,000,000	80% LTV

P&L Only							
FICO	Loan Amount	Purchase / Rate & Term Refinance			Cash Out Refinance		
		Owner Occupied	Second Home	Investment	Owner Occupied	Second Home	Investment
740	≤ \$2.0m	80	80	75	75	75	70
	≤ \$2.5m	80	80	75	70	70	65
	≤ \$3.0m	75	75	N/A	65	65	N/A
720	≤ \$1.5m	80	80	75	75	75	70
	≤ \$2.5m	80	80	75	75	75	70
	≤ \$3.0m	75	75	N/A	65	65	N/A
700	≤ \$1.5m	80	80	75	75	75	70
	≤ \$2.0m	80	80	75	70	70	65
	≤ \$2.5m	75	75	70	65	65	60
	≤ \$3.0m	70	70	N/A	60	60	N/A
680	≤ \$1.5m	80	80	75	70	70	65
	≤ \$2.0m	75	75	70	65	65	60
	≤ \$2.5m	70	70	70	60	60	55
	≤ \$3.0m	70	70	N/A	N/A	N/A	N/A

Additional Program Information

DTI Restrictions	
All Occupancies	55% max DTI
Cash Out Transactions	
Non-Warrantable Condos	
Non-Permanent Resident Alien	
Non-Occupant Co-Borrower	
First Time Homebuyer	50% max DTI
P&L Income Transactions	

*Cash Out Restrictions
• LTV > 60% = \$1,000,000 max cash out
• LTV ≤ 60% = Unlimited max cash out
• *Max LTV/CLTV for cash out:
• Primary Residence & Second Homes - 80% / 80%
• Investment Properties - 75% / 75%
• Interest Only - 75% / 75%
• Texas 50 (a)(6) loans are permitted

Products		
5/6m & 10/6m ARM	30 Yr Fixed	
5/6m & 10/6m ARM IO	30 Yr Fixed IO	30 Yr Fixed Step
IO Period	Amortization Term	Maturity
10 Years	20 Years	30 Years

ARM Margins & Caps		
5/6 Month ARM	Margin: 4.50	Caps: 2/1/5
10/6 Month ARM	Margin: 4.50	Caps: 5/1/5

Program Requirements	
Minimum Loan Amount	\$100,000
Maximum Loan Amount	\$3,000,000
Interest Only Transactions	Business Purpose Only, Max 80% LTV
Step Payment	Max 85% LTV
Mortgage Insurance	Not Required

Credit Seasoning	
Mortgage History	0 x 30 x 12
BK Seasoning	36 months
Short Sale/DIL	36 months
Foreclosure	36 months

Income Qualification	
Asset Depletion	Max 85% LTV / CLTV
Bank Statements	Max 85% LTV / CLTV
1099 Only	Max 85% LTV / CLTV
W2 Only	Max 85% LTV / CLTV
1 Year Tax Return	Max 85% LTV / CLTV
Written VOE Only	Max 85% LTV / CLTV
12 Month P&L	Max 80% LTV/CLTV, Max 50% DTI, Min. 680 FICO

Property Type Requirements

Property Type	Max LTV
Attached PUD	85%
Attached Condominium	
2-4 Units	80%
Rural Properties	75%
Florida Condominium	
Non-Warrantable Condominium	70%
Manufactured Homes / Log Homes	Not Allowed



Alternative Income Documentation Types*	
Asset Depletion	The minimum eligible assets required is the lower of \$500,000 or 100% of the subject loan amount. Qualification is determined solely based on the Applicant's liquid assets and assets they can liquidate without restriction. Assets must be seasoned a minimum of 30 days. Assets being considered must be verified with the most recent one (1) month account statement(s), quarterly statement(s), or VOD. All individuals listed on the asset account(s) must be on the Note and Mortgage. Calculation Method: Qualifying income is based upon the total assets eligible for depletion, less down payment, less out of pocket closing costs, divided by 60.
12 Months Bank Statements	Income calculated based on 12 months recent Business or Personal bank statements. Refer to program guidelines for calculation methods available. Bank statements should show a stable or increasing trend. If the trend is declining and/or irregular, additional documentation may be required up to and including an additional 12 months of statements.
1099 Only	Validated most recent 1 year 1099. Borrower must receive compensation either in the form of commissions or as an independent contractor. An expense ratio must be developed using one of the two below methods. Method 1: Utilize 10% baseline expense factor. Multiply the expense ratio by the gross receipts shown on the 1099. Method 2: Provide a CPA letter stating the business' expense ratio based on the most recent year's tax return. Multiply the expense ratio by the gross receipts shown on the 1099.
W2 Only	Validated most recent year W2 and current VOE used as qualifying income. Refer to guidelines for specific guidance and requirements.
1 Yr. Tax Return	Filed most recent year tax returns to be utilized for income qualifying. Refer to guidelines for specific guidance and requirements.
P&L Only	12-24 Month CPA, EA or CTEC compiled P&L Statement - minimum 50% business ownership required. Qualifying income is the net income from the P&L divided by the time period covered multiplied by the borrower's ownership percentage. *Max 80% LTV
WVOE Only	2 year employment history required, with YTD written VOE. EWVOE does not require bank statements to support. Wage Earner/Commission borrowers only.
Supplemental Income	Most Alternative Income Options notated above include additional supplemental income options such as Asset Assist, rental income, retirement/pension, social security and/or additional coborrower income. Please refer to the guidelines for additional information.
Additional Program Requirements	
Appraisal	Loan amounts over \$2,000,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a condition rating of C5 or C6 or a quality rating of Q6 are not acceptable.
Assets	Sourced and seasoned for 30 days
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit - max 80% LTV)
Compliance	<ul style="list-style-type: none"> Escrows required for all HPML loans, refer to guidelines for additional escrow requirements No section 32 or state high cost "Total borrower paid points and fees up to 5%" Compliance with all applicable federal and state regulations
Credit	Standard three (3) tradelines reporting for a minimum of 12 months with activity within the last 12 months, or at least two (2) tradelines reporting for a minimum of 24 months with activity within the last 12 months. If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived. Qualifying FICO = the FICO of the Primary Wage Earner which will be the score used for pricing
Gift Funds	Not permitted on Second Homes and Investment Property transactions with LTVs > 80%. Cannot be used for reserves. Refer to guides for all other requirements
Max Financed Properties	Maximum 20 financed properties including subject property.
Mortgage History	0 x 30 x 12. Recent Forbearance: 12 months seasoning required after borrower exits forbearance plan.
Occupancy	Primary Residence, Second Homes and Investment Properties
Prepayment Penalty	Permitted on Non-Owner Occupied (Investment Properties) only. Where permitted by applicable laws and regulations. Total points, fees and APR may not exceed current state and federal high-cost thresholds.
Property Types	SFR, PUD, Townhome, Condominium, 2-4 Unit, Non-Warrantable Condominiums, Modular & Rural. Log Homes and Manufactured Homes are not eligible.
Qualifying Payment	ALL: Use Qualifying Rate (refer to box) for calculating PITIA Interest Only: qualify using the fully amortized payment based on the term remaining after the expiration of the interest-only period Step Payment: qualify using the 30 year fixed fully amortized payment
Qualifying Rate	Fixed = Note Rate; ARM: 5/6m & 10/6m = Greater of Note Rate or Fully Indexed Rate
Reserves	Loan amount up to \$2M and less than 85% LTV: 3 months PITIA. Loan amount greater than \$2M: 6 months PITIA. Other Financed REO owned: see guidelines for specifics. LTVs > 85% transactions require a minimum of 6 months PITIA. All Investment property transactions require a minimum 6 months PITIA reserves. Cash out can be used towards the reserves requirement.
Seller Concessions	Up to 6% for Primary Residences, Second Homes and Investment Properties.
Subordinate Financing	Max 85% CLTV - refer to grid above under LTV/CLTV section. Secondary financing must be institutional. Seller carrybacks are not permitted.



		Advantage						Expanded					
FICO & LTV/CLTV		Purchase & Rate / Term Refinance			Cash Out Refinance			Purchase & Rate / Term Refinance			Cash Out Refinance		
FICO	Ln Amount	Owner Occupied	Second Home	Investment	Owner Occupied	Second Home	Investment	Owner Occupied	Second Home	Investment	Owner Occupied	Second Home	Investment
740	≤ \$1.5m	90	85	85	75	75	75	85	80	80	75	70	70
	≤ \$2.5m	80	75	75	70	70	70	70	N/A	N/A	N/A	N/A	N/A
	≤ \$3.0m	70	70	70	60	60	60	N/A	N/A	N/A	N/A	N/A	N/A
720	≤ \$1.5m	85	80	80	75	75	75	85	80	80	75	70	70
	≤ \$2.5m	80	75	75	70	70	70	70	N/A	N/A	N/A	N/A	N/A
	≤ \$3.0m	70	70	70	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
700	≤ \$1.5m	85	80	80	75	70	70	80	80	80	70	70	70
	≤ \$2.5m	80	75	75	70	65	65	70	N/A	N/A	N/A	N/A	N/A
	≤ \$3.0m	70	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
680	≤ \$1.5m	80	80	80	75	70	70	75	75	75	70	65	65
	≤ \$2.5m	75	70	70	65	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
660	≤ \$1.5m	80	75	75	70	65	65	75	75	75	65	65	65
	≤ \$2.0m	70	70	70	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
640	≤ \$1.5m	75	70	65	65	60	60	70	65	65	60	60	60

Program Requirements

Appraisal	Loan amounts over \$2,000,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a rating of C5, C6 or Q6 are not acceptable. Properties located within a Declining Market as defined by the appraiser require a 5% reduction to the max LTV/CLTV offered (see grid above).
Gift Funds	Gift funds are acceptable as 100% down payment for loans < 75% LTV. Gift funds are acceptable for loans >=75% LTV with 5% minimum borrower contribution.
Property Types	SFR, PUD, Townhome, Condominium, Non-Warrantable Condos, 2-4 Unit, Modular & Rural. Log Homes and Manufactured Homes are not eligible.
Qualifying FICO	Qualifying FICO = the FICO of the Primary Wage Earner. Primary Wage Earner must have a valid score from at least 2 of the 3 standard agencies.
Tradelines	Standard two (2) tradelines reporting for 12+ months within the last 24 months, or a combined credit profile between Borrower and CoBorrower within a minimum of three (3) tradelines. Current housing that is not reporting on credit can be considered an open trade if supported by canceled checks/bank statements. Refer to guidelines for additional tradeline options and guidance.

Alt Doc	General Requirements	
	Advantage	Expanded
Product Type	5/6 ARM, 10/6 ARM, 30 Yr Fixed (IO), 30 Yr Fixed (Step)	5/6 ARM, 10/6 ARM, 30 Yr Fixed
Loan Amount	\$3.0m max, \$100k min	\$2.0m max, \$100k min
Occupancy	Primary, Second Home, Investment	Primary, Second Home, Investment
Max LTV, Min FICO	90%, 640	85%, 640
Max DTI	50%	45%
Payment History	1 x 30 x 12, 0 x 60 x 24	2 x 30 x 12, 1 x 60 x 24
Credit Event Seasoning (BK,FC,SS,DIL)	> 3+ Years	> 2+ Years
Interest Only	Eligible (10/20 IO), ARMs & Fixed	Not permitted
I.O. Restrictions	Min 700 FICO, Max 80% LTV, No cash out	Not permitted
ARM Margin	4.50%	4.50%
Step Payment	Permitted	Not permitted
Cash Out Requirements		
LTV > 60%	\$500k max cash out	\$250k max cash out
LTV ≤ 60%	Unlimited cash out	Unlimited Cash Out
Borrower Eligibility		
FTHB	No Interest Only (IO)	No Interest Only (IO)
Non-Occupant Co-Borrower	1 unit, O/O only, Max 43% DTI, Max 75% LTV/CLTV, No cash out	1 unit, O/O only, Max 43% DTI, Max 75% LTV/CLTV, No cash out
Permanent Resident Alien	Eligible, No Restrictions	Eligible, No Restrictions
Non Permanent Resident Alien	Max 75% LTV/CLTV, O/O only	Max 75% LTV/CLTV, O/O only
Property Type		
2-4 Units	Max 80% LTV/CLTV	Max 75% LTV/CLTV
Warrantable Condos	Max 80% LTV/CLTV	Max 75% LTV/CLTV
Non-Warrantable Condos	Max 75% LTV/CLTV	Max 75% LTV/CLTV
Rural Properties	O/O only, No cash out, Max 75% LTV/CLTV	O/O only, No cash out, Max 75% LTV/CLTV
Income Qualification		
Standard Documentation	Max 90% LTV	Max 85% LTV
Asset Depletion	O/O only, Max 85% LTV/CLTV, No C/O 84 Month Amortization for DTI	N/A
Bank Statements	Max 90% LTV	Max 85% LTV
1099 Only	Max 90% LTV	Max 85% LTV
W2 Only	Max 90% LTV	Max 85% LTV
1 Year Tax Return	Max 90% LTV	Max 85% LTV
12 Month P&L	Max 75% LTV, Min 680 FICO	N/A
Reserves		
\$150,000 - \$1,500,000	3 Months	3 Months
\$1,500,001 - \$2,500,000	6 Months	6 Months
> \$2,500,000	9 Months	N/A
Additional Financed Properties	6 months PITIA for the subject property if the borrower owns additional financed properties, unless subject loan amount requires 9 Months PITIA. Refer to guidelines for specifics.	
Cash Out Used as Reserves	Permitted	Permitted



Standard (Full) Income Documentation Options	
Standard Documentation	<ul style="list-style-type: none"> Wage/Salary: YTD Pay stubs, 2-year W2(s), IRS Form 4506C, Verbal VOE Self-Employed: 2-year Personal and Business (if applicable) Tax Returns, YTD P&L, 2 recent months business bank statements to support P&L, IRS Form 4506C Refer to guidelines for specifics on other types of standard income requirements (i.e., Auto Allowance, Rental Income, Non-Taxable Income, etc.)
Alternative Income Documentation Options	
Asset Depletion	<p>Borrowers must have a minimum of the lesser of \$1m in qualifying assets or must have qualifying assets or must have qualifying assets equal to the subject loan amount. Reserves are not required for the Asset Depletion income option.</p> <p>Assets used for qualifying must be seasoned for a minimum of 30 days. All individuals listed on the account statements must be on the Note and Mortgage.</p> <p>Qualifying Assets: 100% checking/savings; 100% stocks/bonds/mutual funds; 70% vested retirement accounts</p> <p>Calculation Method: Qualifying income is based upon the total assets eligible for depletion, less down payment, less out of pocket closing costs, divided by 60.</p>
Bank Statements	<p>Income calculated based on 12 to 24 months recent Business and/or Personal bank statements. Refer to program guidelines for calculation methods available.</p> <p>If the trend is declining and/or irregular additional documentation may be required up to and including an additional 12 months of statements.</p>
1099 Only	<p>Validated most recent 1 year 1099 plus most recent YTD pay stub reflecting at least 30 full days earnings or 3 months bank statement showing deposit receipts. Utilize 10% baseline expense factor. Multiply the expense ratio by the gross receipts reflected on the validated 1099.</p>
W2 Only	<p>Validated most recent 1 year W2 to be utilized for qualifying. Wage Earners only - self-employment not permitted.</p>
1 Year Tax Return	<p>Validated most recent year tax returns to be utilized for income qualifying. Self-employed borrowers only - minimum 25% ownership. Refer to guidelines for specifics.</p>
12 Month P&L	<p>12 Month CPA, EA or CTEC prepared P&L Statement - minimum 50% business ownership required. Qualifying income is the lower of the net income from the P&L divided by the time period covered (12 months) multiplied by the borrower's ownership percentage or monthly income disclosed on the initial signed URLA.</p>
Other Income	<p>Supplemental income options such as rental income, retirement/pension, social security and/or additional CoBorrower income. Please refer to guidelines for specifics.</p>
Additional Program Requirements	
Assets	Sourced and seasoned for 30 days.
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit - max 75% LTV)
Compliance	<ul style="list-style-type: none"> Escrows required for all HPML loans, refer to guidelines for additional escrow requirements No section 32 or state high cost "Total borrower paid points and fees up to 5%" Compliance with all applicable federal and state regulations
Max Financed Properties	Maximum 20 financed properties including subject property.
Prepayment Penalty	Permitted on Non-Owner Occupied (Investment Properties) only.
Qualifying Rate	Where permitted by applicable laws and regulations. Total points, fees and APR may not exceed current state and federal high-cost thresholds.
Qualifying Payment	<p>Fixed = Note Rate; 5/6m or 10/6 ARM = Greater of Note Rate or Fully Indexed Rate</p> <p>All: Use Qualifying Rate (refer to box above) for calculating PITIA</p> <p>Interest Only: qualify using the fully amortized payment based on the term remaining after the expiration of the interest-only period.</p> <p>Step Payment: qualify using the 30 year fixed fully amortized payment</p>
Seller Concessions	Maximum Interested Party Contributions permitted up to 6%.
Subordinate Financing	Primary Residences only. Refer to grid above for max LTV/CLTV availability. Secondary financing must be institutional. Seller carrybacks are not permitted.



FICO & LTV/CLTV		DSCR >= 1.00			DSCR >= 0.75		
FICO	Loan Size	Purchase	Rate/Term Refi	Cash Out	Purchase	Rate/Term Refi	Cash Out
740	≤ \$1.5m	85	80	75	70	70	70
	≤ \$2.0m	80	80	75	70	70	70
	≤ \$2.5m	75	75	70	65	65	60
720	≤ \$1.5m	80	80	75	70	70	70
	≤ \$2.5m	75	75	70	65	65	N/A
700	≤ \$1.5m	80	75	70	70	70	65
	≤ \$2.0m	75	75	70	70	70	65
	≤ \$2.5m	70	70	65	65	65	N/A
680	≤ \$1.5m	75	75	65	N/A	N/A	N/A
	≤ \$2.0m	65	65	N/A	N/A	N/A	N/A
660	≤ \$1.5m	70	70	65	N/A	N/A	N/A
	≤ \$2.0m	60	60	N/A	N/A	N/A	N/A

Income Qualification	
DSCR Calculation	Gross Rent/PITIA or Gross Rent/ITIA (Interest Only)
Reserves	
\$125,000 – \$500,000	3 Months
\$500,001 – \$1,500,000	3 Months
\$1,500,001 – \$2,500,000	6 Months
Additional Financed Properties	None
Cash Out Used as Reserves	Allowable
Additional Program Information	
Interest Only Restrictions (DSCR = 1.00+)	Min 700 FICO, Max 80% LTV
Interest Only Restrictions (DSCR = 0.75-0.99)	Min 700 FICO, Max 75% LTV
Interest Only Restrictions (DSCR < 0.75)	Not Eligible
Personal Guarantee	Required
Prepay Penalties by State	Permissible by Law

General Requirements	
Product Type	5/6 ARM, 10/6 ARM, 30 Year Fixed (IO)
Loan Amount	\$2.5mm max, \$100k min
Occupancy	Investment Only
Max LTV, Min FICO	85%, 660
Payment History	0x30x12
Credit Event Seasoning (BK,FC,SS,DIL)	> 3+ Years
Interest Only	Eligible (10/20 IO), ARMs & Fixed
Interest Only Restrictions	Min 700 FICO, (Refer to Additional Program Information grid below for DSCR restrictions)
Min DSCR	0.75
ARM Margin	5.00%
Short Term Rents - LTVs > 65% up to 80% max LTV	AirDNA Additional requirements: Min DSCR of 1.15, min 700 FICO and an additional 6 months reserves
Cash Out Requirements	
LTV >60%	\$500k (Max Cash Out)
LTV <=60%	Unlimited Cash Out
Borrower Eligibility	
First Time Homebuyer	Not Permitted
First Time Investor	Eligible, No Restrictions
Permanent Resident Alien	Eligible, No Restrictions
Non-Permanent Resident Alien	Max 75% LTV / CLTV
Property Type	
2-4 Units	Max 80% LTV
Warrantable Condos	Max 75% LTV
Florida Warrantable Condos	Max 70% LTV
Non-Warrantable Condos	Max 75% LTV
Rural Properties	Not Eligible

Additional Program Requirements	
Appraisal	Loan amounts over \$2,000,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a condition rating of C5 or C6 or a quality rating of Q6 are not acceptable. *Properties within a Declining Market require a 5% reduction to the max LTV/CLTV offered (refer to grid above).
Assets	Assets sourced and seasoned for 30 days.
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit - max 75% LTV)
Credit	Standard one (1) tradelines reporting satisfactorily for 12+ months with activity in the most recent 90 days. Mortgage payment history is required for the subject property only, if applicable. Only the subject property and primary residence (if owned) need to be disclosed on the 1003.
DSCR	Debt Service Coverage Ratio = Gross rental income/PITIA; Gross income = lesser of market rent or lease in place. DSCR calculations less than 75% are not eligible.
First Time Investors	First Time Investors that meet all program requirements are permitted without any restriction.
Gift Funds	Gift funds are acceptable as 100% down payment for loans <75% LTV. Gift funds are acceptable for loans >=75% LTV with 5% minimum borrower contribution.
LLC Loan	Property vested in LLC loan must have Personal Guarantor(s).
Max Financed Properties	Maximum 20 financed properties including subject property.
Prepayment Penalty	Where permitted by applicable laws and regulations. Total points, fees and APR may not exceed current state and federal high-cost thresholds.
Property Types	Single Family Residences, PUDs, Townhomes, Condominiums, Non Warrantable Condos and 2-4 Units. Manufactured Homes and Log Homes are not permitted.
Qualifying Rate	Fixed = Note Rate; 5/6m and 10/6 ARM = Greater of Note Rate or Fully Indexed Rate
Qualifying Payment	All: Use Qualifying Rate (refer to box) for calculating PITIA Interest Only: qualifying using the interest only payment
Seller Concessions	Up to 6%
Subordinate Financing	Not permitted



Business Purpose - Outside of Dodd Frank

DSCR > 1.00	Max LTV	Max LTV	Maximum Loan Amount	Reserves
	Purch / R & T	Cash Out		
	75%	70%	≤ \$1,500,000	8
	70%	65%	≤ \$2,500,000	8

Products		
5/6m ARM	10/6m ARM	30 Yr Fixed
5/6m ARM IO	10/6m ARM IO	30 Yr Fixed IO
I/O feature available for 10 years on all ARM & 30 Year Fixed rate products		
ARM Margins & Caps		
5/6 Month ARM	Margin: 6.0	Caps 2/2/5
10/6 Month ARM	Margin: 6.0	Caps 5/2/5
Index = 6 mos SOFR, Floor = Start Rate		

Additional Program Information	
All Florida Condominiums	Max 70% LTV
Short Term Rental Income	Not permitted
Rural Properties	Not permitted

Cash Out Requirements	
LTV >60%	\$500k (Max Cash Out)
LTV ≤60%	Unlimited Cash Out

Additional Program Requirements	
Appraisal Requirements	Loan amounts over \$2,000,000 automatically require two appraisals. Every appraisal requires a Desk Review. Properties with a condition rating of C5 or C6 or a quality rating of Q6 are not acceptable. *Properties located within a Declining Market as defined by the appraiser require a 5% reduction to the max LTV/CLTV offered (refer to grid above).
Assets	Foreign Assets are permitted - refer to guidelines for additional details.
Gift Funds	Gift funds are permitted if the borrower has a minimum of 10% of their own funds towards the down payment, closing costs & reserves.
Certification	Borrowers must execute Certificate of Non-Owner Occupied and Certificate of Business Purpose prior to closing.
Compliance	Escrows for taxes and insurance are required on all loans with LTVs greater than 80%, unless otherwise specified by applicable state law. • Compliance with all applicable federal and state regulations • No section 32 or state high cost • Total borrower paid points and fees must be less than 5%
Credit	Credit report and FICO are not required.
DSCR	DSCR = Gross Rental Income / PITIA; Gross income = lesser of estimated market rent from Form 1007 or lease in place. DSCR calculations less than 100% are not eligible.
Eligible Borrowers	A Foreign National is a non-resident alien who is not authorized to live or work in the U.S. or holds a Visa that is indicative of a more temporary residency than those required to meet Non-Permanent Resident Alien requirements. In order to be eligible for this program, the borrower must be a resident of another country. The property is not intended for use as a primary residence. Diplomatic Immunity and borrowers from OFAC sanctioned countries are not eligible. http://sanctionssearch.ofac.treas.gov/
Occupancy	Investment Properties
Minimum Loan Amount	\$100,000
Max Financed Properties	Maximum 10 financed properties including subject property.
Power of Attorney	Not allowed
Prepayment Penalty	Where permitted by applicable laws and regulations. Total points, fees and APR may not exceed current state and federal high-cost thresholds. Not allowed in AK, KS, MN, NM, NC (loan amounts < \$150,000) or PA (loan amounts < \$312,159 on 1-2 Units, including condos).
Property Types	SFR, PUD, Townhome, Condominium, 2-4 Units. Non-Warrantable Condos and Manufactured Homes are not eligible.
Qualifying Rate	Fixed = Note Rate; ARM: 5/6m and 10/6m ARM = Greater of the Note Rate or Fully Indexed Rate
Seller Concessions	Up to 6% toward closing for Investment Properties.
Subordinate Financing	Not allowed