

Alt Doc Credit

Program Code: Alt Credit -30, -40, -7/6, -5/6, -30 IO, -40 IO, -7/6 IO, -7/6 IO-40, -5/6 IO, -5/6 IO-40

FICO	Loan Amt	Max CLTV					
		Primary			2 nd Home/Investment		
		Purchase	R/T	Cash-Out	Purchase	R/T	Cash-Out
700+	≤ 1.5M	85%	80%	80%	80%	75%	75%
	≤ 2M	80%	75%	75%	80%	75%	75%
	≤ 2.5M	70%	65%	65%	70%	65%	65%
680-699	≤ 1M	85%	80%	75%	80%	75%	75%
	≤ 1.5M	80%	75%	75%	80%	75%	75%
	≤ 2M	80%	70%	70%	80%	70%	70%
	≤ 2.5M	70%	65%	65%	70%	65%	65%
660-679	≤ 1M	80%	80%	75%	80%	75%	75%
	≤ 1.5M	80%	75%	75%	80%	75%	75%
	≤ 2M	70%	65%	65%	70%	65%	65%
640-659	≤ 1M	80%	75%	70%	80%	75%	70%
	≤ 1.5M	70%	NA	NA	70%	NA	NA
	≤ 2M	65%	NA	NA	65%	NA	NA
620-639	≤ 1M	70%	70%	NA	70%	70%	NA
<ul style="list-style-type: none"> ▪ 2-4 Units & Condo <ul style="list-style-type: none"> ○ Purchase Max LTV/CLTV: 80% ○ Refinance LTV/CLTV: 75% ▪ 10+ acres Max LTV/CLTV: 80 ▪ First Time Home Buyer without a documented 12-month rental history Max LTV/CLTV: 80% (Max DTI 43%) ▪ Interest Only Min FICO: 660 ▪ Maximum LTV/CLTV is limited to 80% for Purchases and 75% for all refinances and the max loan amount is limited to \$2,000,000. If either or both of the following apply: <ul style="list-style-type: none"> ○ The appraisal report identifies the property as a declining market; ○ The subject property is in a state of NJ or FL 							
Housing History Restriction	Housing History	1x30x12	0x60x12	0x90x12			
	Max LTV/CLTV (Pur)	85%	80%	70%			
	Max LTV/CLTV (Refi)	80%	75%	NA			
	Max Loan Amt	\$2.5M	\$1.5M	\$1M			
Housing Event Seasoning Restriction	BK/FC/SS/DIL/Mod	≥ 36 Mo	≥ 24 Mo	≥ 12 Mo			
	Max LTV/CLTV (Pur)	85%	80%	70%			
	Max LTV/CLTV (Refi)	80%	75%	NA			
	Max Loan Amt	\$2.5M	\$1.5M	\$1M			

Income Requirement					
Self Employed Income	<ul style="list-style-type: none"> ▪ Personal Bank Statements <ul style="list-style-type: none"> ○ 12-months of Personal and 2-months of business bank statements ○ Qualifying income is determined by the total eligible deposits from the 12-months of personal statements divided by the number of statements; or the income disclosed on the initial 1003 ○ The business bank statements must reflect business activity and transfers to the personal account ▪ Business Bank Statements <ul style="list-style-type: none"> ○ 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> ▪ Fixed Expense Ratio (50%) industry eligibility based upon the completion of the Business Narrative Form in the Seller Guide. ▪ OR Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10% ▪ OR P&L statement prepared by 3rd party (CPA or EA): No expense ratio deduction. P&L must support business bank statement. ▪ IRS Form 1099 <ul style="list-style-type: none"> ○ 1-year 1099 ○ Fixed Expense Ratio of 10% ○ YTD Documentation to support continued receipt of income from same source 				
General Requirements					
DTI	<ul style="list-style-type: none"> ▪ Standard max 50% (If 1st time home buyer or living rent free, additional restriction will apply) 				
Occupancy	<ul style="list-style-type: none"> ▪ Primary ▪ Second Home ▪ Investment 				
Product Type	Product	Term	Amortization Term	I/O Term	Qualifying Rate
	40-Yr Fixed	40 yr	40 yr	NA	Note Rate
	40-Yr Fixed IO	40 yr	30 yr	10 yr	
	30-Yr Fixed	30 yr	30 yr	NA	
	30-Yr Fixed IO	30 yr	20 yr	10 yr	
	7/6 ARM	30 yr	30 yr	NA	Higher of Fully Indexed or Note Rate
	7/6 ARM IO	30 yr	20 yr	10 yr	
	7/6 ARM IO-40Yr Term	40 yr	30 yr	10 yr	
	5/6 ARM	30 yr	30 yr	NA	
	5/6 ARM IO	30 yr	20 yr	10 yr	
	5/6 ARM IO-40Yr Term	40 yr	30 yr	10 yr	

Interest Only	<ul style="list-style-type: none"> ▪ Min Credit Score: 660 ▪ Max LTV: 90%
Loan Purpose	<ul style="list-style-type: none"> ▪ Purchase ▪ Rate/Term ▪ Cash-Out
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$150,000 ▪ Max: \$2,500,000
Cash-Out	<ul style="list-style-type: none"> ▪ Max Cash-In-Hand: Unlimited ▪ Cash-Out Seasoning <ul style="list-style-type: none"> ○ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. ○ If the cash-out seasoning is less than 12 months, but greater than 6 months, the transaction property value is limited to the lower of the current appraised value or the property's purchase price plus documented improvements. ▪ 2-4 Units & Condo Max LTV/CLTV: Cash-out: 75%
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units ▪ Condo <ul style="list-style-type: none"> ○ Max LTV/CLTV: Purchase & R/T 80%, Cash-Out 75%
Acreage	<ul style="list-style-type: none"> ▪ Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80%.
Rural Property	<ul style="list-style-type: none"> ▪ Not eligible
State/CBSA Restrictions	<ul style="list-style-type: none"> ▪ Maximum LTV/CLTV is limited to 80% for Purchases and 75% for all refinances and the max loan amount is limited to \$2,000,000. If either or both of the following apply: <ul style="list-style-type: none"> ○ The appraisal report identifies the property as a declining market; ○ The subject property is in a state of NJ or FL ▪ Florida Condominiums: <ul style="list-style-type: none"> ○ Up to 7 Stories. No High Rise Condo (8+) ○ A structural inspection is required if the project is greater than 5 stories and over 30 years old or 25 years old if within 3 miles of the coast. ○ Projects with an unacceptable or no inspection are 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 ▪ Transferred Appraisal are acceptable
Escrow Impound	<ul style="list-style-type: none"> ▪ Taxes and insurance escrows required
Prepayment Penalty	<ul style="list-style-type: none"> ▪ Investment Properties only ▪ Prepayment periods up to 5-years eligible, see rate sheet ▪ Penalties not allowed on loans vested to individuals in NJ ▪ Prepayment not allowed on MD ▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.
Document Age	<ul style="list-style-type: none"> ▪ 90 days prior to the note date

General Underwriting Guidelines				
Credit Score	<ul style="list-style-type: none"> Middle of 3 scores or lower of 2 			
Tradelines	<ul style="list-style-type: none"> Min: 2 reporting 24-months w/ activity in last 12-months or 3 reporting 12-months w/ recent activity (If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived) 			
Housing History	Housing History	1x30x12	0x60x12	0x90x12
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Notice of Default	<ul style="list-style-type: none"> Notice of Default will be considered 1x90x12 under housing history restrictions. 			
Forbearance, Modification, and Deferrals	<ul style="list-style-type: none"> Forbearance and Deferrals are considered under housing payment history. Greater than 12 months from note date: Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated greater than 12 months from the note date of the subject transaction and having a 0x30x12 housing history are allowed. Within 12 months of note date: Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated within 12 months of the note date of the subject transaction will be treated as a 0x90x12 and not eligible for this program. 			
Reserves	<ul style="list-style-type: none"> LTV < 80%: 3-months of PITIA LTV ≥ 80%: 6-months of PITIA Cash out may be used to satisfy requirement 			
Assets Requirements	<ul style="list-style-type: none"> Min of 30-days asset verification required (Any large deposit must be sourced) 			
Gift Funds	<ul style="list-style-type: none"> Min contribution: 5% primary/second home, 10% investment 			
First Time Home Buyer	<ul style="list-style-type: none"> Primary residence only DTI may not exceed 45% Minimum six (6) months of reserves 12-month rental history, reflecting 0x30, documented Without a documented 12-month rental history: Max DTI 43% and Max LTV/CLTV 80% 			
Interested Party Contributions	<ul style="list-style-type: none"> Primary and Second Home Maximum contribution: <ul style="list-style-type: none"> o 6% for LTVs > 75% o 9% for LTV ≤ 75% 			