

Alt Doc Prime

Program Code: Alt Prime -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					
		Bank Statement, 1099			WVOE, Asset Utilization		
		Purchase	R/T	Cash-Out	Purchase	R/T	Cash-Out
720+	≤ 1M	90%	85%	80%	80%	75%	70%
	≤ 1.5M	90%	85%	80%	80%	75%	70%
	≤ 2M	85%	80%	80%	80%	75%	70%
	≤ 2.5M	80%	75%	75%	75%	70%	70%
	≤ 3M	75%	70%	70%	70%	NA	NA
	≤ 3.5M	70%	65%	NA	NA	NA	NA
700-719	≤ 1M	90%	85%	80%	80%	75%	70%
	≤ 1.5M	90%	85%	80%	80%	75%	70%
	≤ 2M	85%	75%	70%	80%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
	≤ 3M	75%	70%	65%	70%	NA	NA
	≤ 3.5M	70%	65%	NA	NA	NA	NA
680-699	≤ 1M	90%	85%	75%	80%	75%	70%
	≤ 1.5M	85%	80%	75%	80%	75%	70%
	≤ 2M	80%	75%	70%	75%	70%	65%
	≤ 2.5M	75%	70%	65%	70%	65%	60%
	≤ 3M	70%	65%	65%	NA	NA	NA
660-679	≤ 1M	80%	80%	75%	NA	NA	NA
	≤ 1.5M	80%	75%	75%	NA	NA	NA
	≤ 2M	75%	70%	65%	NA	NA	NA
	≤ 2.5M	70%	65%	65%	NA	NA	NA
640-659	≤ 1M	80%	75%	70%	NA	NA	NA
	≤ 1.5M	70%	65%	65%	NA	NA	NA
	≤ 2M	65%	NA	NA	NA	NA	NA
620-639	≤ 1M	70%	70%	NA	NA	NA	NA

FICO	Loan Amt	Max CLTV					
		Second Home / Investment					
		Bank Statement, 1099			WVOE, Asset Utilization		
		Purchase	R/T	Cash-Out	Purchase	R/T	Cash-Out
720+	≤ 1M	85%	80%	75%	80%	75%	70%
	≤ 1.5M	85%	80%	75%	80%	75%	70%
	≤ 2M	85%	80%	75%	80%	75%	70%
	≤ 2.5M	80%	75%	75%	75%	70%	70%
	≤ 3M	75%	70%	70%	NA	NA	NA
	≤ 3.5M	70%	65%	NA	NA	NA	NA
700-719	≤ 1M	85%	80%	75%	80%	75%	70%
	≤ 1.5M	85%	80%	75%	80%	75%	70%
	≤ 2M	85%	75%	70%	80%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
	≤ 3M	75%	70%	65%	NA	NA	NA
	≤ 3.5M	70%	65%	NA	NA	NA	NA
680-699	≤ 1M	85%	80%	75%	80%	75%	70%
	≤ 1.5M	85%	80%	75%	80%	75%	70%
	≤ 2M	80%	75%	70%	75%	70%	65%
	≤ 2.5M	75%	70%	65%	70%	65%	60%
	≤ 3M	70%	65%	65%	NA	NA	NA
660-679	≤ 1M	80%	80%	75%	NA	NA	NA
	≤ 1.5M	80%	75%	75%	NA	NA	NA
	≤ 2M	75%	70%	65%	NA	NA	NA
	≤ 2.5M	70%	65%	65%	NA	NA	NA
640-659	≤ 1M	80%	75%	70%	NA	NA	NA
	≤ 1.5M	70%	65%	65%	NA	NA	NA
	≤ 2M	65%	NA	NA	NA	NA	NA
620-639	≤ 1M	70%	70%	NA	NA	NA	NA

- 2-4 Units & Condo Max LTV/CLTV: 85%
- Rural Max LTV/CLTV: Purchase 80%, Refinance 75%
- State Restriction and Declining Market: Maximum LTV/CLTV is limited to 85% for Purchases and 80% for all refinances and the max loan amount is limited to \$2,000,000 if either or both of the following apply:
 - The appraisal report identifies the property as a declining market
 - The subject property is in a state of NJ or FL
- Investment properties are ineligible in Baltimore, Maryland

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.
Wage Earner Income	<ul style="list-style-type: none"> ▪ WVOE <ul style="list-style-type: none"> ○ Two-year history with same employer is required. ○ Borrower(s) employed by family members or related individuals are not eligible. ○ An internet search of the business is required with documentation to be included in the credit file to support existence of the business. ○ WVOE verification must be completed through a third-party vendor. ▪ WVOE Restriction: <ul style="list-style-type: none"> ○ Max 1x30x12 housing late ○ Min 36 months credit event seasoning
Asset Utilization	<ul style="list-style-type: none"> ○ Minimum eligible asset required is the lower of \$1,000,000 or 150% of the loan amount ○ Most recent three (3) months account statements, quarterly statement or a VOD (assets must be seasoned 90 days) ○ Total Eligible Assets less down payment and closing costs divided by 84 to determine a monthly income ○ Eligible asset: <ul style="list-style-type: none"> ▪ 100% of Checking, Savings, and Money Market Accounts; ▪ 100% of the cash surrender value of life insurance less any loans may be considered ▪ 70% of Stocks, Bonds, and Mutual Funds; ▪ 70% of Retirement Assets: Eligible if the borrower is of retirement age (at least 59½) ▪ 60% of Retirement Assets: Eligible if the borrower is not of retirement age.

Asset Utilization (Cont.)	<ul style="list-style-type: none"> ▪ Asset Utilization Restriction: <ul style="list-style-type: none"> ○ Gift funds may not be used to determine qualifying income ○ Max 1x30x12 housing late ○ Min 36 months credit event seasoning 				
General Requirements					
DTI	<ul style="list-style-type: none"> ▪ Max 50% 				
Occupancy	<ul style="list-style-type: none"> ▪ Primary ▪ Second Home ▪ Investment 				
Interest Only	<ul style="list-style-type: none"> ▪ Min Credit Score: 660 ▪ Max LTV: 90% 				
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	
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: \$3,500,000 				
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/CLTV 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. 				
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units (Max LTV/CLTV: 85%) ▪ Condo (Max LTV/CLTV: 85%) 				
Acreage	<ul style="list-style-type: none"> ▪ Property up to 20-acres ▪ Rural Max LTV/CLTV: Purchase 80%, Refinance 75% 				
Appraisals	<ul style="list-style-type: none"> ▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection ▪ Appraisal review product required unless 2nd appraisal obtained 				

	<ul style="list-style-type: none"> ▪ 2nd Appraisal required for loans > \$2,000,000 ▪ Transferred Appraisal are acceptable 																
Document Age	<ul style="list-style-type: none"> ▪ 90 days prior to the note date 																
State Restrictions	<ul style="list-style-type: none"> ▪ Maximum LTV/CLTV is limited to 85% for Purchases and 80% 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. ▪ Investment properties are ineligible in Baltimore, Maryland 																
Escrow Impound	<ul style="list-style-type: none"> ▪ Mandatory (Taxes, Insurance, and Flood) 																
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. 																
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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="text-align: left; padding: 2px;">Housing History</th> <th style="text-align: left; padding: 2px;">1x30x12</th> <th style="text-align: left; padding: 2px;">0x60x12</th> <th style="text-align: left; padding: 2px;">0x90x12</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Max LTV/CLTV: Purchase</td><td style="padding: 2px;">See matrix above</td><td style="padding: 2px;">80%</td><td style="padding: 2px;">70%</td></tr> <tr> <td style="padding: 2px;">Max LTV/CLTV: Refi.</td><td style="padding: 2px;">See matrix above</td><td style="padding: 2px;">75%</td><td style="padding: 2px;">NA</td></tr> <tr> <td style="padding: 2px;">Max Loan Amt:</td><td style="padding: 2px;">See matrix above</td><td style="padding: 2px;">\$1,500,000</td><td style="padding: 2px;">\$1,000,000</td></tr> </tbody> </table>	Housing History	1x30x12	0x60x12	0x90x12	Max LTV/CLTV: Purchase	See matrix above	80%	70%	Max LTV/CLTV: Refi.	See matrix above	75%	NA	Max Loan Amt:	See matrix above	\$1,500,000	\$1,000,000
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Notice of Default	<ul style="list-style-type: none"> ▪ Notice of Default will be considered 1x90x12 under housing history restrictions. ▪ If the borrower cured the default and has made 12 timely payments, they are eligible without any 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 are eligible. Within 12 months of note date: Not Eligible
Reserves	<ul style="list-style-type: none"> Reserve requirements are determined by loan amount and LTV as follows: <ul style="list-style-type: none"> Loan Amount \leq \$1.5 million and LTV \leq 75% \rightarrow None required Loan Amount \leq \$1.5 million and LTV $>$ 75% \rightarrow 2 months of PI Loan Amount $>$ \$1.5 million \rightarrow 4 months of PI Loan Amount $>$ \$2.0 million \rightarrow 6 months of PI Cash out may be used to satisfy requirement
Assets Req.	<ul style="list-style-type: none"> Min of 30-days asset verification required.
Gift Funds	<p>Gift funds</p> <ul style="list-style-type: none"> LTV/CLTV $<$ 80%: 100% gift allowed for down payment, closing and reserves LTV/CLTV \geq 80%: Gift funds allowed for down payment, closing and reserves after Minimum 5% borrower contribution is met Gift funds are allowed in refinance transactions. <p>Borrowers must meet reserve and residual income requirements</p>
First Time Home Buyer	<ul style="list-style-type: none"> Both Owner-Occupied (OO) and Non-Owner-Occupied (NOO) permitted. DTI may not exceed 50%. The rental history, reflecting 0x30, documented; First time homebuyers with less than 12-month rental history: LOE or rent-free letter is required.
Interested Party Contributions	<ul style="list-style-type: none"> Primary and Second Home <ul style="list-style-type: none"> 6% for LTVs $>$ 75% 9% for LTV \leq 75% Investment <ul style="list-style-type: none"> Max 6%