

# 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

<ul style="list-style-type: none"> <li>▪ 2-4 Units &amp; Condo Max LTV/CLTV: 85%</li> <li>▪ Rural Max LTV/CLTV: Purchase 80%, Refinance 75%</li> <li>▪ 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: <ul style="list-style-type: none"> <li>○ The appraisal report identifies the property as a declining market</li> <li>○ The subject property is in a state of NJ or FL</li> </ul> </li> <li>▪ Investment properties are ineligible in Baltimore, Maryland</li> </ul>	
Income Requirement	
Self Employed Income	<ul style="list-style-type: none"> <li>▪ <b>Personal Bank Statements</b> <ul style="list-style-type: none"> <li>○ 12-months of Personal and 2-months of business bank statements</li> <li>○ 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</li> <li>○ The business bank statements must reflect business activity and transfers to the personal account</li> </ul> </li> <li>▪ <b>Business Bank Statements</b> <ul style="list-style-type: none"> <li>○ 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> <li>▪ Fixed Expense Ratio (50%) industry eligibility based upon the completion of the Business Narrative Form in the Seller Guide.</li> <li>▪ <b>OR</b> Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%</li> <li>▪ <b>OR</b> P&amp;L statement prepared by 3rd party (CPA or EA): No expense ratio deduction. P&amp;L must support business bank statement.</li> </ul> </li> </ul> </li> <li>▪ <b>IRS Form 1099</b> <ul style="list-style-type: none"> <li>○ 1-year 1099</li> <li>○ Fixed Expense Ratio of 10%</li> <li>○ YTD Documentation to support continued receipt of income from same source.</li> </ul> </li> </ul>
Wage Earner Income	<ul style="list-style-type: none"> <li>▪ <b>WVOE</b> <ul style="list-style-type: none"> <li>○ Two-year history with same employer is required.</li> <li>○ Borrower(s) employed by family members or related individuals are not eligible.</li> <li>○ An internet search of the business is required with documentation to be included in the credit file to support existence of the business.</li> <li>○ WVOE verification must be completed through a third-party vendor.</li> </ul> </li> <li>▪ <b>WVOE Restriction:</b> <ul style="list-style-type: none"> <li>○ <b>Max 1x30x12 housing late</b></li> <li>○ <b>Min 36 months credit event seasoning</b></li> </ul> </li> </ul>
Asset Utilization	<ul style="list-style-type: none"> <li>○ Minimum eligible asset required is the lower of \$1,000,000 or 150% of the loan amount</li> <li>○ Most recent three (3) months account statements, quarterly statement or a VOD (assets must be seasoned 90 days)</li> <li>○ Total Eligible Assets less down payment and closing costs divided by 84 to determine a monthly income</li> <li>○ Eligible asset: <ul style="list-style-type: none"> <li>▪ 100% of Checking, Savings, and Money Market Accounts;</li> <li>▪ 100% of the cash surrender value of life insurance less any loans may be considered</li> <li>▪ 70% of Stocks, Bonds, and Mutual Funds;</li> <li>▪ 70% of Retirement Assets: Eligible if the borrower is of retirement age (at least 59½)</li> <li>▪ 60% of Retirement Assets: Eligible if the borrower is not of retirement age.</li> </ul> </li> </ul>

<b>Asset Utilization (Cont.)</b>	<ul style="list-style-type: none"><li>▪ <b>Asset Utilization Restriction:</b><ul style="list-style-type: none"><li>○ Gift funds may not be used to determine qualifying income</li><li>○ Max 1x30x12 housing late</li><li>○ Min 36 months credit event seasoning</li></ul></li></ul>				
<b>General Requirements</b>					
<b>DTI</b>	<ul style="list-style-type: none"><li>▪ Max 50%</li></ul>				
<b>Occupancy</b>	<ul style="list-style-type: none"><li>▪ Primary</li><li>▪ Second Home</li><li>▪ Investment</li></ul>				
<b>Interest Only</b>	<ul style="list-style-type: none"><li>▪ Min Credit Score: 660</li><li>▪ Max LTV: 90%</li></ul>				
<b>Product Type</b>	<b>Product</b>	<b>Term</b>	<b>Amortization Term</b>	<b>I/O Term</b>	<b>Qualifying Rate</b>
	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	
<b>Loan Purpose</b>	<ul style="list-style-type: none"><li>▪ Purchase</li><li>▪ Rate/Term</li><li>▪ Cash-Out</li></ul>				
<b>Loan Amount</b>	<ul style="list-style-type: none"><li>▪ Min: \$150,000</li><li>▪ Max: \$3,500,000</li></ul>				
<b>Cash-Out</b>	<ul style="list-style-type: none"><li>▪ Max Cash-In-Hand: Unlimited</li><li>▪ Cash-Out Seasoning<ul style="list-style-type: none"><li>○ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value.</li><li>○ 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.</li></ul></li></ul>				
<b>Property Type</b>	<ul style="list-style-type: none"><li>▪ Single Family</li><li>▪ 2-4 Units (Max LTV/CLTV: 85%)</li><li>▪ Condo (Max LTV/CLTV: 85%)</li></ul>				
<b>Acreage</b>	<ul style="list-style-type: none"><li>▪ Property up to 20-acres</li><li>▪ Rural Max LTV/CLTV: Purchase 80%, Refinance 75%</li></ul>				
<b>Appraisals</b>	<ul style="list-style-type: none"><li>▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection</li><li>▪ Appraisal review product required unless 2nd appraisal obtained</li></ul>				

	<ul style="list-style-type: none"><li>▪ 2nd Appraisal required for loans &gt; \$2,000,000</li><li>▪ Transferred Appraisal are acceptable</li></ul>			
Document Age	<ul style="list-style-type: none"><li>▪ 90 days prior to the note date</li></ul>			
State Restrictions	<ul style="list-style-type: none"><li>▪ 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"><li>○ The appraisal report identifies the property as a declining market;</li><li>○ The subject property is in a state of NJ or FL</li></ul></li><li>▪ Florida Condominiums:<ul style="list-style-type: none"><li>○ Up to 7 Stories. No High Rise Condo (8+)</li><li>○ 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.</li><li>○ Projects with an unacceptable or no inspection are not eligible.</li></ul></li><li>▪ Investment properties are ineligible in Baltimore, Maryland</li></ul>			
Escrow Impound	<ul style="list-style-type: none"><li>▪ Mandatory (Taxes, Insurance, and Flood)</li></ul>			
Prepayment Penalty	<ul style="list-style-type: none"><li>▪ Investment Properties only</li><li>▪ Prepayment periods up to 5-years eligible, see rate sheet</li><li>▪ Penalties not allowed on loans vested to individuals in NJ</li><li>▪ Prepayment not allowed on MD</li><li>▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.</li></ul>			
General Underwriting Guidelines				
Credit Score	<ul style="list-style-type: none"><li>▪ Middle of 3 scores or lower of 2</li></ul>			
Tradelines	<ul style="list-style-type: none"><li>▪ Min: 2 reporting 24-months w/ activity in last 12-months or 3 reporting 12-months w/ recent activity</li><li>▪ If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived</li></ul>			
Housing History	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
Credit Event Seasoning	BK/FC/SS/DIL/PreFC/MC	>= 36 Mo	>= 24 Mo	>= 12 Mo
	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
Notice of Default	<ul style="list-style-type: none"><li>▪ Notice of Default will be considered 1x90x12 under housing history restrictions.</li><li>▪ If the borrower cured the default and has made 12 timely payments, they are eligible without anv restrictions.</li></ul>			

<b>Forbearance, Modification, and Deferrals</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Within 12 months of note date: Not Eligible</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Reserve requirements are determined by loan amount and LTV as follows: <ul style="list-style-type: none"> <li>Loan Amount ≤ \$1.5 million and LTV ≤ 75% → None required</li> <li>Loan Amount ≤ \$1.5 million and LTV &gt; 75% → 2 months of PI</li> <li>Loan Amount &gt; \$1.5 million → 4 months of PI</li> <li>Loan Amount &gt; \$2.0 million → 6 months of PI</li> </ul> </li> <li>Cash out may be used to satisfy requirement</li> </ul>
<b>Assets Req.</b>	<ul style="list-style-type: none"> <li>Min of 30-days asset verification required.</li> </ul>
<b>Gift Funds</b>	<p>Gift funds</p> <ul style="list-style-type: none"> <li>LTV/CLTV &lt; 80%: 100% gift allowed for down payment, closing and reserves</li> <li>LTV/CLTV ≥ 80%: Gift funds allowed for down payment, closing and reserves after Minimum 5% borrower contribution is met</li> <li>Gift funds are allowed in refinance transactions.</li> </ul> <p>Borrowers must meet reserve and residual income requirements</p>
<b>First Time Home Buyer</b>	<ul style="list-style-type: none"> <li>Both Owner-Occupied (OO) and Non-Owner-Occupied (NOO) permitted.</li> <li>DTI may not exceed 50%.</li> <li>The rental history, reflecting 0x30, documented;</li> <li>First time homebuyers with less than 12-month rental history:</li> <li>LOE or rent-free letter is required.</li> </ul>
<b>Interested Party Contributions</b>	<ul style="list-style-type: none"> <li>Primary and Second Home <ul style="list-style-type: none"> <li>6% for LTVs &gt; 75%</li> <li>9% for LTV ≤ 75%</li> </ul> </li> <li>Investment <ul style="list-style-type: none"> <li>Max 6%</li> </ul> </li> </ul>