

## 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
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
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
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
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>■ First Time Home Buyer see restrictions below</li> <li>■ State Overlays/Restrictions see below</li> <li>■ Declining Market: Maximum LTV/CLTV is limited to 85% for Purchases, 80% for all refinances and the max loan amount is limited to \$2,000,000</li> </ul>							

- Interest Only: Min Fico 660

## Income Requirement

<b>Self Employed Income</b>	<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>
<b>Wage Earner Income</b>	<ul style="list-style-type: none"> <li>▪ <b>WVOE + 2-month Bank Statement (see program restriction below)</b> <ul style="list-style-type: none"> <li>○ Bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE.</li> <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> </ul> </li> <li>▪ <b>WVOE Restriction:</b> <ul style="list-style-type: none"> <li>○ FTHB max LTV 70% and No gift funds allowed</li> </ul> </li> </ul>
<b>Asset Utilization</b>	<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> <li>○ <b>Net Proceeds from Sale of Real Estate with Final Settlement Statement and proof of net proceeds deposited into borrower's account.</b></li> </ul> </li> <li>▪ No Gift Funds</li> </ul>

General Requirements					
<b>DTI</b>	<ul style="list-style-type: none"> <li>▪ Standard max 50% (If 1st time home buyer or living rent free, additional restriction will apply)</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>▪ 30 and 40-year term, qualification based upon remaining term (amortized ) after expiration of interest only period</li> </ul>				
<b>Product Type</b>	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	
<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>▪ <b>Max: \$3,000,000</b></li> </ul>				
<b>Cash-Out</b>	<ul style="list-style-type: none"> <li>▪ Max Cash-In-Hand: Unlimited</li> <li>▪ <b>Cash-Out Seasoning</b> <ul style="list-style-type: none"> <li>○ For properties owned 6 months or longer, the LTV/CLV is based upon the appraised value.</li> <li>○ If the cash-out seasoning is less than 6 months, see seller guide for eligibility.</li> </ul> </li> </ul>				
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ 2-4 Units (<b>Max LTV/CLTV: 85%</b>)</li> <li>▪ Condo (<b>Max LTV/CLTV: 85%</b>)</li> </ul>				
<b>Acreage</b>	<ul style="list-style-type: none"> <li>▪ Property up to 20-acres</li> <li>▪ <b>Rural Max LTV/CLTV: Purchase 80%, Refinance 75%</b></li> </ul>				
<b>Document Age</b>	<ul style="list-style-type: none"> <li>▪ 90 days prior to the note date</li> </ul>				
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>▪ <b>New Jersey:</b> <ul style="list-style-type: none"> <li>○ Max LTV/CLTV: 85% for Purchases; 80% for Refinances</li> <li>○ Max loan amount limited to \$2M</li> </ul> </li> <li>▪ <b>Florida:</b> <ul style="list-style-type: none"> <li>○ Max LTV/CLTV: 85% for Purchases; 80% for Refinances</li> <li>○ Max loan amount limited to \$2M</li> <li>○ Condos: Up to 7 Stories. No High Rise Condo (8+)</li> </ul> </li> </ul>				

<b>State Restrictions (Cont.)</b>	<ul style="list-style-type: none"> <li>Condos: 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> <p><b>Maryland:</b></p> <ul style="list-style-type: none"> <li>Investment property not permitted in Baltimore City, MD</li> <p><b>Texas:</b></p> <ul style="list-style-type: none"> <li>Texas Senate Bill 17 eligibility restrictions for Non-Permanent residents. See seller guide</li> </ul> </ul>			
<b>Escrow Impound</b>	<ul style="list-style-type: none"> <li>Taxes and insurance escrows required</li> </ul>			
<b>Prepayment Penalty</b>	<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>			
<b>General Underwriting Guidelines</b>				
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>Middle of 3 scores or lower of 2</li> </ul>			
<b>Tradelines</b>	<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>			
<b>Housing History</b>	<ul style="list-style-type: none"> <li>See CHART below</li> <li>Borrowers with less than 12 months housing history (ie: living rent free) Max DTI 43%</li> </ul>			
<b>Housing History</b>	<b>Housing History</b>	<b>1x30x12</b>	<b>0x60x12</b>	<b>0x90x12</b>
	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
<b>Credit Event Seasoning</b>	<b>BK/FC/SS/DIL/PreFC/MC</b>	<b>&gt;= 36 Mo</b>	<b>&gt;= 24 Mo</b>	<b>&gt;= 12 Mo</b>
	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
<b>Notice of Default</b>	<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 any 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>▪ LTV &lt; 80%: 3-months of PITIA</li> <li>▪ LTV 80.01 to 85%: 6-month PITIA</li> <li>▪ LTV &gt; 85%: 12-month of PITIA</li> <li>▪ Loan Amount &gt; \$1.5M: 9-months of PITIA</li> <li>▪ Loan Amount &gt; \$2.5M: 12-months of PITIA</li> <li>▪ Cash out may be used to satisfy requirement</li> <li>▪ <b>Reserves Must be own funds (NO GIFT)</b></li> </ul>
<b>Assets Req.</b>	<ul style="list-style-type: none"> <li>▪ 1 month bank statement or VOD with 30-day average (Any large deposit must be sourced)</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>▪ Allowed after Min contribution is met:           <ul style="list-style-type: none"> <li>o 5% min contribution for Primary and Second Home</li> <li>o 10% min contribution for Investment</li> </ul> </li> <li>▪ Primary/Second Home Purchase Only:           <ul style="list-style-type: none"> <li>o 100% Gift allowed when using 12 or 24 Month Bank Statement for Income</li> <li>o Max LTV/CLTV 80%</li> <li>o Borrowers must meet reserve and residual income requirements</li> </ul> </li> <li>▪ <b>Gift Not Permitted on Refinances</b></li> </ul>
<b>First Time Home Buyer</b>	<ul style="list-style-type: none"> <li>▪ Primary residence only</li> <li>▪ DTI may not exceed 45%</li> <li>▪ Minimum six (6) months of reserves</li> <li>▪ 12-month rental history, reflecting 0x30, documented</li> <li>▪ Without a documented 12-month rental history: Max DTI 43% and Max LTV/CLTV 80%</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>o 6% for LTVs &gt; 75%</li> <li>o 9% for LTV ≤ 75%</li> </ul> </li> <li>▪ Investment           <ul style="list-style-type: none"> <li>o Max 6%</li> </ul> </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> <li>▪ 2nd Appraisal required for loans &gt; \$2,000,000</li> <li>▪ Transferred Appraisal are acceptable</li> </ul>
<b>Declining Market</b>	<ul style="list-style-type: none"> <li>▪ If appraisal report indicates declining market the max LTV/CLTV is 85% for Purchases, 80% for Refinances and Max Loan Amount is limited to \$2M</li> </ul>