

# 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>							

<div> <div>Interest Only: Min Fico 660</div> </div>	
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 + 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>
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> <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					
DTI	<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>				
Occupancy	<ul style="list-style-type: none"><li>Primary</li><li>Second Home</li><li>Investment</li></ul>				
Interest Only	<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>				
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"><li>Purchase</li><li>Rate/Term</li><li>Cash-Out</li></ul>				
Loan Amount	<ul style="list-style-type: none"><li>Min: \$150,000</li><li>Max: \$3,000,000</li></ul>				
Cash-Out	<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 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>				
Property Type	<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>				
Acreage	<ul style="list-style-type: none"><li>Property up to 20-acres</li><li>Rural Max LTV/CLTV: Purchase 80%, Refinance 75%</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>New Jersey:<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>Florida:<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>				

State Restrictions (Cont.)	<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> <ul style="list-style-type: none"><li>▪ <b>Maryland:</b><ul style="list-style-type: none"><li>○ Investment property not permitted in Baltimore City, MD</li></ul></li><li>▪ <b>Texas:</b><ul style="list-style-type: none"><li>○ Texas Senate Bill 17 eligibility restrictions for Non-Permanent residents. See seller guide</li></ul></li></ul>			
Escrow Impound	<ul style="list-style-type: none"><li>▪ Taxes and insurance escrows required</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	<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>			
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 any restrictions.</li></ul>			
Forbearance, Modification, and Deferrals	<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>▪ Reserves Must be own funds (NO GIFT)</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>▪ Gift Not Permitted on Refinances</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>