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			2nd Home/Investment		
		Purchase	R/T	Cash-Out	Purchase	R/T	Cash-Out
720+	≤ 1M	90%	85%	80%	85%	80%	75%
	≤ 1.5M	90%	85%	80%	85%	80%	75%
	≤ 2M	85%	80%	80%	85%	80%	75%
	≤ 2.5M	80%	75%	75%	80%	75%	75%
700-719	≤ 1M	90%	85%	80%	85%	80%	75%
	≤ 1.5M	90%	85%	80%	85%	80%	75%
	≤ 2M	85%	75%	70%	85%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
680-699	≤ 1M	90%	85%	75%	85%	80%	75%
	≤ 1.5M	85%	80%	75%	85%	80%	75%
	≤ 2M	80%	75%	70%	80%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
660-679	≤ 1M	80%	80%	75%	80%	80%	75%
	≤ 1.5M	80%	75%	75%	80%	75%	75%
	≤ 2M	75%	70%	65%	75%	70%	65%
	≤ 2.5M	70%	65%	65%	70%	65%	65%

- Written VOE
  - Primary only
  - Max LTV/CLTV: 80% Purchase | 75% R/T | 70% Cash-Out
  - Min FICO: 680
  - First Time Home Buyer Max LTV/CLTV: 70% (No gift allowed)
- 2-4 Units & Condo Max LTV/CLTV: 85%
- 10+ acres Max LTV/CLTV: 80%
- First Time Home Buyer without a documented 12-month rental history Max LTV/CLTV: 80% (Max DTI 43%)
- 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

Income Requirement

Self Employed Income	**Personal Bank Statements** 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** 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: - 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** 1-year 1099 - Fixed Expense Ratio of 10% - YTD Documentation to support continued receipt of income from same source **Asset Utilization** - Minimum eligible asset required is the lower of $1,000,000 or 150% of the loan amount - Eligible assets divided by 84 to determine a monthly income stream - Non-occupant co-borrowers not allowed - Max DTI 43%	Minimum FICO 660	Gift funds not eligible - Eligible asset: 100% of Checking, Savings, and Money Market Accounts; 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.
Wage Earner Income	**WVOE + 2-month Bank Statement (see program restriction below)** - Min FICO: 680 - Bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE. - 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 Restriction:** - Primary Residence Only - Max LTV/CLTV 80% for purchase	75% R/T	70% Cash-Out - Purchase Max Loan Amount for WVOE and P&L ONLY: $2,500,000 - Purchase max LTV/CLTV 85% available with minimum credit 720 with loan amount up to $1,000,000 - First time home buyer max LTV/CLTV 70% (No gift allowed) 24-month 0x30 housing history required.

General Requirements

DTI	▪ Standard max 50% (If 1st time home buyer or living rent free, additional restriction will apply)
Occupancy	▪ Primary ▪ Second Home ▪ Investment
Interest Only	▪ 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	▪ Purchase ▪ Rate/Term ▪ Cash-Out
Loan Amount	▪ Min: $150,000 ▪ Max: $2,500,000
Cash-Out	▪ Max Cash-In-Hand: Unlimited ▪ Cash-Out Seasoning 　o For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. 　o 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	▪ Single Family ▪ 2-4 Units ▪ Condo 　o Max LTV/CLTV: 85%
Acreage	▪ Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80%.
Appraisals	▪ 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
Rural Property	▪ Not eligible
Document Age	▪ 90 days prior to the note date

State/CBSA Restrictions	▪ 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 <mark>or</mark> <mark>FL</mark>
	▪ Florida Condominiums:
	  ○ 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.

Escrow Impound	▪ Taxes and insurance escrows required
Prepayment Penalty	▪ 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	▪ Middle of 3 scores or lower of 2
Tradelines	▪ 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	▪ 1x30x12
Housing Event Seasoning	▪ BK/FC/SS/DIL/Mod: ≥ 48 Months
Notice of Default	▪ Notice of Default will be considered 1x90x12 under housing history restrictions.
Forbearance, Modification, and Deferrals	▪ 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	▪ LTV ≤ 85%: 6-months of PITIA ▪ LTV > 85%: 12-months of PITIA ▪ Loan Amount > $1.5M: 9-months of PITIA ▪ Cash out may be used to satisfy requirement
Assets Req.	▪ Min of 30-days asset verification required (Any large deposit must be sourced)
Gift Funds	▪ Min contribution: 5% primary/second home, 10% investment
First Time Home Buyer	▪ 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	▪ Primary and Second Home
	▪ Maximum contribution:
	   o 6% for LTVs > 75%
	   o 9% for LTV ≤ 75%