

HELOAN Plus

(Piggy back, Standalone 2nd TD)

Program Code: HELOAN Plus -30, -20, -15, -10

Loan Amt	Min FICO	Max CLTV		
		Primary	2 nd Home	Investment
		Full Doc		
50,000-250,000	740	85%	80%	75%
	700	80%	75%	70%
	680	75%	75%	NA
250,001-500,000	740	80%	80%	75%
	700	80%	75%	70%
	680	75%	75%	NA
* Warrantable Condo Max CLTV: 80% * 2-4 Units Max CLTV : 65% * Declining Market Restrictions: Maximum LTV/CLTV is reduced by 10% - the appraisal report identifies the property as a declining market;				
Documentation Option				
Full Doc	<ul style="list-style-type: none"> ▪ Wage/Salary <ul style="list-style-type: none"> ○ Most recent 30-day paystubs ○ 2-years W-2s, ○ IRS Form 4506-C, ○ Verbal VOE ▪ Self-Employed <ul style="list-style-type: none"> ○ 25% or greater ownership required ○ 2-Years of Personal and Business (if applicable) Tax Returns, ○ YTD P&L, ○ Most recent 2-month business bank statements ○ IRS Form 4506-C 			
General Requirements				
DTI	<ul style="list-style-type: none"> ▪ Maximum DTI ratio: <ul style="list-style-type: none"> ○ 50% DTI (Primary) ○ 45% DTI (2nd /Investor) ○ If 1st lien is an Interest Only (IO), fully amortizing payment to be used to qualify ○ If 1st lien is an Adjustable Rate Mortgage (ARM), the higher of the fully indexed rate or Note rate to be used to qualify 			

Occupancy	<ul style="list-style-type: none"> ▪ Primary Residence ▪ Second Home ▪ Investment
Product Type	<ul style="list-style-type: none"> ▪ 30-Yr Fixed ▪ 20-Yr Fixed ▪ 15-Yr Fixed ▪ 10-Yr Fixed
Loan Purpose	<ul style="list-style-type: none"> ▪ Stand-Alone Cash-Out , Concurrent(Piggyback)
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$50,000 ▪ Max: \$500,000 ▪ \$2.5M Maximum Loan Amount (1st & 2nd Lien combined)
Cash-Out	<ul style="list-style-type: none"> ▪ Max Cash-Out: \$500,000
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units (Max 65% CLTV) ▪ PUD ▪ Fannie Mae Warrantable Condo (Max 80% CLTV)
Ineligible Property	<ul style="list-style-type: none"> ▪ Assisted Living/Continuing Care Facilities ▪ Boarding Houses / Group Homes ▪ Builder Model Leaseback ▪ C5 or C6 Property Condition Grades ▪ Condominium projects with registration services or restrictions on owner's ability to occupy ▪ Condotels ▪ Cooperatives ▪ Fractional Ownership / Timeshares ▪ Geodesic Domes ▪ Homes on Native American Land (Reservations) ▪ Houseboats ▪ Live / Work Condos ▪ Log Homes ▪ Mandatory Country Club Memberships ▪ Manufactured Homes ▪ Mixed Use Properties ▪ Non-Warrantable Condo ▪ Properties listed for sale within the last 6 (six) months ▪ Properties under Construction ▪ Properties used for the cultivation, distribution, manufacture, or sale of Marijuana ▪ Properties with >20 acres ▪ Rural properties ▪ Theme Park Resort Properties ▪ Unique Properties ▪ Working Farms ▪ Zoning Violations
State/CBSA Restrictions	<ul style="list-style-type: none"> ▪ Declining Market Restrictions: Maximum LTV/CLTV is reduced by 10% - the appraisal report identifies the property as a declining market ▪ TX: Not allowed
Appraisals	<ul style="list-style-type: none"> ▪ One Full Appraisal required ▪ Appraisal must comply with and conform to USPAP and the Appraisal Independence Requirements

Appraisals(Cont.)	<ul style="list-style-type: none"> ▪ Appraisals are good for one hundred twenty (120) days. Any appraisal seasoned greater than one hundred twenty (120) days will require a recertification of value completed by the original licensed appraiser. A recertification of value will be permitted up to one hundred eighty (180) days ▪ Legal non-conforming zoned properties must indicate that the subject property can be rebuilt if it is severely damaged or destroyed ▪ Appraisals with condition or quality ratings of C5 or C6 will not be eligible ▪ Form 1007 Schedule of Rents is required for all Non-Owner-Occupied loans ▪ For concurrent (piggyback) transactions, utilization of the Appraisal from the 1st lien is acceptable
Escrow Impound	<ul style="list-style-type: none"> ▪ Not Required
Prepayment Penalties	<ul style="list-style-type: none"> ▪ Not allowed
CONCURRENT REQUIREMENTS ("PIGGYBACKS")	<ul style="list-style-type: none"> ▪ Approval letter / final approval from 1st mortgage showing all conditions have been satisfied ▪ Final Closing Disclosure from 1st mortgage transaction ▪ Use of Appraisal from the 1st lien is acceptable ▪ Title policy from 1st lien transaction can be used and must include title insurance/CPL/wire instructions ▪ HOA statement, HOI, flood insurance from the 1st lien transaction (if applicable)
General Underwriting Guidelines	
Tradelines	<ul style="list-style-type: none"> ▪ Document per Fannie Mae Seller Guidelines or Freddie Mac Seller Guidelines <ul style="list-style-type: none"> ○ Fannie Mae: No minimum tradeline required. ○ Freddie Mac: 3 minimum tradelines required.
Credit Score	<ul style="list-style-type: none"> ▪ Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner. ▪ Non-traditional credit ineligible.
Housing History	<ul style="list-style-type: none"> ▪ 0x30x12 - Verification of mortgage history required on all loans.
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ Foreclosure /Short Sale/Deed in Lieu / Any Bankruptcy/Default Modification, Notice of Default, Lis Pendens or 120+ Days Delinquent : : 48 month waiting period <ul style="list-style-type: none"> ○ Borrowers with multiple Housing Events within the last seven (7) years are not eligible
INELIGIBLE TRANSACTIONS (1ST LIEN)	<ul style="list-style-type: none"> ▪ Construction Loans ▪ Temporary Buydowns ▪ Builder Bailout & Model leasebacks ▪ Conversion Loans ▪ Rent Credits ▪ Non-Arm's Length ▪ Lease Option ▪ Subject Loan being used as Bridge financing ▪ Cross Collateralized ▪ Renovation Loans
Interest Only	<ul style="list-style-type: none"> ▪ NA
Reserves	<ul style="list-style-type: none"> ▪ NA

Borrower Eligibility	<ul style="list-style-type: none"> ▪ US Citizen ▪ Permanent Resident Alien ▪ Non-Permanent Resident (Primary Residence ONLY)
Ineligible Borrower	<ul style="list-style-type: none"> ▪ Non-Occupant Co-borrowers ▪ Foreign Nationals ▪ ITINs ▪ Irrevocable or Blind Trusts ▪ Land Trusts ▪ Borrowers with diplomatic immunity ▪ DACA & asylum applicants ▪ Self-employed Borrower deriving their income from any Cannabis related business ▪ Borrowers(s) with residence of any country not permitted to conduct business with U.S. Companies as determined by U.S. government authority
POWER OF ATTORNEY	<ul style="list-style-type: none"> ▪ Not Permitted
CASH OUT CLTV	<ul style="list-style-type: none"> ▪ Use the lesser of the appraised value and the purchase price for properties owned less than 12 months ▪ Properties that have been on the market within six months of the application date are ineligible
Senior Liens Requirement & Documentation	<ul style="list-style-type: none"> ▪ \$2.5mm Maximum Loan Amount (1st & 2nd Lien combined) ▪ Must document 1st mortgage with a copy of 1st mortgage note or billing statement ▪ Senior liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> ○ Loans with a Negative Amortization feature ○ Outstanding term >30 years ○ Loans in active forbearance or deferment ○ Reverse Mortgages ○ Private 1st liens ○ Balloon loans with a maturity date before the maturity date of the 2nd subject lien ○ First Lien HELOC ○ Land Contracts ○ Cross Collateralized loans
Compliance	<ul style="list-style-type: none"> ▪ No Agency, Federal, State, and Local High Cost ▪ HPML defined as secondary / subordinate financing with an APR 3.50% >= APOR ▪ HPMLs are permitted with the following requirements <ul style="list-style-type: none"> – Loan complies with HPML appraisal rules in Reg. Z <ul style="list-style-type: none"> ○ Loan must have Full Appraisal ○ Second Appraisal required under the following circumstances <ul style="list-style-type: none"> ▫ Greater than 10% increase in sales price if the seller acquired the property in the past 90 days Greater than 20% increase in sales price if the seller acquired the property in the past 91-180 days
Solar Lease	<ul style="list-style-type: none"> ▪ Must conform to FNMA guidelines <ul style="list-style-type: none"> ○ PACE loans (or any similar loans with payments that are included in property taxes or take lien priority) are not eligible

Mortgage Insurance	<ul style="list-style-type: none">▪ Not required
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