

HELOAN 1

(Standalone 2nd TD)

Program Code: HELOAN-2 -30, -20, -15, -10

Loan Amt	Max Combined Liens Amt	Min FICO	Max CLTV					
			Primary		2 nd Home		Investment	
			Full Doc	Bank Stmt	Full Doc	Bank Stmt	Full Doc	Bank Stmt
75,000-350,000	\$2M	720	90%	85%	80%	75%	80%	75%
		700	90%	80%	80%	70%	80%	70%
		680	85%	75%	75%	65%	75%	65%
		660	80%	70%	70%	60%	70%	60%
350,001-450,000	\$2.5M	720	85%	80%	80%	70%	80%	70%
		700	85%	75%	75%	65%	75%	65%
		680	80%	70%	70%	60%	70%	60%
		660	75%	65%	65%	55%	65%	55%
450,001-600,000	\$2.5M	720	80%	75%	75%	65%	75%	65%
		700	80%	70%	70%	60%	70%	60%
		680	75%	65%	65%	55%	65%	55%
		660	70%	60%	60%	50%	60%	50%
<p>* 2-4 Units Max CLTV: Owner Occupied 75%, Non-Owner Occupied 70%</p> <p>* Condo Max CLTV: Owner Occupied 75%, Non-Owner Occupied 70%</p> <p>* Declining Market: Owner Occupied/2nd Home Max CLTV 75%, Non-Owner Occupied Max CLTV 70%</p>								
Documentation Option								
Full Doc	<ul style="list-style-type: none"> ▪ 1 Year <ul style="list-style-type: none"> ○ Salaried: W-2 for most recent year and 30 days most recent paystub ○ Self-Employed: 1 year tax returns with YTD P&L (borrower prepared OK) OR 3 months business bank statements to support income on tax returns 							

Full Doc (Cont.)	<ul style="list-style-type: none"> ▪ 2 Year <ul style="list-style-type: none"> ○ Salaried: W-2 for most recent 2 years and 30 days most recent paystub ○ Self-Employed: 2 years tax returns with YTD P&L (borrower prepared OK) OR 3 months business bank statements to support income on tax returns
Bank Statement	<p>Personal & Business Combined OR Business Only (12mo or 24mo)</p> <ul style="list-style-type: none"> ▪ At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) ▪ Standard expense factors apply: 50% expense factor ▪ If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required Minimum expense factor with 3rd party prepared P&L or letter is 20% <p>Personal & Business Separated (12mo or 24mo)</p> <ul style="list-style-type: none"> ▪ At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) ▪ Personal used to qualify, 2 months business to show business cash flows in order to utilize 100% of business-related deposits in personal account (no expense factor)
General Requirements	
Max DTI	<ul style="list-style-type: none"> ▪ 50%
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 (Simultaneous/Piggyback not allowed)
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$75,000 ▪ Max: \$600,000
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units * ▪ PUD ▪ Fannie Mae Warrantable Condo *
Declining Market	<ul style="list-style-type: none"> ▪ Owner Occupied/2nd Home Max CLTV: 75% ▪ Non-Owner Occupied Max CLTV: 70%
Seasoning	<ul style="list-style-type: none"> ▪ Properties owned less than 6 months are ineligible. ▪ Properties listed for sale within 6 months of application date are ineligible. ▪ Properties that have been on the market within 6 months of the note date are ineligible. ▪ Any previous cash out refinance from subject within 6 months, either the 1st or a 2nd lien, Max CLTV 80%.

Senior Lien	<ul style="list-style-type: none"> Senior Lien Interest Only Max DTI: 45%. Senior Lien ARM with < 3 years fixed period remaining must qualified on fully indexed payment
Ineligible Senior Liens	<ul style="list-style-type: none"> Loans in active forbearance or deferment. Deferred balance due to a documented hardship may remain open. Without documentation, the deferred balance must be paid through closing Loans with negative amortization Reverse mortgages Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien. Mortgages not reporting on credit report Private Party
Compliance	<ul style="list-style-type: none"> No Section 32 or state High Cost Loans must comply with all applicable federal and state regulations Fully documented Ability to Repay including Borrower Attestation Higher-Priced Mortgage Loans (HPML) and Higher-Priced Covered Transactions (HPCT) are permitted subject to complying with all applicable regulatory requirements.
State Restrictions	<ul style="list-style-type: none"> Texas not Permitted
Escrow Impound	<ul style="list-style-type: none"> Not allowed
Document Age	<ul style="list-style-type: none"> Income documents: 60 days Credit documents: 90 days Appraisal: 120 days With Recertification of Value: 180 days
General Underwriting Guidelines	
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.
Tradelines	<ul style="list-style-type: none"> 3 tradelines reporting for 12+ mo. or 2 tradelines reporting for 24+ mo. all with activity in the last 12 mo. On primary residence only, borrowers who do not have the minimum tradelines are acceptable with a current mortgage history on their credit reporting 0x30x12 (no private party mortgages).
Housing History	<ul style="list-style-type: none"> 0x30x12 Borrowers must have satisfactory mortgage and/or rent payment history in the three years prior to loan application. All files must be documented with one of the following: <ul style="list-style-type: none"> Purchase: 12-month housing history consisting of mortgage reported on credit or VOR from management company. Combination of mortgage and rent history covering 12 months acceptable. Cash-out: 6 months current senior lien reporting on credit report, OR one of the following: <ul style="list-style-type: none"> VOM from an institutional lender. Legally inherited property supported by cancelled checks to senior lien.
Housing Event Seasoning	<ul style="list-style-type: none"> 48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. Nomultiple events in last 7 years.
Derogatory Credit	<ul style="list-style-type: none"> Open charge-offs or collections (including medical) with a balance of \$1,000 or more per occurrence must be paid at closing No delinquent tradelines at closing

<p>Borrower Eligibility</p>	<ul style="list-style-type: none"> ▪ US Citizen ▪ Permanent Resident Alien ▪ Non-Permanent Resident Alien (with US Credit). (Allowable visas: E1, E2, E3, EB5, G1 through G5, H1, L1, NATO, O1, R1, TN NAFTA). Visa must be current. If visa will expire within 6 months of loan closing date, documentation of extension steps and fees paid as shown by the USCIS website is required.
<p>Ineligible Borrower</p>	<ul style="list-style-type: none"> ▪ Non-occupant co-borrowers ▪ DACA and C08 visa not allowed ▪ Irrevocable Trust
<p>Required Forms</p>	<ul style="list-style-type: none"> ▪ Borrower must complete and submit Ability-to-Repay Borrower Attestation & Borrower Contact Consent Form ▪ Click to download Ability-to-Repay Borr Attestation Form ▪ Click to download Borrower Contact Consent Form
<p>Title Vesting</p>	<ul style="list-style-type: none"> ▪ Individuals ▪ Joint tenants ▪ Tenants in Common ▪ Inter Vivos Revocable Trust ▪ Business Entity – Investment properties ONLY if Current Vesting is in: <ul style="list-style-type: none"> ○ Limited Liability Company (LLC) ○ Limited and General Partnerships ○ Corporations
<p>Business Entity</p>	<ul style="list-style-type: none"> ▪ Permitted on Investment Properties if current vesting is already in the name of the borrower’s business. ▪ All persons with >= 25% interest in the business entity must apply for the loan and meet credit requirements ▪ Max 4 members ▪ Entity Documents: <ul style="list-style-type: none"> ○ Operating Agreement ○ Articles of Organization ○ EIN/ Tax Identification Number ○ Certificate of Good Standing
<p>Assets/Reserves</p>	<ul style="list-style-type: none"> ▪ None Required
<p>Title Report</p>	<ul style="list-style-type: none"> ▪ ALTA Short Form – Lenders Policy
<p>Appraisal</p>	<ul style="list-style-type: none"> ▪ Primary / 2nd Home <ul style="list-style-type: none"> ○ New Residential Appraisal and AVM supporting value within 10% variance. Lower of two values to be used. ○ Declining Market Max 75%CLTV ▪ Investment <ul style="list-style-type: none"> ○ Full Appraisal OR 2055 Appraisal + Residential Appraisal Review supporting value within 10% variance. If review variance is greater than 10% the lower of the two is to be used to determine CLTV. ○ Declining Market Max 70% CLTV

Minimum Property Standard	<ul style="list-style-type: none"> ▪ GLA must be at least 600 sq ft ▪ Property constructed for year-round use ▪ Permanently affixed continuous heat source ▪ Maximum deferred maintenance cannot exceed \$2,000 ▪ No health or safety issues
Ineligible Property	<ul style="list-style-type: none"> ▪ Adult Assisted Living/Care Facilities ▪ Agricultural or Commercial Zoned Properties ▪ Condotels ▪ Co-ops ▪ Non-Warrantable Condo ▪ Deed-restricted properties ▪ Income producing properties (ie: Ranches, Orchards, etc) ▪ Log Homes ▪ Manufactured/Mobile Homes ▪ Mixed-Use ▪ Multiple Dwellings on Single Lot (1 Legal ADU acceptable on SFR) ▪ Property > 10 acres ▪ Room and Board Facilities ▪ Rural 2nd Homes and Investment Properties ▪ Unique Properties (ie: Geodesic domes, etc) ▪ Working Farms and Hobby Farms