

HELOC PLUS

(Standalone and Concurrent)

Program Code: HELOC PLUS -30

Occupancy Type	Loan Amount	Minimum Fico	Max CLTV
Primary	50,001-500,000	740+	85%
	50,001-500,000	700-739	80%
	50,001-250,000	680-699	80%
Second Home	50,001-500,000	740+	80%
		680-739	75%
Investment	50,001-500,000	740+	75%
		700-739	70%
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									
Product	Product	Qualifying Rate	Index	Draw Period	IO Period	Amort Term	Final Maturity	Min Rate	Lifetime Cap
	30yr Maturity, 3yr Draw	Prime + Margin + 2%	Prime	36	120	240	360	4%	18%
	30yr Maturity, 5yr Draw	Prime + Margin + 2%	Prime	60	120	240	360	4%	18%
	30yr Maturity, 10yr Draw	Prime + Margin + 2%	Prime	120	120	240	360	4%	18%
Draw Term	<ul style="list-style-type: none"> ▪ 10 Year Draw ▪ 5 Year Draw ▪ 3 Year Draw 								
Minimum Drawn Amount	<ul style="list-style-type: none"> ▪ Minimum: \$50,001 ▪ Maximum: \$500,000 ▪ Draw required at close: 75% of the maximum line amount or minimum amount required by state law, whichever is greater 								
Subsequent Draws	<ul style="list-style-type: none"> ▪ Eligible 90 days after the note date ▪ \$1,000 or the minimum draw amount required by state law, whichever is greater 								
Occupancy Type	<ul style="list-style-type: none"> ▪ Primary Residence ▪ Second Home ▪ Investment 								
Max LTV	<ul style="list-style-type: none"> ▪ 85% 								
Max DTI	<ul style="list-style-type: none"> ▪ 50% 								
Min FICO	<ul style="list-style-type: none"> ▪ 680 								
Qualifying Rate	<ul style="list-style-type: none"> ▪ Prime Rate + Margin + 2% 								
Interest Only	<ul style="list-style-type: none"> ▪ 10 Year IO 								
Property Type	<ul style="list-style-type: none"> ▪ 2-4 Units (Max 65% CLTV) ▪ Warrantable Condos (Max 80% CLTV) ▪ Non-Warrantable Condos / Cooperatives – Not eligible 								
General Underwriting Guidelines									
Ineligible State	<ul style="list-style-type: none"> ▪ Texas 								
Lien Position	<ul style="list-style-type: none"> ▪ Stand-alone first mortgage (1st Lien HELOC) ▪ Stand-alone second mortgage (2nd Lien HELOC) ▪ Concurrent with a 1st mortgage loan 								
Maximum Combined Lien Balance	<ul style="list-style-type: none"> ▪ \$3,000,000 (1st & 2nd liens combined) 								

Title Policy	<p>First Lien HELOCS</p> <ul style="list-style-type: none"> ▪ ALTA Standard Coverage Policy insuring the first lien amount <p>Second Lien HELOCS</p> <ul style="list-style-type: none"> ▪ ALTA Standard Coverage Policy insuring the second lien amount ▪ For concurrent piggyback transactions, title policy from the 1st lien transaction can be utilized, must include title insurance/ CPL / wire instructions
First & Second Lien HELOCS	<ul style="list-style-type: none"> ▪ Six (6) months title seasoning is required for at least one borrower ▪ All borrowers must be on title at time of application and Note Date (Changes in vesting not permitted during application process)
Credit Report	<ul style="list-style-type: none"> ▪ To determine the Representative Credit Score, select the middle score when three (3) agency scores are provided and the lower score when only two (2) agency scores are provided ▪ Representative Credit Score of the Primary Wage Earner is used to qualify. In cases where borrowers earn the same amount, use the lower of the representative credit score to qualify ▪ Primary Wage Earner must have a valid score from at least two (2) of the following three (3) agencies: Experian, Trans Union and Equifax
Tradeline	<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.
Derogatory Housing History	<ul style="list-style-type: none"> ▪ Minimum derogatory housing event seasoning period of 4 years – Foreclosures, Short Sale, Deed in Lieu, Default Modification, Notice of Default, Lis Pendens or 120+ Days Delinquent ▪ Bankruptcies are considered Housing Events, inclusive of Chapter 7, 11, and 13 ▪ Events include all occupancy types (Primary, Second Home, and Investment Properties) ▪ Seasoning lookback is from the date of discharge / dismissal or property resolution (completion date), as of the note date ▪ Default Modification look back commences at inception (when loan was permanently modified) ▪ Extenuating circumstance seasoning is not permitted ▪ Borrowers with multiple derogatory housing events within the last 7 years are not eligible ▪ 0x30x12, 1x30x24
Subject Property Financing Restrictions	<ul style="list-style-type: none"> ▪ Max two consumer lending products on a single property inclusive of subject second lien ▪ 1st lien cannot be a HELOC for a subject 2nd lien HELOC ▪ New subject lien may pay off existing junior lien on property
Ineligible Senior Liens	<p>Ineligible 1st Mortgage Products & Terms</p> <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

<p>Ineligible Senior Liens(Cont.)</p>	<ul style="list-style-type: none"> ▪ Balloon loans with a maturity date before the maturity date of the 2nd subject lien ▪ First Lien HELOC ▪ Land Contracts ▪ Cross Collateralized loans
<p>Concurrent Requirements</p>	<ul style="list-style-type: none"> ▪ Approval letter / final approval from 1st mortgage showing all conditions have been satisfied ▪ Documentation requirements from 1st mortgage investor ▪ 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)
<p>Mortgage Insurance</p>	<ul style="list-style-type: none"> ▪ Not required
<p>Cash Out LTV</p>	<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
<p>DTI</p>	<ul style="list-style-type: none"> ▪ DTI should be recalculated based on any new debt ▪ If 1st lien is an Interest Only loan, fully amortizing payment will be used to qualify ▪ If the underlying 1st lien is an Adjustable Rate Mortgage, the higher of the fully indexed rate or note rate should be used to qualify
<p>Reserves</p>	<ul style="list-style-type: none"> ▪ Not required
<p>Eligible Borrowers</p>	<ul style="list-style-type: none"> ▪ US Citizen ▪ Permanent Resident Alien ▪ Non-Permanent Resident (Primary Residence ONLY)
<p>Ineligible Borrowers</p>	<ul style="list-style-type: none"> ▪ Foreign Nationals ▪ LLCs ▪ Non-Occupant Co-Borrowers ▪ 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
<p>Ineligible Properties</p>	<ul style="list-style-type: none"> ▪ Manufactured Homes ▪ Log Homes ▪ Condotels ▪ Cooperatives ▪ Non-Warrantable Condos ▪ Properties listed for sale within the last six months ▪ Properties with > 20 acres ▪ Mixed Use Properties ▪ Boarding Houses / Group Homes
<p>Appraisal Requirements</p>	<ul style="list-style-type: none"> ▪ One Full Appraisal required

<p style="text-align: center;">Appraisal Requirements(Cont.)</p>	<ul style="list-style-type: none"> ▪ Appraisal must comply with and conform to USPAP and the Appraisal Independence Requirements ▪ The appraiser must not have a direct or indirect interest, financial or otherwise, in the property or in the transaction ▪ 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 eight (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 on Single Family residences ▪ For concurrent (piggyback) transactions, utilization of the Appraisal from the 1st lien is acceptable
<p style="text-align: center;">Prepayment Penalties</p>	<ul style="list-style-type: none"> ▪ Not applicable
<p style="text-align: center;">Escrows</p>	<ul style="list-style-type: none"> ▪ Not applicable
<p style="text-align: center;">Solar Leases</p>	<ul style="list-style-type: none"> ▪ PACE loans (or any similar loans with payment that are included in property taxes or take lien priority) are not eligible