

## HELOAN Plus

(Piggy back, Standalone 2<sup>nd</sup> TD)

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

Loan Amt	Min FICO	Max CLTV		
		Primary	2 <sup>nd</sup> Home	Investment
		Full Doc		
100,000-250,000	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;

### General Requirements

DTI	<ul style="list-style-type: none"> <li>▪ Maximum DTI ratio:           <ul style="list-style-type: none"> <li>○ 50% DTI (Primary)</li> <li>○ 45% DTI (2<sup>nd</sup> /Investor)</li> <li>○ If 1<sup>st</sup> lien is an Interest Only (IO), fully amortizing payment to be used to qualify</li> <li>○ If 1<sup>st</sup> lien is an Adjustable Rate Mortgage (ARM), the higher of the fully indexed rate or Note rate to be used to qualify</li> </ul> </li> </ul>
Occupancy	<ul style="list-style-type: none"> <li>▪ Primary Residence</li> <li>▪ Second Home</li> <li>▪ Investment</li> </ul>
Product Type	<ul style="list-style-type: none"> <li>▪ 30-Yr Fixed</li> <li>▪ 20-Yr Fixed</li> <li>▪ 15-Yr Fixed</li> <li>▪ 10-Yr Fixed</li> </ul>
Loan Purpose	<ul style="list-style-type: none"> <li>▪ Stand-Alone Cash-Out</li> <li>▪ Concurrent(Piggyback)</li> </ul>

<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>▪ Min: <b>\$100,000</b></li> <li>▪ Max: \$500,000</li> <li>▪ \$2.5M Maximum Loan Amount (1st &amp; 2nd Lien combined)</li> </ul>
<b>Cash-Out</b>	<ul style="list-style-type: none"> <li>▪ <b>Max Cash-Out:</b> \$500,000</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ 2-4 Units (Max 65% CLTV)</li> <li>▪ PUD</li> <li>▪ Fannie Mae Warrantable Condo (Max 80% CLTV)</li> </ul>
<b>Ineligible Property</b>	<ul style="list-style-type: none"> <li>▪ Assisted Living/Continuing Care Facilities</li> <li>▪ Boarding Houses / Group Homes</li> <li>▪ Builder Model Leaseback</li> <li>▪ C5 or C6 Property Condition Grades</li> <li>▪ Condotels</li> <li>▪ Cooperatives</li> <li>▪ Fractional Ownership / Timeshares</li> <li>▪ Geodesic Domes</li> <li>▪ Homes on Native American Land (Reservations)</li> <li>▪ Houseboats</li> <li>▪ Live / Work Condos</li> <li>▪ Log Homes</li> <li>▪ Mandatory Country Club Memberships</li> <li>▪ Manufactured Homes</li> <li>▪ Mixed Use Properties</li> <li>▪ Non-Warrantable Condo</li> <li>▪ Properties listed for sale within the last 6 (six) months</li> <li>▪ Properties under Construction</li> <li>▪ Properties used for the cultivation, distribution, manufacture, or sale of Marijuana</li> <li>▪ Properties with &gt;20 acres</li> <li>▪ Rural properties</li> <li>▪ Theme Park Resort Properties</li> <li>▪ Unique Properties</li> <li>▪ Working Farms</li> <li>▪ Zoning Violations</li> <li>▪ <b>Unpermitted Additions</b></li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>▪ TX: Not allowed</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>▪ One Full Appraisal required</li> <li>▪ 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</li> <li>▪ Legal non-conforming zoned properties must indicate that the subject property can be rebuilt if it is severely damaged or destroyed</li> <li>▪ Appraisals with condition or quality ratings of C5 or C6 will not be eligible</li> <li>▪ Form 1007 Schedule of Rents is required for all Non-Owner-Occupied loans</li> <li>▪ For concurrent (piggyback) transactions, utilization of the Appraisal from the 1st lien is acceptable</li> </ul>
<b>Escrow Impound</b>	<ul style="list-style-type: none"> <li>▪ Not Required</li> </ul>

<b>Prepayment Penalties</b>	<ul style="list-style-type: none"> <li>▪ Not allowed</li> </ul>
<b>CONCURRENT REQUIREMENTS ("PIGGYBACKS")</b>	<ul style="list-style-type: none"> <li>▪ Approval letter / final approval from 1st mortgage showing all conditions have been satisfied</li> <li>▪ Final Closing Disclosure from 1st mortgage transaction</li> <li>▪ Use of Appraisal from the 1st lien is acceptable</li> <li>▪ Title policy from 1st lien transaction can be used and must include title insurance/CPL/wire instructions</li> <li>▪ HOA statement, HOI, flood insurance from the 1st lien transaction (if applicable)</li> </ul>
<b>General Underwriting Guidelines</b>	
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>▪ Document per Fannie Mae Seller Guidelines or Freddie Mac Seller Guidelines           <ul style="list-style-type: none"> <li>◦ Fannie Mae: No minimum tradeline required.</li> <li>◦ Freddie Mac: 3 minimum tradelines required.</li> </ul> </li> </ul>
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>▪ Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner.</li> <li>▪ Non-traditional credit ineligible.</li> </ul>
<b>Housing History</b>	<ul style="list-style-type: none"> <li>▪ 0x30x12 - Verification of mortgage history required on all loans.</li> </ul>
<b>Housing Event Seasoning</b>	<ul style="list-style-type: none"> <li>▪ 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"> <li>◦ Borrowers with multiple Housing Events within the last seven (7) years are not eligible</li> </ul> </li> </ul>
<b>INELIGIBLE TRANSACTIONS (1ST LIEN)</b>	<ul style="list-style-type: none"> <li>▪ Construction Loans</li> <li>▪ Temporary Buydowns</li> <li>▪ Builder Bailout &amp; Model leasebacks</li> <li>▪ Conversion Loans</li> <li>▪ Rent Credits</li> <li>▪ Non-Arm's Length</li> <li>▪ Lease Option</li> <li>▪ Subject Loan being used as Bridge financing</li> <li>▪ Cross Collateralized</li> <li>▪ Renovation Loans</li> </ul>
<b>Interest Only</b>	<ul style="list-style-type: none"> <li>▪ NA</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>▪ NA</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>▪ US Citizen</li> <li>▪ Permanent Resident Alien</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Non-Permanent Resident (Primary Residence ONLY)</li> <li>▪ <b>Daca Borrowers</b></li> </ul>
<b>Ineligible Borrower</b>	<ul style="list-style-type: none"> <li>▪ Non-Occupant Co-borrowers</li> <li>▪ Foreign Nationals</li> <li>▪ ITINs</li> <li>▪ Irrevocable or Blind Trusts</li> <li>▪ Land Trusts</li> <li>▪ Borrowers with diplomatic immunity</li> <li>▪ Asylum applicants</li> <li>▪ Self-employed Borrower deriving their income from any Cannabis related business</li> <li>▪ Borrowers(s) with residence of any country not permitted to conduct business with U.S. Companies as determined by U.S. government authority</li> </ul>
<b>POWER OF ATTORNEY</b>	<ul style="list-style-type: none"> <li>▪ Not Permitted</li> </ul>
<b>CASH OUT CLTV</b>	<ul style="list-style-type: none"> <li>▪ Use the lesser of the appraised value and the purchase price for properties owned less than 12 months</li> <li>▪ Properties that have been on the market within six months of the application date are ineligible</li> </ul>
<b>Senior Liens Requirement &amp; Documentation</b>	<ul style="list-style-type: none"> <li>▪ \$2.5mm Maximum Loan Amount (1st &amp; 2nd Lien combined)</li> <li>▪ Must document 1st mortgage with a copy of 1st mortgage note or billing statement</li> <li>▪ Senior liens with high-risk features which can include, but are not limited to:           <ul style="list-style-type: none"> <li>○ Loans with a Negative Amortization feature</li> <li>○ Outstanding term &gt;30 years</li> <li>○ Loans in active forbearance or deferment</li> <li>○ Reverse Mortgages</li> <li>○ Private 1st liens</li> <li>○ Balloon loans with a maturity date before the maturity date of the 2nd subject lien</li> <li>○ First Lien HELOC</li> <li>○ Land Contracts</li> <li>○ Cross Collateralized loans</li> </ul> </li> </ul>
<b>Solar Lease</b>	<ul style="list-style-type: none"> <li>▪ Must conform to FNMA guidelines           <ul style="list-style-type: none"> <li>○ PACE loans (or any similar loans with payments that are included in property taxes or take lien priority) are not eligible</li> </ul> </li> </ul>
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>▪ Not required</li> </ul>
<b>Income Documentation Option</b>	

<b>Full Doc</b>	<ul style="list-style-type: none"><li>▪ <b>Wage/Salary</b><ul style="list-style-type: none"><li>○ Most recent 30-day paystubs</li><li>○ 2-years W-2s</li><li>○ Tax transcripts</li></ul></li><li>▪ <b>Self-Employed</b><ul style="list-style-type: none"><li>○ 25% or greater ownership required</li><li>○ 2-years of Personal and Business Tax Returns</li><li>○ YTD P&amp;L</li><li>○ Tax transcripts</li></ul></li></ul>
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