

# P&L Plus and VOE Plus

**PL Plus Program Code:** PL Plus -30, -7/6, -5/6, -30 IO, -40 IO, -7/6 IO, -7/6 IO-40, -5/6 IO, -5/6 IO-40

**VOE Plus Program Code:** VOE Plus -30, -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			
		Purchase & R/T		Cash-Out	
		Primary	2 <sup>nd</sup> Home/ Investment	Primary	2 <sup>nd</sup> Home/ Investment
740+	≤ 1M	80%	80%	80%	75%
	≤ 1.5M	80%	80%	75%	75%
	≤ 2M	80%	80%	75%	70%
	≤ 2.5M	80%	75%	70%	65%
	≤ 3M	75%	70%	65%	60%
720-739	≤ 1M	80%	80%	75%	75%
	≤ 1.5M	80%	80%	75%	75%
	≤ 2M	80%	80%	70%	70%
	≤ 2.5M	80%	75%	70%	65%
	≤ 3M	75%	70%	65%*	60%*
700-719	≤ 1M	80%	80%	75%	75%
	≤ 1.5M	80%	80%	75%	70%
	≤ 2M	80%	80%	70%	70%
	≤ 2.5M	75%	75%	65%	65%*
	≤ 3M	70%	70%*	60%*	60%*
680-699	≤ 1M	80%	80%	70%	70%
	≤ 1.5M	80%	80%	70%	70%
	≤ 2M	75%	75%	65%	65%*
	≤ 2.5M	70%	70%	60%	NA
660-679	≤ 1M	80%	80%	70%	70%
	≤ 1.5M	75%	75%	70%	65%
	≤ 2M	75%	70%	60%	60%*
	≤ 2.5M	70%*	65%*	NA	NA
<ul style="list-style-type: none"> <li>▪ Rural Property Max LTV/CLTV: 75% for Primary, 70% for Second Home, No Cash-Out Allowed</li> <li>▪ Interest Only Min FICO 700</li> <li>▪ If loan has credit event (BK/FC/SS/DIL/Mod (due to Default)/NOD/Lis Pendens/ &amp; 120+ days delinquent between 36-48 Mo, 1x30x12, 0x60x24), additional restrictions will apply:               <ul style="list-style-type: none"> <li>○ 5% LTV/CLTV reduction (* Not available)</li> <li>○ Max DTI 50%</li> <li>○ LTV/CLTV &gt; 60%: Max Cash-out \$500,000</li> <li>○ Non-Warrantable Condo max LTV/CLTV 75%</li> </ul> </li> <li>▪ Declining Markets: 5% LTV/CLTV Reduction</li> </ul>					

General Requirements					
DTI	<ul style="list-style-type: none"><li>Max 50%</li></ul>				
Occupancy	<ul style="list-style-type: none"><li>Primary</li><li>Second Home</li><li>Investment<ul style="list-style-type: none"><li>Rural properties not permitted</li></ul></li></ul>				
Product Type	Product	Term	Amortization Term	I/O Term	Qualifying Rate
	40-Yr Fixed IO	40 yr	30 yr	10 yr	Note Rate
	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	<ul style="list-style-type: none"><li>Purchase</li><li>Rate/Term</li><li>Cash-Out</li></ul>				
Max Cash-Out Limit	<ul style="list-style-type: none"><li>LTV/CLTV &gt; 60%: Max Cash-out \$750,000 (No Credit Event)</li><li>LTV/CLTV ≤ 60%: Unlimited Cash-out</li></ul>				
Loan Amount	<ul style="list-style-type: none"><li>Min: \$150,000</li><li>Max: \$3,000,000</li></ul>				
Property Type	<ul style="list-style-type: none"><li>Single Family</li><li>2-4 Units</li><li>Condo (Must be Fannie Mae Warrantable)</li><li>Non-Warrantable Condo (May be permitted case-by-case)</li></ul>				
Non-Warrantable Condo	<ul style="list-style-type: none"><li>Rick stacking of non-warrantable features are not permitted</li><li>A single owner / entity may not own more than 30% of the units</li><li>Commercial Space must be typical to the market, have no negative impact and comprise 49% or less of project space</li><li>Investor Concentration up to 70%</li><li>No more than 25% of the total units in the project may be 60 days or more past due on their Condo / HOA dues. This figure includes delinquencies for special assessments</li><li>Mandatory upfront or periodic membership fees for the use of recreational amenities, such as country club facilities and golf courses are not allowed</li><li>All common areas must be 100% complete</li><li>HOA Should be in control. Projects under builder, developer control may be considered on a case-by-case basis and will require an Exception approval, subject to an additional LLPA</li><li>HOA Reserves must demonstrate a minimum of 10%</li><li>Projects involved in pending litigation that involve minor matters with no impact on the safety, structural soundness, habitability, or functional use of the project are acceptable as long the pending lawsuit(s) meets the following</li></ul>				

	<ul style="list-style-type: none"> <li>○ Do not affect marketability of the units</li> <li>○ Potential for damages do not exceed 25% of the HOA reserves OR with documentation from the insurance carrier and attorney representing the HOA or insurance carrier that the insurance carrier has agreed to provide the defense and the association's insurance is sufficient to cover the litigation</li> </ul> <ul style="list-style-type: none"> <li>▪ <b>Lawsuits that involve safety, structural soundness, habitability, or functional use are not eligible</b></li> </ul>
<b>Rural Property</b>	<ul style="list-style-type: none"> <li>▪ Primary (Max LTV/CLTV: 75%)</li> <li>▪ Second home(Max LTV/CLTV: 70%)</li> <li>▪ No Cash-Out</li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>▪ Maximum loan amount is limited to \$2,000,000. If either or both of the following apply: <ul style="list-style-type: none"> <li>○ The appraisal report identifies the property as a declining market;</li> <li>○ The subject property is in a state of NJ or FL</li> </ul> </li> <li>▪ Florida Condominiums: <ul style="list-style-type: none"> <li>○ Up to 7 Stories. No High Rise Condo (8+)</li> <li>○ 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.</li> <li>○ Projects with an unacceptable or no inspection are not eligible.</li> </ul> </li> <li>▪ Investment properties are ineligible in Baltimore, Maryland</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection</li> <li>▪ Appraisal review product required unless 2nd appraisal obtained</li> <li>▪ 2nd Appraisal required for loans &gt; \$2,000,000</li> <li>▪ Transferred Appraisal are acceptable</li> </ul>
<b>Ineligible Property Type</b>	<ul style="list-style-type: none"> <li>▪ Manufactured Homes</li> <li>▪ Residential units with &gt;= 5 units</li> <li>▪ Log Homes</li> <li>▪ Faux Log Homes (properties with a Log Cabin aesthetic, may be eligible with exception, subject to LLPA)</li> <li>▪ Condotels</li> <li>▪ Cooperatives</li> <li>▪ Condominium projects with registration services or restrictions on owner's ability to occupy</li> <li>▪ Unique Properties</li> <li>▪ Unpermitted Additions</li> <li>▪ Mixed Use Properties</li> <li>▪ Builder Model Leaseback</li> <li>▪ Boarding Houses</li> <li>▪ Barndominiums</li> <li>▪ Group Homes</li> <li>▪ Fractional Ownership/Timeshares</li> <li>▪ Assisted Living/Continuing Care Facilities</li> <li>▪ Mandatory Country Club Memberships</li> <li>▪ Zoning Violations</li> <li>▪ Properties under Construction</li> <li>▪ Agricultural zoned properties (may be considered case-by-case, exception required, subject to LLPA)</li> <li>▪ Multiple dwellings on same lot (legal ADU acceptable. Limited to one)</li> <li>▪ Working Farms</li> <li>▪ C5 or C6 Property Condition Grades</li> <li>▪ Live/Work Condos</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Earth Berm Homes</li> <li>▪ Geodesic Domes</li> <li>▪ Houseboats</li> <li>▪ Homes on Native American Land (Reservations)</li> <li>▪ Properties used for the cultivation, distribution, manufacture, or sale of Marijuana</li> <li>▪ Theme Park Resort Properties</li> </ul>
<b>Escrow Impound</b>	<ul style="list-style-type: none"> <li>▪ Mandatory (Taxes, Insurance, and Flood)</li> </ul>
<b>Prepayment Penalty</b>	<ul style="list-style-type: none"> <li>▪ Investment Properties only</li> <li>▪ Prepayment periods up to 5-years eligible, see rate sheet</li> <li>▪ Penalties not allowed on loans vested to individuals in NJ</li> <li>▪ Prepayment not allowed on MD</li> <li>▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.</li> </ul>
<b>Document Age</b>	<ul style="list-style-type: none"> <li>▪ Ninety (90) days prior to the note date</li> </ul>
<b>General Underwriting Guidelines</b>	
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>▪ Middle of 3 scores or lower of 2</li> </ul>
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>▪ Min: 2 reporting 24-months w/ activity in last 12-months or 3 reporting 12-months w/ recent activity</li> <li>▪ If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived</li> </ul>
<b>Payment History</b>	<ul style="list-style-type: none"> <li>▪ 0x30x12 and 0x60x24</li> </ul>
<b>Housing Event Seasoning</b>	<ul style="list-style-type: none"> <li>▪ BK/FC/SS/DIL/Mod (due to Default)/NOD/Lis Pendens/ &amp; 120+ days delinquent &gt; 48 Mo</li> </ul>

<b>Restriction</b>	<ul style="list-style-type: none"> <li>If loan has credit event (BK/FC/SS/DIL/Mod (due to Default)/NOD/Lis Pendens/ &amp; 120+ days delinquent between 36-48 Mo, 1x30x12, 0x60x24), additional restrictions will apply: <ul style="list-style-type: none"> <li>5% LTV/CLTV reduction (* Not available)</li> <li>Max DTI 50%</li> <li>LTV/CLTV &gt; 60%: Max Cash-out \$500,000</li> </ul> </li> <li>Non-Warrantable Condo max LTV/CLTV 75%</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Reserve requirements are determined by loan amount and LTV as follows: <ul style="list-style-type: none"> <li>Loan Amount ≤ \$1.5 million and LTV ≤ 75% → None required</li> <li>Loan Amount ≤ \$1.5 million and LTV &gt; 75% → 2 months of PI</li> <li>Loan Amount &gt; \$1.5 million → 4 months of PI</li> <li>Loan Amount &gt; \$2.0 million → 6 months of PI</li> </ul> </li> <li>Cash out may be used to satisfy requirement</li> </ul>
<b>Assets Requirements</b>	<ul style="list-style-type: none"> <li>1 month bank statement or VOD with 30-day average.</li> </ul>
<b>Gift Funds</b>	<p><b>Gift funds</b></p> <ul style="list-style-type: none"> <li>LTV/CLTV &lt; 80%: 100% gift allowed for down payment, closing and reserves</li> <li>LTV/CLTV ≥ 80%: Gift funds allowed for down payment, closing and reserves after Minimum 5% borrower contribution is met</li> <li>Gift funds are allowed in refinance transactions.</li> <li>Borrowers must meet reserve and residual income requirements</li> </ul>
<b>Self Employed Income</b>	<ul style="list-style-type: none"> <li><b>Profit &amp; Loss Statement Only</b> <ul style="list-style-type: none"> <li>12 Mo CPA/EA/CTEC/Tax Attorney prepared Profit &amp; Loss Statement <ul style="list-style-type: none"> <li>Qualifying income is the net income from the P&amp;L divided by 12 months</li> <li>Expenses on the P&amp;L must be reasonable for the industry.</li> </ul> </li> <li>CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent tax return &amp; borrower has minimum 25% ownership, and CPA/EA/CTEC letter must verify minimum 2 years of existence of business. <ul style="list-style-type: none"> <li>Must be signed by a CPA/EA/CTEC</li> </ul> </li> </ul> </li> </ul>
<b>Wage Earner Income</b>	<ul style="list-style-type: none"> <li><b>WVOE</b> <ul style="list-style-type: none"> <li>Two-year history with same employer is required.</li> <li>Borrower(s) employed by family members or related individuals are not eligible.</li> <li>An internet search of the business is required with documentation to be included in the credit file to support existence of the business.</li> <li>WVOE verification must be completed through a third-party vendor.</li> </ul> </li> </ul>
<b>Interested Party Contribution</b>	<ul style="list-style-type: none"> <li>Primary and Second Home <ul style="list-style-type: none"> <li>6% for LTVs &gt; 75%</li> <li>9% for LTV ≤ 75%</li> </ul> </li> <li>Investment <ul style="list-style-type: none"> <li>Max 6%</li> </ul> </li> </ul>

<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>▪ Assignment of Contracts</li> <li>▪ Construction Loans</li> <li>▪ Builder Bailout &amp; Model leasebacks</li> <li>▪ Conversion Loans</li> <li>▪ Rent Credits</li> <li>▪ Buyer and Seller having a relationship or business affiliation</li> <li>▪ Employee of a Seller, Broker or Originator that is party to the subject loan</li> <li>▪ Lease Option</li> <li>▪ Daily Simple Interest Loans</li> <li>▪ Tenants in Common, unless all parties vested match the actual borrowers on the loan</li> </ul>
<b>Eligible Borrower</b>	<ul style="list-style-type: none"> <li>▪ US Citizens</li> <li>▪ Permanent Resident Aliens</li> <li>▪ Non-Permanent Resident Aliens</li> <li>▪ Inter Vivos Revocable Trust (Must meet Fannie Mae requirements)</li> <li>▪ Limited Liability Companies</li> <li>▪ DACA</li> </ul>
<b>Non-Permanent Resident Alien</b>	<ul style="list-style-type: none"> <li>▪ VISA Allowed: E-1, E-2, E-3; G-1 through G-5; H-1B; L-1A/L-1B; O-1; R-1; EAD holders (including C08 and C33); Asylum recipients; and DACA recipients, if employment authorization is valid and documented.</li> <li>▪ Maximum LTV/CLTV limited to 80%.</li> <li>▪ Non-occupant co-borrowers are not allowed.</li> <li>▪ Gift funds are eligible, subject to down payment requirements.</li> <li>▪ No Cash-out</li> </ul>
<b>Ineligible Borrower</b>	<ul style="list-style-type: none"> <li>▪ Irrevocable Trust</li> <li>▪ Land Trust</li> <li>▪ Blind Trust</li> <li>▪ Persons with Diplomatic Immunity, as defined by US Citizenship and Immigration Services</li> <li>▪ Persons from OFAC sanctioned countries and persons sanctioned by OFAC</li> <li>▪ Not-For-Profit entity</li> <li>▪ Any material parties (company or individual) to the transaction listed on HUD's Limited Denial of Participation (LDP) list, the federal General Services Administration (GSA) Excluded Party list, or any other exclusionary list.</li> </ul>
<b>First Time Home Buyer</b>	<ul style="list-style-type: none"> <li>▪ Both Owner-Occupied (OO) and Non-Owner-Occupied (NOO) permitted.</li> <li>▪ DTI may not exceed 50%.</li> <li>▪ The rental history, reflecting 0x30, documented. ; First time homebuyers with less than 12-month rental history: LOE or rent-free letter is required.</li> <li>▪ No Interest Only</li> </ul>