

P&L Prime and VOE Prime

Program Code: PL Prime -30, -40, -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		
		Primary		
		Purchase	R/T	Cash-Out
720+	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	70%
	≤ 3M	70%	NA	NA
700-719	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	65%
	≤ 3M	70%	NA	NA
680-699	≤ 1.5M	80%	75%	70%
	≤ 2M	75%	70%	65%
	≤ 2.5M	70%	65%	60%
FICO	Loan Amt	Max CLTV		
		Second Home / Investment		
		Purchase	R/T	Cash-Out
720+	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	70%
700-719	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	65%
680-699	≤ 1.5M	80%	75%	70%
	≤ 2M	75%	70%	65%
	≤ 2.5M	70%	65%	60%

- State Overlays for FL, NJ: Max loan amount is limited to \$2M
- Investment properties are ineligible in Baltimore, Maryland
- If appraisal report identifies the property in declining market, max loan amount limited to \$2M
- Rural: Max LTV/CLTV 80% Purchase, 75% Refinance
- Max loan amount for Second Home / Investment property: \$2.5M

Income Requirement					
Self Employed Income	<ul style="list-style-type: none"> ▪ Profit & Loss Statement Only <ul style="list-style-type: none"> ○ 12 Mo CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement <ul style="list-style-type: none"> ▪ Qualifying income is the net income from the P&L divided by 12 months ▪ Expenses on the P&L must be reasonable for the industry. ○ CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent tax return & 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"> ▪ Must be signed by a CPA/EA/CTEC 				
Wage Earner Income	<ul style="list-style-type: none"> ▪ WVOE <ul style="list-style-type: none"> ○ Two-year history with same employer is required. ○ Borrower(s) employed by family members or related individuals are not eligible. ○ An internet search of the business is required with documentation to be included in the credit file to support existence of the business. ○ WVOE verification must be completed through a third-party vendor. 				
General Requirements					
DTI	<ul style="list-style-type: none"> ▪ Max 50% 				
Occupancy	<ul style="list-style-type: none"> ▪ Primary ▪ Second Home ▪ Investment 				
Product Type *Interest Only: Amortization term used for Qualification	Product	Term	Amortization Term	I/O Term	Qualifying Rate
	40-Yr Fixed	40 yr	40 yr	NA	Note Rate
	40-Yr Fixed IO	40 yr	30 yr	10 yr	
	30-Yr Fixed	30 yr	30 yr	NA	
	30-Yr Fixed IO	30 yr	20 yr	10 yr	
	Product	Term	Amortization Term	I/O Term	Qualifying Rate
	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"> ▪ Purchase ▪ Rate/Term ▪ Cash-Out 				
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$150,000 				

	<ul style="list-style-type: none"> ▪ Max: \$3,000,000
Cash-Out	<ul style="list-style-type: none"> ▪ Max Cash-In-Hand: Unlimited ▪ Cash-Out Seasoning <ul style="list-style-type: none"> ○ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. ○ If the cash-out seasoning is less than 12 months, but greater than 6 months, the transaction property value is limited to the lower of the current appraised value or the property's purchase price plus documented improvements.
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units ▪ Condo
Rural Property	<ul style="list-style-type: none"> ▪ Max LTV/CLTV 80% Purchase, 75% Refinance
State Restriction	<ul style="list-style-type: none"> ▪ Maximum loan amount is limited to \$2,000,000. If either or both of the following apply: <ul style="list-style-type: none"> ○ The appraisal report identifies the property as a declining market; ○ The subject property is in a state of NJ or FL ▪ Florida Condominiums: <ul style="list-style-type: none"> ○ Up to 7 Stories. No High Rise Condo (8+) ○ 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. ○ Projects with an unacceptable or no inspection are not eligible. ▪ Investment properties are ineligible in Baltimore, Maryland
Appraisals	<ul style="list-style-type: none"> ▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection ▪ Appraisal review product required unless 2nd appraisal obtained ▪ 2nd Appraisal required for loans > \$2,000,000 ▪ Transferred Appraisal are acceptable
Accessory Dwelling Units (ADU)	<ul style="list-style-type: none"> ▪ Eligible on 1-unit properties with up to 2 ADUs; 3+ ADUs not permitted ▪ Must be smaller than the primary dwelling ▪ Must be similar in quality to the primary dwelling ▪ kitchen must include cabinets, countertop, sink with running water, and stove ▪ ADU with access only through or open to primary dwelling is not eligible as an ADU ▪ Appraisal must describe ADU(s), address marketability, and include comparable(s) with same use / same number of ADUs ▪ Form 1025 required for 2 ADUs ▪ OO / 2nd Home: ADU income not eligible for qualifying ▪ Investment: rental income eligible per program requirements <ul style="list-style-type: none"> ○ LTR: lower of Form 1007/1025 market rent or actual rent ○ STR: per selected doc type requirements ▪ Permits must be verified if required by jurisdiction
Declining Market	<ul style="list-style-type: none"> ▪ Properties in declining markets as determined by the appraisal, other third-party valuation (i.e., CDA) will require a 5% reduction to the LTV/CLTV caps within the loan matrices. <ul style="list-style-type: none"> ○ 85% LTV Purchase

	<ul style="list-style-type: none">▪ 80% Refinance
Escrow Impound	<ul style="list-style-type: none">▪ Mandatory escrow for taxes and insurance will be required for below<ul style="list-style-type: none">○ HPLMs (5 Years)○ Foreign National Loans▪ Flood insurance escrows are required when the subject property is located in a Special Flood Hazard Area (SFHA)

General Underwriting Guidelines	
Credit Score	<ul style="list-style-type: none"> ▪ Middle of 3 scores or lower of 2
Tradelines	<ul style="list-style-type: none"> ▪ Min: 2 reporting 24-months w/ activity in last 12-months Or 3 reporting 12-months w/ recent activity ▪ If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived
Housing History	<ul style="list-style-type: none"> ▪ 1x30x12
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ BK/FC/SS/DIL/Mod: ≥ 36 Months
Notice of Default	<ul style="list-style-type: none"> ▪ Notice of Default will be considered 1x90x12 under housing history restrictions ▪ If the borrower cured the default and has made 12 timely payments, they are eligible without any restrictions.
Forbearance, Modification, and Deferrals	<ul style="list-style-type: none"> ▪ Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated greater than 12 months from the note date of the subject transaction are eligible ▪ Within 12 months of note date: Not eligible.
Reserves	<ul style="list-style-type: none"> ▪ Reserve requirements are determined by loan amount and LTV as follows: <ul style="list-style-type: none"> o Loan Amount ≤ \$1.5 million and LTV ≤ 75% → None required o Loan Amount ≤ \$1.5 million and LTV > 75% → 2 months of PI o Loan Amount > \$1.5 million → 4 months of PI o Loan Amount > \$2.0 million → 6 months of PI ▪ Cash out may be used to satisfy requirement
Assets Requirements	<ul style="list-style-type: none"> ▪ 1 month bank statement or VOD with 30-day average.
Business Funds	<ul style="list-style-type: none"> ▪ Business accounts may be considered for assets. The amount of business assets that may be utilized is limited to the borrower's ownership percentage in the business.
Gift Funds	<p>Gift funds</p> <ul style="list-style-type: none"> ▪ LTV/CLTV ≤ 80%: 100% gift allowed for down payment, closing and reserves ▪ LTV/CLTV > 80%: Gift funds allowed for down payment, closing and reserves after Minimum 5% borrower contribution is met ▪ Gift funds are allowed in refinance transactions. ▪ Borrowers must meet reserve and residual income requirements
First Time Home Buyer	<ul style="list-style-type: none"> ▪ Both Owner-Occupied (OO) and Non-Owner-Occupied (NOO) permitted. ▪ DTI may not exceed 50%. ▪ The rental history, reflecting 0x30, documented; First time homebuyers with less than 12-month rental history: LOE or rent-free letter is required.

<p>Interested Party Contributions</p>	<ul style="list-style-type: none"> ▪ Primary and Second Home <ul style="list-style-type: none"> o 6% for LTVs > 75% o 9% for LTV ≤ 75% ▪ Investment <ul style="list-style-type: none"> o Max 6%
<p>Ineligible Property Type</p>	<ul style="list-style-type: none"> ▪ Vacant land or land development properties ▪ Properties not readily accessible by roads that meet local standards ▪ Properties not suitable for year-round occupancy, regardless of location ▪ Properties with agricultural features (e.g., vineyards, farms, ranches, orchards, equestrian facilities) ▪ Manufactured or Mobile homes ▪ Units subject to timeshare arrangements ▪ Properties with fractional ownership ▪ Units in a Co-op development ▪ Properties used as boarding houses, bed/breakfast, or single room occupancy (e.g., pad split app) ▪ Properties used as healthcare facilities (e.g., assisted living, elder care, recovery/treatment) ▪ Properties with nonresidential, income-producing structures on premise (e.g., billboards, cell phone towers, commercial workshop) ▪ Properties with zoning violations or illegal use ▪ Dome or geodesic properties ▪ Properties on Native American Land (Reservations) ▪ Log homes that are not common to the area ▪ Hawaii properties located in lava zones 1 and/or 2 ▪ Houseboats ▪ Properties used for the cultivation, distribution, manufacture, or sale of marijuana ▪ Barndonminiums ▪ Properties with condition rating of C5/C6 or quality rating of Q6 on the appraisal
<p>Listing Seasoning</p>	<ul style="list-style-type: none"> • Properties that have been listed for sale within the past six (6) months from the Note Date may not be currently listed at the time of Loan Application and will require a borrower LOE and listing cancellation. • Multiple listings in the past twelve (12) months are not eligible. ▪ For all refinances, the LTV/CLTV will be based on lesser of lowest list price in prior 12 months or appraised value.