

P&L 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				
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▪ 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.				

	<ul style="list-style-type: none"> ○ 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
Escrow Impound	<ul style="list-style-type: none"> ▪ Mandatory (Taxes, Insurance, and Flood)
Prepayment Penalty	<ul style="list-style-type: none"> ▪ Investment Properties only ▪ Prepayment periods up to 5-years eligible, see rate sheet ▪ Penalties not allowed on loans vested to individuals in NJ ▪ Prepayment not allowed on MD ▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.
Document Age	<ul style="list-style-type: none"> ▪ 90 days prior to the note date
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"> Loan Amount ≤ \$1.5 million and LTV ≤ 75% → None required Loan Amount ≤ \$1.5 million and LTV > 75% → 2 months of PI Loan Amount > \$1.5 million → 4 months of PI 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; <p>First time homebuyers with less than 12-month rental history: LOE or rent-free letter is required.</p>
Interested Party Contributions	<ul style="list-style-type: none"> Primary and Second Home <ul style="list-style-type: none"> 6% for LTVs > 75% 9% for LTV ≤ 75% Investment <ul style="list-style-type: none"> Max 6%