

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%
<ul style="list-style-type: none"> ▪ First Time Home Buyer see restrictions below ▪ State Overlays/Restrictions see below ▪ If appraisal report identifies the property in declining market, max loan amount limited to \$2M ▪ Rural: Max LTV/CLTV 80% Purchase, 75% Refinance 				

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 Only within 30 days of the loan application <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 50% 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"> ▪ Standard max 50% (If 1st time home buyer or living rent free, additional restriction will apply) 			
Occupancy	<ul style="list-style-type: none"> ▪ Primary ▪ Second Home ▪ Investment 			
Product Type <small>*Interest Only: Amortization term used for Qualification</small>	Product	Term	Amortization Term	I/O Term
	40-Yr Fixed	40 yr	40 yr	NA
	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
	7/6 ARM	30 yr	30 yr	NA
	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 <u>6</u> months or longer, the LTV/CLV is based upon the appraised value. ○ If the cash-out seasoning is less than 6 months, see seller guide for eligibility. 			

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 Restrictions	<ul style="list-style-type: none"> ▪ New Jersey and Florida: <ul style="list-style-type: none"> ○ Max loan amount limited to \$2M ▪ 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. ▪ Maryland: <ul style="list-style-type: none"> ○ Investment property not permitted in Baltimore City, MD ▪ Texas: <ul style="list-style-type: none"> ○ Texas Senate Bill 17 eligibility restrictions for Non-Permanent residents see seller guide
Escrow	<ul style="list-style-type: none"> ▪ Taxes and insurance escrows required
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 ▪ Borrowers with less than 12 months housing history (ie: living rent free) Max DTI 43%
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ BK/FC/SS/DIL/PreFC/MC: \geq 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"> ▪ LTV \leq 80%: 3-months of PITIA ▪ Loan Amount $>$ \$1.5M: 9-months of PITIA ▪ Loan Amount $>$ \$2.5M: 12-months of PITIA ▪ Cash out may be used to satisfy requirement ▪ Reserves Must be own funds (NO GIFT)

Assets Requirements	<ul style="list-style-type: none"> 1 month bank statement or VOD with 30-day average (Any large deposit must be sourced)
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	<ul style="list-style-type: none"> Allowed after Min contribution is met: <ul style="list-style-type: none"> 5% min contribution for Primary and Second Home 10% min contribution for Investment Gift Not Permitted on Refinances
First Time Home Buyer	<ul style="list-style-type: none"> Primary residence only DTI may not exceed 45% Minimum six (6) months of reserves 12-month rental history, reflecting 0x30, documented Without a documented 12-month rental history: Max DTI 43% and Max LTV/CLTV 80%
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%
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
Declining Market	<ul style="list-style-type: none"> If appraisal report indicates declining market the max LTV/CLTV is 80% and Max Loan Amount is limited to \$2M