

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/2 nd Home/Investment			
		Purchase	R/T	Cash-Out	
720+	≤ 2.5M	80%	75%	70%	
680-719	≤ 2M	80%	75%	70%	
	≤ 2.5M	75%	70%	65%	
<ul style="list-style-type: none"> ▪ First Time Home Buyer without a documented 12-month rental history Max DTI 43% ▪ State Restriction and Declining Market: Max Loan Amount \$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 					
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	Product	Term	Amortization Term	I/O Term	Qualifying Rate
*Interest Only: Amortization term used for Qualification	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	

Product Type (Cont.)	30-Yr Fixed IO	30 yr	20 yr	10 yr	
	Product	Term	Amortization Term	I/O Term	Qualifying Rate
*Interest Only: Amortization term used for Qualification	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: \$2,500,000 				
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"> ▪ Not eligible 				
State/CBSA Restrictions	<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. 				
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"> ▪ 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
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ BK/FC/SS/DIL/Mod: \geq 48 Months
Notice of Default	<ul style="list-style-type: none"> ▪ Notice of Default will be considered 1x90x12 under housing history restrictions
Forbearance, Modification, and Deferrals	<ul style="list-style-type: none"> ▪ Forbearance and Deferrals are considered under housing payment history. ▪ Greater than 12 months from note date: 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 and having a 0x30x12 housing history are allowed. ▪ Within 12 months of note date: Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated within 12 months of the note date of the subject transaction will be treated as a 0x90x12 and not eligible for this program.
Reserves	<ul style="list-style-type: none"> ▪ LTV \leq 80%: 6-months of PITIA ▪ Loan Amount > \$1.5M: 9-months of PITIA ▪ Cash out may be used to satisfy requirement ▪ Must be own fund
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"> ▪ Min contribution: 5% primary/second home, 10% investment
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%
Interested Party Contributions	<ul style="list-style-type: none"> ▪ Primary and Second Home ▪ Maximum contribution: <ul style="list-style-type: none"> o 6% for LTVs > 75% o 9% for LTV \leq 75%