

# Traditional Jumbo

Program Code: TJ -30, 15, 10/6, 7/6, 5/6

Primary							
Loan Purpose	Property Type	Loan Amt	Credit Score	Max CLTV	Max DTI	Reserves	
Purchase & R&T	1 Unit, PUD, Condo	≤ 1M	720-759	80%	43%	12 Mo	
		≤ 2M		75%	41%	18 Mo	
		≤ 3M	760+	75%	41%	36 Mo	
				70%	41%	24 Mo	
		2 Units	≤ 1M	720-759	80%	43%	12 Mo
			≤ 2M		75%	41%	18 Mo
	≤ 3M		760+	75%	41%	36 Mo	
		70%		41%	24 Mo		
	3-4 Units	≤ 2M	720-759	70%	43%	18 Mo	
		≤ 3M	760+	65%	41%	36 Mo	
Cash-Out	1 Unit, PUD, Condo	≤ 1M	740+	70%	43%	18 Mo	
		≤ 1.5M	740+	65%			
Second Home							
Loan Purpose	Property Type	Loan Amt	Credit Score	Max CLTV	Max DTI	Reserves	
Purchase & R&T	1 Unit, PUD, Condo	≤ 1.5M	740+	70%	43%	18 Mo	
Cash-Out	NA						
Investment							
Loan Purpose	Property Type	Loan Amt	Credit Score	Max CLTV	Max DTI	Reserves	
Purchase & R&T	1 Unit, PUD, Condo	≤ 1.5M	760+	65%	40%	36 Mo	
Cash-Out	NA						
<ul style="list-style-type: none"> <li>▪ Depreciating Market: If property is located in the depreciating market county list or appraiser/appraisal indicates that the property value is declining, the maximum LTV/CLTV/HCLTV is reduced by 5%. <a href="#">Please click to see the Declining Market County list.</a></li> </ul>							

<b>Income Requirements</b>	
<b>Self-Employed</b>	<ul style="list-style-type: none"> <li>▪ 2 yrs. Personal &amp; Business Tax Returns</li> <li>▪ Signed/Dated YTD P&amp;L and Balance sheets by tax preparer</li> <li>▪ 3 Mo supporting biz bank statements are required</li> </ul>
<b>Wage Earner</b>	<ul style="list-style-type: none"> <li>▪ 30-day Paystubs</li> <li>▪ 2 yrs. W2</li> <li>▪ WVOE: Only accepts WVOE from employer (Form 1005) or Year-end paystubs (Currently WVOE by 3rd party is not acceptable)</li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>▪ Lease agreement (75%)</li> <li>▪ 2 months proof of rent if REO not reporting on tax return</li> <li>▪ Departure property                             <ul style="list-style-type: none"> <li>○ If 25% or more equity is in the departure property: Equity must be documented with a current appraisal (2055 or better), minus any liens. The appraisal may not be dated more than 180 days prior to the note date; or Determine equity by comparing the original sales price of the departure property to the current unpaid principal balance;</li> <li>○ If the above is met, 75% of the rental income can be used to calculate rental income with copy of lease agreement</li> </ul> </li> </ul>
<b>General Requirements</b>	
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>▪ Primary</li> <li>▪ Second Home</li> <li>▪ Investment</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>▪ Min: \$1 &gt; conforming loan limit</li> <li>▪ Max: \$3,000,000</li> </ul>
<b>Product Type</b>	<ul style="list-style-type: none"> <li>▪ <b>Fixed:</b> 30-Yr, 15-Yr</li> <li>▪ <b>ARM:</b> 10/6, 7/6, 5/6</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>▪ Purchase</li> <li>▪ Rate/Term</li> <li>▪ Cash-Out</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ 2-4 Units</li> <li>▪ Warrantable Condo</li> <li>▪ PUD</li> </ul>
<b>Max Cash-Out</b>	<ul style="list-style-type: none"> <li>▪ \$350,000</li> </ul>
<b>Borrower Contribution</b>	<ul style="list-style-type: none"> <li>▪ Primary Residence: (100% gift is allowed as long as min contribution is documented)                             <ul style="list-style-type: none"> <li>○ Min 5% for 70% LTV or Less</li> <li>○ Min 10% for Greater than 70% LTV</li> </ul> </li> <li>▪ Second Home &amp; Investment: 100% own fund. Gift funds are not permitted</li> </ul>

<b>Interested Party Contributions (IPC)</b>	<ul style="list-style-type: none"> <li>▪ Primary &amp; Second Home: 6%</li> <li>▪ Investment: 2%</li> </ul>
<b>Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>▪ Primary: Max 5 including subject</li> <li>▪ Second Home or Investment: Max 4 including subject</li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>▪ FL Condo: Up to 7 stories. No High Rise Condo (8+)</li> </ul>
<b>Temporary Buydowns</b>	<ul style="list-style-type: none"> <li>▪ Not Mandatory</li> </ul>
<b>Escrow Accounts</b>	<ul style="list-style-type: none"> <li>▪ Not Mandatory</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>▪ If subject property has an existing subordinate lien, the lien may be resubordinated to the new "refinance" transaction. New Subordinate financing is Not Permitted.</li> </ul>
<b>Non-Occupant Co-borrowers</b>	<ul style="list-style-type: none"> <li>▪ Not permitted</li> </ul>
<b>Non-Arms Length Transaction</b>	<ul style="list-style-type: none"> <li>▪ Not permitted</li> </ul>
<b>Deed Restricted Properties</b>	<ul style="list-style-type: none"> <li>▪ Not permitted</li> </ul>
<b>General Underwriting Guidelines</b>	
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>▪ U.S. Citizen</li> <li>▪ Permanent Resident</li> <li>▪ Non-Permanent Resident - <a href="#">Click to see VISA chart</a></li> </ul>
<b>Tradeline</b>	<ul style="list-style-type: none"> <li>▪ Minimum 1 open and active for last 24 months, and 3 open or closed for last 12 months for each borrower (effective 2/4 application date)</li> </ul>
<b>Verification of Mortgage or Rent</b>	<ul style="list-style-type: none"> <li>▪ 12 Mo VOM/VOR (If completed by an individual/private party, copies of 12 Mo cancelled checks OR bank statements showing withdrawals are required)</li> <li>▪ Borrowers unable to provide a complete twelve-month (12) mortgage/rental history are limited to owner occupied primary residence only.</li> </ul>
<b>Housing Event History</b>	<ul style="list-style-type: none"> <li>▪ BK / SS / DIL &gt; 4 years</li> <li>▪ FC &gt; 7 years</li> <li>▪ Loan Mod &gt; 2 years: Must evidence of 0x30x24 after modification</li> <li>▪ Reestablished Credit History Required after a Housing Event.</li> </ul>
<b>Charge Offs/Collections</b>	<ul style="list-style-type: none"> <li>▪ Any Unpaid Charge Offs, Collection accounts, and/or Past Due payments must be satisfied prior to docs with Satisfactory LOE regarding derog</li> </ul>
<b>Asset</b>	<ul style="list-style-type: none"> <li>▪ 2 months bank statements</li> <li>▪ Stock should be calculated using 70% of the current market rate</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>▪ If borrower has multiple financed properties, in addition to the reserve requirements listed in the above Matrices for the Subject Property, 2 months PITIA is required on each additional residential property</li> </ul>

<b>Reserves (Cont.)</b>	<ul style="list-style-type: none"> <li>▪ 6 months PITIA reserves requirements for Departure Properties</li> <li>▪ Gift funds are not allowed to satisfy the reserves requirements</li> </ul>
<b>Business Funds</b>	<ul style="list-style-type: none"> <li>▪ Borrower must have 100% ownership &amp; CPA letter to confirm that the withdrawal will not negatively impact the financial strength of the business</li> </ul>
<b>Liabilities</b>	<ul style="list-style-type: none"> <li>▪ If installment debt does not extend beyond 10 months, the Underwriter should review the borrower's debt to ensure that the size and/or number of remaining payments will not impact the borrower's ability to handle the new mortgage payment during the early period of the loan. A Borrower who increases debt and then periodically uses refinance or debt consolidation to reduce payments to a manageable level presents a higher risk and the qualifying ratios should be within guidelines.</li> </ul>
<b>Refinance</b>	<ul style="list-style-type: none"> <li>▪ Continuity of Obligation Required (Min 12 Mo)</li> <li>▪ Delayed Financing not permitted</li> <li>▪ Net proceeds on a R/T refinance may not exceed \$1,000 or 1% whichever is less</li> <li>▪ Junior Liens - Min 12 Mo seasoning required to be considered R/T</li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>▪ Full URAR Interior and Exterior appraisal report on agency applicable Form</li> <li>▪ Two (2) appraisal reports are required if the loan amount is greater than \$2M and must be from Two Different AMCs</li> <li>▪ If two (2) appraisals are required then the property value will be the lesser of the two (2) appraisals</li> <li>▪ Appraisal report must be dated within 120 days of the note date (Recert after 90 days). A new appraisal is required after 120 days</li> <li>▪ Appraisal report must be Appraiser Independence Requirements (AIR) compliant</li> <li>▪ Unpermitted Add-Ons Not Permitted</li> <li>▪ Mixed Use Properties Not Permitted</li> <li>▪ Industrial, Commercial or Agricultural Zoning Not Permitted</li> <li>▪ Depreciating Market: If property is located in the depreciating market county list or appraiser/appraisal indicates that the property value is declining, the maximum LTV/CLTV/HCLTV is reduced by 5%.  <a href="#">Please click to see the Declining Market County list.</a> </li> </ul>
<b>Properties recently listed for sale</b>	<ul style="list-style-type: none"> <li>▪ If the subject property is currently listed for sale the loan is not eligible for a rate/term refinance or a cash-out refinance.</li> <li>▪ Properties that were listed for sale and taken off the market within the past 180 days are eligible for a rate/term refinance only on a primary or second home. These loans are not eligible for a cash out refinance.</li> <li>▪ Documentation evidencing the listing was cancelled, along with a letter of explanation from the borrower detailing the rationale for cancelling the listing, must be provided.</li> </ul>

<b>ARM Detail</b>	
<b>Index</b>	<ul style="list-style-type: none"> <li>▪ The 30-day average of the Secured Overnight Financing Rate (SOFR) Index as reported by the Federal Reserve Bank of NY.</li> </ul>
<b>Margin</b>	<ul style="list-style-type: none"> <li>▪ 2.75%</li> </ul>
<b>Floor</b>	<ul style="list-style-type: none"> <li>▪ Margin</li> </ul>
<b>Qualifying Rate</b>	<ul style="list-style-type: none"> <li>▪ 5/6 ARM: Higher of Note Rate + 2% or the Fully Indexed Rate (FIR).</li> <li>▪ 7/6 ARM &amp; 10/6 ARM: Higher of Note Rate or Fully Indexed Rate (FIR).</li> <li>▪ The fully-indexed rate is defined as the index plus margin rounded to the nearest .125%</li> </ul>
<b>Interest Rate Caps</b>	<ul style="list-style-type: none"> <li>▪ 5/6 ARM: 2/1/5</li> <li>▪ 7/6 ARM &amp; 10/6 ARM: 5/1/5</li> </ul>