

HELOAN 1

(Standalone 2nd TD)

Program Code: HELOAN-2 -30, -20, -15, -10

Loan Amt	Max Combined Liens Amt	Min FICO	Max CLTV					
			Primary		2 nd Home		Investment	
			Full Doc	Bank Stmt	Full Doc	Bank Stmt	Full Doc	Bank Stmt
75,000-350,000	\$2M	720	90%	85%	80%	75%	80%	75%
		700	90%	80%	80%	70%	80%	70%
		680	85%	75%	75%	65%	75%	65%
		660	80%	70%	70%	60%	70%	60%
350,001-450,000	\$2.5M	720	85%	80%	80%	70%	75%	65%
		700	85%	75%	75%	65%	75%	65%
		680	80%	70%	70%	60%	70%	60%
		660	75%	65%	65%	55%	65%	55%
450,001-550,000	\$2.5M	720	80%	75%	75%	65%	75%	65%
		700	80%	70%	70%	60%	70%	60%
		680	75%	65%	65%	55%	65%	55%
		660	70%	60%	60%	50%	60%	50%
* 2-4 Units Max CLTV: Owner Occupied 75%, Non-Owner Occupied 70% * Condo Max CLTV: Owner Occupied 75%, Non-Owner Occupied 70% * Declining Market: Owner Occupied/2nd Home Max CLTV 75%, Non-Owner Occupied Max CLTV 70%								
Documentation Option								
Full Doc	<ul style="list-style-type: none"> ▪ 1 Year <ul style="list-style-type: none"> ○ W-2 Borrowers: W-2 for most recent year and 30 days most recent paystub1 or 2-years W-2s ○ Self-Employed: 1 year tax returns and <ul style="list-style-type: none"> ▪ YTD P&L (borrower prepared OK) OR ▪ 3 months bank statements verifying cash flow (No P&L) 							

Full Doc (Cont.)	<ul style="list-style-type: none"> ▪ 2 Year <ul style="list-style-type: none"> ○ W-2 Borrowers: W-2 for most recent 2 years and 30 day most recent paystub ○ Self-Employed: 2 years tax returns and YTD P&L (borrower prepared OK)
Bank Statement	<ul style="list-style-type: none"> ▪ Personal & Business Combined OR Business Only (12mo or 24mo) ▪ At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) ▪ Standard expense factors apply: 50% expense factor ▪ If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required Minimum expense factor with 3rd party prepared P&L or letter is 20% ▪ Personal & Business Separated (12mo or 24mo) ▪ At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) ▪ Personal used to qualify, 2 months business to show business cash flows in order to utilize 100% of business-related deposits in personal account (no expense factor)
General Requirements	
Max DTI	<ul style="list-style-type: none"> ▪ 50%
Occupancy	<ul style="list-style-type: none"> ▪ Primary Residence ▪ Second Home ▪ Investment
Product Type	<ul style="list-style-type: none"> ▪ 30-Yr Fixed ▪ 20-Yr Fixed ▪ 15-Yr Fixed ▪ 10-Yr Fixed
Loan Purpose	<ul style="list-style-type: none"> ▪ Stand-Alone Cash-Out (Simultaneous/Piggyback not allowed)
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$75,000 ▪ Max: \$550,000
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units ▪ PUD ▪ Fannie Mae Warrantable Condo
Declining Market	<ul style="list-style-type: none"> ▪ Owner Occupied/2nd Home Max CLTV: 75% ▪ Non-Owner Occupied Max CLTV: 70%
Ineligible Property	<ul style="list-style-type: none"> ▪ Non-Warrantable Condo ▪ Property > 10 acres ▪ Manufactured Homes ▪ Agricultural Zoned ▪ Rural ▪ Mixed-Use ▪ Unique Properties ▪ Bed and Breakfast ▪ Geodesic Domes ▪ Log Homes ▪ Modular Homes ▪ Ranches and Orchards

Ineligible Property (Cont.)	<ul style="list-style-type: none"> ▪ Properties in Litigation ▪ Commercially Zones ▪ Properties with zoning violations ▪ Properties listed for sale in the last 6 months
Appraisals	<ul style="list-style-type: none"> ▪ Primary / 2nd Home <ul style="list-style-type: none"> ○ New Residential Appraisal and AVM supporting value within 10% variance. Lower of two values to be used. ▪ Investment <ul style="list-style-type: none"> Previous appraisal within 12 months + Residential Appraisal Review. Review value must be equal to or greater than appraisal. OR New 2055 Appraisal and Residential Appraisal Review supporting value within 10% variance. Lower of two to be used.
Escrow Impound	<ul style="list-style-type: none"> ▪ Not allowed
Document Age	<ul style="list-style-type: none"> ▪ Credit documents may not be over 90 days old at the time of closing ▪ Appraisal may not be over 120-days old at time of closing
General Underwriting Guidelines	
Credit Score	<ul style="list-style-type: none"> ▪ Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner. ▪ Non-traditional credit ineligible.
Tradelines	<ul style="list-style-type: none"> ▪ 3 tradelines reporting for 12+ mo. or 2 tradelines reporting for 24+ mo. all with activity in the last 12 mo. ▪ On primary residence only, borrowers who do not have the minimum tradelines are acceptable with a current mortgage history on their credit reporting 0x30x12 (no private party mortgages).
Housing History	<ul style="list-style-type: none"> ▪ 0x30x12 ▪ On all mortgages for all borrowers. Minimum 12 months housing history required.
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ 48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.
Reserves	<ul style="list-style-type: none"> ▪ NA
Borrower Eligibility	<ul style="list-style-type: none"> ▪ US Citizen ▪ Permanent Resident Alien ▪ Non-Permanent Resident Alien (with US Credit). (Allowable visas: E1, E2, E3, EB5, G1 to G5, H1, L1, NATO, O1, R1, TN NAFTA)
Ineligible Borrower	<ul style="list-style-type: none"> ▪ Non-occupant co-borrowers ▪ Vesting is not permitted to be in the name of an LLC, Corporation or Partnership ▪ DACA and C08 visa not allowed
Required Forms	<ul style="list-style-type: none"> ▪ Borrower must complete and submit Ability-to-Repay Borrower Attestation & Borrower Contact Consent Form ▪ Click to download Ability-to-Repay Borr Attestation Form ▪ Click to download Borrower Contact Consent Form

Assets Requirements	<ul style="list-style-type: none"> ▪ None Required
Senior Lien	<ul style="list-style-type: none"> ▪ Senior Lien Interest Only Max DTI: 45% ▪ Senior Lien ARM with < 3 years fixed period remaining must qualified on fully indexed payment
Ineligible Senior Liens	<ul style="list-style-type: none"> ▪ Loans in active forbearance or deferment are ineligible. Any deferred balance must be paid through closing. ▪ Negative amortization ▪ Reverse mortgages ▪ Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien. ▪ Private Party
Compliance	<ul style="list-style-type: none"> ▪ No Section 32 or state High Cost ▪ Loans must comply with all applicable federal and state regulations ▪ Fully documented Ability to Repay including Borrower Attestation ▪ Higher-Priced Mortgage Loans (HPML) and Higher-Priced Covered Transactions (HPCT) are permitted subject to complying with all applicable regulatory requirements.
HPML	<ul style="list-style-type: none"> ▪ Evidence of senior lien escrow account for hazard insurance and property tax is required if the subject loan is a HPML ▪ In no case will an escrow be created with the 2nd lien servicer
Qualifying Payment	<ul style="list-style-type: none"> ▪ Qualifying ratios based on Full Note Rate
Texas	<ul style="list-style-type: none"> ▪ Purchase only. No Refinances.
Title Report	<ul style="list-style-type: none"> ▪ ALTA Short Form – Lenders Policy
Seasoning	<ul style="list-style-type: none"> ▪ > 6 months seasoning no restrictions. Less than 6 months seasoning ineligible.