

# MK Stated Income

**Program Codes: MK SI -5/6 & 7/6**

Units	Max Loan Amt	Min FICO	Max LTV/CLTV	
			Primary / 2nd Home / Investment	
			Purchase & R/T	Cash-Out
1 units & PUD	≤ \$1,000,000	700	60%	NA
	\$1,000,001 - \$1,500,000	720	55%	
Condo	≤ \$750,000	700	55%	NA
2-4 units	≤ \$1,500,000	720	50%	
Foreign Nationals	NA	NA	NA	NA
General Underwriting Guidelines				
Employment	<b>Self Employed</b>			
	'- Less than 2 years history of operating current business is acceptable. Borrower must have established current business for a minimum of 1 year with 2 years employment history. (Pricing adjustments will apply)			
	<b>Salary or Wage-Earning Employees</b>			
DTI	'- Less than 2 years history in same line of work is acceptable. Must be employed at current employment for at least 6 months with complete 2 years employment history. (Pricing adjustments will apply)			
	'- Employed by a family member or related individuals are not eligible for qualification			
	43/45%			
Income	<b>Self Employed</b>			
	- CPA Letter verifying business ownership for at least 2 years OR 2 year business license. - Definitive Description of Business, Industry, and Borrower's Title listed on 1003. - Current Employment (1003) must show on credit report / Third-party listing to verify business name and phone number. - Borrower's own funds required to validate the income even if no minimum contribution is required for down payment and/or closing cost.			
	<b>Salary or Wage-Earning Employees</b>			
Asset	- Verbal Verification of Employment / Current Employment (1003) must show on credit report. - Borrower's own funds required to validate the income even if no minimum contribution is required for down payment and/or closing cost.			
	- Most recent 2 months bank statement required.			
	- VOD allowed - Eligible assets divided by 6 to determine a monthly income stream			
Reserves	- 12 months in US Financial Institution - Gift allowed			
Gift	- No minimum borrower contribution on Owner Occupied and Second Homes. - Gift is allowed for 100% of down payment for all occupancies and properties - Gift is allowed for closing cost and reserves			
Tradelines	- 2 tradelines seasoned for at least 12 mo. required for single application - 3 combined tradelines seasoned for at least 12 mo required for joint application			
Housing History	Max 1x30x12			
Housing Event Seasoning	BK	3 years		
	SS / DIL / Mod	2 years		
	FC	5 years		
*Multiple BK/SS/DIL/FC not permitted				
Acceptable Number of Late Payment	Mortgage/Rent			
	Maximum Allowed	Past 12 month	Past 24 months	Past 36 months
	x30	1	2	4
	x60	0	1	2
	x90	0	0	0
	No Limit if past 36 months			
	Installment/Revolving Debt			
	Maximum Allowed	Past 12 month	Past 24 months	Past 36 months
	x30		3	4
	x60	0	1	2
x90	0	1	1	
No Limit if past 36 months				
General Requirements				
Product Type	5/6 ARM & 7/6 ARM			
Loan Amount	Max: \$1,500,000			
Loan Purpose	Purchase and Rate/Term			
Occupancy	Primary, Second Home, Investment			
Property Type	Single Family   Attached   Detached   2-4 Units   Condo   PUD			
Escrow Impound	Flood Insurance Mandatory			
State Restrictions	- Temporary unavailable for AZ, CO, GA, VA, WA, FL - FL Condo: Upto 7 Stories. No High Rise Condo (8+)			
Cash-Out	Not allowed			
Appraisal	- Loan Amt ≤ \$1M One Full Appraisal and one Automated Valuation Model (AVM) - Loan Amt \$1M-\$1.5M One Full Appraisal and One Field Review - For the appraisal showing a trend of the property value declining, LTV must be lowered by 5%			
Qualifying Rate	The Greater of start rate or fully-indexed rate			
Condo	Must be warrantable by Fannie Mae			
Listing History	Subject property cannot be listed for sale and must be withdrawn prior to closing for R&T refi and prior to application for Cash-Out refi			
Loan Amount >1.5mil	Requires a prior-approval by investor with \$750 investor UW FEE			
Foreign Nationals	Not allowed			
Trust	An inter vivos revocable trust is eligible. Trust Cert. not permitted. Full Trust - All pages required			
Ineligible Transaction	- Non-arm's length transactions - For sale by owner transactions - Employed by a family member or related individuals are not eligible for qualification - Borrowers vesting on title with undivided % of ownership or as tenants in common			