



## Simple NonQM (SNQ) EZ

Program Code: SNQ EZ-5/6 & 7/6

FICO	Occupancy Type	Max Loan Amount	Max LTV/CLTV/HCLTV			
			Purchase & R/T		Cash-Out	
			1-2 Unit	3-4 Units or Condo	1-2 Unit	3-4 Units or Condo
700+	Primary & Second Home	≤ \$1,500,000	70%	65%	65%	60%
		≤ \$2,000,000	65%	60%	60%	55%
	Investment	≤ \$1,500,000	65%	60%	60%	55%
		≤ \$2,000,000	60%	55%	55%	50%
680-699	Primary & Second Home	≤ \$1,500,000	65%	60%	60%	55%
		≤ \$2,000,000	60%	55%	55%	50%
	Investment	≤ \$1,500,000	60%	55%	55%	50%
		≤ \$2,000,000	55%	50%	50%	45%
N/A	Foreign National (Second Home & Investment)	≤ \$1,500,000	60%	60%	NA	NA
		≤ \$2,000,000	55%	55%		

### General Underwriting Guidelines

<b>Income</b>	<p><b>Self Employed</b></p> <ul style="list-style-type: none"> <li>▪ For application received on or before 6/30: YTD and one full year of interim Profit &amp; Loss Statement completed by an independent third-party.</li> <li>▪ For application received on or after 7/1: YTD Profit &amp; Loss Statement completed by an independent third-party.</li> <li>▪ CPA Letter (from CPA that prepared previous 2 yrs tax returns) verifying prepared business ownership and same location for at least 2 yrs</li> <li>▪ 2 yrs business license</li> <li>▪ Borrower P&amp;L allowed</li> </ul> <p><b>Salary or Wage-Earning Employees</b></p> <ul style="list-style-type: none"> <li>▪ Written VOE form (FNMA Form 1005) completed by employer</li> <li>▪ Employed by a family member or related individuals are not eligible for qualification</li> </ul>
---------------	--



<b>Asset</b>	<ul style="list-style-type: none"> <li>▪ 1 month bank statement</li> <li>▪ Large deposit needs to be sourced if it exceeds 50% of monthly income.</li> <li>▪ Large deposit from business account - Uncommon or unusual compared to normal business transaction, evidenced through income, or documentation must be addressed and verified.</li> <li>▪ When business assets are used for closing costs, Self-employed borrowers can only use amount corresponding to ownership %.</li> <li>▪ Foreign assets used for down payment and/or closing costs must be transferred to US Institutional account prior to ordering loan docs.</li> </ul>				
<b>Reserves</b>	<ul style="list-style-type: none"> <li>▪ Primary: 3 months (PITIA reserve by qual rate).</li> <li>▪ 2nd Home/Investment: 6 months (PITIA reserve by qual rate).</li> <li>o <b>Qualifying Rate:</b> <ul style="list-style-type: none"> <li>▪ 5/6 ARM (Note Rate + 1%)</li> <li>▪ 7/6 ARM (Initial Note Rate)</li> </ul> </li> </ul>				
<b>Gift</b>	<ul style="list-style-type: none"> <li>▪ Gift is allowed for 100% of down payment and closing for Primary Residence &amp; 2nd Home</li> <li>▪ Gift is not allowed for Investment &amp; Foreign National borrowers</li> <li>▪ If borrower receives gift funds prior to closing, proof of wire transfer (copy of check) from donor's account required</li> </ul>				
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>▪ 2 individual tradelines seasoned for 12 months</li> </ul>				
<b>Credit</b>			<ul style="list-style-type: none"> <li>▪ Two scores required. Use lower of 2 or middle of 3 scores</li> </ul>		
<b>Housing Event Seasoning</b>	<ul style="list-style-type: none"> <li>▪ BK/FC: 4 years</li> <li>▪ DIL/SS: 2 years</li> <li>▪ Collection, Judgements &amp; Charge offs - Must be paid prior or at closing.</li> </ul>				
<b>Acceptable Number of Late Payments (Housing &amp; Installment/Revolving)</b>		Maximum Allowed	Past 12 Month	Past 24 Month	
	Housing	x30	0	2	
		x60	0	1	
	Installment/Revolving (Opened Acct Only)	x30	3	4	
		x60	0	1	
<b>Additional Properties Owned by Borrower</b>	<ul style="list-style-type: none"> <li>▪ All properties that are applicant owns must be listed on 1003</li> <li>▪ Borrower owning multi properties, the following criteria will apply:               <ul style="list-style-type: none"> <li>o A Mortgage history will be required for all financed properties</li> <li>o VOM if the property is not showing on the credit report</li> <li>o VOM and three months cancelled check (Properties are financed by a Private Lender)</li> </ul> </li> </ul>				



<b>Foreign Nationals</b>	<ul style="list-style-type: none"> <li>▪ Copy of unexpired passport</li> <li>▪ Valid VISA (B-1, B-2, E-1, E-2, G1-G5, I, J-1, J-2, K-1) or proof of ESTA waiver required.</li> <li>▪ F1 and F2 type are not allowed</li> <li>▪ Borrower must have U.S. address when applying for loan.</li> <li>▪ Foreign assets used for down payment, closing costs, and/or reserves must be transferred to US Institutional account prior to <b>Approval</b>.</li> <li>▪ Automatic payment setup with Investor</li> <li>▪ 12 months PITIA reserve by qual rate.</li> <li>▪ 100% own contribution for down payment and reserves required.</li> <li>▪ 2nd Home and Investment only</li> <li>▪ No POA</li> <li>▪ DTI: 38%</li> <li>▪ Credit Report to be pulled to check if there's any negative history. No Fico score required</li> <li>▪ All documents must be translated by a certified translator.</li> </ul>
<b>Geography Limit</b>	<ul style="list-style-type: none"> <li>▪ CA &amp; TX Only</li> </ul>
<b>General Requirements</b>	
<b>Product Type</b>	<ul style="list-style-type: none"> <li>▪ 5/6 ARM &amp; 7/6 ARM</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>▪ Max: \$2,000,000</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>DTI</b>	<ul style="list-style-type: none"> <li>▪ 43%</li> <li>▪ Foreign National: 38%</li> </ul>
<b>Min FICO</b>	<ul style="list-style-type: none"> <li>▪ 680</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>▪ Primary</li> <li>▪ Second Home</li> <li>▪ Investment</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ 2-4 Units</li> <li>▪ Condo</li> <li>▪ PUD</li> </ul>
<b>Escrow Impound</b>	<ul style="list-style-type: none"> <li>▪ Optional</li> <li>▪ Flood Insurance mandatory</li> </ul>
<b>Cash-Out</b>	<ul style="list-style-type: none"> <li>▪ 6-month seasoning required. Delayed Financing is Acceptable</li> <li>▪ Cash-out purpose letter required.</li> <li>▪ Existing first mortgage is being paid off through the transaction, it must be at least 12- month-old.</li> <li>▪ One borrower must have been on the title for at least for 6 months prior to the disbursement of the new loan.</li> </ul>



<b>Appraisal</b>	<ul style="list-style-type: none"><li>▪ Loan amount ≤ \$1,500,000: One appraisal with AVM</li><li>▪ Loan amount &gt; \$1,500,000: Two full appraisals</li><li>▪ Transferred appraisal not acceptable</li></ul>
<b>Qualifying Rate</b>	<ul style="list-style-type: none"><li>▪ 5/6 ARM: Note Rate + 1%</li><li>▪ 7/6 ARM: Initial Note Rate</li></ul>
<b>Listing History</b>	<ul style="list-style-type: none"><li>▪ Subject property cannot be listed for sale at the application date for R&amp;T and C/O.</li></ul>
<b>Condo &amp; Attached PUD</b>	<ul style="list-style-type: none"><li>▪ Must be warrantable by Fannie Mae</li><li>▪ HOA Cert required</li><li>▪ Master Insurance Policy/ HO-6 required</li><li>▪ HOA Current Budget required</li></ul>
<b>Max Financed Properties</b>	<ul style="list-style-type: none"><li>▪ 10</li></ul>
<b>Ineligible Transaction</b>	<ul style="list-style-type: none"><li>▪ For sale by owner transactions not allowed (Except Gift of Equity)</li><li>▪ Employed by a family member or related individuals are not eligible for qualification</li><li>▪ Borrowers vesting on title with undivided % of ownership or as tenants in common</li></ul>
<b>Gift of Equity</b>	<ul style="list-style-type: none"><li>▪ Primary residence only</li><li>▪ Gift letter must be received</li><li>▪ Foreclosure bailout is not allowed</li></ul>