

## Simple NonQM Easy

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

Occupancy Type	FICO	Max Loan Amt	Max LTV/CLTV/HCLTV						
			Purchase & R/T			Cash-Out			
			1-2 Unit	3-4 Unit	Condo	1-2 Unit	3-4 Unit	Condo	
Primary / 2nd Home	660	≤ \$1,500,000	70%	65%	65%	65%	60%	60%	
		\$1,500,001 - \$2,000,000	65%	60%	60%	60%	55%	55%	
Investment	660	≤ \$1,500,000	65%	60%	60%	60%	55%	55%	
		\$1,500,001 - \$2,000,000	60%	55%	55%	55%	50%	50%	
Foreign Nationals (2nd Home only)	660	≤ \$1,500,000	60%	60%	60%	50%	45%	45%	
		\$1,500,001 - \$2,000,000	55%	55%	55%	45%	40%	40%	
<b>General Underwriting Guidelines</b>									
Income	<b>Self Employed</b>								
	<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 &amp; 2 yrs business lic.</li> <li>- Borrower P&amp;L allowed with rate adjustment</li> </ul>								
Asset	<b>Salary or Wage-Earning Employees</b>								
	<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>								
Reserves	<ul style="list-style-type: none"> <li>- 1 month bank statement</li> <li>- Business Funds may be used up to 100% of current balance if borrower can demonstrate 100% ownership of the business.</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>								
Gift	<ul style="list-style-type: none"> <li>- 3 Mo PITIA</li> <li>- Gift is allowed for 100% of down payment and closing for Primary Residence &amp; 2nd Home</li> <li>- Not allowed for Investment Properties</li> <li>- Gift is not allowed for Foreign National borrower</li> <li>- If borrower receives gift funds prior to closing, donor's ability is required</li> </ul>								
Tradelines	No minimum credit line required								
Housing History	0x30x12								
Housing Event Seasoning	BK: 2 years FC / SS / DIL / Loan Modification: 4 years Collection, Judgements & Charge offs - Must be paid prior or at closing.								
Acceptable Number of Late Payment					Maximum Allowed	Past 12 month	Past 24 months		
	Housing				x30	0	2		
	Installation (opened acct only)				x60	0	0		
	Revolving (opened acct only)				x30	3	4		
	Revolving (opened acct only)				x60	0	3		
Foreign Nationals	<ul style="list-style-type: none"> <li>- Copy of passport</li> <li>- Valid VISA or proof of ESTA waiver required.</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 ordering loan docs.</li> <li>- Automatic debit payment required from U.S. banking institution.</li> <li>- 12 Mo PITIA reserves required for subject property.</li> <li>- 100% own contribution for down payment and reserves required.</li> <li>- 2nd Home only</li> <li>- No POA</li> <li>- DTI: 38%</li> </ul>								
	Geography Limit	- CA & TX							
<b>General Requirements</b>									
Product Type	5/6 ARM & 7/6 ARM								
Loan Amount	Max: \$2,000,000								
Loan Purpose	Purchase, Rate/Term, and Cash Out								
DTI	43% Foreign National: 38%								
Occupancy	Primary, Second Home, Investment								
Property Type	Single Family   Attached   Detached   2-4 Units   Condo   PUD								
Escrow Impound	<ul style="list-style-type: none"> <li>- Optional</li> <li>- Flood Impound Mandatory</li> </ul>								
Cash-Out	<ul style="list-style-type: none"> <li>- 6 month seasoning required. Delayed Financing is Acceptable</li> <li>- Cash-out purpose letter required.</li> </ul>								
Appraisal	<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> </ul>								
Qualifying Rate	<ul style="list-style-type: none"> <li>- 5/6 ARM: Note Rate + 1%</li> <li>- 7/6 ARM: Initial Note Rate</li> </ul>								
Min FICO	660 (At list 1 credit. 2-3 preferred)								
Listing History	Subject property cannot be listed for sale at the application date for R&T and C/O.								
Condo	Must be warrantable by Fannie Mae								
Max Financed Properties	10								
Ineligible Transaction	<ul style="list-style-type: none"> <li>- Non-arm's length transactions</li> <li>- For sale by owner transactions</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>								