

HELOC PLUS

(Standalone and Concurrent)

Program Code: HELOC PLUS -30

Occupancy Type	Loan Amount			Minimum Fico			Max CLTV		
Primary	50,001-500,000			740+			85%		
	50,001-500,000			700-739			80%		
	50,001-250,000			680-699			80%		
Second Home	50,001-500,000			740+			80%		
				680-739			75%		
Investment	50,001-500,000			740+			75%		
				700-739			70%		
General Requirements									
Product	Product	Qualifying Rate	Index	Draw Period	IO Period	Amort Term	Final Maturity	Min Rate	Lifetime Cap
	30yr Maturity, 3yr Draw	Prime + Margin + 2%	Prime	36	120	240	360	4%	18%
	30yr Maturity, 5yr Draw	Prime + Margin + 2%	Prime	60	120	240	360	4%	18%
	30yr Maturity, 10yr Draw	Prime + Margin + 2%	Prime	120	120	240	360	4%	18%
Draw Term	<ul style="list-style-type: none">10 Year Draw5 Year Draw3 Year Draw								
Minimum Drawn Amount	<ul style="list-style-type: none">Minimum: \$50,001Maximum: \$500,000Draw required at close: 75% of the maximum line amount or minimum amount required by state law, whichever is greater								
Subsequent Draws	<ul style="list-style-type: none">Eligible 90 days after the note date\$1,000 or the minimum draw amount required by state law, whichever is greater								

Occupancy Type	<ul style="list-style-type: none"> Primary Residence Second Home Investment
Max LTV	<ul style="list-style-type: none"> 85%
Max DTI	<ul style="list-style-type: none"> 50%
Min FICO	<ul style="list-style-type: none"> 680
Qualifying Rate	<ul style="list-style-type: none"> Prime Rate + Margin + 2%
Interest Only	<ul style="list-style-type: none"> 10 Year IO
Property Type	<ul style="list-style-type: none"> 2-4 Units (Max 65% CLTV) Warrantable Condos (Max 80% CLTV) Non-Warrantable Condos / Cooperatives – Not eligible
General Underwriting Guidelines	
State Restriction	<ul style="list-style-type: none"> Texas
Lien Position	<ul style="list-style-type: none"> Stand-alone first mortgage (1st Lien HELOC) Stand-alone second mortgage (2nd Lien HELOC) Concurrent with a 1st mortgage loan
Maximum Combined Lien Balance	<ul style="list-style-type: none"> \$3,000,000 (1st & 2nd liens combined)
Title Policy	<p>First Lien HELOCS</p> <ul style="list-style-type: none"> ALTA Standard Coverage Policy insuring the first lien amount <p>Second Lien HELOCS</p> <ul style="list-style-type: none"> ALTA Standard Coverage Policy insuring the second lien amount For concurrent piggyback transactions, title policy from the 1st lien transaction can be utilized, must include title insurance/ CPL / wire instructions
First & Second Lien HELOCS	<ul style="list-style-type: none"> Six (6) months title seasoning is required for at least one borrower All borrowers must be on title at time of application and Note Date <ul style="list-style-type: none"> - Changes in vesting not permitted during application process - Not applicable for cases of inheritance, change of marital status.
Credit Report	<ul style="list-style-type: none"> To determine the Representative Credit Score, select the middle score when three (3) agency scores are provided and the lower score when only two (2) agency scores are provided Representative Credit Score of the Primary Wage Earner is used to qualify. In cases where borrowers earn the same amount, use the lower of the representative credit score to qualify Primary Wage Earner must have a valid score from at least two (2) of the following three (3) agencies: Experian, Trans Union and Equifax
Tradeline	<ul style="list-style-type: none"> Document per Fannie Mae Seller Guidelines or Freddie Mac Seller Guidelines <ul style="list-style-type: none"> o Fannie Mae: No minimum tradeline required. o Freddie Mac: 3 minimum tradelines required.
Derogatory Housing History	<ul style="list-style-type: none"> Minimum derogatory housing event seasoning period of 4 years – Foreclosures, Short Sale, Deed in Lieu, Default Modification, Notice of Default, Lis Pendens or 120+ Days Delinquent

	<ul style="list-style-type: none"> ▪ Bankruptcies are considered Housing Events, inclusive of Chapter 7, 11, and 13 ▪ Events include all occupancy types (Primary, Second Home, and Investment Properties) ▪ Seasoning lookback is from the date of discharge / dismissal or property resolution (completion date), as of the note date ▪ Default Modification look back commences at inception (when loan was permanently modified) ▪ Extenuating circumstance seasoning is not permitted ▪ Borrowers with multiple derogatory housing events within the last 7 years are not eligible ▪ 0x30x12, 1x30x24
Subject Property Financing Restrictions	<ul style="list-style-type: none"> ▪ Max two consumer lending products on a single property inclusive of subject second lien ▪ 1st lien cannot be a HELOC for a subject 2nd lien HELOC ▪ New subject lien may pay off existing junior lien on property
Ineligible Senior Liens	<p>Ineligible 1st Mortgage Products & Terms</p> <ul style="list-style-type: none"> ▪ Loans with a Negative Amortization feature ▪ Outstanding term >30 years ▪ Loans in active forbearance or deferment ▪ Reverse Mortgages ▪ Private 1st liens ▪ Balloon loans with a maturity date before the maturity date of the 2nd subject lien ▪ First Lien HELOC ▪ Land Contracts ▪ Cross Collateralized loans
Concurrent Requirements	<ul style="list-style-type: none"> ▪ Approval letter / final approval from 1st mortgage showing all conditions have been satisfied ▪ Documentation requirements from 1st mortgage investor ▪ Final Closing Disclosure from 1st mortgage transaction ▪ Use of Appraisal from the 1st lien is acceptable ▪ Title policy from 1st lien transaction can be used and must include title insurance / CPL / wire instructions ▪ HOA statement, HOI, flood insurance from the 1st lien transaction (if applicable)
Mortgage Insurance	<ul style="list-style-type: none"> ▪ Not required
Cash Out LTV	<ul style="list-style-type: none"> ▪ Use the lesser of the appraised value and the purchase price for properties owned less than 12 months ▪ Properties that have been on the market within six months of the application date are ineligible
DTI	<ul style="list-style-type: none"> ▪ DTI should be recalculated based on any new debt ▪ If 1st lien is an Interest Only loan, fully amortizing payment will be used to qualify ▪ If the underlying 1st lien is an Adjustable Rate Mortgage, the higher of the fully indexed rate or note rate should be used to qualify
Reserves	<ul style="list-style-type: none"> ▪ Not required
Eligible Borrowers	<ul style="list-style-type: none"> ▪ US Citizen ▪ Permanent Resident Alien ▪ Non-Permanent Resident (Primary Residence ONLY) ▪ Daca Borrowers

Ineligible Borrowers	<ul style="list-style-type: none"> ▪ Foreign Nationals ▪ LLCs ▪ Non-Occupant Co-Borrowers ▪ ITINs ▪ Irrevocable or Blind Trusts ▪ Land Trusts ▪ Borrowers with diplomatic immunity ▪ Asylum applicants ▪ Self-employed Borrower deriving their income from any Cannabis related business
Ineligible Properties	<ul style="list-style-type: none"> ▪ Assisted Living/Continuing Care Facilities ▪ Boarding Houses / Group Homes ▪ Builder Model Leaseback ▪ C5 or C6 Property Condition Grades ▪ Condotels ▪ Cooperatives ▪ Fractional Ownership / Timeshares ▪ Geodesic Domes ▪ Homes on Native American Land (Reservations) ▪ Houseboats ▪ Live / Work Condos ▪ Log Homes ▪ Mandatory Country Club Memberships ▪ Manufactured Homes ▪ Mixed Use Properties ▪ Non-Warrantable Condo ▪ Properties listed for sale within the last 6 (six) months ▪ Properties under Construction ▪ Properties used for the cultivation, distribution, manufacture, or sale of Marijuana ▪ Properties with >20 acres ▪ Rural properties ▪ Theme Park Resort Properties ▪ Unique Properties ▪ Working Farms ▪ Zoning Violations ▪ Unpermitted Additions
Appraisal Requirements	<ul style="list-style-type: none"> ▪ One Full Appraisal required ▪ Appraisals are good for one hundred twenty (120) days. If greater than 120 days a recertification of value completed by the original licensed appraiser needed if . A recertification of value will be permitted up to one hundred eight (180) days ▪ Legal non-conforming zoned properties must indicate that the subject property can be rebuilt if it is severely damaged or destroyed ▪ Appraisals with condition or quality ratings of C5 or C6 will not be eligible ▪ Form 1007 Schedule of Rents is required for all Non-Owner-Occupied loans on Single Family residences ▪ For concurrent (piggyback) transactions, utilization of the Appraisal from the 1st lien is acceptable
Prepayment Penalties	<ul style="list-style-type: none"> ▪ Not applicable

Escrows	<ul style="list-style-type: none"> ▪ Not applicable
Solar Leases	<ul style="list-style-type: none"> ▪ PACE loans (or any similar loans with payment that are included in property taxes or take lien priority) are not eligible
Income Documentation Option	
Full Doc	<ul style="list-style-type: none"> ▪ Wage/Salary <ul style="list-style-type: none"> ○ Most recent 30-day paystubs ○ 2-years W-2s ○ Tax Transcripts ▪ Self-Employed <ul style="list-style-type: none"> ○ 25% or greater ownership required ○ 2-Years of Personal and Business (if applicable) Tax Returns ○ YTD P&L ○ Tax Transcripts