

P&L Prime

Program Code: PL Prime -30, -40, -7/6, -5/6, -30 IO, -40 IO, -7/6 IO, -7/6 IO-40, -5/6 IO, -5/6 IO-40

FICO	Loan Amt	Max CLTV		
		Primary		
		Purchase	R/T	Cash-Out
720+	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	70%
	≤ 3M	70%	NA	NA
700-719	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	65%
	≤ 3M	70%	NA	NA
680-699	≤ 1.5M	80%	75%	70%
	≤ 2M	75%	70%	65%
	≤ 2.5M	70%	65%	60%
FICO	Loan Amt	Max CLTV		
		Second Home / Investment		
		Purchase	R/T	Cash-Out
720+	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	70%
700-719	≤ 2M	80%	75%	70%
	≤ 2.5M	75%	70%	65%
680-699	≤ 1.5M	80%	75%	70%
	≤ 2M	75%	70%	65%
	≤ 2.5M	70%	65%	60%
<ul style="list-style-type: none"> ▪ State Overlays for FL, NJ: Max loan amount is limited to \$2M ▪ Investment properties are ineligible in Baltimore, Maryland ▪ If appraisal report identifies the property in declining market, max loan amount limited to \$2M ▪ Rural: Max LTV/CLTV 80% Purchase, 75% Refinance ▪ Max loan amount for Second Home / Investment property: \$2.5M 				

Income Requirement

Self Employed Income	<ul style="list-style-type: none"> ▪ Profit & Loss Statement Only <ul style="list-style-type: none"> ○ 12 Mo CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only within 30 days of the loan application <ul style="list-style-type: none"> ▪ Qualifying income is the net income from the P&L divided by 12 months ▪ Expenses on the P&L must be reasonable for the industry. ○ CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent tax return & borrower has minimum 50% ownership, and CPA/EA/CTEC letter must verify minimum 2 years of existence of business. <ul style="list-style-type: none"> ▪ Must be signed by a CPA/EA/CTEC ▪ Profit & Loss Statement With 2 Months Bank Statement <ul style="list-style-type: none"> ○ 12 Mo CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only within 30 days of the loan application <ul style="list-style-type: none"> ▪ Qualifying income is the net income from the P&L divided by 12 months ▪ Expenses on the P&L must be reasonable for the industry. ○ Two months of business bank statements corresponding to the most recent two months on the P&L , and the deposits supporting at least 80% of the monthly average sales/revenue reported on the P&L. <ul style="list-style-type: none"> ○ CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent tax return & borrower has minimum 50% ownership, and CPA/EA/CTEC letter must verify minimum 2 years of existence of business. <ul style="list-style-type: none"> ▪ Must be signed by a CPA/EA/CTEC
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General Requirements

DTI	<ul style="list-style-type: none"> ▪ Max 50% 				
Occupancy	<ul style="list-style-type: none"> ▪ Primary ▪ Second Home ▪ Investment 				
Product Type <i>*Interest Only: Amortization term used for Qualification</i>	Product	Term	Amortization Term	I/O Term	Qualifying Rate
	40-Yr Fixed	40 yr	40 yr	NA	Note Rate
	40-Yr Fixed IO	40 yr	30 yr	10 yr	
	30-Yr Fixed	30 yr	30 yr	NA	
	30-Yr Fixed IO	30 yr	20 yr	10 yr	Qualifying Rate

	7/6 ARM	30 yr	30 yr	NA	Higher of Fully Indexed or Note Rate	
	7/6 ARM IO	30 yr	20 yr	10 yr		
	7/6 ARM IO-40Yr Term	40 yr	30 yr	10 yr		
	5/6 ARM	30 yr	30 yr	NA		
	5/6 ARM IO	30 yr	20 yr	10 yr		
	5/6 ARM IO-40Yr Term	40 yr	30 yr	10 yr		
Loan Purpose	<ul style="list-style-type: none"> ▪ Purchase ▪ Rate/Term ▪ Cash-Out 					
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$150,000 ▪ Max: \$3,000,000 					
Cash-Out	<ul style="list-style-type: none"> ▪ Max Cash-In-Hand: Unlimited ▪ Cash-Out Seasoning <ul style="list-style-type: none"> ○ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. ○ If the cash-out seasoning is less than 12 months, but greater than 6 months, the transaction property value is limited to the lower of the current appraised value or the property's purchase price plus documented improvements. 					
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units ▪ Condo 					
Rural Property	<ul style="list-style-type: none"> ▪ Max LTV/CLTV 80% Purchase, 75% Refinance 					
State/CBSA Restrictions	<ul style="list-style-type: none"> ▪ Maximum loan amount is limited to \$2,000,000. If either or both of the following apply: <ul style="list-style-type: none"> ○ The appraisal report identifies the property as a declining market; ○ The subject property is in a state of NJ or FL ▪ Florida Condominiums: <ul style="list-style-type: none"> ○ Up to 7 Stories. No High Rise Condo (8+) ○ A structural inspection is required if the project is greater than 5 stories and over 30 years old or 25 years old if within 3 miles of the coast. ○ Projects with an unacceptable or no inspection are not eligible. ▪ Investment properties are ineligible in Baltimore, Maryland 					
Appraisals	<ul style="list-style-type: none"> ▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection ▪ Appraisal review product required unless 2nd appraisal obtained ▪ 2nd Appraisal required for loans > \$2,000,000 ▪ Transferred Appraisal are acceptable 					
Escrow Impound	<ul style="list-style-type: none"> ▪ Taxes and insurance escrows required 					
Prepayment Penalty	<ul style="list-style-type: none"> ▪ Investment Properties only ▪ Prepayment periods up to 5-years eligible, see rate sheet ▪ Penalties not allowed on loans vested to individuals in NJ ▪ Prepayment not allowed on MD ▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period. 					
Document Age	<ul style="list-style-type: none"> ▪ 90 days prior to the note date 					
General Underwriting Guidelines						
Credit Score	<ul style="list-style-type: none"> ▪ Middle of 3 scores or lower of 2 					

Tradelines	<ul style="list-style-type: none"> ▪ Min: 2 reporting 24-months w/ activity in last 12-months or 3 reporting 12-months w/ recent activity (If the primary borrower has three (3) credit scores, the minimum tradeline requirement is waived)
Housing History	<ul style="list-style-type: none"> ▪ 1x30x12
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ BK/FC/SS/DIL/Mod: \geq 36 Months
Notice of Default	<ul style="list-style-type: none"> ▪ Notice of Default will be considered 1x90x12 under housing history restrictions ▪ If the borrower cured the default and has made 12 timely payments, they are eligible without any restrictions.
Forbearance, Modification, and Deferrals	<ul style="list-style-type: none"> ▪ Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated greater than 12 months from the note date of the subject transaction are eligible ▪ Within 12 months of note date: Not eligible.
Reserves	<ul style="list-style-type: none"> ▪ Reserve requirements are determined by loan amount and LTV as follows: <ul style="list-style-type: none"> o Loan Amount \leq \$1.5 million and LTV \leq 75% \rightarrow None required o Loan Amount \leq \$1.5 million and LTV $>$ 75% \rightarrow 2 months of PI o Loan Amount $>$ \$1.5 million \rightarrow 4 months of PI o Loan Amount $>$ \$2.0 million \rightarrow 6 months of PI ▪ Cash out may be used to satisfy requirement
Assets Requirements	<ul style="list-style-type: none"> ▪ 1 month bank statement or VOD with 30-day average.
Business Funds	<ul style="list-style-type: none"> ▪ Business accounts may be considered for assets. The amount of business assets that may be utilized is limited to the borrower's ownership percentage in the business.
Gift Funds	<ul style="list-style-type: none"> ▪ 100% of Gift Funds allowed for loans with an LTV/CLTV less than 80%. For loans with an LTV/CLTV greater than or equal to 80%, Gift Funds are acceptable; however, the borrower must contribute at least 5% from their own funds. ▪ Gift funds are allowed in refinance transactions. ▪ Gift funds may be used to meet down payment, closing cost, and reserve ▪ Borrowers must meet reserve and residual income requirements
First Time Home Buyer	<ul style="list-style-type: none"> ▪ Both Owner-Occupied (OO) and Non-Owner-Occupied (NOO) permitted. ▪ DTI may not exceed 50%. ▪ The rental history, reflecting 0x30, documented; First time homebuyers with less than 12-month rental history: LOE or rent-free letter is required.

Interested Party Contributions	<ul style="list-style-type: none">▪ Primary and Second Home<ul style="list-style-type: none">◦ 6% for LTVs > 75%◦ 9% for LTV ≤ 75%▪ Investment<ul style="list-style-type: none">◦ Max 6%
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