

# 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"> <li>First Time Home Buyer without a documented 12-month rental history Max DTI 43%</li> <li>State Overlays for FL, NJ: Max loan amount is limited to \$2M</li> <li>If appraisal report identifies the property in declining market, max loan amount limited to \$2M</li> <li>Rural: Max LTV/CLTV 80% Purchase, 75% Refinance</li> <li>Max loan amount for Second Home / Investment property: \$2.5M</li> </ul>				

Income Requirement					
Self Employed Income	<ul style="list-style-type: none"><li>▪ <b>Profit &amp; Loss Statement Only</b><ul style="list-style-type: none"><li>○ 12 Mo CPA/EA/CTEC/Tax Attorney prepared Profit &amp; Loss Statement Only within 30 days of the loan application<ul style="list-style-type: none"><li>▪ Qualifying income is the net income from the P&amp;L divided by 12 months</li><li>▪ Expenses on the P&amp;L must be reasonable for the industry.</li></ul></li><li>○ CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent tax return &amp; 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"><li>▪ Must be signed by a CPA/EA/CTEC</li></ul></li></ul></li></ul>				
General Requirements					
DTI	<ul style="list-style-type: none"><li>▪ Standard max 50% (If 1st time home buyer or living rent free, additional restriction will apply)</li></ul>				
Occupancy	<ul style="list-style-type: none"><li>▪ Primary</li><li>▪ Second Home</li><li>▪ Investment</li></ul>				
Product Type  *Interest Only: Amortization term used for Qualification	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	
	Product	Term	Amortization Term	I/O Term	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"><li>▪ Purchase</li><li>▪ Rate/Term</li><li>▪ Cash-Out</li></ul>			
Loan Amount	<ul style="list-style-type: none"><li>▪ Min: \$150,000</li><li>▪ Max: \$3,000,000</li></ul>				
Cash-Out	<ul style="list-style-type: none"><li>▪ Max Cash-In-Hand: Unlimited</li><li>▪ Cash-Out Seasoning<ul style="list-style-type: none"><li>○ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value.</li></ul></li></ul>				

<b>Cash-Out (Cont.)</b>	<ul style="list-style-type: none"> <li>○ 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.</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ 2-4 Units</li> <li>▪ Condo</li> </ul>
<b>Rural Property</b>	<ul style="list-style-type: none"> <li>▪ <b>Max LTV/CLTV 80% Purchase, 75% Refinance</b></li> </ul>
<b>State/CBSA Restrictions</b>	<ul style="list-style-type: none"> <li>▪ Maximum loan amount is limited to \$2,000,000. If either or both of the following apply:               <ul style="list-style-type: none"> <li>○ The appraisal report identifies the property as a declining market;</li> <li>○ The subject property is in a state of NJ or FL</li> </ul> </li> <li>▪ Florida Condominiums:               <ul style="list-style-type: none"> <li>○ Up to 7 Stories. No High Rise Condo (8+)</li> <li>○ 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.</li> <li>○ Projects with an unacceptable or no inspection are not eligible.</li> </ul> </li> </ul>
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection</li> <li>▪ Appraisal review product required unless 2nd appraisal obtained</li> <li>▪ 2nd Appraisal required for loans &gt; \$2,000,000</li> <li>▪ Transferred Appraisal are acceptable</li> </ul>
<b>Escrow Impound</b>	<ul style="list-style-type: none"> <li>▪ Taxes and insurance escrows required</li> </ul>
<b>Prepayment Penalty</b>	<ul style="list-style-type: none"> <li>▪ Investment Properties only</li> <li>▪ Prepayment periods up to 5-years eligible, see rate sheet</li> <li>▪ Penalties not allowed on loans vested to individuals in NJ</li> <li>▪ Prepayment not allowed on MD</li> <li>▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.</li> </ul>
<b>Document Age</b>	<ul style="list-style-type: none"> <li>▪ 90 days prior to the note date</li> </ul>
<b>General Underwriting Guidelines</b>	
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>▪ Middle of 3 scores or lower of 2</li> </ul>
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>▪ 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)</li> </ul>
<b>Housing History</b>	<ul style="list-style-type: none"> <li>▪ 1x30x12</li> </ul>
<b>Housing Event Seasoning</b>	<ul style="list-style-type: none"> <li>▪ BK/FC/SS/DIL/Mod: ≥ <b>36 Months</b></li> </ul>
<b>Notice of Default</b>	<ul style="list-style-type: none"> <li>▪ Notice of Default will be considered 1x90x12 under housing history restrictions</li> <li>▪ <b>If the borrower cured the default and has made 12 timely payments, they are eligible without any restrictions.</b></li> </ul>
<b>Forbearance, Modification, and Deferrals</b>	<ul style="list-style-type: none"> <li>▪ 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</li> <li>▪ Within 12 months of note date: Not eligible.</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>▪ LTV ≤ 80%: 3-months of PITIA</li> </ul>

<b>Reserves (Cont.)</b>	<ul style="list-style-type: none"> <li>▪ Loan Amount &gt; \$1.5M: 9-months of PITIA</li> <li>▪ <b>Loan Amount &gt; \$2.5M: 12-months of PITIA</b></li> <li>▪ Cash out may be used to satisfy requirement</li> <li>▪ Must be own fund</li> </ul>
<b>Assets Requirements</b>	<ul style="list-style-type: none"> <li>▪ 1 month bank statement or VOD with 30-day average (Any large deposit must be sourced)</li> </ul>
<b>Business Funds</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>▪ Min contribution: 5% primary/second home, 10% investment</li> </ul>
<b>First Time Home Buyer</b>	<ul style="list-style-type: none"> <li>▪ Primary residence only</li> <li>▪ DTI may not exceed 45%</li> <li>▪ Minimum six (6) months of reserves</li> <li>▪ 12-month rental history, reflecting 0x30, documented</li> <li>▪ Without a documented 12-month rental history: Max DTI 43%</li> </ul>
<b>Interested Party Contributions</b>	<ul style="list-style-type: none"> <li>▪ Primary and Second Home <ul style="list-style-type: none"> <li>o 6% for LTVs &gt; 75%</li> <li>o 9% for LTV ≤ 75%</li> </ul> </li> <li>▪ <b>Investment</b> <ul style="list-style-type: none"> <li>o <b>Max 6%</b></li> </ul> </li> </ul>