

Program Max LTVs		Grade A			Grade B		Grade C	
Loan Amount	Reserves	FICO	Purch, R/T, D/C <sup>1</sup>	Cash Out	Purchase & R/T	Cash Out	Purchase & R/T	Cash Out
≤ \$1,000,000	3 Months	680	90%	85%	85%	75%	70%	65%
		640	85%	80%	85%	75%	70%	65%
		620	85%	80%	80%	75%	70%	65%
		580	80%	80%	80%	70%	70%	65%
		500	75%	70%	70%	70%	70%	65%
> \$1,000,000	6 Months	640	85%	75%	75%	70%	--	--
		620	80%	75%	75%	70%	--	--
		580	80%	70%	75%	65%	--	--
		500	70%	65%	65%	65%	--	--
Mortgage History			0x60x12		0x120x12		0x120x12 or 0x30 Since Event	
Foreclosure Seasoning			24 Months		12 Months		Settled	
Short Sale/DIL Seasoning			24 Months		12 Months		Settled	
Chapter 13 Bankruptcy Seasoning			Discharged		Discharged		Discharged	
Chapter 7/11 Bankruptcy Seasoning			Discharged 24 Months		Discharged 12 Months		Discharged	
Residual Income			\$1,500		\$1,500		\$1,500	
DTI Options			43% / 50% / 55%		43% / 50% / 55%		43%	

Program Requirements		
Minimum Loan Amount	\$100,000	
Maximum Loan Amount	\$2,000,000	
Maximum Cash Out	\$500,000	
Products		
5/1 ARM	7/1 ARM 30 Year Fixed	
5/1 ARM-IO	7/1 ARM-IO	
Interest Only Features		
IO Period	Amort Term	Final Maturity
10 Years	30 Years	40 Years
10 Years	20 Years	30 Years
ARM Margins & Caps		
5/1 ARM	Margin: 3.50 Caps: 2/2/5	
7/1 ARM	Margin: 3.50 Caps: 5/2/5	
Index = 1 Year LIBOR, Floor = Margin		
Qualifying Rate (See also Qualifying Pmt)		
Fixed = Note Rate		
ARM = Greater of Note Rate or Fully Indexed		

50% DTI
• FICO ≥ 620
55% DTI
• Full Doc, Primary Only
• FICO ≥ 680 / LTV ≤ 85%
• 12 Months Reserves
• Residual Income ≥ \$3,500

1 Year Alt Doc <sup>2</sup>
• 1 Year Tax Return
• 1 Year W-2
• 12 Mos Bank Stmt
• FICO ≥ 620
• DTI ≤ 50%
• LTV ≤ 85%

Debt Consolidation <sup>1</sup>
• Primary, Grade A Only
• Max Loan \$1mm
• Max DTI ≤ 50%
• Consumer: 0x60x6mo
• 1 Month Reserves
• See below

Property Type Limits		
Max LTV	OO	NOO
Non-Warr	80%	75%
2-4 Unit	80%	75%
Modular	80%	80%
Rural/Log	80%	N/A

Investment Overlays
Purch & R/T: Matrix LTV less 5%
Cash Out: Matrix LTV less 10%
Full Doc: FICO ≥ 580
Alt Doc: FICO ≥ 620
Loan Amt > \$1mm: FICO ≥ 620
Grade A Only
Min 6 mos reserves (see below)
Standard Tradelines Only
No rural or log homes
No subordinate financing
Prepayment restrictions apply
Guarantor is required (for LLCs)

Other Overlays	
Interest-Only:	FICO ≥ 620, LTV ≤ 85%
	6 Months Reserves
FTHB:	FICO ≥ 580
	6 Months Reserves
Second Homes:	FICO ≥ 580, LTV ≤ 80%
	6 Months Reserves
Non-US Credit:	Qualify at 620 FICO
	12 Months Reserves
Limited Tradelines:	Lesser of actual or 580 FICO
	Not available on Investment

Income	
Full Documentation	2 Years W-2 Income or 2 Years Tax Returns
Alternative Documentation <sup>2</sup> (Must be S/E for 2 yrs)	24 Months Personal Bank Statements (Minimum FICO - 580) 24 Months Business Bank Statements (Minimum FICO - 580) 12 Months Personal or Business Bank Statements 1 Year Documentation (W-2 or Tax Return)

Other	
Occupancy	Primary Residence, Second Homes and Investment Properties
Property Types	SFR, PUD, Townhome, Condominium, 2-4 Unit, Non-Warrantable, Modular, Rural & Log Homes
Cash Out	Maximum Cash Out = \$500,000 Cash Out can be used for reserve requirements and/or to pay off debt for qualifying; Cash out is not allowed for Investment Properties in Texas
Debt Consolidation <sup>1</sup>	Available on Grade A Credit Only; Primary Occupancy Only; LTVs follow Rate/Term LTV limits for loan amounts ≤ \$1mm; Max DTI = 50%; No Non-Occupant Co-Borrower; No Asset Depletion Total monthly debt payments must be lowered by at least 10% and Closing Costs must be recouped within 60 months; Cash to the borrower is the lesser of 2% or \$5,000 Consumer Debt must be no more than 0x60 in past 6 months; Reserves = 1 Month (additional reserves for other loan features not required); CDA required
Residual Income	\$1,500 plus an additional \$150 per dependent is required for Primary and Second Homes
Reserves	Investment & Second Homes Only: Minimum 6 months; 2 months of additional reserves required for each financed property; no limit on the number of properties borrowers may have financed
Qualifying Payment	ALL: use Qualifying Rate for calculating PITIA; Interest-Only: qualify using the fully amortized payment with the Qualifying Rate over the fully amortized term of the loan
Subordinate Financing	Max 90% CLTV (Institutional seconds only); Not allowed on Investment Properties
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien
Assets	Sourced or seasoned for 60 days; Gift Funds allowed - See Guidelines for details
Credit	<u>Standard</u> : 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months; <u>Limited</u> : No minimum tradeline requirements Qualifying FICO: The FICO of the Primary Wage Earner which will be the score used for grading and pricing
Compliance	Escrows required for taxes and insurance • Fully documented ability-to-repay • Compliance with all applicable federal and state regulations No section 32 or state high cost • Total borrower paid points and fees must be less than 5%
Prepayment Penalty	Investment Only: 6 months interest on 80% of the original principal balance (Standard Term = 3 years); Not allowed in IA*, IL*, KS, MD, MI, MN, MS, ND, NJ*, NM, OH, PA and RI *Prepay Penalty allowed for loans closed in the name of corporations or LLCs in IA, IL, and NJ
Seller Concessions	Primary and Second Homes: 9% for LTV ≤ 75%, 6% for LTV 75.01% - 90%, 3% for LTV > 90%; up to 2% for all Investment Properties
Ineligible States	AK, NY, WV

