



Doc Type		12/24 Month Full Doc, 12/24 Month Bank Statement, and 12 Month 1099 Only				12/24 Month P&L Only, Asset Utilization, WVOE			
Loan Amount	Min FICO	Primary		Second Home/Investment		Primary		Second Home/Investment	
		Purchase/RT	Cash Out	Purchase/RT	Cash Out	Purchase/RT	Cash Out	Purchase/RT	Cash Out
\$150,000 - \$1,500,000	720	90%	80%	85%	75%	80%	70%	80%	70%
	700	90%	80%	85%	75%	80%	70%	80%	70%
	680	85%	75%	85%	75%	80%	70%	75%	65%
	660	80%	75%	80%	75%	75%	65%	70%	65%
\$1,500,001 - \$2,000,000	720	85%	80%	80%	70%	80%	70%	75%	70%
	700	85%	75%	80%	70%	75%	70%	75%	65%
	680	80%	70%	75%	65%	75%	65%	75%	60%
	660	75%	65%	70%	60%	N/A	N/A	N/A	N/A
\$2,000,001 - \$2,500,000	720	80%	75%	75%	70%	75%	65%	75%	65%
	700	75%	75%	75%	65%	75%	65%	70%	60%
	660	70%	65%	70%	65%	N/A	N/A	N/A	N/A
\$2,500,001 - \$3,000,000	700	75%	70%	75%	70%	N/A	N/A	N/A	N/A
	680	70%	65%	65%	65%	N/A	N/A	N/A	N/A
\$3,000,001 - \$3,500,000	700	70%	65%	70%	N/A	N/A	N/A	N/A	N/A
\$3,500,001 - \$4,000,000	720	70%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Full Doc, Bank Statement, 1099 Only, P&L Only, AU, and WVOE

Credit Requirement	<ul style="list-style-type: none"> 0x30x12 Housing History: <ul style="list-style-type: none"> No Restriction 1x30x12 Housing History: <ul style="list-style-type: none"> Max 80% LTV Purchase/RT, 75% LTV Cash Out, \$2.5mm LAMT 36 Months from Housing Event 	Reserves	<ul style="list-style-type: none"> LTV ≤ 65% and Loan Amount ≤ \$1.5mm: No reserves required LTV 65.01% - 80.00% and Loan Amount ≤ \$1.5mm: 3 months Loan Amount > \$1.5mm or LTV > 80%: 6 months Loan Amount > \$2.5mm: 9 months Loan Amount > \$3.0mm: 12 months
Eligible Borrowers	<ul style="list-style-type: none"> US Citizen Permanent Resident Alien Non-Permanent Resident Alien (BS/FD Only, Max 80% LTV) 	CT, FL, IL, NJ, and NY	<ul style="list-style-type: none"> Max 85% LTV Purchase / 75% LTV Refinance Max Loan Amount: \$2,000,000
Property Type Overlays	<ul style="list-style-type: none"> 2-4 Units: Max 85% LTV Non-Warrantable Condo: Max 80% LTV Rural: Max 80% LTV Purchase; 75% LTV Refi; \$1.5mm LAMT Condotel: Max 75% LTV; Max \$2.0mm LAMT 	Max DTI	<ul style="list-style-type: none"> 50% Max Loan Amount > \$3,500,000: 43% Max P&L Only (including 2BS) & AU (including Supplemental): 43% Max
Max Cash In Hand	<ul style="list-style-type: none"> Unlimited 	Interest Only	<ul style="list-style-type: none"> Permitted, no restriction



CREDIT

<p>Housing History</p>	<ul style="list-style-type: none"> • 0x30x12 Housing History: <ul style="list-style-type: none"> ○ No restriction • 1x30x12 Housing History: <ul style="list-style-type: none"> ○ Max 80% LTV Purchase/Rate and Term ○ Max 75% LTV Refinance ○ Max \$2.5mm LAMT • Borrowers living rent-free or with incomplete housing history: <ul style="list-style-type: none"> ○ Max LTV: 80% ○ Max DTI: 43% ○ Any available portion of a 12-month housing history must be paid as agreed.
<p>Housing Event Seasoning</p>	<ul style="list-style-type: none"> • ≥ 36 months
<p>Minimum Credit Score</p>	<ul style="list-style-type: none"> • All borrowers must have a 640 FICO or greater.

BORROWERS

<p>Eligible Borrowers</p>	<ul style="list-style-type: none"> • US Citizen • Permanent Resident Alien • Non-Permanent Resident Alien (including Asylum and DACA) <ul style="list-style-type: none"> ○ Max LTV: 80% ○ Doc Type: 12/24BS or 12/24FD Only
<p>Ineligible Borrowers</p>	<ul style="list-style-type: none"> • ITIN • Foreign National • Any form of a trust • Non-Occupant Co-Borrowers
<p>Financed Properties Limitation</p>	<ul style="list-style-type: none"> • No limit
<p>Residual Income Requirement</p>	<ul style="list-style-type: none"> • Minimum: \$2,500 <ul style="list-style-type: none"> ○ Additional \$250 for the first dependent, \$125 for each additional dependent • Exemption: Not calculated for investment transactions
<p>Payment Shock</p>	<ul style="list-style-type: none"> • Primary Residence (LTV ≤ 75%): Payment shock not calculated. • Primary Residence (LTV > 75%): 300% max • Exemptions: Payment shock not considered for borrowers who own their home free and clear, live rent-free, or for second homes and investment properties.



PROPERTY	
Cash Out Listing Seasoning	<ul style="list-style-type: none"> • Six (6) months • Investment Property: Less than 6 months permitted at max 70% LTV with a minimum three (3) year prepayment penalty.
Declining Markets	<ul style="list-style-type: none"> • Max LTV: 10% lower than the standard matrix eligibility (property type and state overlays included). • Max Loan Amount: \$2.0mm
Eligible Property Types	<ul style="list-style-type: none"> • SFR • PUD • Townhomes • 2-4 Units • Warrantable Condo • Non-Warrantable Condo • Modular Homes • Condotel • Rural
Ineligible Property Types	<ul style="list-style-type: none"> • Properties greater than 10 acres • Agricultural Zoning • Manufactured Homes • 2-4 Units with ADU(s) • Unique Properties • Leasehold Properties
Non-Arm’s Length Transactions	<ul style="list-style-type: none"> • Permitted • Max 80% LTV
INCOME	
Full Documentation	
Wage Earners	<ul style="list-style-type: none"> • Paystubs, W-2, tax transcripts or IRS Form 4506-C • Verbal VOE required within 30 days of Note Date
Self Employed	<ul style="list-style-type: none"> • 1 or 2 Years of Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C, 2 months of most recent bank statements • Verbal VOE required within 10 days of the Note Date

Bank Statements

1 Year Self-Employed History	<ul style="list-style-type: none"> • Max LTV: 80% • Borrower must be employed in the same line of work and same industry for at least two (2) years. 																
Personal Bank Statements	<ul style="list-style-type: none"> • Gross Qualifying Income – Calculated as the 12- or 24-month average of total eligible deposits, excluding inconsistent or large deposits. 100% of eligible deposits from borrower’s business may be used for income. • Business Bank Statements – Two (2) months required. <ul style="list-style-type: none"> ○ Must show activity supporting business operations and transfers to the personal account used for qualification. 																
Fixed Expense Ratio	<ul style="list-style-type: none"> • Gross Qualifying Income – Calculated as the 12- or 24-month average of total deposits, excluding inconsistent or large deposits, multiplied by 100% less the fixed expense ratio from the table below. <table border="1" data-bbox="436 565 1276 743"> <thead> <tr> <th colspan="4">Fixed Expense Ratio</th> </tr> <tr> <th>Number of Employees/Contractors</th> <th>0</th> <th>1-9</th> <th>10+</th> </tr> </thead> <tbody> <tr> <td>Service Business</td> <td>20%</td> <td>40%</td> <td>50%</td> </tr> <tr> <td>Capital Intensive Business</td> <td>60%</td> <td>70%</td> <td>80%</td> </tr> </tbody> </table>	Fixed Expense Ratio				Number of Employees/Contractors	0	1-9	10+	Service Business	20%	40%	50%	Capital Intensive Business	60%	70%	80%
Fixed Expense Ratio																	
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Expense Factor Letter	<ul style="list-style-type: none"> • Gross Qualifying Income – Calculated as the 12- or 24-month average of eligible deposits, multiplied by 100% less the expense factor provided by the qualified tax preparer (min 10%). • Preparer Credentials: Must be prepared by a CPA, EA, or CTEC only. PTINs are not permitted. 																
Profit and Loss with Bank Statements	<ul style="list-style-type: none"> • Gross Qualifying Income – Calculated as the net income on the P&L, divided by 12 or 24 months. • Preparer Credentials: Must be prepared by a CPA, EA, or CTEC only. PTINs are not permitted. • Variance Requirements: Sales/revenue on the P&L must be supported by eligible deposits from the bank statements. Eligible deposits must be no less than 80% (or higher) than the revenue reflected on P&L 																

1099 Only

1-Year 1099	<ul style="list-style-type: none"> • Gross Qualifying Income – Calculated as the 12-month average of the 1099, multiplied by 100% less one of the expense factor methods: <ul style="list-style-type: none"> ○ 90% Net Margin (10% expense factor), or ○ Expense Factor Letter (Prepared by a CPA, EA, or CTEC) • Documentation Requirements: 1-year of 1099s or 1099 transcript(s). If 1099 is greater than 120 days old, documentation must be provided showing less than 10% variance from average income from 1099. If variance is greater than 10%, lower average income should be used. • Employment History: Min. 2 years of self-employment; less than 2 years acceptable if borrower transitioned from W-2 to 1099 in same field.
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Profit and Loss Only

Profit and Loss Only (No BS)	<ul style="list-style-type: none"> • Gross Qualifying Income – Calculated as the net income on the P&L, divided by 12 or 24 months. Business bank statements not required. • Preparer Credentials: Must be prepared by a CPA, EA, or CTEC only. PTINs are not permitted. Preparer must provide a signed statement confirming they have reviewed or filed the borrower’s most recent tax return. • CTEC-Prepared P&L: Max 75% LTV; max \$1,500,000 • Max DTI: 43%
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Asset Utilization	
Asset Utilization (60 Month)	<ul style="list-style-type: none"> • Gross Qualifying Income – Qualifying income is based upon total eligible assets, less down payment, less closing costs and required reserves, then divided by 60. • Minimum Required Assets: Lesser of a) \$1,000,000 and b) 150% of the loan amount • Max DTI: 43%
Written Verification of Employment	
WVOE	<ul style="list-style-type: none"> • Fannie Mae Form 1005 Required. • No Paystubs, W-2s, Tax Returns, or 4506-T required • Primary Residence only • LTV > 70%: Two (2) months bank statements required showing deposits supporting at least 65% of reported gross wages • LTV ≤ 70%: No supporting documentation required.
Supplemental Income	
Asset Utilization	<ul style="list-style-type: none"> • Permitted • Gross Qualifying Income – Qualifying income is based upon total eligible assets, less down payment, less closing costs and required reserves, then divided by 84. • Max DTI: 43%
ASSETS	
Gift Funds	<ul style="list-style-type: none"> • Eligible; min 5% borrower contribution for OO transactions, min 10% contribution for NOO transactions. • For primary and second home transactions, 100% gift funds allowed with max LTV of 80%, subject to meeting reserve requirements.
Gift of Equity	<ul style="list-style-type: none"> • Primary Residence: Up to 75% LTV allowed with no borrower contribution. • Second Home: Min 5% borrower contribution required. • Investment Properties: Min 10% borrower contribution required
Reserves	<ul style="list-style-type: none"> • LTV ≤ 65%: No reserves required • LTV 65.01% – 80.00%: Three (3) months • LTV > 80%: Six (6) months • LAMT > \$1.5mm: Six (6) months • LAMT > \$2.5mm: Nine (9) months • LAMT > \$3.0mm: Twelve (12) months <p>Cash out may be used for reserves. If multiple categories fit, only the highest applicable reserve category applies. Reserves based on PITIA (or ITIA for loans with an interest-only feature).</p>



MISCELLANEOUS

Eligible States	<ul style="list-style-type: none"> • See Licensing Map Here
Escrow/Impound Waiver	<ul style="list-style-type: none"> • Eligible; refer to underwriting guide for criteria
Interest Only	<ul style="list-style-type: none"> • Permitted, no restrictions
Lien Position	<ul style="list-style-type: none"> • First
Minimum Loan Amount	<ul style="list-style-type: none"> • All states except Illinois: \$150,000 • Illinois: \$250,000
Power of Attorney	<ul style="list-style-type: none"> • Permitted
Products Available	<ul style="list-style-type: none"> • 30-Year Fixed • 40-Year Fixed • 40-Year Fixed – Interest Only (120 months IO)
Seller Concessions Limits	<p>Primary and Second Homes</p> <ul style="list-style-type: none"> • LTV > 85%: 2% (<i>may be used for non-recurring closing costs <u>only</u></i>) • LTV 75.01% - 85.00%: 6% • LTV ≤ 75%: 8% <p>Investment Properties</p> <ul style="list-style-type: none"> • LTV > 75%: 4% • LTV ≤ 75%: 6%
Subordinate Financing	<ul style="list-style-type: none"> • Permitted • Max LTV = Max CLTV
Vesting	<p>Ownership must be fee simple.</p> <p>Acceptable Forms of Vesting</p> <ul style="list-style-type: none"> • Individuals • Joint Tenants • Tenants in Common • Limited Liability Companies (LLCs), Partnerships, Corporations, and S Corporations