

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	720	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% <u>and</u> Loan Amount ≤ \$1.5mm: No reserves required LTV 65.01% - 80.00% <u>and</u> Loan Amount ≤ \$1.5mm: 3 months Loan Amount > \$1.5mm <u>or</u> 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, and NJ	<ul style="list-style-type: none"> Max 85% LTV Purchase / 70% 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 Purchase; 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

Housing History

- **0x30x12 Housing History:**
 - No restriction
- **1x30x12 Housing History:**
 - Max 80% LTV Purchase/Rate and Term
 - Max 75% LTV Refinance
 - Max \$2.5mm LAMT
- **Borrowers living rent-free or with incomplete housing history:**
 - Max LTV: **80%**
 - Max DTI: **43%**
 - Any available portion of a 12-month housing history must be paid as agreed.

Housing Event Seasoning

- **≥ 36 months**

Minimum Credit Score

- All borrowers must have a 660 FICO or greater.

BORROWERS

Eligible Borrowers

- US Citizen
- Permanent Resident Alien
- Non-Permanent Resident Alien (including Asylum and DACA)
 - **Max LTV:** 80%
 - **Doc Type:** 12/24BS or 12/24FD Only

Ineligible Borrowers

- ITIN
- Foreign National
- Any form of a trust
- Non-Occupant Co-Borrowers

Financed Properties Limitation

- No limit

Residual Income Requirement

- **Minimum:** \$2,500
 - Additional \$250 for the first dependent, \$125 for each additional dependent
- **Exemption:** Not calculated for investment transactions

Payment Shock

- **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) monthsInvestment 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">SFRPUDTownhomes2-4 UnitsWarrantable CondoNon-Warrantable CondoModular HomesCondotelRural
Ineligible Property Types	<ul style="list-style-type: none">Properties greater than 10 acresAgricultural ZoningManufactured Homes2-4 Units with ADU(s)Unique PropertiesLeasehold Properties
Non-Arm's Length Transactions	<ul style="list-style-type: none">PermittedMax 80% LTV
INCOME	
Full Documentation	
Wage Earners	<ul style="list-style-type: none">Paystubs, W-2, tax transcripts or IRS Form 4506-CVerbal 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 statementsVerbal VOE required within 10 days of the Note Date

Bank Statements

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><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><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></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 total deposits, excluding inconsistent or large deposits, multiplied by 100% less the expense factor provided by the qualified tax preparer.• Preparer Credentials: Must be prepared by a Certified Public Accountant (CPA), Enrolled Agent (EA), or CTEC. PTIN is 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 Certified Public Accountant (CPA), Enrolled Agent (EA), or CTEC. PTIN is not permitted.• Variance Requirements: Sales/revenue on the P&L must be supported by total deposits from the bank statements, minus any inconsistent deposits. Total deposits, minus any excluded 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 with 2 Months 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. Two (2) months business bank statements required. Preparer Credentials: Must be prepared by a Certified Public Accountant (CPA), Enrolled Agent (EA), or CTEC. PTINs are not permitted. Preparer must provide a signed statement confirming they have reviewed or filed the borrower's most recent tax return. Variance Requirements: Sales/revenue on the P&L must be supported by total deposits from the bank statements, minus any inconsistent deposits. Average eligible monthly deposits must be no less than 80% (or higher) than the average revenue reflected on P&L. Additional bank statements may be provided until variance threshold is met. Max DTI: 43%
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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 Certified Public Accountant (CPA), Enrolled Agent (EA), or CTEC. 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 70% LTV; max \$1,500,000 • Max DTI: 43%
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 > 65%: Two (2) months bank statements required showing deposits supporting at least 65% of reported gross wages • LTV ≤ 65%: 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.
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• Texas Cash Out: Non-owner occupied (business purpose) ONLY. Owner-occupied cash out not permitted
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>non-recurring closing costs only</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