

Select Prime – Alt Doc

Maximum LTV/CLTVs		Bank Statements and 1099 - Primary Residence		
Credit Score	Loan Amount	Purchase/Rate and Term	Debt Consolidation	Cash-Out Refinance
760	<=1,500,000	85	80	80
	1,500,001 – 2,000,000	85 85	80	80
	2,000,001 – 2,500,000	75	70	70
740	<= \$1,000,000	85	80	80
	<=1,500,000	85 85	80	80
	1,500,001 – 2,000,000	80 80	75	75
	2,000,001 – 2,500,000	75	70	70
720	<=1,500,000	85	80	80
	1,500,001 – 2,000,000	80	80	80
	2,000,001 – 2,500,000	75	70	70
700	<=1,500,000	85	80	80
	1,500,001 – 2,000,000	80	75	75
	2,000,001 – 2,500,000	75	70	65
680	<=1,500,000	80	75	75
	1,500,001 – 2,000,000	75	70	70
	2,000,001 – 2,500,000	65	60	60
660	<=1,000,000	80	75	75
	1,000,001 – 1,500,000	75	70	70
	1,500,001 – 2,500,000	60	55	55
640	<= 1,000,000	75	70	70
	1,000,001 – 1,500,000	65	60	60
	1,500,001 – 2,000,000	55	50	50
Occupancy Restrictions - 2nd Home		Occupancy Restrictions – Investment (Business Purpose)		
760+	<i>Purchase or Rate & Term</i> Lesser of LTV in above matrix or 85%	760+	<i>Purchase or Rate & Term</i> Lesser of LTV in above matrix or 85%	
700-759	<i>Purchase or Rate & Term</i> Lesser of LTV in above matrix or 80%	700-759	<i>Purchase or Rate & Term</i> Lesser of LTV in above matrix or 80%	
700+	<i>Cash Out</i> Lesser of LTV in above matrix or 80%	700+	<i>Cash Out</i> Lesser of LTV in above matrix or 80%	
640-699	<i>Purchase or Rate & Term</i> Reduce OO LTV by 5% to a Max of 80%	640-699	<i>Purchase or Rate & Term</i> Reduce NOO LTV by 5% to a Max of 80%	
	<i>Cash Out</i> Reduce OO LTV by 5%		<i>Cash Out</i> Reduce NOO LTV by 5%	
Housing History and Housing Event Seasoning Restrictions				
Past due balloon: considered a delinquency (1x30) not a housing event, only within 180 days of maturity. <i>Ch.13: use filing date if discharged; use dismissal date if dismissed.</i>				
Housing History	1x30x12	2 x 30 x 12	0x60x12	0x90x12 O/O Only
BK/FC/SS/DIL/Mod:	>=48 Mo	>= 36 Mo	>= 24 Mo	>= 12 Mo
Max LTV/CLTV:	85	80	70	65
Max LTV Cash-out	80	75	70	NA
Max Loan Amt:	\$2,500,000	\$2,000,000	2,000,000	\$2,000,000

State Restrictions	
<p>Not permitted for OO and SH in IL counties: Cook, Kane, Peoria and Will – Does not apply to Correspondents. Non-Permanent Resident Aliens from China are ineligible in the State of Florida. With the exception of Short Term Rentals are ineligible in New York City. NY: No 5/6 ARMs on OO loans below the FNMA loan limits. NY: Subprime permitted on Fixed rate only. See guidelines for full details. NY High Cost not allowed. LTVs must be reduced by 5% for loans in MS Non-licensed States: HI</p>	
General Requirements	
Product Type	•40 Yr Fixed, 40-yr Fixed I/O = Max 80% LTV

Product Type	<ul style="list-style-type: none"> • 30-Yr Fixed, 15-Yr Fixed • 5/6 ARM, 5/6 ARM 30-yr I/O, 5/6 ARM 40-yr I/O • ARMs not available in MS 		
Interest Only	<ul style="list-style-type: none"> • Min Credit Score: 680•Max LTV: 80% 	<ul style="list-style-type: none"> •10 year I/O period •Must qualify off fully amortizing payment 	
Loan Amounts	<ul style="list-style-type: none"> • Min: \$125,000 exceptions 	<ul style="list-style-type: none"> • Maximum Loan Size \$2.5M 	
Occupancy	<ul style="list-style-type: none"> • Primary, Second Home, Investment Property (Business Purpose) 		
Loan Purpose	<ul style="list-style-type: none"> • Purchase, Rate/Term, and Cash Out 		
Cash Out	<ul style="list-style-type: none"> • Minimum of 6 (six) months seasoning from most recent transaction • Condos – Max 75% LTV <ul style="list-style-type: none"> ◦ Max cash-out (defined as cash in hand): • LTV <= 60% = Unlimited • LTV > 60% = Max \$750K or unlimited with 18 months reserves exclusive of cash back; or • If Express (DU) approved, may waive the 18 months reserves for loans < \$2M. 		
Debt Consolidation	<ul style="list-style-type: none"> •Primary Residence only •Max \$5,000 cash in hand •Minimum 3 months reserves after closing (no additional reserves required for other loan features) •Non-mtg debt being paid max \$250K 	<ul style="list-style-type: none"> •Non-occupant co-borrowers not permitted •Consumer debt max 0x60x6 •Total debt savings 10% or greater •Recoup closing costs in 60 months 	
2-1 Temporary Buydown Purchase Only Option	<ul style="list-style-type: none"> •Eligible w/Select Prime Full & Alt Doc (Bank Statement Only); •Minimum Score 680 •Max LTV 80% •Max DTI 50%. 	<ul style="list-style-type: none"> • Qualify off Full Payment (Note Rate) • O/O, 2nd Home and Investment Properties. • Available on 30-year Fixed Term Only • Not eligible for Mixed Use, or FN. • Seller or Builder Funded Only 	<ul style="list-style-type: none"> •Lender Paid or 3rd Party Buydowns (Excluding Real Estate Agents, Brokerages, Borrower, or relatives) are permitted for Correspondent Clients only. •See Guides for Max Interested Party
Appraisals	<ul style="list-style-type: none"> •FNMA Form 1004, 1025, 1073 with interior/exterior inspection. •2nd Appraisal required for loans > \$2,000,000. •Appraisal Review Product to be ordered on all loans with an SSR over 2.5 with the exception of those with a full second appraisal. 		
Property Type	<ul style="list-style-type: none"> •Single Family, Attached, Detached, Condominiums, 2-4 Units 		
Condo and 2-4 Unit LTV Limits	<ul style="list-style-type: none"> •Warrantable Condos 85% LTV, 2-4 Units Max 80%, Non-Warrantable Condominium: Max LTV/CLTV 85%. •Cash out on a condo – Max 75%. 		
Declining Markets	<ul style="list-style-type: none"> •Declining Markets •Declining markets, as identified by the appraiser, require a 5% LTV reduction off Matrix Max LTV. 		
Rural Property	<ul style="list-style-type: none"> •Rural properties (as defined in the Guides) permitted up to 80% LTV; Max 20 acres 		
Income Requirements			
Personal Bank Statements	<ul style="list-style-type: none"> •24 or 12-months of Personal and 2-months of business bank statements. •Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements. •The business bank statements must reflect business activity and transfers to the personal account. •Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment) 		
Business Bank Statements	<ul style="list-style-type: none"> •24 or 12-months of business bank statements. Qualifying income is determined by ONE of the following analysis methods: <ul style="list-style-type: none"> ◦ Fixed Expense Ratio (50%); OR ◦ Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%; OR ◦ 3rd party prepared Profit & Loss Statement (CPA or EA) •Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment) 		
P&L and 2 Months Bank Statements	<ul style="list-style-type: none"> •24 or 12-month P&L, prepared by CPA or EA or PTIN licensed Tax Preparer •Minimum of 2-months business bank statements •Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history (see below for options with a minimum of one year self-employment) •Minimum 760 score required for > 85% LTV to Max \$1.5M 		
P&L Only	<ul style="list-style-type: none"> •Min 700 Score •Max Loan Amount \$1,500,000 •700+ Score: Max LTV i the lesser of the LTV on the Matrix or 80% Owner Occupied; 75% NOO and 2nd Home •680-699 Score: Max LTV is the lesser of the LTV On the Matrix or 75% Owner Occupied; 70% NOO and 2nd Home •24- or 12-month P&L; prepared by CPA or EA. CPA must also attest to having prepared the borrower's most recent tax returns. •Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history. •Not permitted with Express or for licensed professionals with a business in existence for one year. 		
IRS Form 1099	<ul style="list-style-type: none"> •2-Years or 1-Year 1099 •> 85% LTV up to \$1.5M 	<ul style="list-style-type: none"> •Fixed Expense Ratio of 10% 	<ul style="list-style-type: none"> •YTD Documentation to support continued receipt of income from same source
WVOE Tip Income	<ul style="list-style-type: none"> Sample target borrower: restaurant server, bartender, cabdriver, etc. • Must have a history of receipt of at least one full year without gaps in employment. • WVOE with 2+ Months Bank Statement with 680 score to 80% LTV • May not be employed by a family business. 		

Asset Utilization	<ul style="list-style-type: none"> •Eligible assets divided by 60 to determine a monthly income stream; or if <=60% DTI without using assets for income, divide eligible assets by 36 months to determine qualifying income. •Purchase/Rate and Term: follow LTV limits in matrix for OO up to 85% LTV and Occupancy Restrictions for SH and NOO. <ul style="list-style-type: none"> ◦ OO up to 90% LTV permitted when matrix allows provided the DTI is <= 60% without using assets for income. •Cash Out: follow LTV limits in the matrix for OO and Occupancy Restrictions for SH and NOO. •Maximum loan amount \$3,000,000 		
Less than 2 years Self Employment options	<ul style="list-style-type: none"> •OPTION 1: S/E 18+ months with 3+yrs prior experience in the same line of business. •OPTION 2: Licensed Professional (medical, legal, accounting, etc.) with 12+ months business existence provided 3+yrs prior experience in the same line of work or evidence of formal education in related field. <p>For both Option 1 and Option 2, the following requirements apply:</p> <ul style="list-style-type: none"> •Minimum Score: 700 •Max LTV: 80% OO / 75% 2nd Home / 70% NOO •Not available for P&L only documentation type •Not available for Select Prime Express 		
Credit Score	<ul style="list-style-type: none"> •Middle of 3 scores or lower of 2 for Primary Income Earner. •Additional borrowers must have a min score of 540. 	DTI Requirements	<ul style="list-style-type: none"> •Max 50% •40 Yr Fixed Must Qualify as a 30-Yr at <=55% DTI.
Tradelines	<ul style="list-style-type: none"> •Primary wage earner has 3 scores;or •Min 2 open & reporting 24-months; or •3 open and reporting 12-months; or •24-months mortgage rating reporting on credit 	Residual OO and 2nd Homes only	<ul style="list-style-type: none"> •Defined as Gross Monthly Income – Total Monthly Obligations. •Requirement based on # in household. •Applies to HPML loans or when the DTI > 43% on OO and 2nd homes only: •24-months mortgage rating reporting on credit only • 1 person = \$1,500 • 2 persons = \$2,500 •Add \$150 per additional household member.
Assets	<ul style="list-style-type: none"> •30-days asset verification required •Deposits > 50% of gross income or average deposits on a bank statement loan must be documented on purchases. 	Reserves	<p>LTVs > 85%:</p> <ul style="list-style-type: none"> •760 Score & Loan Amt <= \$1.5M: 6 months PITIA •760 Score & Loan Amt > \$1.5M: 12 months PITIA •12- or 24-Months Bank Statements Only: 740 Score 12 months PITIA
Gift Funds	<p>Gift funds permitted provided borrower meets minimum contribution:</p> <ul style="list-style-type: none"> •5% primary •10% second home/investment •Gift funds not permitted to be used towards reserves. 		<p>LTVs <= 85%:</p> <ul style="list-style-type: none"> •<= \$500K and <= 80% LTV = 3 months PITIA •> 80% LTV to 85% or > \$500K to <= \$1.5M: 6 months PITIA •Loan Amount > \$1.5M: 9 months PITIA •Loan Amount > 2.5M: 12 months •Debt Consolidation: 3 months •Cash out may be used to satisfy requirement.
FTHB	<ul style="list-style-type: none"> •Permitted to a maximum loan size of \$1.5m on O/O,2nd Home and NOO. 	Document Age	90-days
Prepayment Penalty	<ul style="list-style-type: none"> • Required on Investment Properties when permitted. • See PPP Requirements Matrix • No PPP – Correspondent Only 		
Select Prime Express Alt Doc			
Underwriting Method	<ul style="list-style-type: none"> •DU Approve Eligible and Approve/Ineligible •Ineligibility only due to loan size or feature, such as IO 	Income	<ul style="list-style-type: none"> •Follow program documentation requirements. •Follow program DTI restrictions. •P&L Only not permitted. •One-Year Self Employed professionals not permitted.
Credit	<ul style="list-style-type: none"> •Follow AUS with the exception of housing history must be 0x30x12 and no extenuating circumstances for BK/Housing event. 	Residual OO and 2nd Homes only	<ul style="list-style-type: none"> •Defined as Gross Monthly Income – Total Monthly Obligations. •Requirement based on # in household. •Applies to HPML loans or when the DTI > 43% on OO and 2nd homes only: •1 person = \$1,500 •2 persons = \$2,500 •Add \$150 per additional household member.
Loans with a Non-Occupant Co-Borrower	<ul style="list-style-type: none"> • Ratios for the Occupying Borrower and Non-Occupant Co-Borrower may be blended provided FNMA requirements are met. 		
FTHB	<ul style="list-style-type: none"> •Permitted to a maximum loan size of \$1.5m on O/O, 2nd Home, and NOO. 		
Eligibility	<ul style="list-style-type: none"> •740-759 Score > 85% not eligible; follow standard program requirements. 	Reserves	<p>Loans with LTVs > 85%:</p> <ul style="list-style-type: none"> •Max \$1.5M & 760+ Score: 6 months PITIA <p>LTV <= 85%:</p> <ul style="list-style-type: none"> •Loans < = \$2,000,000 follow DU Findings •Loans > \$2,000,000 must meet product reserve requirements.
Document Age	<ul style="list-style-type: none"> • 90-days 		
Appraisals / Property	<ul style="list-style-type: none"> •Appraisal Waiver not allowed. •Reduced Condo Reviews not allowed 		<ul style="list-style-type: none"> •2 appraisals required for loan amounts > \$2,000,000.