

# Alt Doc Credit

**Program Code:** Alt Credit -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			2 <sup>nd</sup> Home/Investment		
		Purchase	R/T	Cash-Out	Purchase	R/T	Cash-Out
700+	≤ 1.5M	85%	80%	80%	80%	75%	75%
	≤ 2M	80%	75%	75%	80%	75%	75%
	≤ 2.5M	70%	65%	65%	70%	65%	65%
680-699	≤ 1M	85%	80%	75%	80%	75%	75%
	≤ 1.5M	80%	75%	75%	80%	75%	75%
	≤ 2M	80%	70%	70%	80%	70%	70%
	≤ 2.5M	70%	65%	65%	70%	65%	65%
660-679	≤ 1M	80%	80%	75%	80%	75%	75%
	≤ 1.5M	80%	75%	75%	80%	75%	75%
	≤ 2M	70%	65%	65%	70%	65%	65%
640-659	≤ 1M	80%	75%	70%	80%	75%	70%
	≤ 1.5M	70%	NA	NA	70%	NA	NA
	≤ 2M	65%	NA	NA	65%	NA	NA
620-639	≤ 1M	70%	70%	NA	70%	70%	NA
<ul style="list-style-type: none"> <li>▪ 2-4 Units &amp; Condo               <ul style="list-style-type: none"> <li>○ Purchase Max LTV/CLTV: 80%</li> <li>○ Refinance LTV/CLTV: 75%</li> </ul> </li> <li>▪ 10+ acres Max LTV/CLTV: 80</li> <li>▪ First Time Home Buyer without a documented 12-month rental history Max LTV/CLTV: 80% (Max DTI 43%)</li> <li>▪ Interest Only Min FICO: 660</li> <li>▪ Maximum LTV/CLTV is limited to 80% for Purchases and 75% for all refinances and the max 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> </ul>							
Housing History Restriction	Housing History	1x30x12	0x60x12	0x90x12			
	Max LTV/CLTV (Pur)	85%	80%	70%			
	Max LTV/CLTV (Refi)	80%	75%	NA			
	Max Loan Amt	\$2.5M	\$1.5M	\$1M			
Housing Event Seasoning Restriction	BK/FC/SS/DIL/Mod	≥ 36 Mo	≥ 24 Mo	≥ 12 Mo			
	Max LTV/CLTV (Pur)	85%	80%	70%			
	Max LTV/CLTV (Refi)	80%	75%	NA			
	Max Loan Amt	\$2.5M	\$1.5M	\$1M			

Income Requirement					
<b>Self Employed Income</b>	<ul style="list-style-type: none"> <li>▪ <b>Personal Bank Statements</b> <ul style="list-style-type: none"> <li>○ 12-months of Personal and 2-months of business bank statements</li> <li>○ Qualifying income is determined by the total eligible deposits from the 12-months of personal statements divided by the number of statements; or the income disclosed on the initial 1003</li> <li>○ The business bank statements must reflect business activity and transfers to the personal account</li> </ul> </li>   <li>▪ <b>Business Bank Statements</b> <ul style="list-style-type: none"> <li>○ 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods:               <ul style="list-style-type: none"> <li>▪ Fixed Expense Ratio (50%) industry eligibility based upon the completion of the Business Narrative Form in the Seller Guide.</li> <li>▪ <b>OR</b> Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%</li> <li>▪ <b>OR</b> P&amp;L statement prepared by 3rd party (CPA or EA): No expense ratio deduction. P&amp;L must support business bank statement.</li> </ul> </li> </ul> </li>   <li>▪ <b>IRS Form 1099</b> <ul style="list-style-type: none"> <li>○ 1-year 1099</li> <li>○ Fixed Expense Ratio of 10%</li> <li>○ YTD Documentation to support continued receipt of income from same source</li> </ul> </li> </ul>				
General Requirements					
<b>DTI</b>	<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>				
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>▪ Primary</li> <li>▪ Second Home</li> <li>▪ Investment</li> </ul>				
<b>Product Type</b>	<b>Product</b>	<b>Term</b>	<b>Amortization Term</b>	<b>I/O Term</b>	<b>Qualifying Rate</b>
	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	
	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	

<b>Interest Only</b>	<ul style="list-style-type: none"> <li>▪ Min Credit Score: 660</li> <li>▪ Max LTV: 90%</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>▪ Purchase</li> <li>▪ Rate/Term</li> <li>▪ Cash-Out</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>▪ Min: \$150,000</li> <li>▪ Max: \$2,500,000</li> </ul>
<b>Cash-Out</b>	<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> <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> </li> <li>▪ 2-4 Units &amp; Condo Max LTV/CLTV: Cash-out: 75%</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ 2-4 Units</li> <li>▪ Condo               <ul style="list-style-type: none"> <li>○ Max LTV/CLTV: Purchase &amp; R/T 80%, Cash-Out 75%</li> </ul> </li> </ul>
<b>Acreage</b>	<ul style="list-style-type: none"> <li>▪ Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80%.</li> </ul>
<b>Rural Property</b>	<ul style="list-style-type: none"> <li>▪ Not eligible</li> </ul>
<b>State/CBSA Restrictions</b>	<ul style="list-style-type: none"> <li>▪ Maximum LTV/CLTV is limited to 80% for Purchases and 75% for all refinances and the max 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>	<b>Housing History</b>	<b>1x30x12</b>	<b>0x60x12</b>	<b>0x90x12</b>
	Max LTV/CLTV (Pur)	85%	80%	70%
	Max LTV/CLTV (Refi)	80%	75%	NA
	Max Loan Amt	\$2.5M	\$1.5M	\$1M
<b>Housing Event Seasoning</b>	<b>BK/FC/SS/DIL/Mod</b>	<b>≥ 36 Mo</b>	<b>≥ 24 Mo</b>	<b>≥ 12 Mo</b>
	Max LTV/CLTV (Pur)	85%	80%	70%
	Max LTV/CLTV (Refi)	80%	75%	NA
	Max Loan Amt	\$2.5M	\$1.5M	\$1M
<b>Notice of Default</b>	<ul style="list-style-type: none"> <li>Notice of Default will be considered 1x90x12 under housing history restrictions.</li> </ul>			
<b>Forbearance, Modification, and Deferrals</b>	<ul style="list-style-type: none"> <li>Forbearance and Deferrals are considered under housing payment history.</li> <li>Greater than 12 months from note date: 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 and having a 0x30x12 housing history are allowed.</li> <li>Within 12 months of note date: Forbearance, loan modification, or deferrals (including COVID-19 related events) completed or reinstated within 12 months of the note date of the subject transaction will be treated as a 0x90x12 and not eligible for this program.</li> </ul>			
<b>Reserves</b>	<ul style="list-style-type: none"> <li>LTV &lt; 80%: 3-months of PITIA</li> <li>LTV ≥ 80%: 6-months of PITIA</li> <li>Cash out may be used to satisfy requirement</li> </ul>			
<b>Assets Requirements</b>	<ul style="list-style-type: none"> <li>Min of 30-days asset verification required (Any large deposit must be sourced)</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% and Max LTV/CLTV 80%</li> </ul>			
<b>Interested Party Contributions</b>	<ul style="list-style-type: none"> <li>Primary and Second Home</li> <li>Maximum contribution:               <ul style="list-style-type: none"> <li>6% for LTVs &gt; 75%</li> <li>9% for LTV ≤ 75%</li> </ul> </li> </ul>			