

Alt Doc Prime

Program Code: Alt Prime -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 nd Home/Investment		
		Purchase	R/T	Cash-Out	Purchase	R/T	Cash-Out
720+	≤ 1M	90%	85%	80%	85%	80%	75%
	≤ 1.5M	90%	85%	80%	85%	80%	75%
	≤ 2M	85%	80%	80%	85%	80%	75%
	≤ 2.5M	80%	75%	75%	80%	75%	75%
700-719	≤ 1M	90%	85%	80%	85%	80%	75%
	≤ 1.5M	90%	85%	80%	85%	80%	75%
	≤ 2M	85%	75%	70%	85%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
680-699	≤ 1M	90%	85%	80%	85%	80%	75%
	≤ 1.5M	85%	80%	75%	85%	80%	75%
	≤ 2M	80%	75%	70%	80%	75%	70%
	≤ 2.5M	75%	70%	65%	75%	70%	65%
660-679	≤ 1M	80%	80%	75%	80%	80%	75%
	≤ 1.5M	80%	75%	75%	80%	75%	75%
	≤ 2M	75%	70%	65%	75%	70%	65%
	≤ 2.5M	70%	65%	65%	70%	65%	65%

- Written VOE
 - Primary only
 - Max LTV/CLTV: 80% Purchase | 75% R/T | 70% Cash-Out
 - Min FICO: 680
 - First Time Home Buyer Max LTV/CLTV: 70% (No gift allowed)
- 2-4 Units & Condo Max LTV/CLTV: 85%
- 10+ acres Max LTV/CLTV: 80%
- First Time Home Buyer without a documented 12-month rental history Max LTV/CLTV: 80% (Max DTI 43%)
- State Restriction and Declining Market: Maximum LTV/CLTV is limited to 85% for Purchases and 80% for all refinances and the max loan amount is limited to \$2,000,000 if either or both of the following apply:
 - The appraisal report identifies the property as a declining market;
 - The subject property is in a state of NJ

Income Requirement	
Self Employed Income	<ul style="list-style-type: none"> ▪ Personal Bank Statements <ul style="list-style-type: none"> ○ 12-months of Personal and 2-months of business bank statements ○ 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 ○ The business bank statements must reflect business activity and transfers to the personal account ▪ Business Bank Statements <ul style="list-style-type: none"> ○ 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%) industry eligibility based upon the completion of the Business Narrative Form in the Seller Guide. ▪ OR Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10% ▪ OR P&L statement prepared by 3rd party (CPA or EA): No expense ratio deduction. P&L must support business bank statement. ▪ IRS Form 1099 <ul style="list-style-type: none"> ○ 1-year 1099 ○ Fixed Expense Ratio of 10% ○ YTD Documentation to support continued receipt of income from same source ▪ Asset Utilization <ul style="list-style-type: none"> ○ Minimum eligible asset required is the lower of \$1,000,000 or 150% of the loan amount ○ Eligible assets divided by 84 to determine a monthly income stream ○ Non-occupant co-borrowers not allowed ○ Max DTI 43% Minimum FICO 660 Gift funds not eligible ○ Eligible asset: <ul style="list-style-type: none"> ▪ 100% of Checking, Savings, and Money Market Accounts; ▪ 70% of Stocks, Bonds, and Mutual Funds; ▪ 70% of Retirement Assets: Eligible if the borrower is of retirement age (at least 59½) ▪ 60% of Retirement Assets: Eligible if the borrower is not of retirement age.
Wage Earner Income	<ul style="list-style-type: none"> ▪ WVOE + 2-month Bank Statement (see program restriction below) <ul style="list-style-type: none"> ○ Bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE. ○ Two-year history with same employer is required. ○ Borrower(s) employed by family members or related individuals are not eligible. ○ An internet search of the business is required with documentation to be included in the credit file to support existence of the business. ▪ WVOE Restriction: <ul style="list-style-type: none"> ○ Primary Residence Only ○ Max LTV/CLTV 80% for purchase Max LTV/CLTV 70% for R/T and cash-out ○ Purchase max LTV/CLTV 85% available with minimum credit 720 with loan amount up to \$1,000,000 ○ First time home buyer max LTV/CLTV 70% (No gift allowed) ○ 24-month 0x30 housing history required.

General Requirements					
DTI	<ul style="list-style-type: none"> ▪ Standard max 50% (If 1st time home buyer or living rent free, additional restriction will apply) 				
Occupancy	<ul style="list-style-type: none"> ▪ Primary ▪ Second Home ▪ Investment 				
Product Type	Product	Term	Amortization Term	I/O Term	Qualifying Rate
	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		
Loan Purpose	<ul style="list-style-type: none"> ▪ Purchase ▪ Rate/Term ▪ Cash-Out 				
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$150,000 ▪ Max: \$2,500,000 				
Cash-Out	<ul style="list-style-type: none"> ▪ Max Cash-In-Hand: Unlimited ▪ Cash-Out Seasoning <ul style="list-style-type: none"> ○ For properties owned 12 months or longer, the LTV/CLV is based upon the appraised value. ○ 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. 				
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units¹ ▪ Condo¹ <p>¹Max LTV/CLTV: 85%</p>				
Acreage	<ul style="list-style-type: none"> ▪ Property up to 20-acres, not meeting the rural definition, eligible. 10 or more acres limited to a max LTV/CLTV 80%. 				
Rural Property	<ul style="list-style-type: none"> ▪ Not eligible 				
State Restrictions	<ul style="list-style-type: none"> ▪ Maximum LTV/CLTV is limited to 85% for Purchases and 80% 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"> ○ The appraisal report identifies the property as a declining market; ○ The subject property is in a state of NJ 				

State/CBSA Restrictions (Cont.)	<ul style="list-style-type: none"> ▪ Florida Condominiums: <ul style="list-style-type: none"> ○ Up to 7 Stories. No High Rise Condo (8+) ○ 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. ○ Projects with an unacceptable or no inspection are not eligible.
Appraisals	<ul style="list-style-type: none"> ▪ FNMA Form 1004, 1025, 1073 with interior/exterior inspection ▪ Appraisal review product required unless 2nd appraisal obtained ▪ 2nd Appraisal required for loans > \$2,000,000 ▪ Transferred Appraisal are acceptable
Escrow Impound	<ul style="list-style-type: none"> ▪ Taxes and insurance escrows required
Prepayment Penalty	<ul style="list-style-type: none"> ▪ Investment Properties only ▪ Prepayment periods up to 5-years eligible, see rate sheet ▪ Penalties not allowed on loans vested to individuals in NJ ▪ Prepayment not allowed on MD ▪ Six (6) months of interest on prepayments that exceed 20% of the original principal balance in a given 12-month time period.
Document Age	<ul style="list-style-type: none"> ▪ Ninety (90) days prior to the note date
General Underwriting Guidelines	
Credit Score	<ul style="list-style-type: none"> ▪ Middle of 3 scores or lower of 2
Tradelines	<ul style="list-style-type: none"> ▪ 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)
Housing History	<ul style="list-style-type: none"> ▪ 1x30x12
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ BK/FC/SS/DIL/Mod: ≥ 48 Months
Forbearance, Modification, and Deferrals	<ul style="list-style-type: none"> ▪ Forbearance and Deferrals are considered under housing payment history. ▪ 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. ▪ 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.
Reserves	<ul style="list-style-type: none"> ▪ LTV ≤ 85%: 6-months of PITIA ▪ LTV > 85%: 12-months of PITIA ▪ Loan Amount > \$1.5M: 9-months of PITIA ▪ Cash out may be used to satisfy requirement
Assets Req.	<ul style="list-style-type: none"> ▪ Min of 30-days asset verification required (Any large deposit must be sourced)
Gift Funds	<ul style="list-style-type: none"> ▪ Min contribution: 5% primary, 10% investment
First Time Home Buyer	<ul style="list-style-type: none"> ▪ Primary residence only ▪ DTI may not exceed 45% ▪ Minimum six (6) months of reserves ▪ 12-month rental history, reflecting 0x30, documented ▪ Without a documented 12-month rental history: Max DTI 43% and Max LTV/CLTV 80%

