

# 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 <sup>nd</sup> 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%	75%	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 or FL

<b>Income Requirement</b>	
<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> <li>▪ <b>Asset Utilization</b> <ul style="list-style-type: none"> <li>○ Minimum eligible asset required is the lower of \$1,000,000 or 150% of the loan amount</li> <li>○ Eligible assets divided by 84 to determine a monthly income stream</li> <li>○ Non-occupant co-borrowers not allowed</li> <li>○ Max DTI 43%   Minimum FICO 660   Gift funds not eligible</li> <li>○ Eligible asset: <ul style="list-style-type: none"> <li>▪ 100% of Checking, Savings, and Money Market Accounts;</li> <li>▪ 70% of Stocks, Bonds, and Mutual Funds;</li> <li>▪ 70% of Retirement Assets: Eligible if the borrower is of retirement age (at least 59½)</li> <li>▪ 60% of Retirement Assets: Eligible if the borrower is not of retirement age.</li> </ul> </li> </ul> </li> </ul>
<b>Wage Earner Income</b>	<ul style="list-style-type: none"> <li>▪ <b>WVOE + 2-month Bank Statement (see program restriction below)</b> <ul style="list-style-type: none"> <li>○ Min FICO: 680</li> <li>○ Bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE.</li> <li>○ Two-year history with same employer is required.</li> <li>○ Borrower(s) employed by family members or related individuals are not eligible.</li> <li>○ An internet search of the business is required with documentation to be included in the credit file to support existence of the business.</li> </ul> </li> <li>▪ <b>WVOE Restriction:</b> <ul style="list-style-type: none"> <li>○ Primary Residence Only</li> <li>○ Max LTV/CLTV 80% for purchase   75% R/T   70% Cash-Out</li> <li>○ <b>Purchase Max Loan Amount for WVOE and P&amp;L ONLY: \$2,500,000</b></li> <li>○ Purchase max LTV/CLTV 85% available with minimum credit 720 with loan amount up to \$1,000,000</li> <li>○ First time home buyer max LTV/CLTV 70% (No gift allowed)</li> <li>○ 24-month 0x30 housing history required.</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>Interest Only</b>	<ul style="list-style-type: none"> <li>Min Credit Score: 660</li> <li>Max LTV: 90%</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>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> </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: 85%</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>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>Rural Property</b>	<ul style="list-style-type: none"> <li>Not eligible</li> </ul>				
<b>Document Age</b>	<ul style="list-style-type: none"> <li>90 days prior to the note date</li> </ul>				

<b>State/CBSA Restrictions</b>	<ul style="list-style-type: none"> <li>▪ 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"> <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>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>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>	<ul style="list-style-type: none"> <li>▪ 1x30x12</li> </ul>
<b>Housing Event Seasoning</b>	<ul style="list-style-type: none"> <li>▪ BK/FC/SS/DIL/Mod: ≥ 48 Months</li> </ul>
<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 ≤ 85%: 6-months of PITIA</li> <li>▪ LTV &gt; 85%: 12-months of PITIA</li> <li>▪ Loan Amount &gt; \$1.5M: 9-months of PITIA</li> <li>▪ Cash out may be used to satisfy requirement</li> </ul>
<b>Assets Req.</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>
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