

HELOAN 1

(Standalone 2nd TD)

Program Code: HELOAN-2 -30, -20, -15, -10

Loan Amt	Max Combined Liens Amt	Min FICO	Max CLTV					
			Primary		2 nd Home		Investment	
			Full Doc	Bank Stmt	Full Doc	Bank Stmt	Full Doc	Bank Stmt
75,000-350,000	\$2M	720	90%	85%	80%	75%	80%	75%
		700	90%	80%	80%	70%	80%	70%
		680	85%	75%	75%	65%	75%	65%
		660	80%	70%	70%	60%	70%	60%
350,001-450,000	\$2.5M	720	85%	80%	80%	70%	80%	70%
		700	85%	75%	75%	65%	75%	65%
		680	80%	70%	70%	60%	70%	60%
		660	75%	65%	65%	55%	65%	55%
450,001-600,000	\$2.5M	720	80%	75%	75%	65%	75%	65%
		700	80%	70%	70%	60%	70%	60%
		680	75%	65%	65%	55%	65%	55%
		660	70%	60%	60%	50%	60%	50%
* 2-4 Units Max CLTV: Owner Occupied 75%, Non-Owner Occupied 70% * Condo Max CLTV: Owner Occupied 75%, Non-Owner Occupied 70% * Declining Market: Owner Occupied/2nd Home Max CLTV 75%, Non-Owner Occupied Max CLTV 70%								
Documentation Option								
Full Doc	<ul style="list-style-type: none"> ▪ 1 Year <ul style="list-style-type: none"> ○ Salaried: W-2 for most recent year and 30 days most recent paystub ○ Self-Employed: 1 year tax returns with YTD P&L (borrower prepared OK) OR 3 months business bank statements to support income on tax returns 							

Full Doc (Cont.)	<ul style="list-style-type: none"> ▪ 2 Year <ul style="list-style-type: none"> ○ Salaried: W-2 for most recent 2 years and 30 days most recent paystub ○ Self-Employed: 2 years tax returns with YTD P&L (borrower prepared OK) OR 3 months business bank statements to support income on tax returns
Bank Statement	<p>Personal & Business Combined OR Business Only (12mo or 24mo)</p> <ul style="list-style-type: none"> ▪ At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) ▪ Standard expense factors apply: 50% expense factor ▪ If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required Minimum expense factor with 3rd party prepared P&L or letter is 20% <p>Personal & Business Separated (12mo or 24mo)</p> <ul style="list-style-type: none"> ▪ At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership) ▪ Personal used to qualify, 2 months business to show business cash flows in order to utilize 100% of business-related deposits in personal account (no expense factor)
General Requirements	
Max DTI	<ul style="list-style-type: none"> ▪ 50%
Occupancy	<ul style="list-style-type: none"> ▪ Primary Residence ▪ Second Home ▪ Investment
Product Type	<ul style="list-style-type: none"> ▪ 30-Yr Fixed ▪ 20-Yr Fixed ▪ 15-Yr Fixed ▪ 10-Yr Fixed
Loan Purpose	<ul style="list-style-type: none"> ▪ Stand-Alone Cash-Out (Simultaneous/Piggyback not allowed)
Loan Amount	<ul style="list-style-type: none"> ▪ Min: \$75,000 ▪ Max: \$600,000
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ 2-4 Units * ▪ PUD ▪ Fannie Mae Warrantable Condo *
Declining Market	<ul style="list-style-type: none"> ▪ Owner Occupied/2nd Home Max CLTV: 75% ▪ Non-Owner Occupied Max CLTV: 70%
Seasoning	<ul style="list-style-type: none"> ▪ Properties owned less than 6 months are ineligible. ▪ Properties listed for sale within 6 months of application date are ineligible. ▪ Any previous cash out refinance from subject within 6 months, either the 1st or a 2nd lien, Max CLTV 80%.

Senior Lien	<ul style="list-style-type: none"> ▪ Senior Lien Interest Only Max DTI: 45%. ▪ Senior Lien ARM with < 3 years fixed period remaining must qualified on fully indexed payment
Ineligible Senior Liens	<ul style="list-style-type: none"> ▪ Loans in active forbearance or deferment. Deferred balance due to a documented hardship may remain open. Without documentation, the deferred balance must be paid through closing ▪ Negative amortization ▪ Reverse mortgages ▪ Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien. ▪ Private Party
Compliance	<ul style="list-style-type: none"> ▪ No Section 32 or state High Cost ▪ Loans must comply with all applicable federal and state regulations ▪ Fully documented Ability to Repay including Borrower Attestation ▪ Higher-Priced Mortgage Loans (HPML) and Higher-Priced Covered Transactions (HPCT) are permitted subject to complying with all applicable regulatory requirements.
State Restrictions	<ul style="list-style-type: none"> ▪ Texas not Permitted
Escrow Impound	<ul style="list-style-type: none"> ▪ Not allowed
Document Age	<ul style="list-style-type: none"> ▪ Income documents: 60 days ▪ Credit documents: 90 days ▪ Appraisal: 120 days With Recertification of Value: 180 days
General Underwriting Guidelines	
Credit Score	<ul style="list-style-type: none"> ▪ Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner. ▪ Non-traditional credit ineligible.
Tradelines	<ul style="list-style-type: none"> ▪ 3 tradelines reporting for 12+ mo. or 2 tradelines reporting for 24+ mo. all with activity in the last 12 mo. ▪ On primary residence only, borrowers who do not have the minimum tradelines are acceptable with a current mortgage history on their credit reporting 0x30x12 (no private party mortgages).
Housing History	<ul style="list-style-type: none"> ▪ 0x30x12 ▪ Minimum 12 months housing history required from all borrowers. <ul style="list-style-type: none"> ○ If 12 months mortgage is reporting on credit, no additional documents needed. ○ A VOR from management company or if private landlord, 12 months cancelled checks or bank statements ○ VOM from non-reporting lender with 12 months cancelled checks or bank statements
Housing Event Seasoning	<ul style="list-style-type: none"> ▪ 48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.
Derogatory Credit	<ul style="list-style-type: none"> ▪ Open charge-offs or collections (including medical) with a balance of \$1,000 or more per occurrence must be paid at closing ▪ No delinquent tradelines at closing

Borrower Eligibility	<ul style="list-style-type: none"> ▪ US Citizen ▪ Permanent Resident Alien ▪ Non-Permanent Resident Alien (with US Credit). (Allowable visas: E1, E2, E3, EB5, G1 through G5, H1, L1, NATO, O1, R1, TN NAFTA). Visa must be current. If visa will expire within 6 months of loan closing date, documentation of extension steps and fees paid as shown by the USCIS website is required.
Ineligible Borrower	<ul style="list-style-type: none"> ▪ Non-occupant co-borrowers ▪ DACA and C08 visa not allowed ▪ Irrevocable Trust
Required Forms	<ul style="list-style-type: none"> ▪ Borrower must complete and submit Ability-to-Repay Borrower Attestation & Borrower Contact Consent Form ▪ Click to download Ability-to-Repay Borr Attestation Form ▪ Click to download Borrower Contact Consent Form
Title Vesting	<ul style="list-style-type: none"> ▪ Individuals ▪ Joint tenants ▪ Tenants in Common ▪ Inter Vivos Revocable Trust ▪ Business Entity – Investment properties ONLY if Current Vesting is in: <ul style="list-style-type: none"> ○ Limited Liability Company (LLC) ○ Limited and General Partnerships ○ Corporations
Business Entity	<ul style="list-style-type: none"> ▪ Permitted on Investment Properties if current vesting is already in the name of the borrower's business. ▪ All persons with >= 25% interest in the business entity must apply for the loan and meet credit requirements ▪ Max 4 members ▪ Entity Documents: <ul style="list-style-type: none"> ○ Operating Agreement ○ Articles of Organization ○ EIN/ Tax Identification Number ○ Certificate of Good Standing
Assets/Reserves	<ul style="list-style-type: none"> ▪ None Required
Title Report	<ul style="list-style-type: none"> ▪ ALTA Short Form – Lenders Policy
Appraisal	<ul style="list-style-type: none"> ▪ Primary / 2nd Home <ul style="list-style-type: none"> ○ New Residential Appraisal and AVM supporting value within 10% variance. Lower of two values to be used. ○ Declining Market Max 75% CLTV ▪ Investment <ul style="list-style-type: none"> ○ Full Appraisal OR 2055 Appraisal + Residential Appraisal Review supporting value within 10% variance. If review variance is greater than 10% the lower of the two is to be used to determine CLTV. ○ Declining Market Max 70% CLTV

Minimum Property Standard	<ul style="list-style-type: none"> ▪ GLA must be at least 600 sq ft ▪ Property constructed for year-round use ▪ Permanently affixed continuous heat source ▪ Maximum deferred maintenance cannot exceed \$2,000 ▪ No health or safety issues
Ineligible Property	<ul style="list-style-type: none"> ▪ Adult Assisted Living/Care Facilities ▪ Agricultural or Commercial Zoned Properties ▪ Condotels ▪ Co-ops ▪ Non-Warrantable Condo ▪ Deed-restricted properties ▪ Income producing properties (ie: Ranches, Orchards, etc) ▪ Log Homes ▪ Manufactured/Mobile Homes ▪ Mixed-Use ▪ Multiple Dwellings on Single Lot (1 Legal ADU acceptable on SFR) ▪ Property > 10 acres ▪ Room and Board Facilities ▪ Rural 2nd Homes and Investment Properties ▪ Unique Properties (ie: Geodesic domes, etc) ▪ Working Farms and Hobby Farms