

# ITIN 101

Program Code: ITIN 101

Loan Amount	FICO	Max LTV				
		Primary		Second Home		Investment
		Purchase & Rate/Term	Cash-Out	Purchase & Rate/Term	Cash-Out	Purchase & Refinance
\$100,000 - \$806,500	700+	*85%	75%	80%	75%	NA
	680-699	80%	75%	80%	75%	
\$806,501 - \$1,000,000	680+	80%	75%	80%	75%	
\$1,000,001 - \$1,300,000	680+	75%	70%	75%	70%	

<b>*Restriction</b>	<ul style="list-style-type: none"> <li>▪ Condo &lt; 8 stories/PUD Max LTV: 80%</li> <li>▪ If gift funds used Max LTV: 80%</li> </ul>
<b>For</b>	<ul style="list-style-type: none"> <li>▪ Agency Fallout Borrower</li> <li>▪ Self-Employed</li> <li>▪ ITIN Borrower</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>▪ Trans Union Credit Score Only</li> <li>▪ The credit report is valid for 90 days from the credit report date. All borrowers must have the minimum credit score required to meet eligibility as per the eligibility matrix or other requirements outlined in this product profile.</li> </ul> <p><u>Max 80% LTV - Must meet the following credit requirements</u></p> <ul style="list-style-type: none"> <li>▪ <u>All</u> applicants must have ≥ 680</li> <li>▪ Three trade lines with at least a 12-month history or Two trade lines with at least an 18-month history</li> <li>▪ No Bankruptcy, Foreclosure, or Deed in Lieu in the most recent 4 yrs</li> </ul> <p><u>Max LTV 85% - Must meet the following credit requirements</u></p> <ul style="list-style-type: none"> <li>▪ <u>One</u> applicant must have a 700 or better Transunion score</li> <li>▪ When more than one applicant, the primary applicant needs a 700 or better Transunion score when using a blended score of 700 or better <ul style="list-style-type: none"> <li>▫ For multiple borrowers, use the average of Trans Union scores, rounded up, if available.</li> </ul> </li> </ul> <p>Primary applicant must also meet the following:</p> <ul style="list-style-type: none"> <li>▫ Must have 5 tradelines with a 12-month history</li> <li>▫ At least one tradeline must have a 24-month history</li> <li>▫ At least one tradeline must have a minimum credit limit of \$3,000</li> <li>▫ At least one tradeline can be housing history if not reporting on credit</li> </ul>

<b>Credit Event Seasoning</b>	<ul style="list-style-type: none"> <li>▪ BK / FC / DIL: 4 years</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ Single Family</li> <li>▪ Condo (no high-rise)</li> <li>▪ PUD</li> </ul>
<b>Occupancy Type</b>	<ul style="list-style-type: none"> <li>▪ Primary</li> <li>▪ 2nd Home</li> </ul>
<b>Investment Properties</b>	<ul style="list-style-type: none"> <li>▪ Not Allowed</li> </ul>
<b>Full Doc</b>	<ul style="list-style-type: none"> <li>▪ <b>Wage Earner:</b> <ul style="list-style-type: none"> <li>▫ Most recent 30-day paystubs</li> <li>▫ Most recent W2s</li> <li>▫ Written VOE</li> <li>▫ Most recent tax returns</li> </ul> </li> </ul>
<b>Full Doc (Cont.)</b>	<ul style="list-style-type: none"> <li>▪ <b>Self Employed:</b> <ul style="list-style-type: none"> <li>▫ CPA Letter to verify ownership</li> <li>▫ Most recent personal and business tax returns</li> </ul> </li> </ul>
<b>Alt Doc</b>	<ul style="list-style-type: none"> <li>▪ <b>Most recent 12-month Profit &amp; Loss</b> <ul style="list-style-type: none"> <li>▫ Completed by an appropriate 3rd party (CPA, EA, AFSP, CTEC, PTIN)</li> <li>▫ Completed P&amp;L Program questionnaire <a href="#">(Click to view form)</a></li> </ul> </li> <li>▪ <b>12-month bank statements</b> <ul style="list-style-type: none"> <li>▫ Completed 3<sup>rd</sup> Party Expense Ratio questionnaire <a href="#">(Click to view form)</a></li> <li>▫ 12 months consecutive personal/business bank statements</li> <li>▫ Proof of business ownership</li> </ul> </li> <li>▪ <b>Asset Depletion</b> <ul style="list-style-type: none"> <li>▫ 2-month recent consecutive asset statements</li> <li>▫ Assets must be seasoned 60 days prior to close</li> <li>▫ Unusual or uncharacteristic deposits must be sourced</li> <li>▫ Calculation Method:               <ul style="list-style-type: none"> <li>➤ Begin with the asset account balance</li> <li>➤ Subtract penalties (if applicable)</li> <li>➤ Subtract taxes</li> <li>➤ Divide by 84 to get your supplemental income</li> </ul> </li> </ul> </li> <li>▪ <b>Ready Asset</b> <ul style="list-style-type: none"> <li>▫ 2-month recent consecutive asset statements</li> <li>▫ Assets must be seasoned 60 days prior to close</li> <li>▫ Unusual or uncharacteristic deposits must be sourced</li> <li>▫ Eligible assets               <ul style="list-style-type: none"> <li>➤ Checking, savings, CD's, stocks, bonds, and surrender value of insurance policies: 100% can be used</li> <li>➤ insurance policies: 100% can be used. Borrower younger than 59½: 65% can be used. Borrower over 59½: 75% can be used</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▫ The sum of applicant's financial assets must exceed the principal balance of all debt obligations.</li> <li>▫ Calculation Method:           <ul style="list-style-type: none"> <li>➤ Begin with the asset account balance</li> <li>➤ Subtract penalties (if applicable)</li> <li>➤ Subtract taxes</li> <li>➤ Assets must meet or exceed the total liabilities</li> </ul> </li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>▪ A copy of the current or expired lease signed by all parties</li> <li>▪ Proof of payment</li> <li>▪ A 25% vacancy and maintenance factor will be deducted from gross rental income.</li> </ul>
<b>Unacceptable Sources of Income</b>  <b>Unacceptable Sources of Income (Cont.)</b>	<ul style="list-style-type: none"> <li>▪ Stock Options</li> <li>▪ Expense account reimbursement</li> <li>▪ Mortgage Credit Certificates</li> <li>▪ Income Received from Roommates</li> <li>▪ Gambling winnings (except lottery payments continuing for a minimum of 3 years)</li> <li>▪ Any income that is not legal in accordance with all applicable federal, state and local laws, rules and regulations. Federal law restricts the following activities and therefore the income from these sources are not allowed for qualifying:           <ul style="list-style-type: none"> <li>▫ Foreign shell banks</li> <li>▫ Medical marijuana dispensaries</li> <li>▫ Any business or activity related to recreational marijuana use, growing, selling or supplying of marijuana, even if legally permitted under state or local law</li> </ul> </li> </ul>
<b>Housing History</b>	<ul style="list-style-type: none"> <li>▪ Housing histories through private parties must be verified with cancelled checks, referencing the company or individual who completes the verification. Payment must be made within month due, i.e., lump sum payments (12 months made with one or several checks) will not satisfy proof of responsible housing payments.</li> </ul>
<b>Mortgages Paid by a 3rd Party</b>	<ul style="list-style-type: none"> <li>▪ Applicants may have a mortgage obligation omitted from their debt calculation if the following requirements are met:           <ul style="list-style-type: none"> <li>▫ Evidence the mortgage being omitted has been paid by a 3rd party for 3 months prior to application, and</li> <li>▫ Proof the 3rd party is obligated to repay the mortgage being omitted.</li> <li>▫ 3rd party cannot be a spouse of the borrower</li> </ul> </li> </ul>
<b>Asset</b>	<ul style="list-style-type: none"> <li>▪ Most recent 2-month bank statements. VOD not permitted.</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>▪ Allowed for down payment and closing funds only (Primary &amp; 2nd Home only) If gift funds are used for down payment, borrower's assets cannot be used as compensating factors.</li> </ul>
<b>Gifts of Equity</b>	<ul style="list-style-type: none"> <li>▪ Up to a 100% gift of equity for down payment is permitted for primary residences and second homes if:           <ul style="list-style-type: none"> <li>▫ Provide copy of gift letter</li> <li>▫ Seller may not be in default</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▫ The transaction between buyer and seller is a non-arm's length transaction. A non-arm's length transaction would be when the buyers and sellers have an existing relationship with each other.</li> <li>▫ The sales price for the property is at market rate</li> <li>▫ No seller concessions allowed, closing costs must be borrower's own funds Liens against the subject property require a statement evidencing the lien is current.</li> </ul>
<b>Interested Party Contributions</b>	<ul style="list-style-type: none"> <li>▪ Up to 6% as long as the purchase price is less than or equal to list price, if not we will accept up to 3% as long as the appraisal supports the higher price. Properties not listed for sale on open market (i.e., purchase of rental home, FSBO etc.) seller concession maximum is 3%.</li> </ul>
<b>DTI</b>	<ul style="list-style-type: none"> <li>▪ Up to 50% DTI → 1 Compensating Factor</li> <li>▪ Up to 55% DTI → 2 Compensating Factors</li> <li>▪ Borrower with income &lt; \$2,000/Month or ≥ \$62,500/Month are restricted to 43% DTI regardless of Compensating Factors.</li> </ul>
<b>DTI Compensating Factors</b>	<ul style="list-style-type: none"> <li>▪ Borrower's liquid assets after closing are 3x the monthly housing payment (PITI) or greater.</li> <li>▪ Borrower will be credited with 2 compensating factors if the borrower's liquid assets after closing are 6x the monthly housing payment (PITI) or greater.</li> <li>▪ The new housing payment will increase by no more than 10% from the borrower's existing housing payment and there have been no delinquencies in the borrower's housing payment over the last 6 months. A minimum of 6 housing payment is required.</li> <li>▪ The largest of the borrower's qualifying income has to come from the same source for 3 years or more.</li> <li>▪ Credit score of 660 or greater. Pricing based off of Trans Union credit score only.</li> </ul>
<b>Escrow Impound</b>	<ul style="list-style-type: none"> <li>▪ Mandatory</li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>▪ TX: Cash-out not allowed</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>▪ 1 full appraisal           <ul style="list-style-type: none"> <li>▫ FNMA Form 1004, 1025, 1073 with interior / exterior inspection</li> <li>▫ Form 1007 Schedule of Rents is required for all Non-Owner-Occupied loans</li> </ul> </li> </ul>
<b>Document Age</b>	<ul style="list-style-type: none"> <li>▪ 90 days for credit, income, asset, and title. 180 days for appraisal</li> </ul>
<b>Property Flip</b>	<ul style="list-style-type: none"> <li>▪ If the seller has owned the property for less than 180 days, max LTV is 80% and 2nd appraisal is required.</li> </ul>
<b>Continuity of Ownership</b>	<ul style="list-style-type: none"> <li>▪ <b>Primary Residence:</b> <ul style="list-style-type: none"> <li>▫ The borrower has paid the mortgage for the last 6 months prior to application, and</li> <li>▫ Borrower must be in title to the subject property at the time of loan application</li> </ul> </li> <li>▪ <b>Second Homes and Investment Properties:</b> <ul style="list-style-type: none"> <li>▫ Borrower must be in title to the subject property for 6 months prior to application, and</li> <li>▫ Borrower must be obligated on underlying liability (must be existing lien holder)</li> </ul> </li> </ul>

<b>Properties Previously Listed for Sale</b>	<ul style="list-style-type: none"> <li>▪ <b>Primary Residence:</b> <ul style="list-style-type: none"> <li>▫ Property must have been off the market for a minimum of ninety (90) calendar days prior to the application date</li> <li>▫ The borrower must confirm in writing that they intend to occupy the subject as a primary residence and the reason for listing the property</li> </ul> </li> <li>▪ <b>Second Homes and Investment Properties:</b> <ul style="list-style-type: none"> <li>▫ Property must have been off the market for a minimum of 6 months prior to the application date</li> <li>▫ The borrower must confirm in writing the reason for listing property</li> </ul> </li> </ul>
<b>Maximum # of Financed Properties</b>	<ul style="list-style-type: none"> <li>▪ If the proposed loan is secured by an investment property, the borrower(s) may own no more than Eight (8) financed properties including the subject property.</li> </ul>