

P&L Prime

Program Code: PL 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 | |
| 720+ | ≤ 2.5M | 80% | 75% | 70% | |
| 680-719 | ≤ 2M | 80% | 75% | 70% | |
| | ≤ 2.5M | 75% | 70% | 65% | |
| <ul style="list-style-type: none"> ▪ First Time Home Buyer without a documented 12-month rental history Max DTI 43% ▪ State Restriction and Declining Market: Max Loan Amount \$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 | | | | | |
| Income Requirement | | | | | |
| Self Employed Income | <ul style="list-style-type: none"> ▪ Profit & Loss Statement Only <ul style="list-style-type: none"> ○ 12 Mo CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only within 30 days of the loan application <ul style="list-style-type: none"> ▪ Qualifying income is the net income from the P&L divided by 12 months ▪ Expenses on the P&L must be reasonable for the industry. ○ CPA/EA/CTEC/Tax Attorney must attest they have completed or filed the borrower's most recent tax return & borrower has minimum 50% ownership, and CPA/EA/CTEC letter must verify minimum 2 years of existence of business. <ul style="list-style-type: none"> ▪ Must be signed by a CPA/EA/CTEC | | | | |
| 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 |
| *Interest Only: Amortization term used for Qualification | 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 | |

| Product Type (Cont.) *Interest Only: Amortization term used for Qualification | 30-Yr Fixed IO | 30 yr | 20 yr | 10 yr | |
|---|--|-------|-------------------|----------|--------------------------------------|
| | Product | Term | Amortization Term | I/O Term | Qualifying Rate |
| | 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 Units ▪ Condo | | | | |
| Rural Property | <ul style="list-style-type: none"> ▪ Not eligible | | | | |
| State/CBSA Restrictions | <ul style="list-style-type: none"> ▪ Maximum 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 ▪ 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 ≤ 80%: 6-months of PITIA ▪ Loan Amount > \$1.5M: 9-months of PITIA ▪ Cash out may be used to satisfy requirement ▪ Must be own fund |
| Assets Requirements | <ul style="list-style-type: none"> ▪ 1 month bank statement or VOD with 30-day average (Any large deposit must be sourced) |
| Business Funds | <ul style="list-style-type: none"> ▪ Business accounts may be considered for assets. The amount of business assets that may be utilized is limited to the borrower's ownership percentage in the business. |
| 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% |