

Matrix			
Loan Amount	Reserves Month	Max DTI %	FICO
125,000 to 1,000,000	6	50	720
			700
			680
			660
			640
			620
1,000,001 to 1,500,000	9	50	720
			700
			680
			660
			640
			620
1,500,001 to 2,000,000	12	50	720
			700
			680
			660
2,000,001 to 3,000,000	12	50	720
			700
			680

Full Doc	
12mo or 24mo Alternative Loan	
Purchase R/T	Cash Out
90	80
90	80
85	80
80	75
75	70
70	65
85	80
85	80
85	75
80	75
70	65
65	60
80	75
80	75
80	70
70	65
75	70
70	65
70	65

Bank Statements	
12mo or 24mo	
Purchase R/T	Cash Out
90	80
90	80
85	80
80	75
75	70
70	65
85	80
85	80
85	75
80	75
70	65
65	60
80	75
80	75
80	70
70	65
75	70
70	65
70	65

1099	
Purchase R/T	Cash Out
80	75
80	75
80	75
75	70
N/A	N/A
N/A	N/A
80	75
80	75
75	70
75	70
N/A	N/A
N/A	N/A
75	65
75	65
70	65
70	65
70	65
70	65
70	65

P & L Only	
Purchase R/T	Cash Out
75	70
75	70
75	70
75	70
N/A	N/A
N/A	N/A
75	70
75	70
75	65
N/A	N/A
N/A	N/A
70	65
70	65
70	65
70	65
70	65
70	65

WVOE / Asset Depletion	
Purchase R/T	Cash Out
80	75
80	75
75	70
75	70
N/A	N/A
N/A	N/A
80	75
80	75
75	70
N/A	N/A
N/A	N/A
70	65
70	65
70	65
70	65
70	65
70	65

LTV Restrictions			
Property Type	Purchase & Rate-Term	LTV	
		Condo	80%
Non-Warrantable Condo	75%		
Condotel (Max: \$1.5 mil Loan Amount)	75%		
2-4 Unit	80%		
Modular	75%		
Rural	75%		
Cash-Out -LTV < 60%: Unlimited Cash-Out. LTV > 60% (Max 80% of Loan Amount up to \$1mil.)	Non-Warrantable Condo	75%	
	Condo	75%	

LTV Restrictions (Continued)						
Property Type	Cash-Out -LTV < 60%: Unlimited Cash-Out. LTV > 60% (Max 80% of Loan Amount up to \$1mil.)			Non-Warrantable Condo		75%
				Condotel (Max: \$1.5 mil Loan Amount)		65%
				2-4 Unit		75%
				Modular		75%
				Rural		70%
Declining Values	Declining Values				10% LTV Reduction	
2nd home	2nd Home				80%	
Loan Type	Interest Only				85%	
Housing Lates	All past due housing payments must be cured by application and remain paid as agreed thru closing.			1x30x12		No reduction
				Mtg lates > 1x30 but 0x60		5% LTV Reduction
Credit Event Seasoning	FC, SS, DIL		24-35 months		5% LTV Reduction	
	BK 7		24-35 months		5% LTV Reduction	
			12-23 months (Cash-Out Not Allowed)		5% LTV Reduction (Cash-Out Not Allowed)	
	BK 13		12-23 months (Cash-Out Not Allowed)		5% LTV Reduction (Cash-Out Not Allowed)	
Reduced Reserves	Max -3 Months Reserves					5% LTV Reduction
	Reserve requirements are waived for Rate/Term Refi for the following:					
	• Transaction results in a reduction to the monthly principal and interest payment of 10% or greater; and,					
	• Housing history is 1X30X12 or better					
	• Waiver not eligible for DTI greater than 50%					
	• For I/O Only loan, the reduction is based on the amortizing payment used for loan qualification.					
Limited Credit:	Available for borrowers who have a valid FICO (per FNMA guidelines) but do not meet the Standard Tradeline requirements the following restrictions apply:				Min FICO 640	
	Purchase	(min. 10% borrowers own funds for Downpayment)			Max 45% DTI	75%
	Rate & Term					70%
	Cash-Out					70%
Expanded DTI (50.01-55)	Primary	+3 months reserves	680 FICO	Max 1.5 mil loan amount	Ineligible on 40 year term	80%
	2nd Home					70%
	Investor					75%
	Asset Depletion	Not Allowed				Not Allowed

Overlays					
Cash-Out Max	LTV < 60%: Unlimited Cash-Out. LTV > 60% (Max 80% of Loan Amount up to \$1mil.)			Unlimited Cash-Out For Properties Owned Free & Clear	
Residual Income for DTI >43%	Per VA guideline or \$2500+\$150 per dependent				
FTHB	Min FICO 660; must have 0x30 housing history				
FTHB without rental housing history (rent free)	Full / Bank Statement Doc Only	Max Loan Amount	Max DTI	FICO	
	Standard Tradelines only	\$1.0M	45%	700	80
	No gifts allowed			680	75
	Occupant Borrowers Only			660	70

Documentation Options						
Full Doc 2Yr	Standard FNMA Documentation	<ul style="list-style-type: none"> Alternative Loan Review Form (Exhibit F) or DU Ineligible finding is required at time of submission. 				
		<ul style="list-style-type: none"> Wage Earner - 2 years W-2, current paystub(s) reflecting 30 days earnings. 2 years tax returns required for income from other sources (ie: rents). 				
		<ul style="list-style-type: none"> Self-Employed -2 years tax returns. If applicable both personal and business with all schedules. YTD P&L plus 2 months business bank statements to support. 				
Full Doc 1Yr	W-2 (12mo)	<ul style="list-style-type: none"> Alternative Loan Review Form (Exhibit F) or DU Ineligible finding is required at time of submission. Wage Earner - 1 years W-2, current paystub(s) reflecting 30 days earnings. 1 year tax return required for income from other sources (ie: rents). 				
	Tax Returns (12mo)	<ul style="list-style-type: none"> Self-Employed -1 year tax returns. If applicable both personal and business with all schedules. YTD P&L or 3 months business bank statements to support. 				
Bank Statement	Bank Statement (24mo, 12mo)	<ul style="list-style-type: none"> Personal & Business Combined or Business (12mo or 24mo): <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). Asset Depletion allowed with Bank Statement documentation. Income documented separately (SSI, W2, etc.) but included in deposits being reviewed must be backed out of deposits. Gross rents from any REOs are to be backed out of the deposit totals. Standard expense factors apply: 50% expense factor. <ul style="list-style-type: none"> If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required. PTIN is acceptable if documented as employed by 3rd party tax preparation service. Minimum expense factor with 3rd party prepared P&L or letter is 10%. Personal & Business Separated (12mo or 24mo): <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). Asset Depletion allowed with Bank statement documentation. 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 fac 				
		P & L Only	P & L (12 mo.) [CPA, CTEC, EA]	<ul style="list-style-type: none"> Self-employed (2yrs - 25% or greater ownership). CPA/CTEC/EA signed/prepared Profit and Loss Statement(s) covering the most recent 12 month period. A gap P&L covering period between end of 12 month P&L and application required when gap is greater than three (3) months. A letter from the CPA, CTEC or EA on their business letterhead showing address, phone number, and license number is required with the following information: <ul style="list-style-type: none"> CPA/CTEC/EA prepared the most recent year's busines tax return filing; and, PTIN's are not acceptable to prepare/sign P&L statements. The business name, borrower's name, and percentage of business ownership by the borrower. Business License for the past 2 years. Minimum expense factor with P&L is 10% for service business and 20% for product business (see guidelines for details). No other income documentation type other than Asset Depletion can be combined with the P&L for the self-employed borrower. Income from co-borrowers who are W2 wage earners is to be documented with most recent W2 and paystub. 		
				1099	1099 (12mo)	<ul style="list-style-type: none"> 1099 plus either: Check/check stub or bank statement showing employment deposits (10% expense factor applied, see guidelines for specifics). Qualifying income = 1099 gross - 10% expense factor. Current check stub or bank statement deposits must support amounts consistent with 1099 levels.
						WVOE

Documentation Options (Continued)

WVOE	FNMA Form 1005	•	Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program.
Asset Depletion	Asset Statement (6mo)	•	Most recent 6 months asset documentation verified by: cash in bank (100%); stocks, bonds, and/or mutual funds (90%); IRAs, 401K, and/or retirement accts (80%).
		•	Allowable assets divided by 60 months = qualifying income.
		•	Maximum 50% DTI - No Expanded DTI available.

Quick References

Acreage		•	Maximum 20 acres
Appraisal		•	Loan amounts > \$2,000,000 = Two Full Appraisals
		•	See guidelines for details
		•	Loan amounts < \$2,000,000 = 1 Full Appraisal + AVM or FNMA CU Risk score of 2.5 or less.
		•	2nd Full Appraisal required if AVM Confidence Score is below 90%.
Assets		•	See guidelines for details
		•	Assets sourced or seasoned for two months unless utilizing assets to document income (6 months).
		•	Gift funds are acceptable for use toward down payment and loan costs.
Borrower Eligibility	Citizenship	•	US Citizen
		•	Permanent Resident Alien
		•	Non-Permanent Resident Alien (with US Credit) Current VISA E-1, E-2, E-3, EB-5, G-1 through G-5, H-1, L-1, NATO, O-1, R-1, TN NAFTA. Provide EAD when applicable.
Cash-Out		•	LTV < 60%: Unlimited Cash-Out.
		•	LTV > 60% (Max 80% of Loan Amount up to \$1mil.)
		•	Example: 850,000 loan amount x 80% allows 680,000 cash out.
		•	Cash-out may be counted toward reserve requirement
		•	See guidelines for details
		•	Property owned 6 mos or greater - Valuation based on current market value
		•	See guidelines for details
Compliance		•	No Section 32 or state High Cost
		•	Points and Fees max 5% limit
		•	Loans must comply with all applicable federal and state regulations.
		•	Fully documented Ability to Repay including Borrower Attestation.
		•	Impounds required on LTV > 80% or HPML loans unless otherwise specified by applicable state law.
Credit	Standard	•	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months.
		•	No mortgage or rental history (Lower of Matrix LTV or 70% LTV, 50% DTI).
	Limited	•	Minimum requirements per standard credit are not met.
		•	Minimum 10% borrower's own funds as down payment.
		•	Valid FICO per FNMA required
		•	Maximum 45% DTI
		•	Minimum credit score 640
Consumer Charge-offs and Collections		•	Following may remain open:
		•	Collections and charge-offs < 24 months old with a maximum cumulative balance of \$2,000.
		•	All medical collections regardless of amount.
		•	Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence.
		•	Collections and charge-offs that have expired under the state statute of limitations on debts; evidence of expiration must be documented.
Eligible Non-Arm's Length and Interested Party Transactions		•	Existing property Purchase, Primary Residence Only.
		•	Seller(s) representing themselves as agent in real estate transaction.
		•	Buyer(s)/Borrower(s) representing themselves as agent in real estate transaction.
First Time Home Buyer	With Housing History	•	Minimum FICO 660
		•	Must have documented 0x30 housing history
	Without Housing History	•	Full Doc or Bank Bank Statement Only
		•	Standard tradelines required
		•	No gifts allowed
		•	Non-occupying co-borrowers not allowed

Quick References (Continued)

Purchase Between Family Members		• Full Documentation and Bank Statement Documentation only.	• Must provide a 12-month mortgage history on existing mortgage securing subject property confirming Family Sale is not a foreclosure bailout.			
		• Gift of Equity requires a gift letter and the equity gift credit is to be shown on the CD.				
Interest Only		• Qualifying ratios are based on fully amortized P&I payments over the scheduled remaining loan term after the interest only period has expired. IE: 30 yr IO product is qualified at fully amortized payment for 20 yrs.				
		• SOFR 5/1 30yr ARM	5yr Fixed	10yr I/O	20yr Full Amortization after I/O Period	
		• SOFR 5/1 40yr ARM	5yr Fixed	10yr I/O	30yr Full Amortization after I/O Period	
		• SOFR 7/1 30yr ARM	5yr Fixed	10yr I/O	20yr Full Amortization after I/O Period	
		• SOFR 7/1 40yr ARM	5yr Fixed	10yr I/O	30yr Full Amortization after I/O Period	
		• 30yr Fixed		10yr I/O	20yr Full Amortization after I/O Period	
		• 40yr Fixed		10yr I/O	30yr Full Amortization after I/O Period	
Minimum Property Standards		• 600 sq. ft. for 1 unit properties	• 2+ units no minimum. Size must be supported by market comparison	• Maximum deferred maintenance cannot exceed \$2,000		
		• Property constructed for year-round use	• Permanently affixed continuous heat source	• No health or safety issues both internal or external		
Property Types		• SFR	• Condominium	• Townhouse	• D-PUD	• Non-Warrantable/Condotel
		• PUD	• Modular	• Rowhouse	• 2 - 4 Unit	• Rural (Owner Occupied Only)
Condotels	Eligible	• Condotel units are categorized as non-warrantable condos.		• Minimum 500 square feet.		
		• Kitchen required with full size appliances, refrigerator, stove, oven.		• Investor concentration ok to 100%		
		• Bedroom required – no studios.				
	Ineligible	• Properties with hotel, motel in name. Converted hotel or motel		• Projects with less than 10 units.		
		• Properties with Registration desks/office.		• Properties that are not located in a resort/destination area (beach, ski, lake)		
Property Flips		• When the subject property is being resold within 365 days of its acquisition by the seller and the sales price has increased more than 10%, the transaction is considered a “flip.” The following should be used to determine the 365-day period: the acquisition date (the day the seller became the legal owner of the property), and the purchase date (the day both parties executed the purchase agreement).				
		• Property seller on the purchase contract must be the owner of record.		• The property was marketed openly and fairly, through a multiple listing service, auction, FSBO offering (documented), or developer marketing.		
		• Flip transactions must comply with the TILA HPML Appraisal Rule in Reg Z.		• Sufficient documentation to validate actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.).		
		• Increases in value are to be documented with commentary from the appraiser and recent comparable sales.		• All transactions must be arm’s length, with no identity of interest between the buyer and property seller or other parties participating in the sales transaction.		
Qualifying Payment		• Full Amortization:	Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA)			
		• Interest Only (DTI):	Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA), fully amortized payment on remaining term after I/O per			
		• Full Amortization (DSCR):	Qualifying ratios based on Note Rate (PITIA)			
		• Interest Only (DSCR):	Qualifying ratios based on Note Rate Initial Interest Only payment (ITIA)			
Rental Income (Short-Term)		• Short Term Leases (including but limited to VRBO/AirBNB) are NOT eligible.				
Residual Income		• Required on DTI > 43% only.				
		• VA Residual Income Calc per VA Form #26-6393 and VA Residual Income Tables in VA Lending Manual Chapter 4.9.				
Seasoning for Property Recently Listed on the Market		• For all transaction types, subject property must be taken off the market on or before application date.				
		• For Cash-Out refinances, loans must be seasoned for at least 3 months from the listing contract expiration date to the new Note date.				

Quick References (Continued)

Seasoning		• Rate and Term: No seasoning. At least 1 borrower from the existing loan must be in the new loan.
		• Cash Out: 6 months from existing Note date to new note date. Appraised value is used for LTV/CLTV.
		• Cash Out: 6 months from existing Note date to new note date. Appraised value is used for LTV/CLTV.
Seller Concessions / IPC		• Per FNMA (LTV 75.01 to 90% up to 6% toward closing; 75% or less 9% max Interested Party Contribution)
States	Ineligible	• TX (No Interest-Only when using Texas Section 50(a)(6) Equity Cash-Out transactions).
	Eligible	• State eligibility subject to VPM review of applicable docs.
Subordinate Financing		• CLTV max = LTV max

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