



1100 Series Portfolio Products

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***** The above products all require a Manual Underwrite; however, DU is required for benefit of alerts. DU documentation relief is not allowed. Follow program documentation requirements for credit, income, assets, etc. If DU findings are Approve/Eligible, require documentation why loan is not FNMA eligible *****

Expanded Ratio 1100 SERIES

Product Description	1100 Series Expanded Ratio, Wholesale and Retail, Fixed and ARM
Program Numbers	1100 – 15 Yr Fixed 1100 – 30 Yr Fixed 1100 – 5/1 ARM 1100 – 7/1 ARM
Non-Arms Length	Not allowed
ARM ADJUSTMENTS	Applicable to 5/1 and 7/1 ARMs
Index	12 Month Libor
Margin	4.25%
Annual Adjust. Cap	2%
Lifetime Cap	5%
Floor Rate	4.25%
First Adjust. Cap	2%
Temporary Buydown	Not permitted
Prepayment Penalty	Not permitted
Qualifying Rate	Fixed = Note Rate ARM = the greater of the Note Rate or Fully Indexed Rate
Max Debt Ratio	50%. 55% allowed with the following requirements: Primary Residence, and 1.5 times standard residual income requirement. In either case, must meet Residual Income Requirements – see Residual Income section
Payment Shock	NA
Non-Occupant Co-borrower	Allowed but their income and assets may not be used. Occupant borrower must meet minimum credit requirements.
Types of Financing	Purchase, Rate Term Refinance, & Cash Out Refinance
Max Loan Amount	\$1,500,000
Min Loan Amount	\$100,000
Eligible Property Type	Owner Occupied, 2 nd Home, and Investment Property
Eligible Borrowers	U.S. Citizens, Permanent, and Non-permanent Resident Aliens
Mortgage Insurance	NA
Employment	Minimum 2 years same employment and/or type employment.
Income	Standard income documentation required; no document relief. Full month's paystubs, 2 years W-2s, 2 year history of bonus, commission or any other type income. Self employed required most recent 2 years 1040s, and business returns if applicable, including K-1s.

Residual Income Required	Refer to Residual Income Calculation Worksheet
Appraisal	1 Appraisal required for loan amounts \leq \$1m. 2 Appraisals required for loan amounts $>$ \$1m. Transferred appraisals are not allowed.
Appraisal Review	Program does not required appraisal review, however, underwriter may require a review at their discretion.
Declining Markets	No restrictions
Rural Property	No restrictions
Value Determination	Appraisal
Property Restrictions	Units are not allowed
Delegated	Not Delegated – 2 nd signature required on all loans
Impounds	Required
Max Cash Out	R/T Refi – Lesser of 1% of loan amount or \$2k Cash Out Refi - See LTV matrix. Borrower must have owned property a minimum of 12 months to be eligible for cash out refinance.
Credits/Concessions	LTV/CLTV \leq 75% = 6% LTV/CLTV $>$ 75% = 3%
2nd Home	Allowed
Investment Property	Allowed
Max # Properties Owned	4, regardless of whether or not they are financed
Document Expirations	90 days for Credit, Income, Assets, Title, 120 days for Appraisal
Minimum Credit Score	700-720
Gifts & Borrower Contribution	Primary residence. Gift allowed after borrower has made minimum 5% down payment from his/her own funds. Gift funds are not allowed on 2 nd home and investment property transactions.
First Time Homebuyer	Minimum qualifying credit score of 720, and 2 times residual income requirement.
Credit	Minimum 2 tradelines required. At least one tradeline must be open and active for the past 24 months. A current mortgage with no lates in past 60 months will override the minimum tradeline requirement. Borrowers having no housing history, or $<$ 12 months housing history (0X30) are eligible with a minimum qualifying credit score of 720, and 2 times residual income requirement. Borrowers with 12-24 months (0X30) housing history are eligible with a minimum qualifying credit score of 720, and 1.5 times residual income requirement.
Housing Payment History	0X30 in past 24 months. If Mtg is not on credit report, VOM/VOR is required, along with cancelled checks. Also see credit section above.
Major Adverse Credit	Foreclosure, Mortgage Charge Off, Deed in lieu, Pre-foreclosure sale, Short Sale: waiting period 7 years. Modified, Restructured or Short Pay off secured by property other than subject: waiting period 7 years. Refinance of a Modified, Restructured, or Short Payoff loan is not permitted. BK, 7 or 11: 4 years from Discharge / Dismissal date. BK 13: 2 years from Discharge date, or 4 years from Dismissal date.
Debt Pay Down	Debts may not be paid down to qualify
Reserve Requirement PITI / HOA	Loan amount \leq \$417,000 – 6 months reserves required Loan amount $>$ \$417,000 – 12 months reserves required If subject is an investment property, require an additional 6 months reserve for each additional property. If converting primary residence to investment property, and additional 6 months reserves are required using the greater of PITI/HOA subject property, or PITI/HOA current residence.

**** New Subordinate Financing is not allowed, existing subordinate financing is allowed ****

Primary Residence - 1 Unit Only

Purchase and Rate/Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV	Max Cash Out R/T Refi
720	80	lesser of 1% loan amt or 2K
700	75	lesser of 1% loan amt or 2K
Cash Out Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV	Max Cash Out
720	70	1
700	65	

2nd Home – 1 Unit Only (cash out is not allowed)

Purchase and Rate Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV	Max Cash Out R/T Refi
720	75	lesser of 1% loan amt or 2K
700	70	lesser of 1% loan amt or 2K

Investment Property – 1 Unit Only (cash out is not allowed)

Purchase and Rate Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV	Max Cash Out R/T Refi
720	70	lesser of 1% loan amt or 2K
700	65	lesser of 1% loan amt or 2K

¹ Max cash out is the lesser of \$250,000, or: Loan amount \leq \$417,000 – 25% of the loan amount.
Loan amount $>$ \$417,000 – 50% of the loan amount. Borrower must have a minimum of 12 months ownership of subject at time of application.

Asset Inclusion to Income 1100 SERIES

Product Description	1100 Series Asset Inclusion to Income , Wholesale and Retail, Fixed and ARM
Program Numbers	1100 – 15 Yr Fixed 1100 – 30 Yr Fixed 1100 – 5/1 ARM 1100 – 7/1 ARM
Non-Arms Length	Not allowed
ARM ADJUSTMENTS	Applicable to 5/1 and 7/1 ARMs
Index	12 Month Libor
Margin	4.25%
Annual Adjust. Cap	2%
Lifetime Cap	5%
Floor Rate	4.25%
First Adjust. Cap	2%
Temporary Buydown	Not permitted
Prepayment Penalty	Not permitted
Qualifying Rate	Fixed = Note Rate ARM = the greater of the Note Rate or Fully Indexed Rate
Max Debt Ratio	No maximum Debt Ratio. Loans with Debt Ratio > 60% are subject to the following: Max 125% payment shock, reduce max LTV by 5%
Payment Shock	The proposed housing expense may not exceed 30% more than the current monthly housing expense.
Non-Occupant Co-borrower	Allowed but their income and assets may not be used. Occupant borrower must meet minimum credit requirements. Non-occupant must also meet minimum credit requirements.
Types of Financing	Purchase, & Rate Term Refinance
Max Loan Amount	\$1,500,000
Min Loan Amount	\$100,000
Eligible Property Type	Owner Occupied, 2 nd Home, and Investment Property
Eligible Borrowers	U.S. Citizens, Permanent, and Non-permanent Resident Aliens
Mortgage Insurance	NA
Employment	Minimum 2 years same employment and/or type employment.
Income, including <u>Asset Inclusion to Income</u>, and Declining and Negative Income	<p><u>Standard income</u> documentation required; no document relief. Full month's paystubs, 2 years W-2s, 2 year history of bonus, commission or any other type income. Self employed required most recent 2 years 1040s, and business returns if applicable, including K-1s.</p> <p><u>Asset Inclusion to Income Requirements and Calculation Method:</u> All pages most recent 4 months bank statements are required. 70% of value of brokerage and retirements may be used. Terms of withdrawal are required. For calculation of income, see attached Asset Inclusion Calculation Tool. Dual utilization of assets is not allowed. For example, assets used as income may not be used for reserves, funds to close, etc. and also may not be used as income generators (interest or dividend income) from 1040s.</p> <p><u>Declining and Negative Income:</u> Requires explanation from the borrower. Negative income is calculated as a debt, rather than deducting from income.</p>

Residual Income Required	Refer to Residual Income Calculation Worksheet
Appraisal	1 Appraisal required for loan amounts \leq \$1m. 2 Appraisals required for loan amounts $>$ \$1m. Transferred appraisals are not allowed.
Appraisal Review	Program does not require appraisal review, however, underwriter may require a review at their discretion.
Declining Markets	No restrictions
Rural Property	No restrictions
Value Determination	Appraisal
Property Restrictions	Units are not allowed
Delegated	Not Delegated – 2 nd signature required on all loans
Impounds	Required
Max Cash Out	R/T Refi - lesser of 1% loan amt or 2K Cash Out Refi is not allowed on this product
Credits/Concessions	LTV/CLTV \leq 75% = 6% LTV/CLTV $>$ 75% = 3%
2nd Home	Allowed
Investment Property	Allowed
Max # Properties Owned	4, regardless of whether or not they are financed
Document Expirations	90 days for Credit, Income, Assets, Title, 120 days for Appraisal
Minimum Credit Score	700-720
Gifts & Borrower Contribution	Gift funds are not allowed. All funds for down payment, closing, and reserves must be borrowers own funds.
First Time Homebuyer	Minimum qualifying credit score of 720, and 2 times residual income requirement.
Credit	Minimum 2 tradelines required. At least one tradeline must be open and active for the past 24 months. A current mortgage with no lates in past 60 months will override the minimum tradeline requirement. Borrowers having no housing history, or $<$ 12 months housing history (0X30) are eligible with a minimum qualifying credit score of 720, and 2 times residual income requirement. Borrowers with 12-24 months (0X30) housing history are eligible with a minimum qualifying credit score of 720, and 1.5 times residual income requirement.
Housing Payment History	0X30 in past 24 months. If Mtg is not on credit report, VOM/VOR is required, along with cancelled checks.
Major Adverse Credit	Foreclosure, Mortgage Charge Off, Deed in lieu, Pre-foreclosure sale, Short Sale: waiting period 7 years. Modified, Restructured or Short Pay off secured by property other than subject: waiting period 7 years. Refinance of a Modified, Restructured, or Short Payoff loan is not permitted. BK, 7 or 11: 4 years from Discharge / Dismissal date. BK 13: 2 years from Discharge date, or 4 years from Dismissal date.
Debt Pay Down	Debts may not be paid down to qualify
Reserve Requirement PITI / HOA	Loan amount \leq \$417,000 – 6 months reserves required Loan amount $>$ \$417,000 – 12 months reserves required If subject is an investment property, require an additional 6 months reserve for each additional property. If converting primary residence to investment property, and additional 6 months reserves are required using the greater of PITI/HOA subject property, or PITI/HOA current residence. ** Most recent 4 month's bank statements are required **

**** New Subordinate Financing is not allowed, existing subordinate financing is allowed ****

Primary Residence - 1 Unit Only (cash out refi is not allowed)

Purchase and Rate/Term Refinance		
Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV²	Max Cash Out R/T Refi
720	80	lesser of 1% loan amt or 2K
700	75	lesser of 1% loan amt or 2K

2nd Home – 1 Unit Only (cash out refi is not allowed)

Purchase and Rate Term Refinance		
Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV²	Max Cash Out R/T Refi
720	75	lesser of 1% loan amt or 2K
700	70	lesser of 1% loan amt or 2K

Investment Property – 1 Unit Only (cash out refi is not allowed)

Purchase and Rate Term Refinance		
Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV²	Max Cash Out R/T Refi
720	70	lesser of 1% loan amt or 2K
700	65	lesser of 1% loan amt or 2K

² LTV/CLTV must be reduced by 5% if Debt Ratio > 60%; refer to Debt Ratio section for details.

Alternative Income Program 1100 SERIES

Product Description	1100 Series Alternative Income Program , Wholesale and Retail, Fixed and ARM
Program Numbers	1100 – 15 Yr Fixed 1100 – 30 Yr Fixed 1100 – 5/1 ARM 1100 – 7/1 ARM
Non-Arms Length	Not allowed
ARM ADJUSTMENTS	Applicable to 5/1 and 7/1 ARMs
Index	12 Month Libor
Margin	4.25%
Annual Adjust. Cap	2%
Lifetime Cap	5%
Floor Rate	4.25%
First Adjust. Cap	2%
Temporary Buydown	Not permitted
Prepayment Penalty	Not permitted
Qualifying Rate	Fixed = Note Rate ARM = the greater of the Note Rate or Fully Indexed Rate
Max Debt Ratio	43%
Payment Shock	NA
Non-Occupant Co-borrower	Allowed but their income and assets may not be used. Occupant borrower must meet minimum credit requirements. Non-occupant must also meet minimum credit requirements.
Types of Financing	Purchase, Rate Term Refinance, and Cash Out Refinance
Max Loan Amount	\$1,500,000
Min Loan Amount	\$100,000
Eligible Property Type	Owner Occupied, 2 nd Home, and Investment Property
Eligible Borrowers	U.S. Citizens, Permanent, and Non-permanent Resident Aliens
Mortgage Insurance	NA
Employment	Minimum 2 years same employment and/or type employment. If borrower is changing from W-2 employee, to 1099, must be in same line of work a minimum of 4 years
Income / Alternative Income	<p>Alternative Income Calculation #1: Intended for borrowers who are self employed less than 2 years. Require personal and business (if applicable) tax returns for most recent year. Require CPA letter providing as much detail as possible about borrower and business; such as documentation pertaining to current or increased earnings, change in business fundamentals, cash flow, etc. Also require YTD P&L. UW to calculate income based on FNMA cash flow analysis; this equals qualifying income. The monthly average of deposits and CPA letter are used to support that earnings are stable and increasing. If earnings are declining, income is not eligible. Self prepared tax returns are not acceptable. CPA must be verifiable via 3rd party source. Two years history in same line of work is still required.</p> <p>Alternative Income Calculation #2: Intended for borrowers who went from salary to non-salary, or have bonus or commissioned borrowers. Require most recent 2 years 1040s, & W-2s, and written VOE(s) with 2 years history, completed in full and breaking out all income. Paystubs are not required, however may be requested by underwriter for clarification, etc. The qualifying income used may not be higher than earnings from prior year. Additional income may be considered on a case by case basis if borrower has been with current employer for a minimum of 6 months. If allowed, additional earnings may not exceed 25% increase from prior year. (cont. next page)</p>

Income / Alternative Income (cont)	(cont. from previous page) If borrower is changing from W-2 employee, to 1099, must be in same line of work a minimum of 4 years <u>Alternative Income Calculation #3:</u> Intended for self employed borrowers being self employment for multiple years, with income projections increasing. Require personal and business (if applicable) tax returns for most recent 2 years. Require CPA letter providing as much detail as possible about borrower and business; such as documentation pertaining to current or increased earnings, change in business fundamentals, cash flow, etc. Also require YTD P&L. UW to calculate income based on FNMA cash flow analysis based on most recent year if income is increasing; this equals qualifying income. NSF and overdraft fees may not be present on any asset statement. Self prepared tax returns not acceptable. CPA must be verifiable through a 3 rd party.
Residual Income Required	Refer to Residual Income Calculation Worksheet
Appraisal	1 Appraisal required for loan amounts <= \$1m. 2 Appraisals required for loan amounts > \$1m. Transferred appraisals are not allowed.
Appraisal Review	Program does not require appraisal review, however, underwriter may require a review at their discretion.
Declining Markets	No restrictions
Rural Property	No restrictions
Value Determination	Appraisal
Property Restrictions	Units are not allowed
Delegated	Not Delegated – 2 nd signature required on all loans
Impounds	Required
Max Cash Out	R/T Refi = lesser of 1% loan amt or 2K Cash Out Refi = see LTV matrix
Credits/Concessions	LTV/CLTV <= 75% = 6% LTV/CLTV > 75% = 3%
2nd Home	Allowed
Investment Property	Allowed
Max # Properties Owned	4, regardless of whether or not they are financed
Document Expirations	90 days for Credit, Income, Assets, Title, 120 days for Appraisal
Minimum Credit Score	700-720
Gifts & Borrower Contribution	Gift funds are not allowed. All funds for down payment, closing, and reserves must be borrowers own funds.
First Time Homebuyer	Minimum qualifying credit score of 720, and 2 times residual income requirement.
Credit	Minimum 2 tradelines required. At least one tradeline must be open and active for the past 24 months. A current mortgage with no lates in past 60 months will override the minimum tradeline requirement. Borrowers having no housing history, or < 12 months housing history (0X30) are eligible with a minimum qualifying credit score of 720, and 2 times residual income requirement. Borrowers with 12-24 months (0X30) housing history are eligible with a minimum qualifying credit score of 720, and 1.5 times residual income requirement.
Housing Payment History	0X30 in past 24 months. If Mtg is not on credit report, VOM/VOR is required, along with cancelled checks.
Major Adverse Credit	Foreclosure, Mortgage Charge Off, Deed in lieu, Pre-foreclosure sale, Short Sale: waiting period 7 years. Modified, Restructured or Short Pay off secured by property other than subject: waiting period 7 years. Refinance of a Modified, Restructured, or Short Payoff loan is not permitted. BK, 7 or 11: 4 years from Discharge / Dismissal date. BK 13: 2 years from Discharge date, or 4 years from Dismissal date.
Debt Pay Down	Debts may not be paid down to qualify
Reserve Requirement PITI / HOA	Loan amount < / = \$417,000 – 6 months reserves required Loan amount > \$417,000 – 12 months reserves required If subject is an investment property, require an additional 6 months reserve for each additional property. If converting primary residence to investment property, and additional 6 months reserves are required using the greater of PITI/HOA subject property, or PITI/HOA current residence.

**** New Subordinate Financing is not allowed, existing subordinate financing is allowed ****

Primary Residence - 1 Unit Only

Purchase and Rate/Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV	Max Cash Out R/T Refi
720	80	lesser of 1% loan amt or 2K
700	75	lesser of 1% loan amt or 2K
Cash Out Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV	Max Cash Out
720	70	³
700	65	

2nd Home – 1 Unit Only (cash out refi is not allowed)

Purchase and Rate Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV²	Max Cash Out R/T Refi
720	75	lesser of 1% loan amt or 2K
700	70	lesser of 1% loan amt or 2K

Investment Property – 1 Unit Only (cash out refi is not allowed)

Purchase and Rate Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV²	Max Cash Out R/T Refi
720	70	lesser of 1% loan amt or 2K
700	65	lesser of 1% loan amt or 2K

³ Cash Out Refinance requires borrower has a minimum 12 months ownership of subject, at time of application. Allowed on owner occupied only. Max cash is the lesser of \$250,000, or: 1) Loan amounts > \$417,000 – 50% of the total loan balance. 2) Loan amounts < /= \$417,000 – 25% of total loan balance.

Early Access Program 1100 SERIES

Product Description	1100 Series Early Access Program , Wholesale and Retail, Fixed and ARM
Program Numbers	1100 – 15 Yr Fixed 1100 – 30 Yr Fixed 1100 – 5/1 ARM 1100 – 7/1 ARM
Non-Arms Length	Not allowed
ARM ADJUSTMENTS	Applicable to 5/1 and 7/1 ARMs
Index	12 Month Libor
Margin	4.25%
Annual Adjust. Cap	2%
Lifetime Cap	5%
Floor Rate	4.25%
First Adjust. Cap	2%
Temporary Buydown	Not permitted
Prepayment Penalty	Not permitted
Qualifying Rate	Fixed = Note Rate ARM = the greater of the Note Rate or Fully Indexed Rate
Max Debt Ratio	43%
Payment Shock	NA
Non-Occupant Co-borrower	Allowed but their income and assets may not be used. Occupant borrower must meet minimum credit requirements. Non-occupant must also meet minimum credit requirements.
Types of Financing	Purchase, & Rate Term Refinance
Max Loan Amount	\$850,000
Min Loan Amount	\$100,000
Eligible Property Type	Owner Occupied, 2 nd Home, and Investment Property
Eligible Borrowers	U.S. Citizens, Permanent, and Non-permanent Resident Aliens
Mortgage Insurance	NA
401k Loan	401k loan used to acquire the property must be included in debt ratio calculation.
Employment	Minimum 2 years same employment and/or type employment.
Income	Standard documentation and income analysis apply. Minimum 2 years verified with full month paystubs and W-2s, or if self employed, 2 years personal and business returns including K-1s if applicable, and YTD P&L.
Residual Income Required	Refer to Residual Income Calculation Worksheet
Appraisal	1 Appraisal required. Transferred appraisals are not allowed.
Appraisal Review	Program does not require appraisal review, however, underwriter may require a review at their discretion.
Declining Markets	No restrictions
Rural Property	No restrictions
Value Determination	Appraisal
Property Restrictions	Units are not allowed
Delegated	Not Delegated – 2 nd signature required on all loans
Impounds	Required
Max Cash Out	R/T Refi = lesser of 1% loan amt or 2K Cash Out Refi not allowed

Credits/Concessions	LTV/CLTV \leq 75% = 6% LTV/CLTV $>$ 75% = 3%
2nd Home	Allowed
Investment Property	Allowed
Max # Properties Owned	4, regardless of whether or not they are financed
Document Expirations	90 days for Credit, Income, Assets, Title, 120 days for Appraisal
Minimum Credit Score	620-660
Gifts & Borrower Contribution	Gift funds are not allowed. All funds for down payment, closing, and reserves must be borrowers own funds.
First Time Homebuyer	NA
Credit	Minimum 2 tradelines required. At least one tradeline must be open and active for the past 24 months. A current mortgage with no lates in past 60 months will override the minimum tradeline requirement.
Housing Payment History	0X30 in past 24 months. If Mtg is not on credit report, VOM/VOR is required, along with cancelled checks.
Major Adverse Credit	LTV/CLTV must be reduced by 10% if the significant derogatory credit was not hardship related. If subject is a condo, LTV must be reduced by an additional 5%. Period of time that must elapse prior to loan eligibility is as follows: Foreclosure – 3 yrs. Mtg Charge Off, Deed in Lieu, Pre-foreclosure Sale, Short Sale - 2 yrs. Modified, Restructured, or Short Payoff of a mtg secured by a property other than subject – 2 yrs. Refinance of a Restructured, Modified, or Short Payoff loan – not allowed. BK Ch 7 or 11 – 2 yrs from discharge or dismissal BK Ch 13 – 2 yrs from discharge, or 3 yrs from dismissal <u>CREDIT ANALYSIS HARDSHIP RELATED:</u> Borrower to provide detailed explanation of hardship. Underwriter to document analysis of delinquent accounts. Delinquencies must be tied to hardship reason such as divorce, job loss, income interruption, medical. Minor, non-mortgage, derogatory credit occurring more than 2 years ago does not require explanation. Acceptable hardship driven derogatory credit must not have occurred in the past 24 months and must have been handled satisfactorily since the event. Recent delinquencies not associated with the hardship reason require acceptable explanation. Max 2X30 non-mortgage accounts in past 18 months. Max 0X30 on non-mortgage accounts in past 6 months. <u>CREDIT ANALYSIS NOT HARDSHIP RELATED:</u> Borrower to provide detailed explanation of hardship. LTV/CLTV must be reduced by 10%. Foreclosure, Short Sale Deed in Lieu, or Pre-foreclosure Sale must have occurred to be eligible for this program. The only derogatory credit should be the housing related event referenced above. Recent delinquencies require acceptable explanation. Max 2X30 on non-mortgage accounts in past 18 months. Max 0X30 on non-mortgage accounts in past 6 months.
Debt Pay Down	Debts may not be paid down to qualify
Reserve Requirement PITI / HOA	No late payments in past 18 months = 9 months reserves. Late payments in past 18 months = 12 months reserves. For investment property transactions, an additional 6 months reserves required for each additional property regardless of whether or not it is financed. Current primary to investment property requires an additional 6 months reserves, based on the greater of current or proposed housing expense.

**** New Subordinate Financing is not allowed, existing subordinate financing is allowed ****

Primary Residence - 1 Unit Only (cash out refi is not allowed)

Purchase and Rate/Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV⁴	Max Cash Out R/T Refi
660	80	lesser of 1% loan amt or 2K
640	75	
620	70	

2nd Home – 1 Unit Only (cash out refi is not allowed)

Purchase and Rate Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV⁴	Max Cash Out R/T Refi
660	75	lesser of 1% loan amt or 2K
640	65	
620	60	

Investment Property – 1 Unit Only (cash out refi is not allowed)

Purchase and Rate Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV/CLTV⁴	Max Cash Out R/T Refi
660	70	lesser of 1% loan amt or 2K

⁴ LTV/CLTV must be reduced by 10% if the significant derogatory credit was not hardship related. If subject is a condo, LTV must be reduced by an additional 5%.

Investor Program 1100 SERIES

Product Description and Program Eligibility	1100 Series Investor Program , Wholesale and Retail, Fixed and ARM 1) Borrower must have a minimum of 3 year history of owning, retaining, and managing residential investment properties. 2) Borrower must own a minimum of 3 investment properties currently under management. 3) ARMs not allowed in CA 4) Prepayment Penalty not allowed in CA or WA
Program Numbers	** ARMs are not allowed in California. Prepayment Penalty not allowed on CA or WA** 1100 – 15 Yr Fixed - no prepayment penalty 1100 – 30 Yr Fixed – no prepayment penalty 1100 – 5/1 ARM – no prepayment penalty 1100 – 7/1 ARM – no prepayment penalty 1100 – 15 Yr Fixed – with prepayment penalty 1100 – 30 Yr Fixed – with prepayment penalty 1100 – 5/1 ARM – with prepayment penalty 1100 – 7/1 ARM – with prepayment penalty
Non-Arms Length	Not allowed
ARM ADJUSTMENTS	Applicable to 5/1 and 7/1 ARMs
Index	12 Month Libor
Margin	4.25%
Annual Adjust. Cap	2%
Lifetime Cap	5%
Floor Rate	4.25%
First Adjust. Cap	2%
Temporary Buydown	Not permitted
Prepayment Penalty	Permitted only on applicable products – see above Program Number section.
Qualifying Rate	Fixed = Note Rate ARM = the greater of the Note Rate or Fully Indexed Rate
Max Debt Ratio	Debt Ratio is not calculated. Refer to income section
Payment Shock	NA
Non-Occupant Co-borrower	NA
Types of Financing	Purchase, Rate Term Refinance, and Cash Out Refinance
Max Loan Amount	\$1,000,000
Min Loan Amount	\$100,000
Eligible Property Type	Investment Property
Eligible Borrowers	U.S. Citizens, Permanent, and Non-permanent Resident Aliens
Mortgage Insurance	NA
Employment	Minimum 2 years same employment and/or type employment.
Income	Qualifying income is based on cash flows from property. A Debt Ratio is not calculated. Rent income used to calculate the cash flow from subject property is based off the Comparable Rent Schedule, 1007. 80% of the rent income per Comparable Rent Schedule, less PITI/HOA of subject must result in a positive income. This is the only income that need be calculated.
Residual Income Required	Refer to Residual Income Calculation Worksheet

Appraisal	1 Appraisal required. 1007 is always required. Transferred appraisals are not allowed.
Appraisal Review	Program does not require appraisal review, however, underwriter may require a review at their discretion.
Declining Markets	No restrictions
Rural Property	No restrictions
Value Determination	Appraisal
Property Restrictions	Investment property only, 1-4 units allowed
Delegated	Not Delegated – 2 nd signature required on all loans
Impounds	Required
Max Cash Out	R/T Refi = lesser of 1% loan amt or 2K Cash Out Refi see LTV matrix
Credits/Concessions	3%
Primary Residence	Not Allowed
2nd Home	Not Allowed
Investment Property	Allowed
Max # Properties Owned	Unlimited
Document Expirations	90 days for Credit, Income, Assets, Title, 120 days for Appraisal
Minimum Credit Score	680-720
Gifts & Borrower Contribution	Gift funds are not allowed. All funds for down payment, closing, and reserves must be borrowers own funds.
First Time Homebuyer	NA
Credit	Minimum 2 tradelines required. At least one tradeline must be open and active for the past 24 months.
Housing Payment History	OX30 in past 24 months. If Mtg is not on credit report, VOM/VOR is required, along with cancelled checks.
Major Adverse Credit	Period of time that must elapse prior to loan eligibility is as follows: Foreclosure – 7 yrs Short Sale, Deed in lieu, & Pre-foreclosure – 7 yrs BK Ch 7 or 11 – 4 years from Discharge or Dismissal BK Ch 13 – 2 yrs from Discharge or 4 yrs from Dismissal
Debt Pay Down	Debts may not be paid down to qualify
Reserve Requirement PITI / HOA	12 months reserves are required. Up to 50% business funds may be used if borrower is 100% owner of business.

**** Subordinate Financing is not allowed ****

Investment Property 1-4 Units

Purchase and Rate Term Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV	Max Cash Out R/T Refi
720	65	lesser of 1% loan amt or 2K
700	60	
680	55	
Cash Out Refinance Fixed and ARM		
Minimum Credit Score	Maximum LTV	Max Cash Out
720	55	\$350,000
700	50	\$250,000