

Matrix			Owner Occupied				2 nd Home				Non-Owner Occupied				
			Full Doc	Bank Stmtmt 1099	WVOE	P&L Only	Full Doc	Bank Stmtmt 1099	WVOE	P&L Only	Full Doc	Bank Stmtmt 1099	WVOE	P&L Only	DSCR
			12mo or 24mo	12mo or 24mo			12mo or 24mo	12mo or 24mo			12mo or 24mo	12mo or 24mo			Min 1.00n DSCR
Loan Amt \$	Max DTI %	FICO	CLTV				CLTV				CLTV				
\$75K to \$350K	50	720	90	90	85	80	80	80	75	70	80	80	75	70	80
		700	90	85	80	75	80	75	70	65	80	75	70	65	75
		680	85	80	75	70	75	70	65	60	75	70	65	60	70
		660	80	75	70	65	70	60	60	55	70	60	60	55	
		640	70												
\$350,001 to \$500K	50	720	90	85	80	75	80	75	70	65	80	75	70	65	75
		700	85	80	75	70	80	70	65	60	80	70	65	60	70
		680	80	75	70	65	70	65	60	55	70	65	60	55	65
		660	75	65	65	60	65	60	55	50	65	60	55	50	
\$500,001 to \$750K	50	720	80	80	75	70	75	70	65	60	75	70	65	60	70
		700	80	75	70	65	70	65	60	55	70	65	60	55	65
		680	75	65	65	60	65	55	55	50	65	55	55	50	55
		660	70	60	60	55	60	50	50	45	60	50	50	45	
\$750,001 to \$850K	50	720	75	75											
		700	70	70											
Details		OO/2 nd	NOO												
Combined Lien Balance		X	X	Max Combined Lien Balance Max CLTV			\$2,000,000	\$3,000,000		\$3,500,000		\$4,000,000		\$5,000,000	
							90	85		80		75		60	
Assets		X	X	• None is required on stand-alone CES. Piggyback purchases require copy of assets for 1 st lien.											
Asset Depletion		X	X	• Eligible to augment qualifying income on all doc types except DSCR.											
		X		• Eligible on stand-alone CES as a separate income doc type w/following restrictions: Owner-Occupied only & min 700 FICO Score											
Appraisal Requirements		X		HPML	Loan Amount ≤\$400K		1 unit property: AVM with a 90% confidence factor AND Property Condition Inspection 2-4 unit: Full Appraisal (1004,1025,1073)								
					Loan Amount > \$400K		Full Appraisal (1004,1025,1073)								
		X	X	Non-HPML	Loan Amount ≤\$400K		1 unit property: AVM with a 90% confidence factor AND Property Condition Inspection 2-4 unit: Full Appraisal (1004,1025,1073)								
					Loan Amount > \$400K		Full Appraisal (1004,1025,1073)								
		X		HPML/Non-QM	All loan amounts		Full Appraisal (1004,1025,1073)								
X	X	Declining Markets	Owner Occupied/Second Home - Max 75% CLTV; Non-Owner Occupied - Max 70% CLTV												
Declining Markets		X	X	O/O/2 nd Home: Max LTV 75% CLTV Non-Owner Occupied: Max LTV 70% CLTV											
Recently Listed Properties		X	X	• Full Doc <= \$500K: Properties listed for sale in the last 120 days are not eligible • Full Doc > \$500K/Other Doc Types (all loan amts): Properties listed for sale in last 6mos not eligible.											
Borrower Eligibility		X	X	Eligible							Ineligible				
				• US Citizen • Non-Permanent Resident Alien (with US Credit); Not eligible for DSCR transactions • Permanent Resident Alien							• Non-occupant Co-borrowers • Foreign Nationals • First-Time Homebuyers (except for piggy back CES)				
Compliance		X	X	• No Section 32 or state High Cost • Loans must comply with all applicable federal and state regulations • Fully documented ability to repay • Higher-Priced Mortgage Loans (HPML) and Higher-Priced Covered Transactions (HPCT) are permitted subject to complying with all applicable regulatory requirements • Loans that do not pass NY Subprime test are ineligible											
Prepayment Penalty (NOO Business Purpose Only)			X	• Prepayment penalties eligible on non-owner-occupied business purpose loans where allowed by state. Prepayment penalty must be compliant with the terms and limitations of the applicable state or federal law • Minimum 1 year prepayment penalty required on DSCR doc type where allowed by state											
Credit	Stand - Alone	X	X	• 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months. If Borrower has 3 credit scores, min tradeline requirements are met.											
	Piggyback	X	X	• Default to AUS Approval (if applicable), no minimum tradelines required											
	Limited Credit	X		• Does not meet tradeline requirements. Primary only ok with 0x30x12 mortgage reported on credit (no private party mortgages)											
Credit Scores		X	X	• Qualifying score is the lowest of 2 scores or middle of 3 scores from the primary income earner. DSCR loans qualify using the lowest middle score of all borrowers • Asset Depletion & DSCR loans qualify using the lower middle score of all borrowers.											
		X	X	• Nontraditional credit ineligible											
Credit Event Seasoning		X	X	• 48 months – foreclosure, short-sale, deed-in-lieu, bankruptcy • No multiple events in last 7 years											
Derogatory Credit		X	X	• Open charge-offs or collections < \$1,000 per occurrence ok. No delinquent tradelines at closing • Open medical collections < \$1,000 per occurrence ok											
Housing Lates		X	X	• 0x30x12 on all mortgages for all borrowers. Minimum 12 months housing history required											

Ineligible Senior Liens	X	X	- Loans in active forbearance or deferment are ineligible. Deferred balance from modifications > 12mos may remain open - Negative amortization - Reverse Mortgages - Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien
Interest Only Senior Liens	X	X	- Interest Only senior liens acceptable when qualified at max 50% DTI - Qualify 1st lien I/O on fully amortized payment on remaining term after I/O period
Lien Position	X	X	2nd position only
States	X		Texas Section 50(a)(6) Equity Cash-Out & Texas Section 50(a)(4) eligible only with prior approval from investor
Senior Lien Payment Calc (ARM)	X	X	1st lien ARMS with < 3 years fixed period remaining qualified on fully indexed payment
Property Type	X	X	• SFR max 10 acres • PUD • Condo – Warrantable Full doc <=\$500k; max 90 CLTV OO, 80 CLTV NOO. Full Doc > \$500k max 75% CLTV • Condo-Warrantable other docs (all ln amt)– max 75% CLTV • 2-4-unit -Full doc <=\$500k -max 85 CLTV OO, 80 CLTV NOO • 2-4 unit – Other docs (all ln amt)-max 75%
Rural Property	X		Rural Primary to 80 CLTV, max 10 acres
Qualifying Payment	X	X	Qualifying ratios based on full note rate
Title Report	X	X	Owner & Encumbrance Report (stand-alone refi up to \$350k). ALTA, Jr ALTA, ALTA Lite, ALTA Short Form - Lender Policy
Seasoning	X	X	- Full Doc <= \$500K: no min ownership seasoning required - Full Doc > \$500K/Other Doc Types (all loan amts): > 6 mos ownership seasoning no restrictions. ≤ 6 mos ownership seasoning ineligible for refinancing. ≤ 6 months seasoning since previous refinancing on either 1st lien or 2nd lien max 80 CLTV
Documentation Options		Additional Program Requirements	
Full Doc 2 Year	1	Standard FNMA Documentation	- NonQM and Agency Eligible - Salaried: 2 years W2 and YTD paystub reflecting minimum 30 days earnings - Self-Employed: 2 years tax returns, all schedules. YTD P&L or 3 months business bank statements to support continuance of tax return income
Full Doc 1 Year	2	W-2 (12 months) Tax Returns (12 months)	- NonQM and Agency Eligible - Salaried: 1 year W2 and YTD paystub reflecting minimum 30 days earnings - Self-Employed: 1 year tax returns, all schedules. YTD P&L or 3 months business bank statements to support the continuance of tax return income
Bank Statement	3	Bank Statement (24 months, 12 months)	- Personal & Business Combined or Business (12 months or 24 months) - 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 - Expense factor per the CPA/CTEC/EA letter must be reasonable - Personal & Business Separated (12 months or 24 months) - 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 of business to show business cash flows in order to utilize 100% of business-related deposits in personal account (no expense factor)
P&L Only	7	P&L (12 months) [CPA, CTEC, EA]	- Self-employed (2 years – 25% or greater ownership). P&L prepared by CPA, CTEC or EA (see guidelines for additional requirements) - Qualifying income based on the net income reflected on P&L Statement (multiplied by the borrower's ownership percentage) divided by 12 months
1099	14	1099 (12 or 24 months)	1099 plus either: Current check/check stub or bank statement showing deposits from each 1099 payor (10% expense factor applied) - Qualifying income = 1099 gross minus 10% expense factor. Current check stub or bank statement deposits must support amounts consistent with 1099 levels
WVOE	15	FNMA Form 1005	- WVOE FNMA Form 1005 completed by HR, Payroll, Company Officer plus 2 months personal bank statements supporting wages, or WVOE from online data source (The Work Number, etc) - Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program
DSCR	9	Debt Service Coverage	- Stand-alone cash-out transactions only; Minimum 1.00 DSCR ratio; Qualifying DSCR ratio based on Note Rate (PITIA); Non-permanent resident aliens not allowed - Short-Term Rental income accepted with 3rd party documentation of 12 months rents - Long-Term Rental income qualifies using the lower of the lease agreement or the 1007 (if available). Lease agreement required for all Long-Term Rental transactions - Minimum 1 year prepayment penalty required where allowed by state. Prepayment penalty must be compliant with the terms and limitations of the applicable state or federal law