



Expanded Prime 2nd - Guideline Update Summary

Effective immediately

Section	Previous Guideline	New Guideline
Matrix	<ul style="list-style-type: none"> • Max loan amount \$550,000 • Max combined liens \$2.5M • Min. Loan Amount \$75,000 	<ul style="list-style-type: none"> • Max loan amount \$600,000 • Max combined liens \$4M to 65% LTV, \$3.5M to 75% LTV, \$3 M to 85% LTV, \$2M to 90% LTV • Min. Loan Amount \$50,000
Piggyback Agency Companion 2nd Lien	<ul style="list-style-type: none"> • No previous guidance 	<ul style="list-style-type: none"> • Expanded Prime 2nds can be combined with a new 1st mortgage for the purchase of a Primary, Second Home or investor property. • When the product is combined with a new 1st mortgage in a purchase transaction, the required income and asset documentation will follow the AUS Recommendations and/or the 1st mortgage loan approval. • The following credit requirements will default to the AUS Recommendation and/or the 1st loan approval: <ul style="list-style-type: none"> • Housing history limit of 0x30x12 can be waived if allowed by 1st loan approval. • FTHB overlays can be waived if allowed by 1st loan approval. • Minimum tradelines requirements are waived when the 1st lien has an AUS Approve/Eligible or Approve/Ineligible Recommendation. • Expanded Prime Guidelines and overlays apply with an AUS "Out of Scope" finding. • A copy of the appraisal and original pictures and any secondary valuation (if applicable) used for the 1st mortgage is required for the file. Appraisal waivers not accepted. • See matrix for FICO/LTV/Loan Amount restrictions • Alt doc not available for this program <p>Provide purchase agreement, Note and Closing Disclosure from first mortgage</p>



<p>P&L only (applications on or after 6/25/2024)</p>	<ul style="list-style-type: none"> • Not previously offered 	<ul style="list-style-type: none"> • 12-month signed and dated P&L on business letterhead with license # prepared by CPA, CTEC, EA • 2 yrs. self-employment, at least one borrower >25% owner • Requires business license for the past 2 yrs. • CPA must: <ul style="list-style-type: none"> ○ Confirm they have prepared the most recent year's business tax return filing, AND ○ Include the business name, borrower's name, and percentage of business ownership by the borrower • Minimum expense factor 20% for service business, 40% for product business • Service Business examples: accounting, consulting, counseling, financial planning, insurance, therapy • Product Business examples: Sells goods such as contracting or construction, food services, manufacturing, retail, restaurant • No other income type other than Asset Depletion may be combined with the self-employed borrower using the P&L only • Co-borrowers who are wage earners may provide paystubs and W-2(s) to document income
<p>Asset Depletion</p>	<ul style="list-style-type: none"> • Required most recent statement 	<ul style="list-style-type: none"> • Each asset requires statement(s) covering 6 months
<p>Rural Properties</p>	<ul style="list-style-type: none"> • Rural was not previously allowed 	<ul style="list-style-type: none"> • Max acres 10 • Max 80% CLTV
<p>Ineligible Properties</p>	<ul style="list-style-type: none"> • These types were not previously specified as ineligible 	<ul style="list-style-type: none"> • Mixed Use, Land Trust, Deed-restricted Properties are ineligible
<p>Appraisal</p>	<ul style="list-style-type: none"> • Previously required full appraisal with AVM within 10% for all primary/2nd homes 	<p>Primary / 2nd Home:</p> <p><u>HPML</u></p> <ul style="list-style-type: none"> • Full Appraisal (1004,1025,1073) <p><u>Non-HPML</u></p> <ul style="list-style-type: none"> • Loan Amount <= \$400K: <ul style="list-style-type: none"> ○ AVM with 90% Confidence Factor and exterior Property Condition Inspection ○ Allowable Vendors for AVM: Clear Capital – Clear AVM, Collateral Analytics – CA Value, Quantarium, Veros ○ Allowable Vendor for exterior Property Condition Inspection: Clear Capital • Loan Amount > \$400K:



		<ul style="list-style-type: none"> ○ Full Appraisal (1004,1025,1073) Investment: <ul style="list-style-type: none"> ● Previous appraisal within 12 months (Recert required after 6 months) + Appraisal Desk Review. Review value must be equal to or greater than the appraisal, OR: ● New 2055 Appraisal and Clear Capital CDA supporting value within 10% variance. Greater than 10% variance, use lower of the two values
Appraisal Review	<ul style="list-style-type: none"> ● AVM within 10% of appraised value previously required 	<ul style="list-style-type: none"> ● CU score <= 2.5 – value is acceptable ● CU score > 2.5 <= 3.5 – underwriter to review value for acceptability using CU findings and Drive AVM for support ● CU Score > 3.5 – Manager to review, CDA required case by case
Credit Inquiries	<ul style="list-style-type: none"> ● Not previously specified 	<ul style="list-style-type: none"> ● Inquiries < 90 days of the credit report must be addressed
Derogatory Credit	<ul style="list-style-type: none"> ● Collections or Charge-Offs are acceptable if paid off over 12 months prior. No delinquent tradelines at closing ● Open medical collections <\$1,000 per occurrence is eligible ● All judgements, liens/tax liens must be paid prior to or at closing 	<ul style="list-style-type: none"> ● Collections or Charge-Offs are acceptable if paid off over 12 months prior. No delinquent tradelines at closing ● Open medical collections, collections, and charge-offs <\$1,000 per occurrence is eligible ● No delinquent tradelines at closing ● All judgements, liens/tax liens must be paid prior to or at closing
Judgements, Tax Liens, Income Tax Liens (Federal, State, Local)	<ul style="list-style-type: none"> ● Not previously addressed 	<ul style="list-style-type: none"> ● Must be paid off prior to closing
Seasoning	<ul style="list-style-type: none"> ● <= 6 months seasoning since previous refinance on either a 1st lien or 2nd lien is ineligible 	<ul style="list-style-type: none"> ● <= 6 months seasoning since previous refinance on either a 1st lien or 2nd lien Max 80% CLTV