

Matrix			Owner Occupied				2 <sup>nd</sup> Home				Non-Owner Occupied					
			Full Doc	Bank Stmtnt 1099	WVOE	P&L Only	Full Doc	Bank Stmtnt 1099	WVOE	P&L Only	Full Doc	Bank Stmtnt 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					
\$50K 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		
\$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	50	55	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/2nd	NOO													
Combined Lien Balance		X	X	Max Combined Lien Balance		\$2,000,000	\$3,000,000	\$3,500,000	\$4,000,000	\$5,000,000						
Assets		X	X	<ul style="list-style-type: none"> <li>None is required on stand-alone CES. Piggyback purchases require copy of assets for 1<sup>st</sup> lien.</li> </ul>												
Asset Depletion		X	X	<ul style="list-style-type: none"> <li>Eligible to augment qualifying income on all doc types except DSCR.</li> <li>Eligible on stand-alone CES as a separate income doc type w/following restrictions: Owner-Occupied only &amp; min 700 FICO Score</li> </ul>												
Appraisal Requirements		X	X	HPML		Full Appraisal (1004,1025,1073)										
				Non-HPML		Loan Amount ≤ \$400K		AVM with a 90% confidence factor AND Property Condition Inspection								
						Loan Amount > \$400K		Full Appraisal (1004,1025,1073)								
Recently Listed Properties		X	X	<ul style="list-style-type: none"> <li>Properties listed for sale in the last 6 months are not eligible</li> </ul>												
Borrower Eligibility		X	X	<b>Eligible</b> <ul style="list-style-type: none"> <li>US Citizen</li> <li>Non-Permanent Resident Alien (with US Credit); Not eligible for DSCR transactions</li> <li>Permanent Resident Alien</li> </ul>						<b>Ineligible</b> <ul style="list-style-type: none"> <li>Non-occupant Co-borrowers</li> <li>Foreign Nationals</li> <li>First-Time Homebuyers (except for piggy back CES)</li> </ul>						
Compliance		X	X	<ul style="list-style-type: none"> <li>No Section 32 or state High Cost</li> <li>Loans must comply with all applicable federal and state regulations</li> <li>Fully documented ability to repay</li> <li>Higher-Priced Mortgage Loans (HPML) and Higher-Priced Covered Transactions (HPCT) are permitted subject to complying with all applicable regulatory requirements</li> <li>Loans that do not pass NY Subprime test are ineligible</li> </ul>												
Prepayment Penalty (NOO Business Purpose Only)			X	<ul style="list-style-type: none"> <li>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</li> <li>Minimum 1 year prepayment penalty required on DSCR doc type where allowed by state</li> </ul>												
Credit		Stand-Alone	X	X	<ul style="list-style-type: none"> <li>3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months. <b>If Borrower has 3 credit scores, min tradeline requirements are met.</b></li> </ul>											
		Piggyback	X	X	<ul style="list-style-type: none"> <li>Default to AUS Approval (if applicable), no minimum tradelines required</li> </ul>											
		Limited Credit	X		<ul style="list-style-type: none"> <li>Does not meet tradeline requirements. Primary only ok with 0x30x12 mortgage reported on credit (no private party mortgages)</li> </ul>											
Credit Scores		X	X	<ul style="list-style-type: none"> <li>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</li> <li><b>Asset Depletion &amp; DSCR loans qualify using the lower middle score of all borrowers.</b></li> </ul>												
		X	X	<ul style="list-style-type: none"> <li>Nontraditional credit ineligible</li> </ul>												
Credit Event Seasoning		X	X	<ul style="list-style-type: none"> <li>48 months – foreclosure, short-sale, deed-in-lieu, bankruptcy</li> <li>No multiple events in last 7 years</li> </ul>												
Derogatory Credit		X	X	<ul style="list-style-type: none"> <li>Open charge-offs or collections &lt; \$1,000 per occurrence ok. No delinquent tradelines at closing</li> <li>Open medical collections &lt; \$1,000 per occurrence ok</li> </ul>												
DSCR CES			X	<ul style="list-style-type: none"> <li>Stand-alone cash-out transactions only</li> <li>First-time investor is ineligible</li> <li>Min 1.0 DSCR required</li> <li>Non-Permanent Aliens ineligible</li> </ul>												
Housing Lates		X	X	<ul style="list-style-type: none"> <li>0x30x12 on all mortgages for all borrowers. Minimum 12 months housing history required</li> </ul>												
Ineligible Senior Liens		X	X	<ul style="list-style-type: none"> <li>Loans in active forbearance or deferment are ineligible. Deferred balance from modifications &gt; 12mos may remain open</li> <li>Negative amortization</li> </ul>												

			<ul style="list-style-type: none"> <li>Reverse Mortgages</li> <li>Balloon loans that the balloon payment comes due during the amortization period of the 2<sup>nd</sup> lien</li> </ul>
Interest Only Senior Liens	X	X	<ul style="list-style-type: none"> <li>Interest Only senior liens acceptable when qualified at max 50% DTI</li> <li>Qualify 1<sup>st</sup> lien I/O on fully amortized payment on remaining term after I/O period</li> </ul>
Lien Position	X	X	<ul style="list-style-type: none"> <li>2<sup>nd</sup> position only</li> </ul>
States	X		<ul style="list-style-type: none"> <li>Texas Section 50(a)(6) Equity Cash-Out &amp; Texas Section 50(a)(4) eligible only with prior approval from investor</li> </ul>
Senior Lien Payment Calc (ARM)	X	X	<ul style="list-style-type: none"> <li>1<sup>st</sup> lien ARMS with &lt; 3 years fixed period remaining qualified on fully indexed payment</li> </ul>
Property Type	X	X	<ul style="list-style-type: none"> <li>SFR max 10 acres</li> <li>PUD</li> <li>Condo – Warrantable max 75 CLTV OO, 70 CLTV NOO</li> <li>2-4-unit max 75 CLTV OO, 70 CLTV NOO</li> </ul>
Rural Property	X		<ul style="list-style-type: none"> <li>Rural Primary to 80 CLTV, max 10 acres</li> </ul>
Qualifying Payment	X	X	<ul style="list-style-type: none"> <li>Qualifying ratios based on full note rate</li> </ul>
Title Report	X	X	<ul style="list-style-type: none"> <li>ALTA, Jr ALTA, ALTA Lite, ALTA Short Form - Lender Policy</li> </ul>
Seasoning	X	X	<ul style="list-style-type: none"> <li>&gt;6 months ownership seasoning no restrictions. ≤6 months ownership seasoning ineligible for refinance</li> <li>≤6 months seasoning since previous refinance on either 1<sup>st</sup> lien or 2<sup>nd</sup> lien max 80 CLTV</li> </ul>
Documentation Options		Additional Program Requirements	
Full Doc 2 Year	1	Standard FNMA Documentation	<ul style="list-style-type: none"> <li>NonQM and Agency Eligible <ul style="list-style-type: none"> <li>Salaried: 2 years W2 and YTD paystub reflecting minimum 30 days earnings</li> <li>Self-Employed: 2 years tax returns, all schedules. YTD P&amp;L or 3 months business bank statements to support continuance of tax return income</li> </ul> </li> </ul>
Full Doc 1 Year	2	W-2 (12 months) Tax Returns (12 months)	<ul style="list-style-type: none"> <li>NonQM and Agency Eligible <ul style="list-style-type: none"> <li>Salaried: 1 year W2 and YTD paystub reflecting minimum 30 days earnings</li> <li>Self-Employed: 1 year tax returns, all schedules. YTD P&amp;L or 3 months business bank statements to support the continuance of tax return income</li> </ul> </li> </ul>
Bank Statement	3	Bank Statement (24 months, 12 months)	<ul style="list-style-type: none"> <li>Personal &amp; Business Combined or Business (12 months or 24 months) <ul style="list-style-type: none"> <li>At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)</li> <li>Standard Expense factors apply: 50% expense factor <ul style="list-style-type: none"> <li>If business operates &lt; standard expense factor, P&amp;L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required</li> <li>Expense factor per the CPA/CTEC/EA letter must be reasonable</li> </ul> </li> </ul> </li> <li>Personal &amp; Business Separated (12 months or 24 months) <ul style="list-style-type: none"> <li>At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)</li> <li>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)</li> </ul> </li> </ul>
P&L Only	7	P&L (12 months) [CPA, CTEC, EA]	<ul style="list-style-type: none"> <li>Self-employed (2 years – 25% or greater ownership). P&amp;L prepared by CPA, CTEC or EA (see guidelines for additional requirements)</li> <li>Qualifying income based on the net income reflected on P&amp;L Statement (multiplied by the borrower's ownership percentage) divided by 12 months</li> </ul>
1099	14	1099 (12 or 24 months)	<ul style="list-style-type: none"> <li>1099 plus either: Current check/check stub or bank statement showing deposits from each 1099 payor (10% expense factor applied)</li> <li>Qualifying income = 1099 gross minus 10% expense factor. Current check stub or bank statement deposits must support amounts consistent with 1099 levels</li> </ul>
WVOE	15	FNMA Form 1005	<ul style="list-style-type: none"> <li>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)</li> <li>Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program</li> </ul>
DSCR	9	Debt Service Coverage	<ul style="list-style-type: none"> <li>Stand-alone cash-out transactions only; Minimum 1.00 DSCR ratio; Qualifying DSCR ration based on Note Rate (PITIA); Non-permanent resident aliens not allowed</li> <li>Short-Term Rental income accepted with 3<sup>rd</sup> party documentation of 12 months rents</li> <li>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</li> <li>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</li> </ul>