| STAND ALONE CLOSED END SECOND | | | | |
|---|---|---|---|---|
| **Full Doc** | | | | |
| Loan Amount | Credit Score | CLTV | | |
| | | Primary | Second Home | Investment |
| $350,000 | 740 | 90 | 80 | 75 |
| | 700 | 85 | 80 | 65 |
| | 680 | 75 | 75 | N/A |
| $500,000 | 740 | 85 | 75 | 75 |
| | 700 | 85 | 75 | 65 |
| | 680 | 75 | 70 | N/A |
| $750,000 | 740 | 80 | 75 | N/A |
| | 700 | 80 | 70 | N/A |
| | 680 | 75 | 65 | N/A |

| General Requirements | |
|---|---|
| Product and Term | Fixed Rate - Fully amortizing terms of 10, 15, 20 & 30 years. |
| Loan Amount | Min: $75,000 Max: $750,000 |
| Combined Loan Balance Caps | • The CLTV of the combined 1st and 2nd lien loan balances are restricted as follows:<br>o Total lien balance > $2,000,000 – 80% CLTV<br>o Total lien balance > $3,000,000 – 75% CLTV |
| Loan Purpose | Stand-Alone Cash Out (minimum ownership of 6 months required) |
| Occupancy | Primary, Second Home, Investment |
| Cash-Out | Max cash-out: $750,000 |
| Eligible Borrower | U.S. Citizen and Permanent Resident Alien |
| Ineligible Borrower | • Non-permanent Resident Aliens<br>• Foreign Nationals<br>• Non-occupant Co-borrowers |
| State Restriction | • Not Eligible:<br>o Texas<br>o Tennessee<br>o Puerto Rico, Guam, & the US Virgin Islands not eligible<br><br>• Restricted:<br>o CT, IL, NJ, NY (Max CLTV 80%, Min FICO 720) |
| Age of Documents | • Credit Documents: May not be over 90-days old at the time of closing.<br>• Appraisals: May not be over 120-days old at time of closing. |
| Credit Score | • Determine a representative score for each borrower using middle of 3 scores or lower of 2, use lowest representative score amongst all borrowers.<br>• Rapid rescoring not allowed. |

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| Housing History | • 0x30x12 mortgage history required on all loans in file.<br>• Verify the 1st lien P&I payment with:<br>o Copy of 1st lien Note, AND<br>o Copy of most recent monthly mortgage payment statement |
| Credit Events | • Foreclosure, Short Sale, Deed in Lieu, Bankruptcy: 48-month seasoning<br>• Individual collection and non-mortgage charge-off accounts equal to or greater than $250, and accounts that total more than $2,000, must be paid in full prior to or at closing |
| Tradelines | • Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting 12-months w/recent activity<br>• If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived |
| Maximum DTI | • 80% CLTV: Maximum DTI ratio 50%<br>• 90% CLTV: Maximum DTI ratio 45% |
| Income Doc | • Wage/Salary:<br>Paystubs and previous year W-2's **ONE (1) OR TWO (2) YEARS OPTIONS**<br>• WVOE<br>• Self-employment Income (25% or greater ownership):<br>**ONE (1) OR TWO (2) YEARS OPTIONS**<br><br>o Personal and/or Business tax returns, signed and dated by the borrower(s), including all schedules.<br>o An unaudited YTD Profit and Loss Statement (borrower prepared acceptable) signed by the borrower, including business sales, expenses, and net income up to and including the most recent month preceding the loan application date.<br>o Two business bank statements, representing the two most recent months from the P&L statement.<br><br>• Regardless of the income source (i.e., wage/salary/self-employment) all files must include ONE (1) OR TWO (2) YEARS of personal tax returns, including all schedules. The tax returns signed by the borrower, or evidence of electronic filing required in each file. Tax transcripts obtained from the IRS are required prior to closing and are used to validate the income.<br><br>***Documents prepared by PTINs are not acceptable.<br><br>• Retirement income must be supported by evidence of 2 months receipts. |
| Eligible Property | • Single Family (Attached, Detached)<br>• Condominiums (Max CLTV 80%)<br>• 2-4 Units (Max CLTV 75%) |

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<tr><td>Aprpaisal</td><td>
• A full appraisal with an interior inspection, regardless of the loan balance. (Transfer appraisal is not allowed)<br><br>
• If borrower has less than 12 months ownership in the property, LTV/CLTV is calculated on the lower of the purchase price or appraised value. If the borrower has owned property for more than 12 months, LTV/CLTV is based on the appraised value.<br><br>
• Acceptable review products are required in all files including one of the followings:<br>
1) AVM<br>
* If two AVMs are ordered, the AVM with the higher FSD will be treated as the primary valuation product. The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10%. If both AVMs have the same FSD, the lower of the two must be utilized for determining the CLTV.
<table>
<tr><th>AVM Vendor</th><th>Acceptable FSD Score at 90%</th></tr>
<tr><td>Clear Capital</td><td><=0.13</td></tr>
</table>
2) Desk Review
</td></tr>
<tr><td>Property</td><td>
• Minimum property size is 750 Square Feet and the property must be less than 10 acres<br>
• Condition Rating of C5/C6 not eligible<br>
• Any property located in a declining market as reported by the appraiser requires a 5% CLTV reduction.<br>
• Any existing solar loans or leases must be paid prior to or at closing
</td></tr>
<tr><td>Declining Market and State/CBSA restrictions</td><td>
• Any property located in a State/CBSA area is subject to a max LTV/CLTV of 80% for purchase and refinance transactions
<table>
<tr><th>CBSA Name</th><th>CBSA Code</th></tr>
<tr><td>Phoenix-Mesa-Scottsdale, AZ</td><td>38060</td></tr>
<tr><td>Sacramento-Roseville, CA</td><td>40900</td></tr>
<tr><td>San Francisco-Oakland-Hayward, CA</td><td>41860</td></tr>
<tr><td>San Jose-Sunnyvale-Santa Clara, CA</td><td>41940</td></tr>
<tr><td>Santa Cruz-Watsonville, CA</td><td>42100</td></tr>
<tr><td>Boulder, CO</td><td>14500</td></tr>
<tr><td>Breckenridge, CO</td><td>14720</td></tr>
<tr><td>Sevierville, TN</td><td>42940</td></tr>
<tr><td>Austin-Round Rock, TX</td><td>12420</td></tr>
</table>
Use this link [LINK] to access zip codes for the list of the above CBSA codes
</td></tr>
<tr><td>Recently Listed Properties</td><td>Properties listed for sale in the past 6-months are not eligible</td></tr>
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| | |
|---|---|
| Eligible Asset | • Checking/Savings – 100%<br>• Marketable Securities – 70%<br>• 2 months bank statements & source of large deposit is required.<br>• No reserve is required |
| Impound | • Escrows for taxes and hazard insurance not required |
| Ineligible Senior Liens | • Senior liens with high-risk features which can include, but are not limited to:<br>o Loans in active forbearance or deferment<br>o Negative amortization<br>o Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien<br>o Reverse Mortgages<br>o Private Mortgage<br>o First liens for the subject property not reporting on credit report are ineligible |
| Ineligible Loan | • Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible.<br>• Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date.<br>• Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months.<br>• All existing subordinate liens must be satisfied.<br>• No resubordinated permitted.<br>• Lease hold properties<br>• Trust vesting is not allowed |