

Revision: March 30, 2023

Jumbo Plus											
PURCHASE AND R&T REFINANCE						CASH-OUT REFINANCE					
Occupancy	Property Type	Max Loan Amount	LTV/CLTV/HCLTV	Min Fico Score	Max DTI	Occupancy Units	Property Type	Max Loan Amount	LTV/CLTV/HCLTV	Min Fico Score	Max DTI
Primary	SFR, 2-4 Unit, PUD, Condo	\$1,500,000	89.99%	720	45%	Primary	SFR, 2-4 Unit, PUD, Condo	\$1,000,000	80%	680	45%
		\$1,500,000	85%	680	45%			\$1,500,000	75%	700	45%
		\$1,500,000	80%	660	50%			\$2,000,000	70%	700	45%
		\$2,000,000	80%	700	50%						
		\$2,500,000	80%	720	45%						
		\$3,000,000	75%	740	45%						
Second Home	SFR, PUD, Condo	\$1,500,000	80%	680	45%	Second Home	SFR, PUD	\$1,000,000	75%	700	45%
		\$2,000,000	75%	700	45%		SFR, PUD	\$1,500,000	70%	720	45%
							Condo	\$1,500,000	65%	720	45%
Investment	SFR, 2-4 Unit, PUD, Condo	\$1,500,000	75%	700	45%	Investment	SFR, 2-4 Unit, PUD, Condo	\$1,500,000	60%	700	45%
		\$2,000,000	70%	700	45%						

- Required DU or LPA with either “Approve/Ineligible” or “Accept/Ineligible” findings due to loan amount only
- Minimum loan amount must be \$1 over the county limits
- No mortgage insurance over 80% LTV
- Attached Condo limited to 85% LTV/CLTV/HCLTV
- Additional hit to pricing for self-employed borrowers, please refer to rate sheet.
- DTI up to 50% allowed with the following parameters: Primary Residence, Purchase and R&T, 1 Unit, Max \$2M loan amount, and max 80% LTV

General Guidelines	
<b>Loan Application</b>	<ul style="list-style-type: none"> <li>• Loan application must be taken on or after 3/2/2021</li> </ul>
<b>Qualified Mortgage</b>	<ul style="list-style-type: none"> <li>• Loan must be qualified mortgage eligible for sale harbor protection</li> <li>• APR Must be &lt; APOR + 1.50%</li> </ul>
<b>Income Verification</b>	<ul style="list-style-type: none"> <li>• 4506-C transcripts required on all loans</li> <li>• Wage earner only requires W-2 transcripts</li> </ul>
<b>Full Amortization</b>	30 years
<b>AUS</b>	<ul style="list-style-type: none"> <li>• DU findings of “Approve/Ineligible” due to loan amount only</li> <li>• LPA findings of “Accept/Ineligible” due to loan amount only</li> </ul>
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• US Citizens; Permanent Resident Aliens; non-permanent; Revocable Trust;</li> <li>• Each borrower must have valid Social Security Number.</li> <li>• Maximum of 4 borrowers per loan application are allowed.</li> <li>• Non-Permanent Required VISAs: A Series (A-1, A-2, A-3), E-1, E-2, E-3, G Series (G-1, G-2, G-3, G-4, G-5), H-1 (includes H-1B and H-1C), H-4, L-1, L-2, O-1A, O-1B, O-2, TN NAFTA for Canadian and Mexican Citizens, TC, NAFTA for Canadian citizens for professional or business purpose. NOTE: Only allowed on owner occupied transaction, and must have 2 years history of credit in U.S.             <ul style="list-style-type: none"> <li>○ If green card or non-permanent status will expire within 2 months of funding may be considered as long as the borrower provides evidence of renewal or extension.</li> </ul> </li> <li>• A current (unexpired) EAD issued by USCIS may be provided in lieu of a VISA. If the EAD will expire within one year, one of the following must be provided:             <ul style="list-style-type: none"> <li>○ Documentation of one previous EAD renewal</li> <li>○ If there are no prior EAD renewals, documentation from the USCIS confirming the likelihood of renewal.</li> </ul> </li> <li>• Borrower with Diplomatic Immunity / Asylum is not eligible.</li> <li>• DACA is not eligible.</li> </ul>
<b>Housing Payment History</b>	<ul style="list-style-type: none"> <li>• A minimum 12-month history of the borrower’s mortgage and/or rental payment history must be provided (This is independent of the housing payment history verification).             <ul style="list-style-type: none"> <li>○ A VOM is acceptable if it comes from a registered financial institution or servicer.</li> <li>○ If VOR is from private party, provide 12 months cancelled checks or bank statements.</li> </ul> </li> <li>• First Time Home Buyer with no housing payment history needs to meet the minimum credit requirements.</li> </ul>

<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>SFR, PUDS, Condos (Established and Fannie Mae approved Condo Projects), 2-4 Units</li> </ul>
<b>Credit Scores, Credit, Credit Events, and Disputes</b>	<ul style="list-style-type: none"> <li>Follows AUS findings for <b>credit scores and tradelines.</b></li> <li>Rapid re-score not allowed</li> <li><u>Chapter 7 or 11 Bankruptcy</u>: 4 years have elapsed since the discharge or dismissal date to the Note date</li> <li><u>Chapter 13 Bankruptcy</u>: 4 years have elapsed since dismissal date to the Note Date</li> <li><u>Short Sale, "Settled for Less", Deed-in-lieu of foreclosure, Pre-foreclosure</u>: 4 years waiting period from recording date to the Note Date.</li> <li><u>Foreclosure</u>: 7 years waiting period is required from recording date to the Note date</li> <li>Foreclosure limitations apply to formal foreclosure filings; In the instanced when the borrower has been or is currently delinquent for 120 days or longer and the lender has not initiated formal actions, 120 days plus delinquency will be treated as a foreclosure.</li> <li>No extenuating circumstances for shorter timeframes</li> </ul>
<b>Mortgage Lates</b>	Mortgage late: 0x30 last 12 months, 1x30 in the last 13 to 24 months, 0x60 in the last 24 months
<b>Self-Employed and Wage Earner Income Docs</b>	<p>Follows AUS findings, with exceptions:</p> <ul style="list-style-type: none"> <li>WVOE is not allowed as a standalone documentation.</li> </ul> <p>Previous employment must be verified by Written VOE to cover 24 months of employment history. When tax returns are present all self-employment loss must be accounted for.</p>
<b>Restricted Stock Income</b>	Allowed on LPA findings only. Follow FHLMC guideline on restricted stock income (RSU).
<b>Asset depletion</b>	Allowed on LPA findings only. Follow FHLMC guideline.
<b>Ineligible Income</b>	<ul style="list-style-type: none"> <li>Capital gain</li> <li>Future income</li> <li>Educational benefits such as VA benefits or scholarships</li> <li>One-time signing bonus</li> <li>Retained earnings</li> <li>Reverse mortgage loan proceeds</li> <li>Secondary income that will continue for less than 3 years</li> <li>Taxable forms of income that the applicant does not declare on federal income tax returns</li> <li>Value of employment benefit packages that are not received as cash wages</li> <li>Lump sum payments of lottery earnings that are not ongoing</li> <li>Student loans/grants</li> <li>Allowance income</li> <li>Stipends</li> <li>Room and board received for the applicant's principal residence</li> </ul>

	<ul style="list-style-type: none"> <li>Severance pay</li> <li>Any income that is from a business activity that may be permitted by state law, (such as the growing and sale of marijuana), but is against Federal Law</li> </ul>
<b>Installment Debts</b>	Cannot be paid down to 10 installments for qualification
<b>Revolving Debts</b>	Allowed; account does not need to be closed; subject to ATR (Ability to repay)
<b>Non-Occupant</b>	<ul style="list-style-type: none"> <li>Allowed per AUS</li> </ul>
<b>Gift</b>	<ul style="list-style-type: none"> <li>LTV &gt; 80%: Requires 3% from borrower own funds.</li> <li>LTV &lt;= 80%: 100% of gift funds allowed for down payment and closing.</li> <li>Gift funds can be wired directly to escrow.</li> <li>Wire needs to show donor's name as a remitter.</li> <li>Not allow for reserve</li> </ul>
<b>Rental Income</b>	Refer to agency guidelines
<b>Distribution income from retirement</b>	<p>Income may be verified by the following:</p> <ul style="list-style-type: none"> <li>Distributions from a retirement account (401K, IRA, Keogh, SEP) must be documented with a distribution letter and at least one month bank statements to document the regular payments.</li> <li>Document to show 3 years continuance.</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>Loan amount &lt;= \$1.0M and LTV &lt;= 80%: Reserve is based on AUS findings.</li> <li>Loan amount &gt;= \$1.0M: The greater of 3 months PITIA reserves or reserves determined by AUS</li> <li>Loan amount &gt;= \$2.0M: The greater of 6 months PITIA reserves or reserves determined by AUS</li> <li>For CLTV &gt; 80%, borrower must have the greater of 6 months PITIA or reserves determined by AUS</li> <li>Cash-out proceeds from the subject refinance transaction are not eligible for reserves</li> <li>Gift funds not allowed for reserve</li> </ul>
<b>Assets</b>	<p><b>Allowable Assets for down payment, closing and reserves:</b></p> <ul style="list-style-type: none"> <li>Checking / Savings</li> <li>401K (vested 100%) – 70% of value</li> <li>Stock – 70% of the stock value</li> <li>Business Funds – based on percentage of ownership</li> <li>Life Insurance – 100% of cash value</li> <li>Government Bonds – 70% of redemption value</li> <li>HELOCS – allowed but only for closing costs <u>not for reserve</u>.</li> </ul> <p><i>Continue on next page</i></p>

	<p><b>Ineligible Assets:</b></p> <ul style="list-style-type: none"> <li>• VOD (verification of deposit)</li> <li>• Cash advances from a credit card</li> <li>• Commission from Sale of Subject Property</li> <li>• Disaster Relief Funds</li> <li>• Funds donated by property seller, builder, real estate agent or any other party not related to the applicant to satisfy down payment requirements</li> <li>• Hedge Funds</li> <li>• Individual Development Accounts</li> <li>• Margin accounts used to secure a margin loan</li> <li>• Pension fund</li> <li>• Personal loan</li> <li>• Private Stock; unvested stock options</li> <li>• Private Equities</li> <li>• Salary advances</li> <li>• Seller real estate tax credit</li> <li>• Seller real estate tax proration's received or credited at closing</li> <li>• Signature loans</li> <li>• Sweat equity</li> <li>• Uniform Gifts to Minors Act (UGMA) and Uniform Transfers to Minors Act (UTMA) unless the applicant is the account beneficiary and is of legal age</li> <li>• Unsecured financing</li> <li>• Except for Employer Assisted Unsecured Loans for relocating applicants</li> </ul>
<p><b>Appraisal Transfer</b></p>	<p>Allowed</p>
<p><b>Appraisal Requirements</b></p>	<ul style="list-style-type: none"> <li>• Loan amount &lt;= \$1.5 requires 1 (one) full appraisal</li> <li>• Loan amount &gt; \$1.5 requires 2 (two) full appraisals, the lesser of the two values will be used</li> <li>• Appraisal must be dated within 120 days prior to the Note date. Recert of value is allowed. Any additional cost needs to be paid by borrower or broker.</li> <li>• Desk review (CDA) is required on all loans             <ul style="list-style-type: none"> <li>○ CDA &gt; 10% will require field review regardless of LTV.</li> <li>○ Field review cost needs to be paid by borrower or broker.</li> </ul> </li> <li>• PIW/ACE or Exterior (2055) not allowed</li> </ul>

<b>Departing Property</b>	<ul style="list-style-type: none"> <li>• Lender to validate market rent. A rental survey maybe required.</li> <li>• Copy of the lease agreement for one-year duration</li> <li>• May use 75% of gross rental income to offset PITIA.</li> </ul>
<b>Seasoning Rate/Term and Cash Out</b>	<ul style="list-style-type: none"> <li>• Rate &amp; Term: <ul style="list-style-type: none"> <li>○ No seasoning requirements from purchase transaction to refinance to use current market value.</li> </ul> </li> <li>• Cash-Out: <ul style="list-style-type: none"> <li>○ Consolidating non-purchase money second is considered cash-out</li> <li>○ Unlimited cash-out up to the Max LTV/CLTV allowed</li> <li>○ Texas 50(a)(6) and 50(f)(2) not allowed</li> </ul> </li> </ul>
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>• Follows agency guidelines</li> <li>• Seller carry back not allowed</li> </ul>
<b>Max.# of Financed Properties</b>	Max 10 Financed and up to 10 properties owned (excludes commercial properties and land).
<b>Properties Listed for Sale</b>	For <b>R&amp;T and Cash Out</b> Transaction, needs to be off the market for <b>over 6 months</b> before taking loan application. A copy of the canceled/expired listing should be placed in the file and a search of the current multiple listing services should be completed to verify that the property is not currently listed by a different agency.
<b>Flipped Transactions</b>	Not allow if property was listed for sale in the last six (6) months.
<b>Delayed Financing</b>	Follows agency guidelines; Priced as Cash-Out transactions
<b>Ineligible Properties</b>	Acreage greater than 10 acres (appraisal must include total acreage), Agricultural zoned property (unless property is intended for residential use and must have like comps) * New Condos * Condo Gut Conversion * Condo Newly Converted Non-Gut Projects * Condo Hotel * Co-Ops * Resale restrictions are not permitted includes 55 of age or over communities * Hobby Farms * Income Producing properties with acreage * Log Homes * Manufactured Housing * Mixed Used properties * Modular homes * Properties subject to oil and/or gas leases * Title may not be held in a business name * Unique properties * Working farms, ranches or orchards.
<b>Seller Contributions</b>	<p>Seller Contributions: Basis for the limit is now based on CLTV ratio</p> <ul style="list-style-type: none"> <li>• Primary Residence and Second Home <ul style="list-style-type: none"> <li>○ 6%: LTV 75.01 -90%</li> <li>○ 9%: LTV &lt; 75%</li> </ul> </li> </ul> <p>Investment: 2%</p>
<b>Rent Back</b>	60 days
<b>HERO/PACE</b>	Must be paid off in full and remove from title. If using loan proceed to pay off Hero/Pace, then it's considered cash-out.
<b>Student Loan</b>	Refer to agency guidelines.
<b>Delinquent / Tax Lien</b>	Not allowed
<b>Additional Restrictions</b>	Temporary Buydown / Leasehold: Not Allowed
<b>Property Flipping</b>	Not allowed

<b>State Restrictions</b>	Texas: A Texas 50(a)(6) and 50(f)(2) transaction is ineligible
<b>Land Trust or Community Land Trust</b>	Not allowed
<b>Non-Arm's Length Transaction</b>	<p>All of the parties to a transaction should be independent of one another. Except as indicated below if a direct relationship exists between or among the parties, the transaction is a non-arm's length transaction, and the related loan is not eligible for purchase. The following non-arm's length transactions are eligible provided that such transactions and the related circumstances are properly documented:</p> <ul style="list-style-type: none"> <li>• Sales or transfers between members of the same family. Transaction may not be due to any adverse circumstances.</li> <li>• Property seller acting as his or her own real estate agent.</li> <li>• Borrower acting as his or her own real estate agent.</li> <li>• Borrower is the employee of the originating lender.</li> <li>• Borrower purchasing from his or her current landlord (cancelled checks or bank statements required to verify satisfactory pay history between borrower and landlord).</li> <li>• Family member representing buyer as real estate agent is allowed. No credit from agent's commission can be given toward the borrowers closing costs, prepaids, down payment or reserves.             <ul style="list-style-type: none"> <li>○ Broker can be the buyer's agent and loan originator on the loan. No credit from agent's commission can be given toward the borrowers closing costs, prepaids, down payment or reserves.</li> </ul> </li> </ul>
<b>Third Party QC</b>	Third party QC is required on all loans prior to doc.