

				Owner Occupied
Loan Amount	Reserves	Max DTI	FICO	CLTV
\$125,000 - \$1,000,000	3 mos	45/50%	740	80%
			720	75%
			700	70%
			680	65%
\$1,000,001 - \$1,500,000	6 mos	45/50%	740	75%
			720	75%
			700	70%
			680	65%

Guidelines	
Appraisal Requirements	<ul style="list-style-type: none"> <li>FNMA Form 1004, 1073 with interior/exterior inspection.</li> <li>CDA required on all transactions</li> </ul>
Assets	<ul style="list-style-type: none"> <li>As per guidelines</li> </ul>
Credit Event Seasoning	<ul style="list-style-type: none"> <li>36 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.</li> <li>Max LTV 75% when a credit event is present regardless of seasoning</li> </ul>
Credit Score	<ul style="list-style-type: none"> <li>Lowest of 2 scores, middle of 3 scores. Qualifying score is lowest of all borrowers.</li> <li>Non-traditional credit ineligible.</li> </ul>
Declining Markets - > 65% LTV	<ul style="list-style-type: none"> <li>-10% if in balance and 3-6 mos marketing time</li> <li>-5% if a shortage and under 3 mos marketing time</li> </ul>
Derogatory Credit	<ul style="list-style-type: none"> <li>Judgements, Garnishments and Liens:                             <ul style="list-style-type: none"> <li>The borrower is required to pay-off all open judgements, garnishments, and liens (including mechanics liens or material men's liens) prior to the loan closing.</li> </ul> </li> <li>Collection Accounts and Charge-offs do not have to be paid in full if the following applies:                             <ul style="list-style-type: none"> <li>Collections and charge-offs &lt; 24 months old with a maximum cumulative balance of \$2,000</li> <li>Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence</li> <li>Collections and charge-offs that have passed beyond the statute of limitation for that state (supporting documentation required) 19</li> <li>All medical collections</li> <li>Exception: IRS repayment plans with 3 months history of payments may remain unpaid.</li> </ul> </li> <li>All Past Due Accounts must be brought current regardless of the type of account</li> </ul>
DTI	<ul style="list-style-type: none"> <li>50% Max LTV 75%</li> <li>45% no LTV restriction</li> </ul>
Eligible Borrowers	<ul style="list-style-type: none"> <li>Permanent and Non-permanent Resident Aliens, DACA</li> </ul>
Geographic Restrictions	<ul style="list-style-type: none"> <li>Allowed wherever HEM is licensed</li> </ul>
Housing Lates	<ul style="list-style-type: none"> <li>1x30x12 on all mortgages for all borrowers.</li> <li>Minimum 12-month housing history required</li> </ul>
No Housing History	<ul style="list-style-type: none"> <li>Minimum 6 months reserves after closing</li> <li>10% minimum borrower contribution</li> <li>VOR/VOM must be obtained for all month's available reflecting paid as agreed</li> <li>Properties owned free and clear are considered 0x30 for grading purposes.</li> <li>Borrowers who own their primary residence free and clear for a minimum of 12 months are acceptable.</li> <li>Borrowers living rent free with a spouse are acceptable with rent-free letter and evidence of spouse's mortgage.</li> </ul>
Ineligible Borrowers	<ul style="list-style-type: none"> <li>Vesting is not permitted to be in the name of an LLC, Corporation or Partnership</li> </ul>

Occupancy	<ul style="list-style-type: none"> <li>• Primary residence only</li> </ul>
Property Type	<ul style="list-style-type: none"> <li>• SFR</li> <li>• PUD</li> <li>• Condo-Warrantable</li> <li>• Condo-Non-warrantable max 75% LTV</li> <li>• Modular</li> <li>• 2-4 Units max 75% LTV</li> </ul>
Purpose	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• R/T Refinance</li> </ul>
Qualifying Payment	<ul style="list-style-type: none"> <li>• Qualifying ratios based on Full Note Rate</li> </ul>
Recently Listed Properties	<ul style="list-style-type: none"> <li>• Property must be removed from listing for at least six months prior to application.</li> </ul>
Residual Income	<ul style="list-style-type: none"> <li>• \$1,500</li> </ul>
Seasoning	<ul style="list-style-type: none"> <li>• Non-first loans being paid off must be seasoned for &gt; 12 months</li> </ul>
Terms Available	<ul style="list-style-type: none"> <li>• Full Am: 30 &amp; 40 year</li> <li>• ARM: 5/6 &amp; 7/6</li> </ul>
Title Report	<ul style="list-style-type: none"> <li>• Standard or Short ALTA - Lenders Policy is acceptable</li> </ul>
Tradelines Requirement	<ul style="list-style-type: none"> <li>• All borrowers should have an established credit history that is partially based on tradeline history.</li> <li>• Only the Primary Wage Earner is required to meet the minimum tradeline requirements and will have open and active tradelines that meet the following requirements:             <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.</li> </ul> </li> </ul>
Vesting	<ul style="list-style-type: none"> <li>• Vesting as an individual or Living Trusts only</li> </ul>
<b>Documentation Options</b>	
Full Doc – 1 & 2 years	<ul style="list-style-type: none"> <li>• Standard Fannie Mae Documentation</li> <li>• Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding is required.</li> </ul>
Alt Doc – Bank Statement/1099	<ul style="list-style-type: none"> <li>• Bank Statement             <ul style="list-style-type: none"> <li>○ 12 or 24 months</li> <li>○ Personal or business</li> </ul> </li> <li>• 1099             <ul style="list-style-type: none"> <li>○ 2 year 1009 only</li> <li>○ 1 year OK if converted from w-2 and in the same line of work</li> <li>○ VOE with YTD required</li> <li>○ 2 mos BK statements for proof of receipt</li> </ul> </li> </ul>