



General Requirements			
<b>Max DTI</b>	• 50% DTI		
<b>Occupancy</b>	Primary		
<b>Loan Purpose</b>	Purchase, Rate/Term and Cash out		
<b>2-1 Temporary Buydown</b>	Purchase only Min. Fico 680 Max LTV 80% Max DTI 50%	30-Year Fixed Only, Qualify using Note Rate Primary, 2nd Home, Investment	Seller or Builder Funded Only
<b>Cash Out</b>	Minimum of six (6) months seasoning from most recent transaction Max Cash-Out (defined as cash in hand): If LTV <= 60% = unlimited If LTV >60% = Max \$1,000,000 or unlimited with 18 months reserves exclusive of cash back Condo: Max 75% LTV		
<b>Borrower Eligibility</b>	Eligible: <ul style="list-style-type: none"> <li>• ITIN must be valid and at least 2 years consistent ITIN payments reporting to the IRS is required. This can be validated with the borrower's current ITIN # along with a 2 year employment history</li> <li>• Multiple borrowers - one borrower must have ITIN</li> <li>• DACA is eligible with ITIN / SSN with Valid U.S. driver's license along with EAD card evidencing their DACA status</li> </ul>	Ineligible: Ineligible: <ul style="list-style-type: none"> <li>• Irrevocable or Blind Trust</li> <li>• Inter-Vivos Revocable Trust</li> <li>• Entity Vesting</li> <li>• Foreign Nationals</li> </ul>	
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• FNMA Form 1004, 1025, 1073 with interior/exterior inspection</li> <li>• 2nd Appraisal required for loans &gt; 1,500,000</li> <li>• Third Party Review required if the FNMA CU score is &gt; 2.5, Collateral Desktop Analysis</li> <li>• (CDA) must be ordered from Clear Capital</li> <li>• 2-4 Units require a CDA report</li> </ul>		
<b>Declining Markets</b>	As identified by the Appraiser, Requires a 5% LTV reduction off the above matrix when >65% LTV		
<b>Property Type</b>	SFR with one or more ADU(s) or 2-4 units with one ADU are permitted only if the subject property is in a municipality that allows The appraiser must specifically confirm compliance with local regulations		
	Condos (Warrantable Only) - Purchase & Rate/Term: Max 85% LTV; Cash-out 75% LTV		
	Limited Review Established Condos outside of Florida (Warrantable) LTV/CLTV Limits: Primary & R/T Refinance: 85% LTV; Cash Out: 75% LTV		
	Limited Review Established Condos in Florida (Warrantable) LTV/CLTV Limits: Primary: 85 LTV; 2nd Home: 75% LTV; NOO 75% LTV		

## Full doc - Income Requirements

<b>Wage/Salary</b>	<ul style="list-style-type: none"> <li>• Fully written verification of employment, signed IRS Form-4506C and 1 or 2 years Tax Transcripts</li> <li>• Providing documentation with a complete Social Security Number not belonging to the borrower will render the file ineligible for purchase.</li> </ul>
<b>Self-Employed</b>	<ul style="list-style-type: none"> <li>• 1 or 2 years 1040s plus Tax Transcripts, YTD P&amp;L, plus 2 months bank statements, K-1s and Schedule E for all business entities prior 1-2 years if &gt;=25% ownership</li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>• Rental Income on Tax Returns:             <ul style="list-style-type: none"> <li>o When tax returns are used to qualify, an average of 2 years of rental income will be used unless the income is declining in which case the most recent year's income will be used for qualifying                 <ul style="list-style-type: none"> <li>o Cash flow Analysis of the Schedule E should be completed</li> </ul> </li> </ul> </li> <li>• Rental Income NOT on Tax Returns:             <ul style="list-style-type: none"> <li>o Evidence of borrower's ownership of the property</li> <li>o For a refinance and/or to document rental income on other REOs:                 <ul style="list-style-type: none"> <li>☐ Lease agreement</li> <li>☐ Two months of bank statements demonstrating receipt of rental income.</li> </ul> </li> <li>☐ Evidence the rental amount is at market rate, which can be documented via a 1007 or through an online source                 <ul style="list-style-type: none"> <li>☐ Primary Residence and Second Homes: Add 75% of gross rent to borrowers qualifying income</li> <li>☐ Investment property: Income used to qualify is 75% of the lesser of documented rent or market rent per appraisal</li> </ul> </li> </ul> </li> <li>• Rental from Departing Primary Residence is eligible as follows:             <ul style="list-style-type: none"> <li>o 75% of the rental income on the lease if used for qualifying.</li> <li>o Evidence the rental amount is at market rate through 1007/1025 or an online source.                 <ul style="list-style-type: none"> <li>• Short Term Gross Rental Income:                     <ul style="list-style-type: none"> <li>o 12-month look back on rents received using bank statements or third party rental statements</li> </ul> </li> </ul> </li> </ul> </li></ul>

### Alt Doc - Income Requirements

<b>VVOE/ Business Verification</b>	VVOE within 10 days for wage earners; 30 days for Self-Employed; Evidence within 30 days of Note that business is active/operating. Minimum 2-year history (with options for 1 year).
<b>Personal Bank Statements</b>	12 or 24 months personal + two (2) months business statements; Qualifying income = eligible deposits / number of statements; Business statements must show activity and transfers to personal.
<b>Business/Co-Mingled Bank Statements</b>	12 or 24 months business statements. Qualify via: Fixed Expense Ratio (50%) OR 3rd-party expense ratio (CPA/EA) min 10% OR 3rd-party prepared P&L (CPA/EA).
<b>IRS Form 1099</b>	One (1) or Two (2) Years 1099; Fixed Expense Ratio 10%; YTD documentation required only if most recent 1099 > 90 days from note date
<b>Less than 2 Years Self-Employment Options</b>	not premitted

### Underwriting Requirements

<b>DTI Requirements</b>	Max 50% See restrictions for up to 55% DTI 40-Yr Fixed must qualify as a 30-Yr at <55% DTI
<b>Credit Score</b>	Middle of three (3) scores or lower of two (2) scores for primary income earner. Additional borrowers must have a minimum score of 600
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>• Primary wage earner has             <ul style="list-style-type: none"> <li>• 3 scores; or</li> <li>• Two (2) open and reporting 24 months; or</li> <li>• Three (3) open and reporting 12 months; or</li> </ul> </li> <li>• 24 months mortgage rating and reporting on credit</li> </ul>
<b>FTHB</b>	Max Loan Amount \$1,000,000 (Primary)
<b>Rent Free</b>	For borrowers who are living rent free, a rent-free letter must be provided from the property owner. Additionally, they must meet the 10% minimum borrower contribution, max LTV of 80% requirement.
<b>Reserves</b>	Loan Amount <= \$500,000 = 3 months PITIA w/LTV <= 80% Loan Amount >= \$500,000 = 6 Months PITIA w/LTV > 80% Loan Amount > \$500,000 - \$1,500,000 = 6 months PITIA Loan Amount > \$1,500,000 - \$2,500,000 = 9 Months PITIA Loan Amount > \$2,500,000 - \$3,000,000 = 12 months PITIA Cash-out proceeds may be used to satisfy reserves
<b>Gift Funds</b>	Gift funds permitted if borrower meets minimum contribution from their own funds: <ul style="list-style-type: none"> <li>• 5% Primary</li> <li>• &lt;=80% LTV and Primary/2nd Home: Down Payment and Closing Costs can come from a gift</li> <li>• Gift funds cannot be used towards reserves</li> </ul>
<b>Assets</b>	30-day asset verification required Deposits >50% of gross income must be documented on purchases

<b>Rural</b>	Rural properties are eligible for Primary Residence up to 80% LTV; max 20 acres
--------------	---

## Underwriting Requirements

<b>Age of Documentation</b>	Credit: 120 Days Income and Assets: 90 Days Appraisal: Must be less than 90 days at time of submission or transfer, expires in 120 days
<b>Prepayment Penalty</b>	Required on investment properties where not restricted. Restrictions are listed in the PPP and Business Purpose guide
<b>Interested Party Contributions</b>	Primary and 2nd Homes: <=75% LTV =9% >75% LTV = 6% Investment: All LTV = 6%
<b>Escrow Waiver</b>	Waiving Escrows for taxes and insurance on non-HPML loans allowed if housing/rental history is 0x30x12 with Max 80%LTV CA: Minimum 700 fico, Max 90% LTV  Waiving Escrows is not permitted for the following: Flood Insurance premiums for properties located in Zone A or V  Loan must be priced as an escrow waiver Note: Elective flood insurance policies (properties not located within a flood map/zone) are not required to be escrowed