

Min FICO Score	Max Loan Amount	Max LTV/CLTV Purchase	Max LTV/CLTV R/T Refinance	Max LTV/CLTV Cash-Out	Property Type
Primary					
760	\$ 2,000,000	85	85	80	Single Family, PUD, 2-4 Units, Warrantable & Non-warrantable Condo
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
740	\$ 2,000,000	85	85	80	
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
720	\$ 2,000,000	85	85	80	
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
700	\$ 1,500,000	85	85	80	
	\$ 2,000,000	80	80	75	
	\$ 2,500,000	80	80	75	
	\$ 3,500,000	75	75	70	
680	\$ 2,000,000	80	80	70	
	\$ 2,500,000	75	75	75	
	\$ 3,000,000	70	70	70	
660	\$ 1,000,000	80	80	60	
	\$ 1,500,000	80	80	60	
	\$ 2,500,000	70	70	65	
640	\$ 1,000,000	75	75	60	
Second Home					
760	\$ 2,000,000	85	85	80	Single Family, PUD, 2-4 Units, Warrantable & Non-warrantable Condo
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
740	\$ 2,000,000	80	80	80	
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
720	\$ 2,000,000	80	80	80	
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
700	\$ 1,500,000	80	80	80	
	\$ 2,000,000	80	80	75	
	\$ 2,500,000	80	80	70	
	\$ 3,500,000	75	75	70	

680	\$ 2,000,000	75	75	70	Single Family, PUD, 2-4 Units, Warrantable & Non-warrantable Condo
	\$ 2,500,000	70	70	65	
	\$ 3,000,000	65	65	60	
660	\$ 1,000,000	75	75	65	
	\$ 1,500,000	70	70	60	
	\$ 2,500,000	65	65	55	
Investment					
760	\$ 2,000,000	85	85	80	
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
740	\$ 2,000,000	80	80	80	
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
720	\$ 2,000,000	80	80	80	
	\$ 2,500,000	80	80	75	
	\$ 3,000,000	80	80	70	
	\$ 3,500,000	75	75	70	
700	\$ 1,500,000	80	80	80	
	\$ 2,000,000	80	80	75	
	\$ 2,500,000	80	80	70	
	\$ 3,500,000	75	75	70	
680	\$ 2,000,000	75	75	70	
	\$ 2,500,000	70	70	65	
	\$ 3,000,000	65	65	60	
660	\$ 1,000,000	75	75	65	
	\$ 1,500,000	70	70	60	
	\$ 2,500,000	65	65	55	
Housing History		Housing Event Seasoning			
Category					
BK/FC/SS/DIL/Mod		>= 48 Mo	>= 36 Mo	>= 24 Mo	
Max LTV/CLTV		85	80	70	
Max LTV Cash-out		80	75	70	
Max Loan Amt		\$ 3,500,000	\$ 3,000,000	\$ 2,000,000	
Housing History					
Max 1x30x12 Maximum delinquency permitted per the matrix 3x30x12 will be allowed when the following criteria is met: *Borrower must be 0x30 in the most recent 6 months *LTV Must be 10% Bellow Matrix maximum					
Notes: Past due balloon: considered a delinquency (1x30) not a housing event, only within 180 days of maturity. Ch. 13: use filing date if discharged; use dismissal date if dismissed.					

Geographic Restrictions

~~HEB will not lend on properties in the following:~~

DC: Investment properties are indligble
FL: Non-Permant Resident Aliens from the Peoples Republic of China are Inligble
IL: Cook County (all loans ineligble)
IN: Indinapolis: Investment properties are Ineligble
MD: Baltimore City, All properties are Indligble
NJ: Patterson: Investment properties are Ineligble
NY: Brooklyn: Investment Properties are ineligible
 Orange County: All occupancies are ineligible
 No 5/6 ARMs on properties below FNMA loan limits
 Short Term Rentals(STR) are ineligible in the five New York City Boroughs
PA: Lending is suspended in 19121 and 19132
TX: Lubbock: Investment Properties are ineligible
 Refinances are not premitted

General Requierments - Investor DSCR

Product Type	40-Yr Fixed, 30-Yr Fixed, 15-Yr Fixed 40-Yr Fixed I/O (10-year I/O then fully amortizing) 5/6 SOFR ARM 30-Yr Term (Fully Amortizing and I/O options incl. 40-Yr I/O) Interest Only must qualify on fully amortizing ARMs not available in NY on OO loans below FNMA limit; not available in MS.		
Intrest Only	Minimum Credit Score: 680. Max LTV: 80% Max DTI 50% Not premitted on Manufactured Housing		
Loan Ammounts	Min: \$125,000		Max: \$3,500,000
	Loan Ammount \$125,000 - \$149,999 require a 5% reduction in LTV		
Max DTI	Max 50% DTI Will consider up to 55% with Restrictions (\$3,500 residual) P&L: (Max DTI 50%)		
Occupancy	Primary, Second Home, Investment property (Business Purpose)		
Loan Purpose	Purchase, Rate/Term and Cash out		
2-1 Temporary Buydown	Purchase only Min. Fico 680 Max LTV 80% Max DTI 50%	30 Year Fixed Only Qualify using Note Rate O/O, 2ed Home and Investment	Seller or Builder Funded Only
Cash Out	Minimum of (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		
Borrower Eligibility	US Citizen Permanent Resident Alien Non-Permnet Resident Alien	Ineligible: ITINs Foreign Nationals DACA recipients	
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection 2nd Appraisal required for loans > 1,500,000 Appraisal Review Product (CDA) is ordered on all Non-QM products		

Declining Markets	As identified by the appraiser, requires a 5% LTV reduction off the above matrix when >65% LTV
Property Type	SFR with 1 or more ADU's or 2-4 units with 1 ADU premitted if subject property is in a municipality that allows. The appraiser must specifically confirm compliance with local regulations.
	Condos - Warrantable/NON-Warrantable 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, SH 75LYV NOO 75% LTV
	Manufactured Housing - Min 20' wide, Min 750+ sq ft "HUD code" including: Be built on a perm chassis, installed on a perm foundation, and title as real estate Ineligible Transactions: Cash-Out not premitted, No Investment properties, Min 680 Fico, Max 80% LTV May not be older than 15 Years or if in need of repairs(as per 1007) of more than 5% of the property value NOO and Interest Only Loans are not Permitted
Full doc - Income Requirements	
Wage/Salary	Paystubs, W-2 or e-VOE, 2 years or 1 year of Tax Returns, ITS 4506C, Plus verbal VOE Required within 10 Days of Note Date for wage earners: 30 Days for Self-Employed Borrowers
Self-Employed	2 years of 1 Year of Personal Business Tax Returns, YTD P&L, IRS Form 4506C, 2 Months of most recent bank statements Verbal BOE required within 30 Days for self-employed Borrowers

Alt Doc- Income Requirements	
VVOE/Business Verification	VVOE within 10 days wage earners; 30 days self-employed; Evidence within 30 days of Note that business active/operating, min 2-year history (with options for 1 year).
Personal Bank Statements	24 or 12 months personal + 2 months business statements; Qualifying income = eligible deposits / number of statements; Business statements must show activity and transfers to personal.
Business/Co-Mingled Bank Statements	24 or 12 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).
P&L and 2 Months Bank Statements	<ul style="list-style-type: none"> • Max 80% LTV • 12 or 24 months P&L; prepared by CPA/EA or PTIN tax preparer • CPA/EA or PTIN tax preparer must also attest to having prepared the borrower's most recent tax returns • Qualifying income is the monthly net income from the P&L divided by the number of months covered by the P&L. • When evaluating the P&L, the expenses are expected to be at least 20% of gross revenue. In the event less than 20% is reflected in expenses, the net income will be adjusted to reflect a 20% expense level when qualifying. • Depreciation, depletion and amortization/casualty losses listed on the P&L may be added back to the applicant's income • Minimum of 2 months business bank statements • The monthly gross revenue on the P&L must be supported by the bank statements
P&L Only	<ul style="list-style-type: none"> • Exceptions are ineligible. • Ineligible for borrowers with less than 2 years in the current business • Max Loan Amount \$1,500,000 • 700+ credit score required for all borrowers • Max LTV is the lesser of the LTV on the Program Matrix or: Page 25 of 194 NQM Funding, LLC Underwriting Guidelines Effective 10/06/2025 <ul style="list-style-type: none"> o 80% Primary Residence o 75% Second Home and Investment Properties • 12 or 24 months P&L prepared by CPA/EA or PTIN tax preparer. • CPA/EA or PTIN tax preparer must also attest to having prepared the borrower's most recent tax returns. When evaluating the P&L, the expenses are expected to be at least 20% of gross revenue. In the event less than 20% is reflected in expenses, the net income will be adjusted to reflect a 20% expense level when qualifying. • Qualifying income is the monthly net income from the P&L divided by the number of months covered by the P&L. • Depreciation, depletion and amortization/casualty losses listed on the P&L may be added back to the applicant's income • Verbal verification of P&L is required on wholesale transactions.
IRS Form 1099	2 yrs or 1 yr 1099; Fixed Expense Ratio 10%; YTD documentation required only if most recent 1099 > 90 days from note date.

Tip Income	<p>Sample borrower: server, bartender, cabdriver; Must have at least 1 full year history without gaps in employment. WVOE with 2+ Months Bank Statements 680+ Fico to 80 LTV MAX</p>
WVOE	<p>WVOE - FNMA 1005 completed with the past 2 years of income/employment, form must be completed by human resources, Payroll, or an officer of the company Two most recent months of bank statements supporting at least 65% of the gross wages reflected in the WVOE Verification of delivery and receipt of the FNMA Form 1005 required One-year history with the same employer with a minimum of two years in the same line of work One-Year 0x30 housing history is required; borrowers without a housing history are not permitted Borrowers may not be employed by family members or related individuals w2s Tax returns, Paystubs, 4506-C are not required Borrower can have no other active source of income; passive income such as rental income may be included Min 680 FICO score; OO Max 80% LTV; SH and NOO Max 75% LTV Maximum loan amount \$1,500,000</p>
Asset Utilization	<p>Eligible assets divided by 60 to determine a monthly income stream; or if DTI<60% without using assets for income, divide eligible assets by 36 months to determine qualifying income(sourced and 3 months seasoning required) Purchase/Rate/Term: 85% LTV MAX Cash-out: 80% LTV Max</p>
Less than 2 years Self-Employment Options	<p>Option 1: S/E 18+ months with 3+ prior years in the same line of work Option 2: Licensed Professional (medical, legal, accounting, ect.) with 12+ months in business provided 3+ prior years in the same line of work or evidence of formal education in the field For Both options the following applies: Min 700 Fico Max LTV: OO 80%LTV/ SH: 75% LTV / NOO: 70% LTV Not available for P&L only documentation type Not available for Select Prime Express (DU)</p>
Underwriting Requirements	
DTI Requirements	<p>Max 50% 40 Yr Fixed must qualify as a 30yr at <55% DTI 55% DTI with the following restrictions Min Fico 680 and Max 80% LTV Minimum \$3,500 residual income required Max \$2,500,000 loan amount 48 months housing event seasoning 40yr term of Buydowns not permitted 4 years seasoning for housing events required 2-1 Temporary Buydowns are not permitted</p>

Credit Score	Middle of 3 scores or lower of 2 scores for Primary Income - Earner Additional borrowers must have a minimum score of 600
Tradelines	Primary wage Earner has 3 scores: OR 2 open and reporting 24 month: OR 3 open and reporting 12 months: OR 24-Months mortgage rating and reporting on credit
FTHB	Permitted to a maximum loan size of \$1,5M on O/O, S/H and NOO
Reserves	<p>Loan ammount <= \$500,000 = 3 months PITIA w/LTV <= 80%</p> <p>Loan ammount >= \$500,000 = 6 Months PITIA w/LTV >80%</p> <p>Loan ammount > \$500,000 - \$1,500,000 = 6 months PITIA</p> <p>Loan Ammount > \$1,500,000 - \$2,500,000 = 9 Months PITIA</p> <p>Loan ammount > \$2,500,000 - \$3,000,000 = 12 months PITIA</p> <p>Cash-out proceeds may be used to satisfy reserves</p>
Gift Funds	<p>Gift funds premitted provided borrower meets minimum contributions:</p> <p>5% Primary</p> <p>10% Second/Home & Investment</p> <p>Gift funds are not premitted to be used towards reserves: 100%</p> <p>of down payment and closing cost may come from gifted funds for OO and SH to a max of 80% LTV</p>
Assets	<p>30-day asset verificatoin requiered</p> <p>Deposits > 50% of gross income must be documented on purchases</p>
Residual OO and 2nd Home Only	<p>Defined as Gross Monhtly Income - Total Monthly Obligations</p> <p>Requierment based on # in household</p> <p>Applies to HPML loans of when the DTI>43% on OO and 2nd homnes only:</p> <p>1 person = \$1,500</p> <p>2 person \$2,500</p> <p>add \$150 per additional household member</p>
Age of Documentation	<p>Credit: 120 Days</p> <p>Income and Assets - 90 Days</p> <p>Appraisal: 90 Days at time of submission or transfer. 120 days by closing</p>
Prepayment Penalty	<p>Required on investment properties where premitted:</p> <p>Restrictions in the Business purpose & PPP Guide</p>
Intrested Party Contributions	<p>Primary and 2nd Homes:</p> <p>< 75% LTV = 9%</p> <p>>75% LTV = 6%</p> <p>Investment</p> <p>All LTV = 6%</p>

Escrow Waiver	<p>Waving escrows for taxes and insurance is allowed on non-HPML loans if housing/rental history is 0x30x12 up to 80%LTV</p> <p>CA: Minimum score 700, up to 90% LTV</p> <p>Waiver of excrows is not premitted on the following:</p> <p>flood insurance premiums for properties located in zone A or V</p> <p>Note however that taxes and hazard escrows can be waived provided and the esrow waiver requierments are met and the loan is priced and an escrow waiver</p> <p>elective flood insurance policies for properties not located within a flood map/zane which dose not require flood insurance coverage, are not required to be escrowed</p>
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