



# Near-Prime Matrix

Effective Date:  
5/6/2019

Program Max LTVs			Primary and Second Homes					Investment			
Loan Amount	Reserves	FICO	Full Doc			Alternative Doc <sup>2</sup>		Full Doc		Alternative Doc <sup>2</sup>	
			Purch, D/C <sup>3</sup>	R/T	C/O	Purch, R/T, D/C <sup>3</sup>	Cash Out	Purch. & R/T	Cash Out	Purch. & R/T	Cash Out
≤ \$1,000,000	6 Months	720	95% <sup>1</sup>	90%	85%	90%	85%	85%	80%	80%	75%
		680	90%	90%	85%	90%	85%	80%	75%	80%	75%
		660	90%	90%	80%	85%	80%	80%	75%	75%	70%
		640	85%	85%	80%	85%	80%	80%	75%	75%	70%
		620	85%	85%	80%	80%	80%	80%	70%	75%	70%

Program Requirements	
Minimum Loan Amount	\$100,000
Maximum Loan Amount	\$1,000,000
Maximum Cash Out, OO	\$1,000,000
Maximum Cash Out, NOO	\$500,000
Mortgage History	1x30x12
Foreclosure Seasoning	36 Months
Short Sale/DIL Seasoning	36 Months
Chapter 13 BK Seasoning	36 Months
Chapter 7/11 BK Seasoning	36 Months
Residual Income	\$2,500
Standard Debt Ratio	50%
Enhanced Debt Ratio	Up to 55%

95% LTV <sup>1</sup>
<ul style="list-style-type: none"> <li>Primary</li> <li>DTI ≤ 43%</li> </ul> <p>See below for 95% Debt Consolidation</p>

55% DTI
<ul style="list-style-type: none"> <li>Full Doc / Primary Only</li> <li>FICO ≥ 680</li> <li>LTV ≤ 85%</li> <li>12 Mos Reserves</li> <li>Residual Income ≥ \$3,500</li> <li>No Debt Consolidation</li> </ul>

1 Year Alt Doc <sup>2</sup>
<ul style="list-style-type: none"> <li>1 Year Tax Return</li> <li>1 Year W-2</li> <li>12 Mos Bank Stmt</li> <li>LTV ≤ 85%</li> <li>DTI ≤ 50%</li> </ul>

Max LTV
<ul style="list-style-type: none"> <li>Second Homes ≤ 85%</li> <li>Interest Only ≤ 85%</li> </ul>

Property Type Limits	
Condominium	LTV ≤ 85%
Non-Warrantable, 2-4 Unit, Modular, Rural & Log Homes	LTV ≤ 80%
Rural & Log Homes Not Available on Investment	

Products		
5/1 ARM	7/1 AI	30 Year Fixed
5/1 ARM-IO	7/1 ARM-IO	
IO Period	Amort Term	Final Maturity
10 Years	30 Years	40 Years
10 Years	20 Years	30 Years

Income	
Full Documentation	2 Years W-2 Income or 2 Years Tax Returns
Asset Depletion	≤ 80% LTV (Full Documentation Matrix); No Debt Consolidation; Max 50% DTI
Alternative Documentation <sup>2</sup> (Must be S/E for 2 yrs)	24 Months Personal Bank Statements
	24 Months Business Bank Statements
	12 Months Personal or Business Bank Statements
	1 Year Documentation (W-2 or Tax Return)

Investment Property Overlays	
Minimum 6 mos reserves (see below)	
No rural or log homes	
Max cash out = \$500,000; No cash out in Texas	
No subordinate financing	
Prepayment restrictions apply	
Guarantor is required (for LLCs)	

ARM Margins & Caps		
5/1 ARM	Margin: 3.50	Caps: 2/2/5
7/1 ARM	Margin: 3.50	Caps: 5/2/5
Index = 1 Year LIBOR, Floor = Margin		
Qualifying Rate (See also Qualifying Payment)		
Fixed = Note Rate		
ARM = Greater of Note Rate or Fully Indexed		

Other	
Occupancy	Primary Residence, Second Homes and Investment Properties
Property Types	SFR, PUD, Townhome, Condominium, 2-4 Unit, Non-Warrantable, Modular, Rural & Log Homes
Cash Out	Cash Out amounts > \$500,000 require a 5% LTV reduction; Maximum = \$1,000,000; Maximum Cash Out for Investment Properties is \$500,000; Cash-Out amount > \$1mm on exception basis only Cash Out can be used for reserve requirements and/or to pay off debt for qualifying; Cash out is not allowed for Investment Properties in Texas
Debt Consolidation <sup>3</sup>	Primary Occupancy Only; LTVs follow Rate/Term LTV Limits for loan amounts ≤ \$1mm; Max DTI = 50%; No Asset Depletion; No Non-Occupant Co-Borrower. Property Type limits above apply. Total monthly debt payments must be lowered by at least 10%; Closing costs must be recouped within 60 months; Cash to the borrower must be the lesser of 2% or \$5,000 Consumer Debt must be no more than 0x60 in past 6 months; Reserves = 1 Month (additional reserves for other loan features not required); CDA required
Debt Consolidation 95% <sup>1</sup>	Full Doc Only; SFR Only; Primary Only; FICO ≥ 740; DTI ≤ 35%; Max Loan Amount = \$750k; Non-mortgage debt paid off through Debt Consolidation must be ≤ \$100k; 9 Months Reserves
Residual Income	\$2,500 plus an additional \$150 per dependent is required for Primary and Second Homes
Reserves	Investment & Second Homes Only: Minimum 6 months; 2 months of additional reserves required for each financed property; no limit on the number of other properties borrowers may have financed
Qualifying Payment	ALL: use Qualifying Rate for calculating PITIA; Interest-Only: qualify using the fully amortized payment with the Qualifying Rate over the fully amortized term of the loan
Subordinate Financing	Max 90% CLTV (Institutional seconds only); Not allowed on Investment Properties
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit)
Assets	Sourced or seasoned for 60 days; Gift Funds allowed - See Guidelines for details
Credit	Standard: 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months Qualifying FICO = the FICO of the Primary Wage Earner which will be the score used for grading and pricing
Compliance	Escrows required for taxes and insurance • Fully documented ability-to-repay • Compliance with all applicable federal and state regulations No section 32 or state high cost • Total borrower paid points and fees must be less than 5%
Prepayment Penalty	Investment Only: 6 months interest on 80% of the original principal balance (Standard Term = 3 years); Not allowed in IA*, IL*, KS, MD, MI, MN, MS, ND, NJ*, NM, OH, PA and RI *Prepay Penalty allowed for loans closed in the name of corporations or LLCs in IA, IL, and NJ
Seller Concessions	Primary and Second Homes: 9% for LTV ≤ 75%, 6% for LTV 75.01% - 90%, 3% for LTV > 90%; up to 2% for all Investment Properties
Ineligible States	AK, NY, WV - HI, MO, NY, WV Plus all other MAM listed ineligible states

