

The below rates are wholesale, and are subject to a brokerage fee of 2.000% of the loan amount plus \$995 loan processing fee. Please note that the lender charges a \$795 processing fee, a \$1,395 underwriting/lender fee, a \$15 flood cert fee, and an \$85 tax service fee. Rates and terms are subject to change without notice.

Lock Cut-Off Time 2:00 P.M. (PST)

Updated 05/01/2018 9:00 AM

# TRUE STATED INCOME

No WVOE                      No P&L                      No 4506T

## STATED INCOME VERIFIED ASSETS (P1)

| 7/1 ARM: Program Code (P1)   | Rate Adjustments  | Price Adjustments   |
|--|---|---|
| Rate: 5.000%   |   |   |
| Margin 3.000%<br>1 Year Libor<br>Caps 1/2/5<br><b>Pricing: 0.250</b> | 2-4 Units                      0.250<br>Investment                      0.250 | FICO 700-720                      0.250<br>Loan Amt \$100K - \$150K                      0.250<br>LTV > 50%                      0.250<br>Financed Properties ≥ 5                      0.250<br>LTV > 50% with ACH                      (0.250) |
| Loan Amount > 1.5 Mil, additional fee of \$750 will be added         |   |   |

**\*Note: Min Loan Amt 100,000**

| Primary / Second Home / Investment                                       |                      |              |          |
|--|----------------------|--------------|----------|
| Units  | Purchase & Rate/Term |              |          |
|  | Max Loan Amount      | Max LTV/CLTV | Min FICO |
| 1 Unit   | \$1,000,000          | 60%          | 700      |
|  | \$1,500,000          | 55%          | 720      |
|  | \$2,500,000          | 50%          | 720      |
| 2 - 4 Units  | \$1,500,000          | 50%          | 720      |
| Condo  | \$750,000            | 55%          | 700      |
| Cash Out Not Allowed**   |                      |              |          |
| **Junior Lien w/ 12 months seasoning will be considered as Rate and Term |                      |              |          |

| Max Number of Financed Properties |                        |
|-----------------------------------|------------------------|
| Owner Occupied: No Limit          | Non-Owner Occupied: 10 |

| Income   |   |
|--|---|
| <b>Wage Earner:</b> Verbal Verification of Employment Only<br><b>Self Employed:</b> <u>Current</u> and <u>Past 2 Years</u> Business License (3yrs)<br><span style="color: red; font-weight: bold; font-size: 0.8em;">OR</span><br>1) CPA letter verifying business ownership over the last two years at the same location (Address Needed)***<br>2) CPA letter verifying CPA filed 2 most recent year tax returns* | Max DTI <b>38/43</b><br>with fully qualifying<br>rate (Libor Index +<br>Margin) |

\*\*\*CPA or Tax Preparer's License will be verified

| Asset  |
|--|
| Large Deposit exceeding <b>100%</b> of gross monthly income needs to be sourced<br><b>100% of Business Funds</b> allowed for down payment and closing cost, if borrower can demonstrate <b>100% ownership</b><br><b>Business Funds</b> can be used as reserve, if already transferred to personal account ( <b>3 mo. business bank statements required</b> ) |

| Reserves   | Employment   |
|--|--|
| 12 Months Principal and Interest, <b>No gift allowed</b><br>Reserve is required for Subject Property <b>ONLY</b> | Current Employment must show on <b>Credit Report</b> |

| Gift                  |                         |              |                         |
|-----------------------|-------------------------|--------------|-------------------------|
| Loan Type             | Occupancy               | Down Payment | Closing cost & Reserves |
| Purchase              | OO and Noo if LTV ≤ 60% | 50%          | Not Allowed             |
| Rate & Term Refinance | N/A                     | N/A          |                         |

**\* Gift of Equity is not Allowed**

| Credit History   |  |
|--|--|
| Mortgage <b>1 x 30</b> in the past 12 months allowed. For installment and revolving lates, <a href="#">please refer to the guideline</a><br>Need minimum of <b>3 tradelines</b> seasoned for <b>12 months</b> <b>Authorized User and Joint Account Allowed</b><br>Loan Modification/Short Sale/Bankruptcy/Foreclosure: <b>2 yrs/2 yrs/ 3yrs/ 5yrs, No Multiple Derogatory Events Allowed</b> |  |

| NOTE  | LENDER FEES   |
|---|---|
| RELOCK POLICY: Worst case pricing 0.250% Fee<br>LOCK POLICY: 2 days extension 0.125%, 7 days extension 0.250% | PROCESSING FEE :                      \$795<br>LENDER FEE :                      \$1,395<br>FLOOD CERT FEE :                      \$15<br>TAX SERVICE FEE :                      \$85 |

Actual closing cost may not be less than amounts of lender credit towards borrower's closing costs.  
 Program does not allow principle reduction with any lender credit that is over the actual closing costs.  
 Rates, Fees and Guidelines are subject to change without notice.  
 For real estate professionals only. Distribution to the general public is not allowed. APR figures are not included.

The below rates are wholesale, and are subject to a brokerage fee of 2.000% of the loan amount plus \$995 loan processing fee. Please note that the lender charges a \$795 processing fee, a \$1,395 underwriting/lender fee, a \$15 flood cert fee, and an \$85 tax service fee. Rates and terms are subject to change without notice.

Lock Cut-Off Time 2:00 P.M. (PST)

Updated 05/01/2018 9:00 AM

# VOE and P&L

## WAGE EARNER & SELF EMPLOYED

| VOE and P&L (P2)  |   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
|---|---|-------------------|-------|----------|-------|-----------|-------|--------------|-------|---|--|--------------|-------|--------------------------|-------|-------------------------|-------|
| 7/1 ARM: Program Code (P2)  | Rate Adjustments  | Price Adjustments |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| <p><b>Rate: 4.750%</b></p> <p>Margin 3.000%</p> <p>1 Year Libor</p> <p>Caps 1/2/5</p> | <table style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">Investment</td><td style="text-align: right; padding: 2px;">0.250</td></tr> <tr><td style="padding: 2px;">Cash Out</td><td style="text-align: right; padding: 2px;">0.250</td></tr> <tr><td style="padding: 2px;">2-4 Units</td><td style="text-align: right; padding: 2px;">0.250</td></tr> <tr><td style="padding: 2px;">FICO 680-699</td><td style="text-align: right; padding: 2px;">0.250</td></tr> </table> | Investment        | 0.250 | Cash Out | 0.250 | 2-4 Units | 0.250 | FICO 680-699 | 0.250 | <table style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">FICO 680-719</td><td style="text-align: right; padding: 2px;">0.125</td></tr> <tr><td style="padding: 2px;">Loan Amt \$100K - \$150K</td><td style="text-align: right; padding: 2px;">0.250</td></tr> <tr><td style="padding: 2px;">Financed Properties ≥ 5</td><td style="text-align: right; padding: 2px;">0.250</td></tr> </table> |  | FICO 680-719 | 0.125 | Loan Amt \$100K - \$150K | 0.250 | Financed Properties ≥ 5 | 0.250 |
| Investment  | 0.250   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| Cash Out  | 0.250   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| 2-4 Units   | 0.250   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| FICO 680-699  | 0.250   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| FICO 680-719  | 0.125   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| Loan Amt \$100K - \$150K  | 0.250   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| Financed Properties ≥ 5   | 0.250   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |
| Loan Amount > 1.5 Mil, additional fee of \$750 will be added                          |   |                   |       |          |       |           |       |              |       |   |  |              |       |                          |       |                         |       |

\*Note: Min Loan Amt 100,000

| Primary / Second Home / Investment |                      |              |          |
|------------------------------------|----------------------|--------------|----------|
| Units                              | Purchase & Rate/Term |              |          |
|                                    | Max Loan Amount      | Max LTV/CLTV | Min FICO |
| 1 Unit                             | \$1,000,000          | 70%          | 680      |
|                                    | \$1,500,000          | 65%          | 700      |
|                                    | \$2,500,000          | 60%          | 720      |
| 2 - 4 Units                        | \$1,500,000          | 60%          | 700      |
| Condo                              | \$1,000,000          | 65%          | 680      |
|                                    | \$1,500,000          | 60%          | 700      |
| 1 - 4 Units                        | Cash Out**           |              |          |
|                                    | \$1,000,000          | 60%          | 680      |
|                                    | \$1,500,000          |              | 700      |
|                                    | \$2,500,000          |              | 720      |

\*\*Junior Lien w/ 12 months seasoning will be considered as Rate and Term

| Max Number of Financed Properties |                        |
|-----------------------------------|------------------------|
| Owner Occupied: No Limit          | Non-Owner Occupied: 10 |

| Income   |   |
|--|---|
| <p><b>Self Employed:</b> 1) CPA signed P&amp;L statement 2) <b>Current</b> and <b>Past 2 Yrs</b> Business License (3yrs)</p> <p>3) CPA letter verifying business ownership over the last two years at the same location</p> <p>4) CPA letter verifying CPA filed 2 most recent year tax returns of the borrower</p> <p>Self Employed borrower's who filed his/her own tax return is not eligible</p> | <p>Max DTI <b>38/43</b></p> <p>with fully qualifying rate</p> <p>(Libor Index + Margin)</p> |
| <p><b>Wage Earner:</b> Written Verification of Employment Only</p>   |   |

| Asset   |
|---|
| <p>Large Deposit exceeding <b>100%</b> of gross monthly income needs to be sourced</p> <p><b>100% of Business Funds</b> allowed for down payment and closing cost, if borrower can demonstrate <b>100% ownership</b></p> <p><b>Business Funds</b> can be used as reserve, if already transferred to personal account (<b>3 mo. business bank statements required</b>)</p> |

| Reserves: required for ONLY Subject Property  |  |
|---|--|
| LTV ≤ 60% AND Loan Amount ≤ \$ 1 MM, 6 mo. P + I                                    | LTV > 60% OR Loan Amount > \$ 1 MM, 12 mo. P + I |
| For Cash Out: 12 mo. P + I : Reserve MUST be liquid asset (checkings, savings, MMA) |  |

| Gift      |                        |              |                         |
|-----------|------------------------|--------------|-------------------------|
| Loan Type | Occupancy              | Down Payment | Closing cost & Reserves |
| Purchase  | Primary/Second Home    | 100%         | Not Allowed             |
|           | Investment (≤ 60% LTV) | 50%          |                         |
|           | Investment (> 60% LTV) | Not Allowed  |                         |
| Refinance | Owner Occupied/ Second | N/A          | Not Allowed             |
|           | Investment             | N/A          |                         |

\* Gift of Equity is not Allowed

| Credit History   |
|--|
| <p>Mortgage <b>1 x 30</b> in the past 12 months allowed. For installment and revolving lates, <a href="#">please refer to the guideline</a></p> <p>Need minimum of <b>3 tradelines</b> seasoned for <b>12 months</b> <span style="float: right;"><b>Authorized User and Joint Account Allowed</b></span></p> <p>Loan Modification/Short Sale/Bankruptcy/Foreclosure: <b>2 yrs/2 yrs/ 3yrs/ 5yrs, No Multiple Derogatory Events Allowed</b></p> |

| NOTE   | FEES  |                  |       |              |         |                  |      |                   |      |
|--|---|------------------|-------|--------------|---------|------------------|------|-------------------|------|
| <p>RELOCK POLICY: Worst case pricing 0.250% Fee</p> <p>LOCK POLICY: 2 days extension 0.125%, 7 days extension 0.250%</p> | <table style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">PROCESSING FEE :</td><td style="text-align: right; padding: 2px;">\$795</td></tr> <tr><td style="padding: 2px;">LENDER FEE :</td><td style="text-align: right; padding: 2px;">\$1,395</td></tr> <tr><td style="padding: 2px;">FLOOD CERT FEE :</td><td style="text-align: right; padding: 2px;">\$15</td></tr> <tr><td style="padding: 2px;">TAX SERVICE FEE :</td><td style="text-align: right; padding: 2px;">\$85</td></tr> </table> | PROCESSING FEE : | \$795 | LENDER FEE : | \$1,395 | FLOOD CERT FEE : | \$15 | TAX SERVICE FEE : | \$85 |
| PROCESSING FEE :   | \$795   |                  |       |              |         |                  |      |                   |      |
| LENDER FEE :   | \$1,395   |                  |       |              |         |                  |      |                   |      |
| FLOOD CERT FEE :   | \$15  |                  |       |              |         |                  |      |                   |      |
| TAX SERVICE FEE :  | \$85  |                  |       |              |         |                  |      |                   |      |

Actual closing cost may not be less than amounts of lender credit towards borrower's closing costs.  
 Program does not allow principle reduction with any lender credit that is over the actual closing costs.  
 Rates, Fees and Guidelines are subject to change without notice.  
 For real estate professionals only. Distribution to the general public is not allowed by lender. APR figures are not included.

The below rates are wholesale, and are subject to a brokerage fee of 2.000% of the loan amount plus \$995 loan processing fee. Please note that the lender charges a \$795 processing fee, a \$1,395 underwriting/lender fee, a \$15 flood cert fee, and an \$85 tax service fee. Rates and terms are subject to change without notice.

Lock Cut-Off Time 2:00 P.M (PST)

Updated 5/01/2018 9:00 AM

| FOREIGN NATIONAL LOANS (P2FN)   |  |                  |       |                          |       |
|---|--|------------------|-------|--------------------------|-------|
| 7/1 ARM: Program Code (P2FN)  |  | Rate Adjustments |       | Price Adjustments        |       |
| <p><b>Rate: 5.250%</b></p> <p>Margin 3.000%</p> <p>1 Year Libor</p> <p>Caps 1/2/5</p> |  | Investment       | 0.250 | FICO 680-719 **          | 0.125 |
|   |  | Cash Out         | 0.250 | Loan Amt \$100K - \$150K | 0.250 |
|   |  | 2-4 Units        | 0.250 | Financed Properties ≥ 5  | 0.250 |
|   |  | FICO 680-699**   | 0.250 |                          |       |
| Loan Amount > 1.5 Mil, additional fee of \$750 will be added                          |  |                  |       |                          |       |

\*\* If Credit Score is available

\*Note: Min Loan Amt 100,000

| Primary / Second Home / Investment |                      |              |             |
|------------------------------------|----------------------|--------------|-------------|
| Units                              | Purchase & Rate/Term |              |             |
|                                    | Max Loan Amount      | Max LTV/CLTV | Min FICO ** |
| 1 Unit                             | \$1,000,000          | 60%          | 680         |
|                                    | \$1,500,000          | 55%          | 700         |
|                                    | \$2,500,000          | 50%          | 720         |
| 2 - 4 Units                        | \$1,500,000          | 55%          | 700         |
| Condo                              | \$1,000,000          | 60%          | 680         |
|                                    | \$1,500,000          | 55%          | 700         |
|                                    |                      | Cash Out *   |             |
| 1 - 4 Units                        | \$1,000,000          | 60%          | 680         |
|                                    | \$1,500,000          | 55%          | 700         |
|                                    | \$2,500,000          | 50%          | 720         |

\* 6 mo Seasoning required for Cash Out

\*\* If Credit Score is available

| Foreign Nationals  |  |
|--|--|
| Copy of passport, I-94 and valid VISA (F-1 & F-2 type not allowed)                               |  |
| Copy of passport and either I-94W or proof of ESTA Approval for borrowers on VISA Waiver Program |  |
| Borrower must have US address when applying for loan   |  |
| Automatic debit payment required from U.S. banking institution                                   |  |

| Income   |  |
|--|--|
| <p><b>Self Employed:</b> 1) CPA signed P&amp;L statement 2) <b>Current</b> and <b>Past 2 Yrs</b> Business License (3yrs)</p> <p>3) CPA letter verifying business ownership over the last two years at the same location</p> <p>4) CPA letter verifying CPA filed 2 most recent year tax returns of the borrower</p> <p>Self Employed borrower's who filed his/her own tax return is not eligible</p> | <p>Max DTI <b>38/43</b></p> <p>with fully qualifying rate (Libor Index + Margin)</p> |
| <b>Wage Earner:</b> Written Verification of Employment Only  |  |

| Asset   |  |
|---|--|
| Large Deposit exceeding <b>100%</b> of gross monthly income needs to be sourced   |  |
| <b>100% of Business Funds</b> allowed for down payment and closing cost, if borrower can demonstrate <b>100% ownership</b>                  |  |
| <b>Business Funds</b> can be used as reserve, if already transferred to personal account ( <b>3 mo. business bank statements required</b> ) |  |

| Reserves   |  |
|--|--|
| <b>24 mo</b> Principal and Interest reserves required for <b>Subject Property</b>        |  |
| <b>100% of Business Funds</b> allowed, if borrower can demonstrate <b>100% ownership</b> |  |

| Gift      |                            |              |                         |
|-----------|----------------------------|--------------|-------------------------|
| Loan Type | Occupancy                  | Down Payment | Closing cost & Reserves |
| Purchase  | Primary/Second Home        | 50%          | Not Allowed             |
|           | Investment (≤ 60% LTV)     | 50%          |                         |
|           | Investment (> 60% LTV)     | Not Allowed  |                         |
| Refinance | Owner Occupied/Second Home | N/A          |                         |
|           | Investment                 | N/A          |                         |

\* Gift of Equity is not Allowed

| NOTE  |  | FEES              |         |
|---|--|-------------------|---------|
| RELOCK POLICY: Worst case pricing 0.250% Fee                  |  | PROCESSING FEE :  | \$795   |
| LOCK POLICY: 2 days extension 0.125%, 7 days extension 0.250% |  | LENDER FEE :      | \$1,395 |
|   |  | FLOOD CERT FEE :  | \$15    |
|   |  | TAX SERVICE FEE : | \$85    |

Actual closing cost may not be less than amounts of lender credit towards borrower's closing costs. h

does not allow principal reduction with any lender credit that is over the actual closing costs.

Rates, Fees and Guidelines are subject to change without notice.

For real estate professionals only. Distribution to the general public is not allowed by lender. APR figures are not included.

## Portfolio Program P1, P2, P2FN (Foreign National)

### Program Matrix

#### Mortgage Eligibility

##### Occupancy Types

###### Primary Residence

Rent back to seller is allowed up to max 30 days.

###### Multiple Financed Properties for the Same Borrower:

If the subject property is a primary residence or second home, there is no limit to number of financed properties.

If the subject property is an investment property, max financed properties is 10 including subject.

Aggregate Loan Limit: 5,000,000.

#### LOAN PURPOSE

##### Purchase Transactions

###### Ineligible Purchase Transactions:

- a. Non-arm's length transactions
- b. For sale by owners transactions
- c. realtor/broker acting as listing/selling agent as well as the mortgage loan originator
- d. seller acting as the mortgage loan originator,
- e. borrower's family member acting as the mortgage loan originator and real estate broker at the same time. Transaction includes unacceptable at-interest characteristics are not permitted.

##### Property Flips

If subject property is owned by seller for less than 90 days, property purchase price cannot be 30% or more than seller's acquisition cost.

**Example:** Purchase Price X 1.29= Acceptable Purchase Price

##### Limited Cash-Out Finance Transactions

###### Rate and Term with 2nd TD:

The junior lien must have 12 months seasoning from closing date of the refinanced mortgage in order to be considered a rate-and-term refinance. If the junior lien is not seasoned for at least 1 year and it is being paid off with the new mortgage loan, the new mortgage is considered a cash-out refinance.

### Cash-Out Refinance Transactions

Minimum 6 months title seasoning on cash out.

Continuity of obligation must exist.

### Delayed Financing

Cash-Out loans for borrowers who purchase the subject property within the past six months (measured from the date on which the property was purchased to the disbursement date of the new mortgage loan) may be eligible for a delayed financing exception, provided that the transaction meets the following requirements:

The original purchase transaction was an arms-length transaction. If the seller of the property was an LLC, the principals of the LLC must be documented.

The original purchase transaction is documented by a HUD-1 Settlement Statement, which confirms that no mortgage financing was used to obtain the subject property.

The preliminary title search or report must confirm that there are no existing liens on the subject property (i.e. "free & clear" property).

The source of funds used for the purchase transaction must be documented and must be borrower's own funds.

All other cash-out refinance eligibility requirements must be met and cash-out pricing is applied.

### Continuity of Obligation

Continuity of obligation occurs on a refinance transaction when at least one of the borrower(s) on the existing mortgage is also a borrower on the new refinance transaction secured by the subject property.

### Exceptions to Continuity of Obligation:

The borrower on the new refinance was added to title prior to loan application date. (6 months title seasoning for C/O still required).

The borrower acquired the property thru inheritance, divorce, separation, or dissolution of domestic partnership.

The borrower was 100% owner of LLC, Corp, Limited Partnership prior to transfer title to borrower. The transferring entity and/or borrower has had a consecutive ownership (on title) for at least the most recent 6 months to new loan disbursement date.

The borrower on the new refinance transaction has been added to title through a transfer from a trust and the borrower is a beneficiary/creator of the trust.

## **Borrower Eligibility**

Loan to Trusts: An inter-vivos revocable trust/living trust/revocable living trust are not allowed.

POA: POA must be executed prior to signing the loan documents.

LOE stating relationship between the borrower and attorney-in-fact and the reason for using POA from borrower must be included.

POA cannot be an interested party in the transaction (i.e. real estate agent, seller, or closing agent).

## **Borrowers**

### **INCOME**

Employment and Other Sources of Income

All employment gaps over 120 days should be reviewed carefully.

Self-Employment Income

Self-employed: more than 25% ownership interest in the business.

### **Employment**

Home based employment is allowed only for licensed professionals only (i.e. CPA, Attorney, Real Estate Broker (Not Real Estate Agent), Architecture, etc.)

### **RED FLAGS:**

No company website

No company email address

No employment on credit report

Google search can't find the business info

### **Documents for P1 (True Stated Income)**

#### **1. Wage Earners:**

Current Employment must be reflected on Credit Report

Public Listing of Employment: 411.com, superpages.com, etc

Verbal Verification of Employment, Not Written VOE

Verbal VOE will include

(a) Date of Employment

(b) Position

(c) Possibility of continuance of employment

#### **2. Self-Employed Borrowers:**

2 years business license

Current Employment must be reflected on Credit Report

Self-employed borrower who filed his/her own tax returns are not eligible.

CPA letter to include: verifying business ownership in the same line of business over the last 2 years at the same location and CPA filed borrower's tax returns.

Documents for P2 (VOE and P&L)

1. Wage Earners:

Current Employment must be reflected on Credit Report

Public Listing of Employment: 411.com, superpages.com, etc

Verbal Verification of Employment will be requested to the company's phone number from public listings.

Written Verification of Employment

Written VOE will include

(d) Date of Employment

(e) Position

(f) Possibility of continuance of employment

2. Self-Employed

For application received on or before 6/30:

YTD and prior year P&L

For application received on or after 7/1:

YTD P&L

All P&L must be signed by CPA or equivalent.

CPA letter to include: verifying business ownership in the same line of business over the last 2 years at the same location and CPA filed borrower's tax returns.

\*Self-employed borrower who filed his/her own tax returns are not eligible.

\*The employment must be consistent with Credit Report.

3. Commission Income Employee

(a) Commission borrowers who has verifiable licenses (e.g. realtors, insurance agents, etc)

- License
- CPA letter
- P&L signed by the CPA
- Verbal verification from employer
- NO WVOE

(b) Commission borrowers who are not able to show verifiable licenses (e.g. retail sales person)

- CPA letter to confirm that they have been filling taxes as Schedule C for the past 2 years.
- Verbal Verification from employer
- WVOE
- No P&L

4. Rental Income

All rental income will be based on 75% of lower of lease agreement or rental survey.

Net Rental Income (Gross Rent x 75%) – PITIA = Qualifying Rental Income  
 Borrower who doesn't have an employment but generates income from rental income only:

Use qualifying rental income

Provide all related documents for PITIA

Employment section on 1003 will be blank

No CPA letter

Only subject property will be required to have rental survey, if the subject is NOO

**ASSET**

A. Business Funds: needs 3 months bank statements

For down payment and closing costs, borrower must be 100% owner of the business. Funds in business account may be used up to 100% of current balance. Large deposits are not common with 3 months transactions needs to be sourced.

For reserves, business fund must be already transferred into borrower's personal account.

B. Retirement Accounts

Only can be used for Purchase and Rate/Term.

Not allowed for Cash Out Transaction- Cash Out transaction require liquid asset such as checking, savings and MMA

C. Gift

| P1 Purchase |                       |              |                         |
|-------------|-----------------------|--------------|-------------------------|
| Gift        |                       |              |                         |
| Loan Type   | Occupancy             | Down Payment | Closing Cost & Reserves |
| Purchase    | Primary / Second      | 50%          | Not Allowed             |
|             | Investment (≥60% LTV) | 0%           |                         |
|             | Investment (≤60% LTV) | 50%          |                         |

| P1 R/T    |                               |              |                         |
|-----------|-------------------------------|--------------|-------------------------|
| Gift      |                               |              |                         |
| Loan Type | Occupancy                     | Down Payment | Closing Cost & Reserves |
| Purchase  | Primary / Second              | N/A          | Not Allowed             |
|           | Investment ( $\geq 60\%$ LTV) |              |                         |
|           | Investment ( $\leq 60\%$ LTV) |              |                         |

| P2 Purchase and Refinance |                               |              |                         |
|---------------------------|-------------------------------|--------------|-------------------------|
| Gift                      |                               |              |                         |
| Loan Type                 | Occupancy                     | Down Payment | Closing Cost & Reserves |
| Purchase                  | Primary / Second              | 100%         | Not Allowed             |
|                           | Investment ( $\leq 60\%$ LTV) | 50%          |                         |
|                           | Investment ( $\geq 60\%$ LTV) | Not Allowed  |                         |
| Refinance                 | Primary / Second              | NA           | 100%                    |
|                           | Investment                    | NA           | Not Allowed             |

**D. IPC (Interested party contributions)**

-max 3% for OO and Second Home

-max 2% for NOO

-IPC may be used for

a. Closing Costs

b. Not for repair, down payment, reserves

If the realtor and/or mortgage originator and/or broker is also a borrower or is an immediate family member of borrower, commission cannot be used towards down payment, closing costs, or reserves.

**Reserves**

**All Cash Out- 12 months PI – must be liquid such as checking, savings, MMA**

**P1. True Stated Income: 12 Months P&I**

**P2. VOE / P&L for Purchase and R/T**

| Reserves for P2                               |               |
|---|---------------|
| LTV $\leq 60\%$ and Loan Amount $\leq \$1$ MM | 6 months P&I  |
| LTV $> 60\%$ or Loan Amount $> \$1$ MM        | 12 Months P&I |

**CREDIT**

| <b>Mortgage / Rent</b>              |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| <b>Max Allowed</b>                  | <b>Past 12 months</b> | <b>Past 24 months</b> | <b>Past 36 months</b> |
| <b>X30</b>                          | 1                     | 2                     | 4                     |
| <b>X60</b>                          | 0                     | 1                     | 2                     |
| <b>X90</b>                          | 0                     | 0                     | 0                     |
| <b>Installment / Revolving Debt</b> |                       |                       |                       |
| <b>Max Allowed</b>                  | <b>Past 12 months</b> | <b>Past 24 months</b> | <b>Past 36 months</b> |
| <b>X30</b>                          | 3                     |                       | 4                     |
| <b>X60</b>                          | 0                     | 1                     | 2                     |
| <b>X90</b>                          | 0                     | 1                     | 1                     |

Loan Modification, Short Sale, and Deed in Lieu: 2 years

Bankruptcy: 3 years

Foreclosure: 5 years

No multiple of same events, other events and/or combined events including Loan Modification, SS, DIL, BK and Foreclosures are allowed.

LOE is required for Loan Modification, SS, DIL, BK and Foreclosure

1. Loan Modification

Documents to verify the loan modification date if not presented on credit report

2. Short-Sale and Deed in Lieu

Documents to verify the date of short-sale.

3. Bankruptcy

Re-established credit is defined as a minimum of 2 accounts that have been open and active for the past 1 year. These accounts must be in good standing (no late payments) and documented by a traditional credit report.

**Credit Inquiries**

LOE is required with verifying either account has been opened or not and the reason.

If account has been opened but not showing on credit report, an estimated balance and payment are required on LOE.

A. LIABILITIES

Debt-to-Income Ratios

Max DTI is 38/43%

B. Monthly Debt Obligations

Co-Signed Obligations: **Monthly Debt can be excluded with 6 months cancelled checks**

C. Debts Paid Off At or Prior to Closing

Installment account with less than 10 months balance can be excluded from monthly debt. Borrower may pay down or pay off the installment prior to closing.

**Property**

A. Condominium / PUD Project Eligibility

All condo and **attached PUD** require HOA Questionnaire.

LTV  $\leq$  50% on established condo, a limited HOA Questionnaire

Max number of loans to project is 20%

B. New Condo Project

70% of total units in the project or subject legal phase must have been conveyed or be under contract for sale.

50% of total units must be OO / Second Home

C. Ineligible Condo & PUD Projects

50% or more commercial space

Any types of litigation

15% or more HOA dues delinquent

Project is more than 8 units, max exposure to single entity is 30%

Project is less than 8 units, mx exposure to single entity is 50%

Project is subject to resale restrictions. (**Age restriction is exempted for senior condo**)

Appraisal Requirements

Any appreciation within 6 months greater than 20% of acquired value will require a Desk Review.

Loan Amount  $\leq$  1 MM: One Full Appraisal and AVM

Loan Amount  $>$  1 MM: One Full Appraisal and One Field Review

---

**Foreign National Programs:**

**If borrowers work in US, they will be underwritten as Permanent Residents.**

**If borrowers work outside of US, they will be underwritten as Foreign National.**

Max number of loan per borrower is 4.

POA is not acceptable on Foreign National Loans.

| P2FN (Foreign National) |                  |              |                         |
|-------------------------|------------------|--------------|-------------------------|
| Gift                    |                  |              |                         |
| Loan Type               | Occupancy        | Down Payment | Closing Cost & Reserves |
| Purchase / Refinance    | Primary / Second | 50%          | Not Allowed             |
|                         | Investment       | 50%          |                         |

Borrower must have U.S. address when applying for loan.

Assets:

Foreign assets used for down payment, closing costs, and/or reserves must be transferred to U.S. institutional account prior to ordering loan docs.

If the assets are derived from a sale of a foreign asset or from asset held in a foreign institution, the assets must be converted into US currency by an independent third party and placed in a US financial institution. The sale of the foreign asset and conversion of foreign currency must be fully documented and verified.

Most recent 3 months bank statement required.

24 months P&I reserves required for subject property.

12 P&I reserves to be deposited into investor bank account prior to funding.

Automatic debit payment required from U.S. banking institution.

Copy of passport, I-94 and valid VISA (F-1 and F-2 type are not allowed).

Copy of passport and either I-94W or proof of ESTA Approval required for borrowers on VISA Waiver Program.

#### Documentation Requirement

- For self-employed borrower

P&L statement prepared by third party for 1 year. In addition, business license for the past 2 years and a CPA letter verifying the borrower has been self-employed for the past 2 years

Please provide official license of CPA from country he or she is licensed.

Online public listing of the company and/or supporting documentations for presence of the company (ex. google search, business directory or something equivalent for that country)

- Salaried borrower:

written employment verification letter from employer verifying borrower's position, years worked, and salary. Borrower must show at minimum two years of employment history.

Employment verification must be in company letterhead and must show the name, address, and phone number of the company and contact information of the person verifying the information.

Online public listing of the company and/or supporting documentations for presence of the company (ex. google search, business directory or something equivalent for that country)

#### Credit history

For a borrower with valid social security number, tri-merge credit report must be pulled with the borrower's social security number and credit history must be reviewed and considered.

For a borrower without valid social security number, tri-merge credit report must be pulled using borrower's name and address only to confirm the borrower does not have any adverse credit history in the U.S. If a credit score is returned, it must meet minimum fico requirement of 680 and above to be eligible for financing.

## Homeowner's Association Questionnaire

Project Name: \_\_\_\_\_

Project Master Association Name: (if applicable) \_\_\_\_\_

Property Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

1. Total # of legal phases in project: \_\_\_\_\_ Subject property located in legal phase #: \_\_\_\_\_  
 Total # of units in project: \_\_\_\_\_ Total # of units in subject legal phase: \_\_\_\_\_  
 Total # planned phases: \_\_\_\_\_ Total # of planned units: \_\_\_\_\_
2. # of units sold, conveyed or under contract in subject phase : \_\_\_\_\_  
 # of units owner occupied in subject phase: \_\_\_\_\_ # of units rented in subject phase: \_\_\_\_\_
3. Are all units, common elements and amenities complete in subject legal phase? Yes  No   
 If **No**, what is incomplete? \_\_\_\_\_ Number of units complete: \_\_\_\_\_  
 What common elements and amenities are incomplete? \_\_\_\_\_
4. Has the homeowners' association been turned over to the unit owners? Yes  No   
 If **Yes**, provide date control of homeowners' association turned over to unit owners \_\_\_\_\_
5. What is the monthly association fee? \$ \_\_\_\_\_ special assessment? \$ \_\_\_\_\_
6. Does any single entity own more than 30% of the total units? Yes  No
7. Are more than 15% of the unit owners greater than 30 days delinquent in HOA dues? Yes  No   
 (If **Yes**, Total \$ \_\_\_\_\_, Total # of units \_\_\_\_\_ )
8. Is the Lender liable for delinquent Common Charges? Yes  No  (If **Yes**, how many months? \_\_\_\_\_)
9. Is the project managed by a management company? Yes  No
10. Is the management company listed as an insured on the Master Condo Declaration policy? Yes  No
11. Is any part of the project used for commercial purposes? Yes  No   
 If **Yes**, what percentage of square footage is used for non-residential or commercial purposes? \_\_\_\_\_%
12. Does the HOA own or operate a business or receive any non-incidentual business income? Yes  No   
 If **Yes**, describe the business/income detail: \_\_\_\_\_
13. Is there any pending litigation involving the homeowner's association? Yes  No   
 If **Yes**, provide details and documentation of the circumstance surrounding litigation: \_\_\_\_\_
14. Does the project have any multi-dwelling units? (condos that permit an owner to hold title more than one dwelling unit, with ownership of all of his/her owned units evidenced by a single deed and financed by a single mortgage) Yes  No
15. Are the units owned fee simple or leasehold? \_\_\_\_\_
16. Does the project legal documents include any restrictions on the sale, which would limit the transfer of title? Yes  No   
 If **Yes**, provide detail: \_\_\_\_\_
17. Are there any manufactured housing, timeshare/segmented ownership, houseboat, community apartment or cooperative units in the project? Yes  No
18. Is the project a conversion from hotel or motel? Yes  No
19. Does any zoning regulation prohibit or restrict the reconstruction of the project if damaged or destroyed by fire or other casualty? Yes  No
20. Does the project have any condotel features? Yes  No
21. Is fidelity bond or employment dishonesty insurance in place covering the maximum amount of funds that will be in the custody of the homeowners association or management company at any time? (Required if project has 20 or more units) Yes  No
22. Does the association's master hazard insurance policy cover all portions of the interior of the units as well as any betterments and improvements made by the owner from the units original specifications? Yes  No

I, the undersigned, certify that to the best of my knowledge and belief the information and statements contained on this form and the attachments are true and correct.

\_\_\_\_\_  
**Signature of Association Representative or Preparer**

\_\_\_\_\_  
**Printed Name & Title of Ass. Representative or Preparer**

\_\_\_\_\_  
**Representative or Preparer's Company Name**

\_\_\_\_\_  
**Company Address**

\_\_\_\_\_  
**Date of Completion**

\_\_\_\_\_  
**Telephone Number**