AD Mortgage

The power of yes.

# SECOND LIEN PRODUCT MATRIX

Updated: 08/28/2026

| Transaction Type | Occupancy | Property Type | Credit Score | Maximum HCLTV[1] | Maximum Loan Amount |
|---|---|---|---|---|---|
| **ALT DOC** | | | | | |
| Purchase, Limited Cash-out Refinance, Cash Out Refinance | Principal Residence | 1 Unit SFR, PUD, 2-4 Unit, Condo | 740+ | 85% | $350,000 |
| | | | | 80% | $500,000 |
| | | | 720-739 | 85% | $350,000 |
| | | | | 80% | $450,000 |
| | | | | 75% | $500,000 |
| | | | 700-719 | 80% | $350,000 |
| | | | | 75% | $500,000 |
| | | | 680-699 | 75% | $350,000 |
| | | | | 70% | $500,000 |
| | Second Home | 1 SFR, PUD, Condo | 720+ | 75% | $350,000 |
| | | | | 70% | $500,000 |
| | | | 700-719 | 70% | $450,000 |
| | | | | 65% | $500,000 |
| | | | 680-699 | 65% | $350,000 |
| | | | | 60% | $450,000 |
| | Investment (Citizen, Permanent/Non-Permanent) | 1 Unit SFR, PUD, 2-4 Unit, Condo | 720+ | 75% | $350,000 |
| | | | | 70% | $500,000 |
| | | | 700-719 | 70% | $450,000 |
| | | | | 65% | $500,000 |
| | | | 680-699 | 65% | $350,000 |
| | | | | 60% | $450,000 |
| | Investment (Foreign National) | 1 Unit SFR, PUD, 2-4 Unit, Condo | 720 No FICO | 70% | $450,000 |
| | | | 700+ | 70% | $350,000 |
| | | | | 65% | $450,000 |
| | | | 680-699 | 60% | $450,000 |

| Transaction Type | Occupancy | Property Type | Credit Score | Maximum HCLTV[1] | Maximum Loan Amount |
|---|---|---|---|---|---|
| **FULL DOC** | | | | | |
| Purchase, Limited Cash-out Refinance, Cash Out Refinance | Principal Residence | 1 Unit, PUD, 2-4 Unit, Condo | 740+ | 90%[2] | $350,000 |
| | | | | 85% | $500,000 |
| | | | 700-739 | 85% | $500,000 |
| | | | 680-699 | 75% | $500,000 |
| | Second Home | 1 Unit SFR, PUD, Condo | 720+ | 75% | $500,000 |
| | | | 700-719 | 70% | $500,000 |
| | | | 680-699 | 65% | $350,000 |
| | | | | 60% | $450,000 |
| | Investment | 1 Unit SFR, PUD, 2-4 Unit, Condo | 720+ | 75% | $500,000 |
| | | | 700 | 70% | $500,000 |
| | | | 680-699 | 65% | $350,000 |
| | | | | 60% | $450,000 |

[1] HCLTV may be reduced due to Property Type, Income Type

[2] Condo - 85% Max LTV

| Second Lien Guidelines | |
|---|---|
| **Age of Docs** | Credit Report: Valid for 60 days at Submission<br>Title Commitment: Max 90 Days<br>Credit, Assets, Traditional Income: 120 days before Note Signed<br>Appraisal: 360 days before Note Signed |
| **Appraisal** | Residential (1004), Condominium (1073), Income Property (1025), Appraisal Update (1004D)<br>Appraisal Waiver is NOT allowed<br>Appraisal must be supported by AVM<br>Loan Amount <= $250,000: Eligible for AVM & Property Condition Report if supported by 2nd AVM |
| **Assets** | Sourced and seasoned for 30 days.<br>Gift Funds allowed but are limited by program and occupancy<br>Overseas Assets and 1031 Exchange Eligible |
| **Country Specific** | FN DSCR: Venezuelan Borrowers Pruchase/Rate & Term: 60% CLTV Max & Cash Out 55% CLTV Max), 12 mon reserves.<br>Russian or Ukrainian can qualify under FN DSCR program. Income and assets derived from Russia or Ukraine will not be accepted. |

| Second Lien Guidelines cont. | |
|---|---|
| **Credit/Tradelines** | If 3 scores are not available: 3 active tradelines for the past +12 Months or 2 for the past +24 Months and active within 12 months<br>Middle lowest for multiple borrowers. Lowest if only 2 scores<br>Foreign National: No score or 680 min FICO (No FICO) & 1 Bank Reference Letter<br>No Frozen Credit |
| **Credit Events** | Bankruptcy, Foreclosure, Short Sale, Deed-in-Lieu, Modification, Forbearance, 120+ day late are considered events.<br>48 Months waiting period |
| **DTI** | US Citizen & Permanent Resident: 50%<br>Non-Permanent Resident & Foreign National: 43% |
| **Escrow Waiver** | Escrows are NOT required |
| **First-Time Homebuyer (FTHB)** | Borrower must contribute 5% own funds for OO/2nd or 10% for Inv.<br>Payment shock +300% are ineligible. |
| **Homeownership** | Rent-free borrowers with no housing expenses are limited to 80% CLTV, if permitted by the eligibility matrix.<br>Third Party residency letter with transaction for all programs (CPA Letter, utility bill, tax bill, etc.). Must not be considered as a first-time homebuyer. |
| **Income Documentation Type Restrictions** | DSCR: Ratio must be equal to 1 or above<br>Full Doc: Max DTI 50% for CLTV <= 80%, Max DIT 45% for CLTV >80%<br>Foreign Nation: CPA Letter for last 2 years and YTD<br>Profit & Loss NOT eligible<br>Future Income NOT eligible |
| **Interested Party Contribution** | Primary & 2nd Home: CLTV ≤ 80% - 6%<br>Investment: CLTV > 80% - 4%<br>Not allowed if Purchase Price is greater than list price by either 3% or $5,001 |
| **Loan Amount** | Minimum: $50,000, Iowa: Owner Occupied, Min: $69,501<br>Max: $500,000<br>Max CLTV:$4,000,000 |
| **Mortgage History** | 0x30x12 and 0x90x24 |
| **New Construction** | FL PUD Max CLTV: 80% (OO/2nd Home) & 75% (Inv)<br>FL Condo Max CLTV: 75% (OO/2nd Home) & 70% (Inv)<br>No CLTV limits on 1-4 units without community |

| Second Lien Guidelines cont. | |
|---|---|
| **Occupancy** | Owner Occupied, Second Homes, and Investment properties<br>Foreign National: Investment Only |
| **Points & Fees** | Total Borrower Paid Points and Fees (including Lender fees) must be less than 5% (Owner Occupied) or 7% (investment) |
| **Prepayment Penalty (PPP)** | Only on Investment Transactions. Penalties are based on state limitations. See Guidelines for state specifics. |
| **Property Type** | Attached, Detached, semi-detached<br>Single Family Residence, 2-4 Unit (N/A for 2nd Home), Warrantable/Non-Warrantable Condominium, Planned Unit Development |
| **Purchase** | Only available as a piggyback transaction |
| **Reserves** | Purchase Only:<br>Loan amount <= 1,000,000: 3 months<br>Loan Amount >1,000,000 and <=2,000,000: 6 months<br>Loan Amount >2,000,000: 12 months |
| **Residency** | US Citizen, Permanent Resident, Non-Permanent Resident, Foreign National (Investment Only)<br>See Guidelines for VISA restrictions |
| **Residual Income** | $2,000<br>Not Required for DSCR or Foreign National |
| **State Exclusions or Restrictions** | Texas 50(a)(6) Prohibited<br>TN: Investment Only<br>OO/2nd Excluding HI, MD, TN, VI<br>Inv: Excluding HI, MN, PA (Philadelphia County Only), VI<br>Inv - No License: Excluding AZ, CA, DC, HI, ID, MD (Baltimore County & Baltimore City ONLY), MN, NV, NM, ND, OR, PA (Philadelphia County ONLY), SD, UT, VA, VI, VT |
| **Title** | Individual, Joint, Trust<br>LLC/Corp (Max 4 owners allowed - all must be borrower & guarantor |