

Second Lien

Underwriting Requirements			
Minimum Loan Amount:		\$50,000	Maximum Loan Amount: \$500,000
		Maximum combined loan amount for both first and second liens: \$4,000,000	
Appraisal		Full Appraisal completed within the last 360 days supported by AVM ordered by A&D internally (10% variance with confidence score of >=90%). If Appraisal is not supported by AVM, then Drive by or Second Appraisal will be required. LA <= \$250,000: AVM with 90%+ confidence score (supported by different AVM with 10% variance & confidence score of >=90%) and a new Property Condition	
Assets		▫ Assets sourced and seasoned for 30 days, 120 days age max ▫ Gift funds allowed (under 80% CLTV Borr Contribution Required: OO - 0% , Asset Ut, WVOE, Inv - 10%; over 80% CLTV: OO - 5% , Asset Ut, WVOE; Inv - NA)▫ Overseas Assets sourced and seasoned for 30 days ▫ 1031 Exchange Eligible	
Credit & Tradelines		▫ 3 for past >=12 months OR 2 for past >=24 months, active in the last 12 month ▫ Middle Lowest for multiple borrowers, Lowest if only 2 scores ▫ 120 days age max ▫ Foreign National: No score or 680 min FICO (No FICO) ▫ 1 Bank Reference Letter	
Credit Event		▫ BK, FCL, SS, DL, modification, forbearance and 120+ days are considered as a Credit Event	
Eligible States OO		▫ AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, MD, MI, MO, MS, NC, ND, NV, NE, NH, NJ, NM, NY, OH, OK, OR, PA, RI, SC, SD, VA, VT, TX, UT, WA, WI, WV, WY	
Eligible States Inv		▫ AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, MT, NC, ND, NE, NV, NH, NJ, NM, NY, OH, OK, OR, PA (except for Philadelphia County), RI, SC, SD, TN, TX,	
Eligible States Inv (No License Required)		▫ AK, AL, AR, CO, CT, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, MD (exception for Baltimore County & Baltimore City), ME, MO, MS, MT, NC, NE, NH, NJ, NM, NY, OH, OK, PA (except for Philadelphia County),	
Escrow		▫ Impound accounts are not required	
Homeownership		▫ Third Party residency letter with transaction for all programs (CPA Letter, utility bill, tax bill, etc) ▫ Rent-free borrowers with no housing expenses are limited to 80% CLTV, if permitted by the eligibility matrix.	
Income / DTI		▫ Traditional Conforming Full Documentation Income ▫ DTI 50% Max for CLTV up to 80%, DTI 45% for more than 80% CLTV ▫ Foreign National required Income by CPA Letter last 2 Years and YTD, DSCR value is not considered ▫ Foreign National Full Doc / Foreign National DSCR ▫ DTI 43% Max on Foreign National	
Income DSCR		▫ DSCR = Gross Income / Proposed PITIA. Borrower income is not required. DSCR must be equal to 1 or above	
Income / DTI	Asset Utilization:	Qualifying Assets are 100% Cash or Money Market, 100% from Public Securities, 80% from Retirement Accounts ▫ DTI 50% Max on O/O	
	12 or 24 Months Bank Statements:	License or Business LOE for Personal BK Stmtns Tax Preparer / CPA Prepared P&L for Business BK Stmtns (UW will review industry standards) or use 50% expense ratio ▫ Mixed Income allowed ▫ DTI 50% Max on O/O ▫ Available for self-employed borrowers only	
	1099:	The last 1 year allowed ▫ Expense ratio 10% ▫ Maximum DTI is 50% for OO ▫ Gift funds allowed	
	WVOE:	Completed FNMA Form 1005 for 2 year history with same employer; No Gift Funds Allowed ▫ DTI 50% Max on O/O	
Interest Only		▫ Not allowed	
New Construction		▫ Max CLTV on PUD is 80% (OO) and 75% (Investment) for FL ▫ Max CLTV for Condo 75% (OO) and 70% (Investment) for FL ▫ No CLTV limitations on 1-4 units without community	
Non-Permanent Resident & FN		▫ Eligible Status H-1, L-1, E1-E3, NATO, O1, R1, TN (additional statuses allowed are listed in the guidelines exhibit 1) ▫ Cash Out transactions are not allowed for non-permanent residents ▫ ITIN not allowed	
Occupancy Types		▫ Owner Occupied, Second Homes (1 unit only) and Investment (Vacant or Tenant Occupied - Lease Agreement Not Required if Not Used in DTI) ▫ Foreign National (Investment only)	
Points & Fees		▫ Total Borrower Paid Points and Fees must be less than 5% (including Lender fees) on OO and less than 7% (including Lender fees) on Inv ▫ Broker's Maximum Compensation: 3.00% (Borrower Paid), 2.75% (Lender Paid, Max Price 102.75) ▫ Lender Credit Max 2.75 points ▫ Broker's Processing Fee is a part of broker's compensation and capped at maximum allowed compensation ▫ Third Party's Processing Fee allowed ▫ UW fee can be waived ▫ 2% limit for mortgage broker fee on OO in TN and 1-2 units in IA ▫ NJ broker fees are not allowed ▫ BPC not allowed on OO and 2nd home in NY with LA<\$250k (LPC allowed) ▫ MD does not allow BPC on Second liens OO▫ OH rate limitation to charge on 2nd liens for LA less than or equal to 100K and max 2 % discount points on 1-2 units for all loan amounts ▫IN: Origination charges on OO may not exceed 2% of the LA	
Prepayment Penalty		▫ Investment Only ▫ Max PP Term - 5 years ▫ Penalty Amount: 6 months of interest on any amount over 20% of Note Principal ▫ PPP not allowed and buydown is required in: AK, AR, KS, MD (LA < \$75,000), MI, MN, NM, OH (on 1-2 units with LA < \$116,356), PA (on 1-2 units with LA < \$329,411), RI, TX, VA (LA < \$75,000), VT ▫ Loans vested in individuals in IL, NJ - buydown required or close in LLC (IL - max 3 years) ▫ Max PPP 3 years in ID, MA ▫ Max PPP 3 years and Penalty Amount: max 2 months interest for any loan type in DC, MD ▫ Max PPP 2 years in MS	
Property Types		▫ Single Family Residence ▫ Warrantable / Non-Wr. Condo (Limited Review) ▫ 2-4 Unit (N/A for 2nd Home) ▫ PUD ▫ Short-Term Rental (Max CLTV: 75%)	
Reserves		▫ Purchase: Loan amount <= 1,000,000: min 3 months, >1,000,000 and <=2,000,000: min 6 months, >2,000,000: min 12 months, rate&term and cash out: no minimum requirements	
Seller Concessions		▫ 6% if 80% CLTV or less ▫ 4% if CLTV greater than 80%	
State limitations		▫ PR, Texas 50(a)(6) prohibited ▫ IA: OO, minimum loan amount: \$69,501 ▫ TN: only investment loans allowed	
Highlights		Purchase transactions are available on Piggyback only	
Title		▫ Full Title Policy ▫ Individuals ▫ LLCs/Corp (Maximum 4 owners allowed, all have to be borrowers and guarantors on the transaction) ▫ Title Commitment: 90 days max age	

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Second Mortgage

Full Doc



Purchase, Rate/Term Refinance, Cash Out

Occupancy	Property Type	Minimum FICO	Maximum LTV/CLTV*	Maximum Loan Amount
Primary	1 Unit SFR, PUD, 2-4 Unit, Condo	740	90	\$350,000
			85	\$500,000
		700	85	\$500,000
		680	75	\$500,000
Second Home	1 Unit SFR, PUD, Condo	720	75	\$500,000
		700	70	\$500,000
		680	65	\$350,000
			60	\$450,000
Investment (US Citizen, Permanent, Non-Permanent)	1 Unit SFR, PUD, 2-4 Unit, Condo	720	75	\$500,000
		700	70	\$500,000
		680	65	\$350,000
			60	\$450,000

Second Mortgage

Alt Doc

Purchase, Rate/Term Refinance, Cash Out

Occupancy	Property Type	Minimum FICO	Maximum LTV/CLTV	Maximum Loan Amount
Primary	1 Unit SFR, PUD, 2-4 Unit, Condo	740	85	\$350,000
			80	\$500,000
		720	85	\$350,000
			80	\$450,000
			75	\$500,000
		700	80	\$350,000
			75	\$500,000
		680	75	\$350,000
Second Home	1 Unit SFR, PUD, Condo	720	75	\$350,000
			70	\$500,000
		700	70	\$450,000
			65	\$500,000
		680	65	\$350,000
			60	\$450,000
Investment (US Citizen, Permanent, Non-Permanent)	1 Unit SFR, PUD, 2-4 Unit, Condo	720	75	\$350,000
			70	\$500,000
		700	70	\$450,000
			65	\$500,000
		680	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	60	\$450,000

* Condo (85% CLTV Max)

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