

Second Lien

Lock Desk Support	Fees	Mortgage History	Credit Event	Residual Income	Reserves
305-824-2421 lock@admortgage.com	UW Fee \$1195 MERS fee \$24.95 Tax \$80 Flood \$6.95	0x30x12 and 0x90x24	48 months	\$2,000	3 months
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				
Assets	<ul style="list-style-type: none"> ◦ 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, P&L- 20%; Inv - 20%; over 80% CLTV: OO - 5% , Asset Ut, WVOE, P&L- NA; Inv - NA) ◦ Overseas Assets sourced and seasoned for 30 days ◦ 1031 Exchange Eligible 				
Credit & Tradelines	<ul style="list-style-type: none"> ◦ 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, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY				
Eligible States Inv (No License Required)	◦ AK, AL, AR, CO, CT, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, MD, ME, MO, MS, MT, NC, NE, NH, NJ, NY, OH, OK, PA, RI, SC, TN, TX, WA, WI, WV, WY				
Escrow	◦ Impound accounts are not required				
Homeownership	◦ Third Party residency letter with transaction for all programs (CPA Letter, utility bill, tax bill, etc) <ul style="list-style-type: none"> ◦ Rent-free borrowers with no housing expenses are limited to 80% CLTV, if permitted by the eligibility matrix. 				
Income / DTI	<ul style="list-style-type: none"> ◦ 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, 70% from Retirement Accounts			
	12 or 24 Months Bank Statements:	License or Business LOE for Personal BK Strmts Tax Preparer / CPA Prepared P&L for Business BK Strmts (UW will review industry standards) or use 50% expense ratio			
	1099:	DTI 50% Max on O/O			
	WVOE:	The last 1 year allowed			
		Expense ratio 10%			
		Maximum DTI is 50% for OO			
		Gift funds allowed			
		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				
Non-Permanent Resident & FN	<ul style="list-style-type: none"> ◦ Max CLTV for Condo 75% (OO) and 70% (Investment) for FL ◦ No CLTV limitations on 1-4 units without community ◦ Eligible Status H-1, L-1, E1-E3, NATO, O1, RI, 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	<ul style="list-style-type: none"> ◦ 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	<ul style="list-style-type: none"> ◦ 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 max not exceed 2% of the LA 				
Prepayment Penalty	<ul style="list-style-type: none"> ◦ 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 ◦ Single Family Residence ◦ Warrantable / Non-Wr. Condo (Limited Review) ◦ 2-4 Unit (N/A for 2nd Home) ◦ PUD ◦ Short-Term Rental (Max CLTV: 75%) 				
Property Types	◦ Single Family Residence				
Reserves	<ul style="list-style-type: none"> ◦ 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				
State limitations	◦ 4% if CLTV greater than 80%				
Highlights	◦ PR, Texas 50(a)(6) prohibited				
Title	<ul style="list-style-type: none"> ◦ IA: OO, minimum loan amount: \$69,501 ◦ TN: only investment loans allowed ◦ Purchase transactions are available on Piggyback only ◦ 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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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
			75	\$500,000
Second Home	1 Unit SFR, PUD, Condo	720	75	\$500,000
			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
			70	\$500,000
		680	65	\$350,000
			60	\$450,000

Second Mortgage

Alt Doc

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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
		700	75	\$500,000
			80	\$350,000
		680	75	\$500,000
			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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