



Ruby 2nd Lien Full and Alt Doc

2nd Lien - Eligibility				
Loan Amount / Credit Score / CLTV Matrix				
Standard Doc				
Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	90	80	75
	700	85	80	65
	680	75	75	NA
\$500,000	740	85	75	75
	700	85	75	65
	680	75	70	NA
Alt Doc				
Loan Amount	Credit Score	Primary	Second Home	Investment
\$350,000	740	85	75	70
	700	80	70	60
	680	75	65	NA
\$500,000	740	80	70	65
	700	75	65	60
	680	70	60	NA
General Requirements				
Product and Term	<ul style="list-style-type: none"> Fixed Rate - Fully amortizing terms of 10, 15, 20, 25 & 30 years. 			
Loan Amounts Age of Documents	<ul style="list-style-type: none"> Min: \$200,000 Max: \$500,000 Credit Documents: May not be over 90-days old at the time of closing. Appraisals, Title Report (or O&E): May not be over 120-days old at time of closing. o AVM may not be over 30- days old at time of closing. 			
Combined Loan Balance Caps	<ul style="list-style-type: none"> The CLTV of the combined 1st and 2nd lien loan balances are restricted as follows: <ul style="list-style-type: none"> Total lien balance > \$2,000,000 – 80% CLTV Total lien balance > \$3,000,000 – 75% CLTV Maximum combined loan balance for all liens not to exceed \$4,000,000 			
Loan Purpose	<ul style="list-style-type: none"> Stand-Alone Cash Out (minimum ownership of 6 months required) Simultaneous/Piggyback 			
Occupancy	<ul style="list-style-type: none"> Primary, Second Home, Investment 			
Cash-Out	<ul style="list-style-type: none"> Max cash-out: \$500,000 			
Eligible Borrower	<ul style="list-style-type: none"> U.S. Citizen Permanent Resident Alien Non-Permanent Resident Alien Max 80% CLTV 			
State Restrictions	<ul style="list-style-type: none"> Not Eligible: <ul style="list-style-type: none"> Texas Puerto Rico, Guam, & the US Virgin Islands Restricted: <ul style="list-style-type: none"> CT, IL, NJ, NY (Max CLTV 80%, Min FICO 720) Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date. Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months. All existing subordinate liens must be satisfied except for solar panels, see Solar Panels in ATM guides. All Solar Panel loans and leases with PACE/HERO financing must be paid off. 			
Ineligible Loan Features	<ul style="list-style-type: none"> All Solar Panel loans and leases with PACE/HERO financing must be paid off. 			



--	--



	Income Requirements
First Lien	<ul style="list-style-type: none"> • First lien documentation requirements • Copy of 1st lien Note; and Default interest rate on Note cannot exceed Note rate * If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) Copy of most recent monthly mortgage payment statement Utilized to determine if payment includes escrows (See DTI Requirements) • Ineligible First liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> • Forbearance, modifications, or deferrals (including COVID-19 related events) completed or reinstated within 12- months of the Note date • Loans in active forbearance or deferment • Negative amortization including loans with Paid-In-Kind (PIK) features <ul style="list-style-type: none"> * Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien • Reverse Mortgages <ul style="list-style-type: none"> o First liens for the subject property not reporting on credit report e.g., Private party mortgages including any loan not reporting on credit report • Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages • Home Equity Line of Credit • Note with default interest rate greater than the Note rate
Standard Doc	<ul style="list-style-type: none"> • Wage/Salary: Paystubs, 1or 2-years W-2s, IRS Form 4506-C, Verbal VOE • Self-Employed: 1 or 2-Years of Personal and Business (If applicable) Tax Returns, YTD P&L, 2 recent business bank statements, IRS Form 4506-C
Personal Bank Statements	<ul style="list-style-type: none"> • 12 or 24 -months of Personal and 2-months of business bank statements • Qualifying income is determined by the total eligible deposits from the 12 or 24-months of personal statements divided by the number of statements • The business bank statements must reflect business activity and transfers to the personal account
Business Bank Statements	<ul style="list-style-type: none"> • 12 or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> • Fixed Expense Ratio (50%) • Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) with min ratio of 10% • 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)
IRS Form 1099	<ul style="list-style-type: none"> • 2-Years or 1-Year 1099 • Fixed Expense Ratio of 10% • YTD documentation to support continued receipt of income
Desktop Underwriter (DU) or Loan Prospector (LP)	<ul style="list-style-type: none"> • For simultaneous transactions only • Findings permitted to be used for income, asset, and liability documentation • Appraisal must follow the requirements of this program (appraisal waiver option from findings not eligible • Max DTI based upon CLTV restrictions for this program. See DTI section.



Underwriting Requirements	
Eligibility Criteria	· For criteria that is not referenced in this matrix, follow full guidelines.
Credit	· Credit report, fraud report, gap/UDM/OFAC report required for all transactions.
Qualifying Credit Score	· Use credit score of the borrower with the highest qualifying income · Middle of 3 scores or lower of 2
Housing History	· 0x30x12 – verification of mortgage history required on all loans · Verify the 1st lien P&I payment with either: <ul style="list-style-type: none"> · Copy of 1st lien Note, and · Copy of most recent monthly mortgage payment statement
Credit Events	· Foreclosure, Short Sale, Deed in Lieu, Bankruptcy: 48-month seasoning · Forbearance, Modification or Deferral follow full guidelines.
Tradelines	· Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting 12-months w/recent activity · If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived
Reserves	· None required
Assets	· Asset verification required if funds needed to consummate the transaction
DTI Requirements	<p>Maximum DTI ratio</p> <ul style="list-style-type: none"> · Less than or equal to 80% CLTV: Maximum DTI ratio 50% <ul style="list-style-type: none"> • Maximum DTI ratio 45% for CLTV greater than 80% <p>Transaction Type:</p> <ul style="list-style-type: none"> · Stand-alone: Utilize senior lien mortgage payment from credit report · Simultaneous: Utilize 1st lien qualifying method <ul style="list-style-type: none"> - Fixed rate: Note rate amortized over the total term - Interest Only: Note rate amortized over the remaining term after the expiration of the interest only period - ARMs: Qualifying rate is the higher of the fully indexed rate or note rate - Interest Only: Qualifying rate amortized over the remaining term after the expiration of the interest only period
Appraisal and Property	
Eligible Property	<ul style="list-style-type: none"> · Single Family (Attached, Detached) · 2-4 Unit residential properties (Max CLTV 75%) · Condominiums (Max CLTV 80%)
Appraisals	<ul style="list-style-type: none"> · HPLM loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance. · Any simultaneous transaction requires a full appraisal. · Transferred appraisals not eligible. <p><u>Loan Amount <= \$250,000</u></p> <ul style="list-style-type: none"> · AVM from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings within 90 days of note date or · Exterior Drive-By appraisal (Hybrid or 2055, or 1075), or · Onne (1) unit property, with or without an accessory dwelling unit · New Appraisal (FNMA Form 1004/1025/1073), or · Prior 1st lien appraisal dated within 12 months of subject loan Note Date allowed subject to the following: <ul style="list-style-type: none"> · The lender on the prior appraisal must be the same as the subject loan, and · A new Property Condition Report with acceptable findings, and · Recertification of value by the original appraiser. · Broker Price Opinion (BPO) from <ul style="list-style-type: none"> • Clear Capital,



Appraisals	<p><u>Loan Amount >\$250,000</u></p> <ul style="list-style-type: none"> · New Appraisal (FNMA Form 1004/1025/1073), or · Prior 1st lien appraisal dated within 12 months of subject loan Note Date allowed subject to the following: <ul style="list-style-type: none"> · The lender on the prior appraisal must be the same as the subject loan, and · A new Property Condition Report with acceptable findings, and · Recertification of value by the original appraiser, and · An AVM within 90 days of the Note date from approved vendor with acceptable FSD. · The lower of the Prior Appraisal value or the current AVM will be used to determine CLTV. <p><u>Secondary Valuation Product</u></p> <p>Acceptable review products include one of the following:</p> <ul style="list-style-type: none"> o The Seller may submit the appraisal report to Collateral Underwriter® (CU®) or Loan Collateral Advisor® (LCA). An eligible score is 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). (Only one score required, if both scores (CU & LCA) provided, both required to be 2.5 or less). If the score exceeds 2.5, the file must include either an enhanced desk review, field review, or second appraisal; or o An enhanced desk review product from one of the following choices: <ul style="list-style-type: none"> <input type="checkbox"/> ARR from Stewart Valuation Intelligence FKA Pro Teck. <input type="checkbox"/> CDA from Clear Capital. <input type="checkbox"/> ARA from Computershare. <input type="checkbox"/> CCA from Consolidated Analytics. <input type="checkbox"/> VRR from Homegenius Real Estate <input type="checkbox"/> Valreview Appraisal Review Value from Valligent (Veros Software Company) o If the enhanced desk review or BPO product reflects a value more than 10% below the appraised value or cannot provide a validation, the file must include either a field review or a second appraisal. A field review or a second appraisal is acceptable. These may not be from the same appraiser or appraisal company as the original report. o AVM within 90- days of Note date (If primary valuation based on an AVM, review must be a different vendor) <ul style="list-style-type: none"> <input type="checkbox"/> If two AVMs are ordered, the AVM with the higher FSD (closest to zero) will be treated as the primary valuation product. o The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10%. o If both AVMs have the same FSD, the lower of the two property values must be utilized for determining the CLTV. o Broker Price Opinion (BPO) <ul style="list-style-type: none"> <input type="checkbox"/> If two BPOs are ordered, the BPO with the lowest value will be treated as the primary valuation product. <input type="checkbox"/> If two BPOs are ordered, they must be completed by different brokers. 										
AVM and FSD Score	<p>The following AVM vendors are acceptable:</p> <table border="1" data-bbox="351 1444 1551 1637"> <thead> <tr> <th data-bbox="351 1444 949 1489">AVM Vendor</th> <th data-bbox="949 1444 1551 1489">Acceptable FSD Score at 90%</th> </tr> </thead> <tbody> <tr> <td data-bbox="351 1489 949 1523">Clear Capital</td> <td data-bbox="949 1489 1551 1523"><= 0.13</td> </tr> <tr> <td data-bbox="351 1523 949 1556">Collateral Analytics</td> <td data-bbox="949 1523 1551 1556"><= 0.10</td> </tr> <tr> <td data-bbox="351 1556 949 1590">House Canary</td> <td data-bbox="949 1556 1551 1590"><= 0.10</td> </tr> <tr> <td data-bbox="351 1590 949 1637">Red Bell Real Estate (Homegenius)</td> <td data-bbox="949 1590 1551 1637"><= 0.10</td> </tr> </tbody> </table>	AVM Vendor	Acceptable FSD Score at 90%	Clear Capital	<= 0.13	Collateral Analytics	<= 0.10	House Canary	<= 0.10	Red Bell Real Estate (Homegenius)	<= 0.10
AVM Vendor	Acceptable FSD Score at 90%										
Clear Capital	<= 0.13										
Collateral Analytics	<= 0.10										
House Canary	<= 0.10										
Red Bell Real Estate (Homegenius)	<= 0.10										
Property Condition Report	<ul style="list-style-type: none"> · When required, a Property Condition Report (i.e., Clear Capital Property Condition Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property's physical condition and characteristics. 										
Declining Market and State/CBSA restrictions	<ul style="list-style-type: none"> · If the appraisal report identifies the property as a declining market, the maximum CLTV is limited to 80% for all transactions. 										
Recently Listed Properties	<ul style="list-style-type: none"> · Properties listed for sale in the past 6-months are not eligible 										



Title Insurance	<p>• Loan Amount <=\$250,000, provide one of the following:</p> <ul style="list-style-type: none"> • Owner and Encumbrance Report (O&E) to include: <ul style="list-style-type: none"> • Current Grantee / Owner • How property was conveyed to current owner • Liens (e.g., mortgage, UCC, other financing) • Involuntary liens and judgements • Property Tax Information with break-down of all taxes including special assessments • Legal Description • ALTA Full Title Policy • ALTA Short Form Residential Limited Coverage Junior Loan Policy <p>• Loan Amount >\$250,000, provide one of the following:</p> <ul style="list-style-type: none"> • ALTA Full Title Policy • ALTA Short Form Residential Limited Coverage Junior Loan Policy
Flood Certificate	<ul style="list-style-type: none"> • Flood determination required for every loan file • Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA
Escrows	<ul style="list-style-type: none"> • Escrows for taxes and hazard insurance not required
Hazard Insurance	<ul style="list-style-type: none"> • Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect seller as additional insured