



DIAMOND PLUS • Full & Alt Doc

• Full Doc • Bank Statement • 1099 • Asset Depletion/Qualifier

Primary Residence

Minimum Credit Score	Maximum Loan Amount	Full Doc Purch-Rate/Term	Full Doc Cash-Out Refi	Alt Doc Purch-Rate/Term	Alt Doc Cash-Out Refi
740	\$1,000,000	90%	80%	90%	80%
	\$2,000,000	85%	75%	85%	75%
	\$3,500,000	65%	NA	65%	NA
720	\$2,500,000	80%	70%	80%	70%
	\$3,000,000	75%	65%	75%	65%
	\$3,500,000	60%	NA	60%	NA
700	\$1,500,000	85%	75%	85%	75%
	\$2,000,000	80%	70%	80%	70%
	\$2,500,000	75%	65%	75%	65%
	\$3,000,000	70%	60%	70%	60%
680	\$1,500,000	80%	70%	80%	70%
	\$2,000,000	75%	65%	75%	65%
	\$2,500,000	70%	60%	70%	60%
660	\$1,000,000	80%	70%	80%	70%
	\$2,000,000	75%	60%	75%	60%
	\$2,500,000	70%	NA	70%	NA

Second Home

Minimum Credit Score	Maximum Loan Amount	Full Doc Purch-Rate/Term	Full Doc Cash-Out Refi	Alt Doc Purch-Rate/Term	Alt Doc Cash-Out Refi
720	\$1,500,000	60%	75%	60%	75%
	\$3,500,000	60%	NA	60%	NA
700	\$1,000,000	85%	75%	85%	75%
	\$1,500,000	85%	70%	80%	70%
	\$2,000,000	80%	70%	80%	70%
	\$2,500,000	75%	65%	75%	65%
	\$3,000,000	70%	60%	70%	60%
680	\$1,500,000	80%	65%	80%	65%
	\$2,000,000	75%	65%	75%	65%
	\$2,500,000	70%	NA	70%	NA
660	\$1,000,000	80%	70%	80%	70%
	\$1,500,000	75%	70%	75%	70%
	\$2,000,000	70%	60%	70%	60%
	\$2,500,000	65%	NA	65%	NA





Investment					
Minimum Credit Score	Maximum Loan Amount	Full Doc Purch-Rate/Term	Full Doc Cash-Out Refi	Alt Doc Purch-Rate/Term	Alt Doc Cash-Out Refi
720	\$1,500,000	NA	75%	NA	75%
700	\$1,000,000	85%	75%	85%	75%
	\$1,500,000	85%	70%	80%	70%
	\$2,000,000	80%	70%	80%	70%
	\$2,500,000	75%	65%	75%	65%
	\$3,000,000	70%	60%	70%	60%
680	\$1,500,000	80%	65%	80%	65%
	\$2,000,000	75%	65%	75%	65%
	\$2,500,000	70%	NA	70%	NA
660	\$1,000,000	80%	70%	80%	70%
	\$1,500,000	75%	70%	75%	70%
	\$2,000,000	70%	60%	70%	60%
	\$2,500,000	65%	NA	65%	NA

Geographic Restrictions
Ineligible Locations: Baltimore City, MD, Philadelphia, PA, Puerto Rico, Guam, and the U.S. Virgin Islands

General Requirements	
Appraisals	<ul style="list-style-type: none"> FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2nd appraisal obtained. 2nd Appraisal required for Loan Amounts > \$2.0MM
Appraisals – Declining Markets	<ul style="list-style-type: none"> 5% Reduction to LTV
Assets	<ul style="list-style-type: none"> Min of 30-days asset verification required or most recent quarterly statement for both funds to close and reserves. Business Assets acceptable for down payment, closing costs, and reserves, all of the following must be met: <ul style="list-style-type: none"> The borrowers on the loan must have a minimum of 25% ownership of the business and must be owners on the business account Ownership percentage must be documented via CPA letter, Operating Agreement, or equivalent All non-borrowing owners of the business must provide a signed and dated letter acknowledging the transaction and confirming the borrower’s access to funds in the account The balance of the business assets must be multiplied by the ownership percentage to determine the owner’s portion of business assets allowed for the transactions A signed letter from a CPA must also be obtained verifying that the withdrawal of funds for the transaction will not have a negative impact on the business
Assets – Gift Fund	<ul style="list-style-type: none"> Second Home/Investment: Not permitted for LTV/CLTV >80% Purchase transactions only Acceptable as 100% downpayments for loans <75% LTV/CLTV Acceptable for loans ≥ 75% LTV/CLTV, however the underlying borrowers must contribute a minimum of 5% of the transaction from their own funds (lower of purchase price or appraised value) Gift of equity not permitted
Assets – Reserves	<ul style="list-style-type: none"> Loan Amount ≤ \$1.00MM: 6-months of PITIA Loan Amount > \$1,000,001 - \$2.00MM: 9-months of PITIA Loan Amount > \$2.00MM: 12-months of PITIA 2-months additional for each financed property Cash out may be used to satisfy requirement
Borrower Eligibility	<ul style="list-style-type: none"> All borrowers must have a valid social security number and established U.S. credit history No Asylum



	<ul style="list-style-type: none"> • Non-Permanent Resident Alien: Max 80% LTV/CLTV, no cash-out
Cash-In-Hand	<ul style="list-style-type: none"> • LTV >60% - \$750,000 • LTV ≤60% - Unlimited
Cash-Out Transactions	<ul style="list-style-type: none"> • Borrower must have owned the property for a minimum of 6 months measured from acquisition date to note date • Refinance of a previous loan that provided cash out will be considered a cash out refinance if the loan being refinanced is seasoned for less than 12 months (measured from note date to note date)
Credit – Event Seasoning	<p>The following derogatory credit events require a 48+ month seasoning (Derogatory credit events include all REOs):</p> <ul style="list-style-type: none"> • BK/FC/SS/DIL/NOD/Lis Pendens • Modifications (Due to Default) • 120+ Day Delinquency • Balloon payments that are more than 180 days past maturity
Credit – Housing History	<ul style="list-style-type: none"> • 0x30x12 and 0x60x24 for all REOs and rental payments for the most recent 24 months, regardless of whether the borrower/guarantor is on the Note or vested on title
Credit – Max Financed Properties	<ul style="list-style-type: none"> • No borrower or guarantor may have more than 20 financed properties
Credit – Score	<ul style="list-style-type: none"> • Middle of 3 scores or lower of 2 • Use highest representative score from the borrower with the highest percentage of ownership. In the case where two borrowers or more borrowers have the same highest percentage of ownership, the loan level Representative Credit Score will be the lowest borrower representative score amongst these borrowers.
Credit – Tradelines	<ul style="list-style-type: none"> • Each borrower using income to qualify must have: <ul style="list-style-type: none"> ◦ Min: 2 reporting 12-months with activity in last 24-months, or a combined credit profile between Borrower and Co-Borrower with a minimum of 3 tradelines showing at least 12 months of history in the last 24 months • Tradeline activity is not required, and the tradelines can be opened or closed
Document Age	<ul style="list-style-type: none"> • Credit Documents: 90-days • Preliminary Title Policies and Appraisal: 120-days
DTI Requirements	<ul style="list-style-type: none"> • Max DTI ≤50%
Escrows	<ul style="list-style-type: none"> • Escrows for hazard insurance and taxes are required for HPML loans • Escrow accounts may be waived for loans meeting the following requirements: <ul style="list-style-type: none"> ◦ LTV less than or equal to 80% ◦ Min FICO 680 ◦ Min 6 Months Reserves • Escrow waiver is subject to a loan level pricing adjustment, <i>refer to rate sheet</i>
Income – Standard Doc	<ul style="list-style-type: none"> • Wage/Salary: Paystubs, W-2, 2-years or 1-year or Tax Returns, IRS Form 4506C, Verbal VOE • Self-Employed: 2-years or 1-year of Personal and Business Tax Returns, YTD P&L, 2-months bank statements, IRS Form 4506C
Income – Asset Utilization	<p>Asset Depletion/Asset Qualifier cannot be combined with other income</p> <p>Asset Depletion</p> <ul style="list-style-type: none"> • Borrower must have the lesser of \$1MM or 125% of the subject loan amount in Qualifying Assets • Qualifying Assets with utilization draw schedule of seven (7) years (Qualified Assets divided by eighty-four (84) will be used as qualifying income) • Borrower debt to income must be ≤ 50 • Total Post-Closing assets must be the greater of \$450,000 or 125% of the original subject loan amount <p>Asset Qualifier (residual income)</p> <ul style="list-style-type: none"> • Borrowers must have a residual income greater than or equal to that required in the Residual Income section • Asset Qualifier: To determine residual income, Qualifying Assets will be divided by eighty-four (84) months. From this number, subtract the Borrower’s total monthly debt obligation (total liabilities) to produce the Borrower’s residual income. Do not impute tax deductions when determining residual income. Residual income must meet or exceed Residual Income • Total Post-Closing assets must be the greater of \$450,000 or 125% of the original subject loan amount

	<p>Eligibility:</p> <ul style="list-style-type: none"> • Borrower must have a minimum of \$450K Post-Closing Qualifying Assets for both Asset Depletion/Asset Qualifier • Assets used for qualifying must be seasoned for 120 days • Assets must be unrestricted • Net Assets – If assets or a portion of assets are being used for down payment or costs to close, those assets should be excluded for the balance before analyzing a portfolio for income qualification • Qualifying Assets <ul style="list-style-type: none"> ○ 100% checking/savings/money accounts ○ 80% of the remaining value of stocks/bonds/mutual funds ○ 70% for all vested retirement assets ○ Sale of Business asset is permitted with the final settlement statement and evidence of funds deposited • Not permitted: <ul style="list-style-type: none"> ○ Non -Owner Occupied or Second Homes (See program Matrix for Max LTV and Program Eligibility) ○ Cash -Out ○ Gift funds ○ Business Assets ○ Trust Assets ○ Foreign Assets ○ Non -Occupant Co-Borrower
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<p>Income – Bank Statements</p>	<p>Personal Bank Statements</p> <ul style="list-style-type: none"> • 12 or 24-months of Personal and 2-months of business bank statements. Qualifying income is determined by total eligible deposits from 12 or 24-months personal statements divided by number of statements. • The business bank statements must reflect business activity and transfers to the personal account. • If the qualifying income from the personal bank statements exceeds the amount stated on the initial signed 1003 by more than 20%, additional underwriter scrutiny is required and must be accompanied by an explanation from the borrower. <p>Business Bank Statements</p> <ul style="list-style-type: none"> • Minimum ≥25% business ownership required • 12 or 24-months of Business bank statements. Qualifying income determined by one of the following analysis methods: • Income Qualifications: <ul style="list-style-type: none"> ○ Option 1 - Expense Ratio <table border="1" data-bbox="430 1318 1490 1753"> <thead> <tr> <th data-bbox="430 1318 959 1360">Business Type</th> <th colspan="3" data-bbox="959 1318 1490 1360">Employees</th> </tr> <tr> <th data-bbox="430 1360 959 1402">Service Business (Offers Services)</th> <th data-bbox="959 1360 1135 1402">0</th> <th data-bbox="1135 1360 1312 1402">1-5</th> <th data-bbox="1312 1360 1490 1402">>5</th> </tr> </thead> <tbody> <tr> <td data-bbox="430 1402 959 1575">Examples of Service Business: 15% Expense Factor, 30% Expense Factor, 50% Expense Factor: Consulting, Accounting, Legal, Therapy, Counseling, Financial Planning, Insurance, Information Technology</td> <td data-bbox="959 1402 1135 1575">15% Expense Factor</td> <td data-bbox="1135 1402 1312 1575">30% Expense Factor</td> <td data-bbox="1312 1402 1490 1575">50% Expense Factor</td> </tr> <tr> <th data-bbox="430 1575 959 1617">Product Businesses (Sells Goods)</th> <th data-bbox="959 1575 1135 1617">0</th> <th data-bbox="1135 1575 1312 1617">1-5</th> <th data-bbox="1312 1575 1490 1617">>5</th> </tr> <tr> <td data-bbox="430 1617 959 1753">Examples of Product Business: 25% Expense Factor, 50% Expense Factor, 85% Expense: Retail, Food Services, Restaurant, Manufacturing, Factor Contracting, Constructions</td> <td data-bbox="959 1617 1135 1753">25% Expense Factor</td> <td data-bbox="1135 1617 1312 1753">50% Expense Factor</td> <td data-bbox="1312 1617 1490 1753">85% Expense</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ○ Option 2 – 3rd Party Profit & Loss Statement <ul style="list-style-type: none"> ▪ Business qualifying with P&L statement showing less than a 15% expense ratio will be limited to a 15% ratio. ▪ Borrower prepared P&L will not be permitted under any circumstances ▪ If qualifying income from the P&L exceeds the amount stated on the initial signed 1003 by more than 20%, additional scrutiny is required and must be accompanied by an explanation from the borrower 	Business Type	Employees			Service Business (Offers Services)	0	1-5	>5	Examples of Service Business: 15% Expense Factor, 30% Expense Factor, 50% Expense Factor: Consulting, Accounting, Legal, Therapy, Counseling, Financial Planning, Insurance, Information Technology	15% Expense Factor	30% Expense Factor	50% Expense Factor	Product Businesses (Sells Goods)	0	1-5	>5	Examples of Product Business: 25% Expense Factor, 50% Expense Factor, 85% Expense: Retail, Food Services, Restaurant, Manufacturing, Factor Contracting, Constructions	25% Expense Factor	50% Expense Factor	85% Expense
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	<ul style="list-style-type: none"> ▪ Business Bank Statements are used to validate third-party prepared P&L. Gross revenue listed on P&L must be within +/-10% of the total qualified deposits ▪ P&L statement must be prepared by a CPA, Tax Attorney, Enrolled Agent (“EA”), California Tax Education Council (“CTEC”) member, or Paid Tax Professional (“PTIN”) ○ Option 3 – 3rd Party Expense Ratio <ul style="list-style-type: none"> ▪ Multiply eligible business deposits by the following: (100% minus the Expense Ratio) / 12 or 24 months ▪ 3rd Party Prepared Expense Ratio floored at 15% ▪ If qualifying income from the expense ratio exceeds the amount stated on the initial signed 1003 by more than 20%, additional underwriter scrutiny is required and must be accompanied by an explanation from the borrower ▪ The Expense Statement must be prepared and signed by a third-party Tax Professional and specify business expenses as a percentage of the gross sales/revenue ▪ Self-employed Borrowers who have filed their own business tax returns are ineligible 	
Income – IRS Form 1099	<ul style="list-style-type: none"> • 2-Years 1099s • Fixed Expense Ratio of 10% • Most recent pay stub, if applicable, and three (3) months of bank statements reflecting year-to-date (YTD) earnings. YTD earnings must cover a minimum of thirty (30) days. 	
Income – Residual Income	<ul style="list-style-type: none"> • Loan with DTI >43% or HPML or Asset Qualifier • Residual Income is Gross Monthly Income minus total monthly debts • Minimum Residual Income based on the table below plus additional \$150 per each household member beyond the first two household members. Household members include anyone living in the subject property, including children and other non-borrowers. 	
	Number in Household	Minimum Residual Income
	1	\$1,500
	2	\$2,500
Interest Only	<ul style="list-style-type: none"> • Min FICO: 700 • Max LTV/CLTV: 85% • No First Time Homebuyer 	
Loan Amounts	<ul style="list-style-type: none"> • Min: \$150,000 • Max: \$3.5 MM 	
Loan Purpose	<ul style="list-style-type: none"> • Purchase, Rate/Term, and Cash-Out 	
Occupancy	<ul style="list-style-type: none"> • Primary, Second Home, Investment 	
Prepayment Penalty Investment Property Only	<ul style="list-style-type: none"> • <i>Refer to Prepayment Penalty Matrices for details</i> 	
Product Type	<ul style="list-style-type: none"> • Fixed Rate Terms: 15, 30, 40-years; 5/6 ARM, 7/6 ARM • 40-year term ARMs available when combined with interest only feature 	
Property – Acreage	<ul style="list-style-type: none"> • Property up to 20 acres 	
Property – Eligible Types	<ul style="list-style-type: none"> • Single Family: Attached and Detached • SFR + one (1) Legal ADU allowed • Leasehold • 2-4 Units: Max LTV/CLTV 85% • Warrantable Condominiums: Max LTV/CLTV 85% • Non-Warrantable Condominiums: Max LTV/CLTV 80% <p><u>Florida Condominiums</u></p> <ul style="list-style-type: none"> • A structural inspection is required for projects greater than 3 stories; and over 30 years old (or 25 years if within 3 miles of the coast) • Subject to Florida’s SB-4D requirements • Projects with unacceptable or no inspections are ineligible 	
Property – Flips	<ul style="list-style-type: none"> • When the subject property is being resold within 365 days of its acquisition by the seller and the sales price has increased more than ten (10%), the transaction is considered a “flip”. <ul style="list-style-type: none"> ○ To determine the three hundred sixty-five (365) day period, the acquisition date (the day the seller became the legal owner of the property) and the purchase date (the day both parties executed the purchase agreement) should be used 	

	<ul style="list-style-type: none"> • Flip transactions are subject to the following requirements: Property Flips <ul style="list-style-type: none"> ○ All transactions must be arm’s length, with no identity of interest between the buyer and property seller or other parties participating in the sales transaction. See Non-Arm’s Length Transactions section ○ No pattern of previous flipping activity may exist in the last 12 months. Exceptions to ownership transfers may include newly constructed properties, sales by government agencies, properties inherited or acquired through divorce, and sales by the holder of a defaulted loan ○ The property was marketed openly and fairly, through a multiple listing service, auction, for sale by owner offering (documented) or developer marketing ○ The property seller must be the owner of record ○ No assignments of the contract to another buyer ○ Increases in value should be documented with commentary from the appraiser and recent comparable sales. <ul style="list-style-type: none"> ■ Sufficient documentation to validate the actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.) must be provided, if applicable. ○ If the property is being purchased for more than 5% above the appraised value, a signed letter of acknowledgement from the Borrower must be obtained ○ A second appraisal is required, prior to closing, in the following circumstances: <ul style="list-style-type: none"> ■ Greater than ten (10%) increase in sales price if seller acquired the property in the past 90 days ■ Greater than twenty (20%) increase in sales price if seller acquired the property in the past 180 days ■ The second appraisal must be dated prior to the loan consummation/note date. ■ The Borrower may not pay for the 2nd appraisal ○ Flip transactions must comply with the HPML appraisal rules in Regulation Z. • Bank owned REO and Corporate Relocations are eligible and not considered a flip transaction.
Property – Recently Listed	<ul style="list-style-type: none"> • Refinance Transactions <ul style="list-style-type: none"> ○ Properties that have been listed for sale by the borrowers for less than or equal to 6 months from the note date may not be currently listed at the time of loan application and will require a LOE signed by the borrower and evidence the listing is cancelled • Multiple listings within 12 months of the note date are ineligible
Property – Rural	<ul style="list-style-type: none"> • No Cash-Out • Primary Residence: Max LTV/CLTV 75% • Second Home: Max LTV/CLTV 70% • Investment Properties are not eligible