

			Owner Occupied
Loan Amount	Max DTI	FICO	CLTV
\$125,000 - \$1,000,000	45/50%	740	80%
		720	75%
		700	70%
		680	65%
\$1,000,001 - \$1,500,000	45/50%	740	75%
		720	75%
		700	70%
		680	65%

Guidelines	
Appraisal Requirements	<ul style="list-style-type: none"> • FNMA Form 1004, 1073 with interior/exterior inspection. • Fannie SSR < 2.5 • CDA required if CU score is ≥ 2.5
Assets	<ul style="list-style-type: none"> • As per guidelines
Credit Event Seasoning	<ul style="list-style-type: none"> • 48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years. • Max LTV 75% when a credit event is present regardless of seasoning
Credit Score	<ul style="list-style-type: none"> • Lowest of 2 scores, middle of 3 scores. Qualifying score is lowest of all borrowers. • Non-traditional credit ineligible.
Declining Markets - > 65% LTV	<ul style="list-style-type: none"> • In balance <ul style="list-style-type: none"> ○ -5% if under 3 months marketing time ○ -10% if ≥ 3 months marketing time • Shortage <ul style="list-style-type: none"> ○ -5% if ≤ 6 months marketing time • Oversupply <ul style="list-style-type: none"> ○ -10% if > 6 months marketing time
Derogatory Credit	<ul style="list-style-type: none"> • Judgements, Garnishments and Liens: <ul style="list-style-type: none"> ○ The borrower is required to pay-off all open judgements, garnishments, and liens (including mechanics liens or material men's liens) prior to the loan closing. • Collection Accounts and Charge-offs do not have to be paid in full if the following applies: <ul style="list-style-type: none"> ○ Collections and charge-offs < 24 months old with a maximum cumulative balance of \$2,000 ○ Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence ○ Collections and charge-offs that have passed beyond the statute of limitation for that state (supporting documentation required) 19 ○ All medical collections ○ Exception: IRS repayment plans with 3 months history of payments may remain unpaid. • All Past Due Accounts must be brought current regardless of the type of account
DTI	<ul style="list-style-type: none"> • 50% Max LTV 75% • 45% no LTV restriction
Eligible Borrowers	<ul style="list-style-type: none"> • Permanent and Non-permanent Resident Aliens, DACA
Geographic Restrictions	<ul style="list-style-type: none"> • Allowed wherever HEM is licensed
Housing Lates	<ul style="list-style-type: none"> • 1x30x12 on all mortgages for all borrowers. • Minimum 12-month housing history required
No Housing History	<ul style="list-style-type: none"> • Minimum 6 months reserves after closing. • 10% minimum borrower contribution. • VOR/VOM must be obtained for all month's available reflecting paid as agreed.

	<ul style="list-style-type: none"> • Properties owned free and clear are considered 0x30 for grading purposes. • Borrowers who own their primary residence free and clear for a minimum of 12 months are acceptable. • Borrowers living rent free with a spouse are acceptable with rent-free letter and evidence of spouse's mortgage.
Ineligible Borrowers	<ul style="list-style-type: none"> • Vesting is not permitted to be in the name of an LLC, Corporation or Partnership
Occupancy	<ul style="list-style-type: none"> • Primary residence only
Property Type	<ul style="list-style-type: none"> • SFR • PUD • Condo-Warrantable • Condo-Non-warrantable max 75% LTV • Modular • 2-4 Units
Purpose	<ul style="list-style-type: none"> • Purchase • R/T Refinance
Qualifying Payment	<ul style="list-style-type: none"> • Qualifying ratios based on Full Note Rate
Recently Listed Properties	<ul style="list-style-type: none"> • Property must be removed from listing for at least six months prior to application.
Reserves	<ul style="list-style-type: none"> • Loan Amount < \$1M – 3 months • Loan Amount ≥ \$1M – 6 months
Residual Income	<ul style="list-style-type: none"> • \$1,500
Seasoning	<ul style="list-style-type: none"> • Non-first loans being paid off must be seasoned for > 12 months
Terms Available	<ul style="list-style-type: none"> • Full Am: 30 year • ARM: 5/6 & 7/6
Title Report	<ul style="list-style-type: none"> • Standard or Short ALTA - Lenders Policy is acceptable
Tradeline Requirement	<ul style="list-style-type: none"> • All borrowers should have an established credit history that is partially based on tradeline history. • Only the Primary Wage Earner is required to meet the minimum tradeline requirements and will have open and active tradelines that meet the following requirements: <ul style="list-style-type: none"> ○ 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months.
Vesting	<ul style="list-style-type: none"> • Vesting as an individual or Living Trusts only
Documentation Options	
Full Doc – 1 & 2 years	<ul style="list-style-type: none"> • Standard Fannie Mae Documentation • Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding is required.
Alt Doc - 1099	<ul style="list-style-type: none"> • 2 year history of receipt <ul style="list-style-type: none"> ○ Borrowers who have recently converted from W2 to 1099 and have at least one year of receiving 1099 in the same line of work may utilize this program. • 1099 for the previous year tax year • Verification of Employment from the current contract employer covering the most recent two years plus Year-to-Date earnings <ul style="list-style-type: none"> ○ Likelihood of continued contractor status ○ Expenses must be disclosed. ○ If the verification does not reference related expenses, then a Fixed Expense Ratio of 10% may be used. ○ Most recent two months proof of receipt is required in the form of paystubs, checks or bank statements