

Non-QHEM

One to Four (1-4) Units ^{3,6,7,8,9}				
Primary Residence ^{4,5}		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase ¹	Rate/Term ¹	Cash-Out
720	\$1,500,000	90 ²	85	80
	\$2,000,000	90 ²	80	75
	\$2,500,000	80	75	75
	\$3,000,000	80	75	70
	\$4,000,000	70	70	NA
700	\$1,500,000	90 ²	85	80
	\$2,000,000	85	80	75
	\$3,000,000	75	70	65
	\$3,500,000	70	65	NA
680	\$1,000,000	90 ²	85	80
	\$1,500,000	85	85	75
	\$2,000,000	80	80	70
	\$2,500,000	70	70	65
	\$3,000,000	70	65	65
660	\$1,500,000	80	80	75
	\$2,500,000	70	70	65
620	\$1,000,000	80	75	70
	\$1,500,000	70	65	65
	\$2,000,000	65	NA	NA
Second Home / Investment		Maximum LTV/CLTV		
Minimum Credit Score	Maximum Loan Amount	Purchase ¹	Rate/Term ¹	Cash-Out
720	\$2,000,000	85	80	75
	\$2,500,000	80	75	75
	\$3,000,000	80	75	70
	\$3,500,000	70	70	NA
700	\$2,000,000	85	80	75
	\$2,500,000	75	70	65
	\$3,000,000	75	70	65
	\$3,500,000	70	65	NA
680	\$1,500,000	85	80	75
	\$2,000,000	80	80	70
	\$2,500,000	70	65	65
	\$3,000,000	70	65	65
660	\$1,500,000	80	80	75
	\$2,500,000	70	70	65
620	\$1,000,000	80	75	70
	\$1,500,000	70	65	65
	\$2,000,000	65	NA	NA
LTV Restrictions:				
¹ DTI 50.01-55%: Purchase/Rate & Term only, 680 min FICO, & 70% max LTV		⁴ Gift Funds – Primary Residence: 100% allowed - Full Doc / 24-mo Bank Stmt.		
² Non-Perm. Res. Alien: Max 85% LTV/CLTV		All others: 10% LTV reduction unless min 5% of borrower’s own funds verified.		
³ Interest Only 40-yr: Max 80% LTV/CLTV		⁵ FTHB: Maximum loan amount \$1,500,000 – Primary Residence		
		⁶ Non-occupant Co-Borrowers: Require a 5% LTV reduction when LTV is >75%		
⁷ Documentation Type Restrictions		Reserves		
Written VOE, P&L, and P&L Plus:	• 680 min FICO • 85% max LTV/CLTV – Purchase • 80% max LTV/CLTV – Refinance • \$2,500,000 max loan amount	• 3 months: > 75% LTV • 0 months PITIA: ≤ \$1,500,000 Ln Amt • 6 months PITIA: > \$1,500,000 Ln Amt • 9 months PITIA: > \$2,500,000 Ln Amt		• Reserves Waived: Purchase & Primary Residence with <70% LTV
Asset Utilization	660 min FICO			
⁸ Credit Requirements				
Housing History:	1x30x12	0x60x12 (>1x30x12)		0x90x12 (allows 30 & 60)
Max Loan Amount	\$3,000,000	\$1,500,000		\$1,000,000
Max LTV/CLTV – Purchase	85	80		70
Max LTV/CLTV – Refinance	80	75		NA
Credit Event: BK/FC/SS/DIL	Minimum ≥ 36 Months	Minimum ≥ 24 Months		Minimum ≥ 12 Months
Note: See Credit - Housing History and Credit Event sections for details.				



Property Requirements	
Condo Hotel – Maximum loan amount \$2,500,000 Max 85% LTV/CLTV Rural: Max 80% LTV/CLTV Property ≥ 10 acres: Max 80% LTV/CLTV	Declining Market – Maximum loan amount \$2,000,000: - Max 85% LTV/CLTV – Purchase - Max 80% LTV/CLTV – Refinance

Program Requirements	
Appraisal	A completed full appraisal with interior/exterior inspection is required: - FNMA Forms 1004, 1073, 1025 - No condition ratings of C5, C6 or quality rating of Q6. - Appraisal review required if CU risk score > 2.5 or no score/undetermined. See Non-Agency Guide 1.9.1.3 Appraisal Review Requirements for approved vendors. Appraisal review is not required when 2 appraisals are obtained. 2nd appraisal required for loans > \$2,000,000. Appraised value will be the lower of 2 appraisals. Appraisal Transfers are acceptable with the following: 1) Transfer letter, 2) AIR Cert, and 3) CDA or AVM. - CDA or AVM must not vary more than 10% or a new appraisal will be required. - AVM must have either: - An FSD score ≤ 0.13, or - A confidence score ≥ 90% or - A new appraisal will be required. - See Cash-Out section for details. Declining Market: See LTV Restrictions - Property Requirements, if the appraisal identifies the property in a declining market.
Assets	Minimum 30 days' asset verification Eligible Assets: 100% of checking, savings, and money market accounts 100% of acceptable web-based money management accounts such as Venmo 100% of vested retirement accounts 100% of the net stocks and bonds account value Large deposits must be sourced. Gift Funds: May not be used to meet the reserve requirements. - Primary Residence 100% allowed for Full Doc or 24-month Bank Statement. - All other Alt Doc options require 10% LTV reductions unless 5% of borrower's own funds verified. - Investment/Second Home – Minimum of 10% of borrower's own funds. Gift of Equity allowed - Borrower(s) must meet both reserve and residual income requirements. Refer to Non-Agency Guide – Section 1.6.2 Asset Documentation for details
Borrower Eligibility	- U.S. Citizen - Permanent Resident Alien - Non-Permanent Resident Alien - No non-occupant co-borrowers See LTV Restrictions for max LTV.
Cash-Out	- Unlimited – no seasoning required. LTV is based on appraised value. - Ownership < 6 months: - No credit exceptions allowed, - Additional 6 months reserves required, - Full Doc and Bank Statement only - Transferred appraisals are not allowed
Credit	Use credit score of the borrower with the highest qualifying income (primary wage earner). Minimum 2 credit scores. - Three credit scores: use middle of 3 - Two credit scores: use lowest of 2 Minimum tradeline requirement is waived with 3 credit scores. Tradelines: Minimum 2 reporting 24 or 3 reporting 12 months with activity in last 12. Credit Event: Borrower(s) with significant derogatory credit events such as BK, Foreclosure, Short Sale, DIL are eligible provided the credit event meets the seasoning requirement – - Minimum ≥ 48 Months. - See LTV Restrictions - Credit Event for additional max LTV eligibility. - Forbearance, Modification or Deferrals – must be completed prior to application. Refer to Non-Agency Guide for details. Housing History: The most recent 12-month housing history is required for all REO and for any mortgaged property reported on the credit report; it is not required for free and clear property. - Housing payment must be paid current within 45 days of the loan application date. 0x30x12 - See LTV Restrictions – Housing History for additional max LTV eligibility.
Document Age	120 Days



DTI	• Max 50% ◦ DTI may be increased to 55% with the following: ▪ See LTV Restrictions for Purchase, Rate/Term for minimum FICO/max LTV. ▪ Minimum Residual Income: ➢ Greater of .5% of the loan amount or \$2k, • Increased requirement may be waived with an additional 6 months PITIA reserves.		
Escrow / Impounds	• HPML loans require escrows for property taxes, hazard insurance, and flood insurance (if applicable). • See waiver options in Section 1.4.5 – Escrow/Impounds for non-HPML and Business Purpose loans.		
First Time Homebuyer (FTHB)	• Primary Residence only. See LTV Restrictions for max loan amount/LTV.		
Geographic Restriction	State Condominium Requirements: Projects with unacceptable or no inspection are ineligible. • California: An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground, as evidenced on the condo questionnaire. If no wood components are present in these structures (i.e., concrete or steel construction), an inspection is not required under California law. • Florida: An inspection is required for projects 3 stories or greater and more than 30 years old (or 25 years old if located within 3 miles of the coast). INELIGIBLE: • Hawaii properties located in lava zones 1 and/or 2. • Investment Property INELIGIBLE: Baltimore City, MD and Philadelphia County, PA		
Income Requirements	Full Doc		
	• Wage/Salary: Paystubs, W-2's, 1-year or 2-years of Tax Returns, IRS Form 4506-C, Verbal VOE • Self-Employed: 1-year or 2-years of Personal and Business Tax Returns, YTD P&L, IRS Form 4506-C		
	Alt Doc		
	Personal Bank Statements: • 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: • 12- or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: ◦ Standard Expense Factor: ▪ 15% - Consultant / Service Business ▪ 30% - Small business ▪ 50% - Medium to Large Business ◦ Expense ratio provided by a 3rd party (CPA, EA, PTIN, or tax preparer) minimum ratio of 10% ◦ 3rd party prepared Profit & Loss Statement (CPA, EA, PTIN or tax preparer)		
	P&L Statement Only: • 12- or 24-months CPA/EA/CTEC/Tax Attorney prepared Profit & Loss Statement Only • CPA/EA/CTEC/Tax Attorney must attest they have reviewed or prepared all of the borrower's financials, including the tax returns, for the period of the P&L and provide the borrower's ownership percentage. • Borrower's living rent free ineligible		
	P&L Plus: • 3 months bank statements supporting P&L income ◦ Must be within 10% • All other P&L program documentation must be met.		
	Written VOE: FNMA Form 1005 • Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements.		
	IRS Form 1099: • 1-year or 2-years 1099 • < 2 years (≥ 1 year) allowed when W2→1099 with the same employer/position. • Fixed Expense Ratio of 10% • YTD Documentation to support continued receipt of income from same source.		
	Asset Utilization: Eligible assets divided by 60 or 84 to determine a monthly income stream. See Non-Agency Guide for details. • See LTV Restrictions above for minimum credit score requirement. • Max DTI 43%		
Loan Amount	• \$100,000: Minimum Loan Amount	• \$4,000,000: Maximum – Primary Residence	• \$3,500,000: Maximum – Second Home & Investment
Loan Purpose	Purchase, Rate/Term, and Cash-Out		
Loan Terms	• Fixed Rate Term: 30, 40-years 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature). • Interest Only (IO): ARMs and FRMs; IO period is 10 years. See LTV Restrictions for max LTV.		
Max LTV / CLTV	See LTV eligibility		
Occupancy	Primary, Second Home, and Investment		



Prepayment Penalty	Investment - Acceptable Structures include: • 6 months of interest Prepayment periods up to 5-Years eligible, see rate sheet Prepay terms: 12, 24, 36, 48 and 60 months	• IL: Penalties not allowed on loans vested to individuals • MS: Only declining prepayment penalty structures are allowed • NJ: prepayment penalty eligible only when the borrower is a corporate entity (C-Corp, S-Corp or LLC) with documented business purpose. LLC vesting -no credit exceptions allowed. • PA: Penalties not allowed on loan amounts ≤\$329,411 • Penalties not allowed in AK, KS, MI, MN, NM, OH & RI
Property Types	Eligible^{10,11} • SFR/PUD (detached/attached), Modular • Condo¹² • Condo Hotel¹² • Non-Warrantable Condo¹² • 2-4 Units • Rural (max 20-acres) • Leaseholds ¹⁰Minimum SQ FT: SFR 500 sq ft, Condo Hotel 500 sq ft, 2-4 Units 400 sq ft per unit; Condo (no min.) requires similar comps size. ¹¹See LTV Restrictions – Property Requirements for max LTV. ¹²See Geographic Restrictions for State condo requirements	Ineligible • Manufactured, Mobile homes, houseboats, Dome/geodesic, unique home • Co-op development, Timeshare, fractional ownership, healthcare facilities, nonresidential, income-producing structures on premise • Vacant land/developments, zoning violations or illegal use • Single Room Occupancy, boarding houses, bed/breakfast • Native American Land/Reservations, cultivation/distribution/manufacture or sale of marijuana
Reserves	• 0 months PITIA: ≤ \$1,500,000 Loan Amount • 6 months PITIA: > \$1,500,000 Loan Amount • 9 months PITIA: > \$2,500,000 Loan Amount	• 3 months PITIA: > 75% LTV • Reserves Waived Purchase & Primary Residence w/ < 70% LTV
Other Requirements		
Business Purpose	The following requirements apply only to Investment Business Purpose (BP) loans and are in addition to all standard Non-QHEM eligibility and documentation requirements outlined in this matrix, unless otherwise noted: • Business Purpose loans are eligible for Alt Doc and Full Doc as outlined in the Income Requirements section. • Business Purpose Certification and Occupancy Certification are required. • Geographic restriction –Subject to Geographic Restriction section above and the BP specific geographic requirements below: ○ QC & Appraisal Review Required: ▪ DE: New Castle County ▪ MD: Cecil County ▪ NJ: Burlington County, Camden County, Gloucester County, Salem County ▪ PA: Bucks County, Chester County, Delaware County, Montgomery County ○ Enhanced Valuation Review Required: Follow Seasoning & Value Increase Protocols for the following – ▪ FL: ZIP 33837, 34746 & 34747 Communities: ➢ Davenport (Polk County) -Veranda Palms, Reunion, Bellavida, Solara Resort Vacation Villas Replat ➢ Kissimmee (Osceola County) -Watersong Community ▪ NJ: Bergen County, Essex County ▪ NY: Brooklyn, Orange County, Rockland County • Loans must be used solely for business or investment purposes. ○ Personal, family, or household use of proceeds is prohibited and renders the loan ineligible. ○ Borrower may not occupy the subject investment property. • Refinances: ○ Rate/Term - Paying off HELOC: Must meet the seasoning and draw requirements outlined in Guide section 1.4.1.2 – Rate/Term Refinance. Draws over the life of the loan must not have been used for personal use. ▪ Borrower attestation is required. ▪ Any consumer-purpose draw(s) render the loan ineligible. ○ Cash-Out - Loan proceeds must be 100% for business/investment purposes. • Vesting -Refer to Guide Section 1.3.6.2 – Investment Vesting Requirements. INELIGIBLE: • Co-mingled bank statements • DSCR loans (not eligible under Non-QHEM BP) • Primary Residence / Second homes / Mixed-use with personal occupancy NOTE: If Business Purpose requirements are not met, and the borrower wishes to proceed as a Consumer Purpose transaction, the loan must be resubmitted as a Consumer Purpose Non-QHEM loan.	



HEM Lending Resources	All loans must be underwritten to the standards contained within this product matrix and HEM Non-Agency Guidelines.
Loan Exposure	Aggregate exposure shall not exceed \$6,000,000 or 6 loans.
Settlement Agent Restrictions	INELIGIBLE: MidLantic Abstract, Block Land Transfer LLC, Edge Abstract Independence LLC, Sperry & Hatley, PC (atty Ryan Hatley)

ELIGIBLE TERMS					PRODUCT CODES		
FIXED	NQHEM 30 Yr Fixed Full Doc		NQHEM 30 Yr Fixed Full Doc IO		NQHEM30FFD	NQHEM30FFDIO	
	NQHEM 40 Yr Fixed Full Doc		NQHEM 40 Yr Fixed Full Doc IO		NQHEM40FFD	NQHEM40FFDIO	
	NQHEM 30 Yr Fixed Alt Doc		NQHEM 30 Yr Fixed Alt Doc IO		NQHEM30FAD	NQHEM30FADIO	
	NQHEM 40 Yr Fixed Alt Doc		NQHEM 40 Yr Fixed Alt Doc IO		NQHEM40FAD	NQHEM40FADIO	
ARM	Description		Index	Caps	Margin	PRODUCT CODES	
	7/6 Full Doc	7/6 Full Doc IO	30-Day Avg - SOFR	5/1/5	5.00	NQHEM7AFD	NQHEM7AFDIO
	7/6 Alt Doc	7/6 Alt Doc IO				NQHEM7AAD	NQHEM7AADIO
	10/6 Full Doc	10/6 Full Doc IO				NQHEM10AFD	NQHEM10AFDIO
	10/6 Alt Doc	10/6 Alt Doc IO				NQHEM10AAD	NQHEM10AADIO

