Subprime S500

FULL DOC AND BANK STATEMENTS
Purchase & Refinance
Maximum LTV and Loan Amount for Owner Occupied Single Family Residence First Lien

SubprimeAlta.com

A+	0 x 30 Mortgage/Rental Last 12 Months								
	680	660	640	620	600	575	550		
95%	$850	$850	$850	$750	$750				
90%	$1,000	$1,000	$1,000	$850	$850	$750	$650		
85%	$1,000	$1,000	$1,000	$850	$850	$750	$650		
80%	$1,250	$1,250	$1,250	$1,000	$1,000	$850	$750		
75%	$1,500	$1,500	$1,500	$1,250	$1,250	$1,000	$750		

A	1 x 30 Mortgage/Rental Last 12 Months (No Rolling)								
	680	660	640	620	600	575	550		
95%	$700	$650	$600	$600	$600				
90%	$750	$750	$750	$650	$650	$550	$550		
85%	$850	$850	$850	$750	$750	$650	$550		
80%	$1,000	$1,000	$1,000	$850	$750	$650	$550		
75%	$1,000	$1,000	$1,000	$1,000	$850	$750	$650		

A-	2 x 30 Mortgage/Rental Last 12 Months (Rolling 30's allowed)								
	680	660	640	620	600	575	550		
95%	$500	$500	$500	$500	$400				
90%	$550	$550	$500	$500	$500	$500	$500		
85%	$700	$700	$650	$650	$600	$500	$500		
80%	$750	$750	$750	$650	$650	$500	$500		
75%	$750	$750	$750	$750	$650	$550	$550		
70%	$800	$750	$750	$750	$650	$600	$550		

B+	3 x 30 Mortgage/Rental Last 12 Months (Rolling 30's allowed)								
	680	660	640	620	600	575	550		
95%	$500	$500	$500	$500	$400				
90%	$500	$500	$500	$500	$500	$500	$500		
85%	$650	$650	$650	$650	$550	$500	$500		
80%	$750	$750	$750	$650	$650	$500	$500		
75%	$750	$750	$750	$750	$650	$500	$500		
70%	$750	$750	$750	$750	$650	$550	$500		

B	1 x 60 Mortgage/Rental Last 12 Months (Unlimited 30's)								
	680	660	640	620	600	575	550		
90%	$400	$400	$400						
85%	$450	$450	$450	$400	$400	$400	$400		
80%	$550	$550	$550	$500	$500	$450	$450		
75%	$600	$600	$600	$600	$500	$500	$450		
70%	$700	$650	$650	$600	$550	$500	$500		
65%	$700	$650	$650	$600	$550	$500	$500		

C	1 x 90 Mortgage/Rental Last 12 Months (Unlimited 60's)								
	680	660	640	620	600	575	550		
85%	$400	$400							
80%	$400	$400	$400	$400	$400	$300	$300		
75%	$500	$500	$500	$450	$450	$450	$450		
70%	$600	$500	$500	$450	$450	$450	$450		
65%	$600	$600	$600	$500	$500	$450	$450		

$-000 omitted in above grids

CREDIT GUIDELINES

- Minimum loan amount is $75,000.
- Maximum cash out for both primary residence and second (2nd) homes:
  - ► LTV > 90% Max $200,000
  - ► LTV <= 90% > 70% Max $300,000
  - ► LTV <= 70% Unlimited
- Investment property maximum cash out is $50,000
- A mortgage or rental history for the most recent 12 months, reflecting 12 payments is required for all loans. A handwritten VOR from a non-institutional landlord is allowed in place of canceled checks, if the borrower's credit score is at least 575.
- Minimum credit score required for 12 month bank statements is 580. Maximum LTV 90%.
- Minimum credit score required for Interest Only is 580.
- Minimum credit score required for 40/30 is 550.
- Minimum credit score required for 50/30 is 575.
- Borrower paid Mortgage Insurance is not required on any of these product loan.

- Refer to page two (2) for specific guidelines, non SFR property types and investment/second (2nd) home information.
- Refer to the Underwriting Manual for additional information

version: 030707

Subprime S500

FULL DOC AND BANK STATEMENTS

Purchase & Refinance

Maximum LTV and Loan Amount for Owner Occupied Single Family Residence First Lien

FIRST TIME HOME BUYERS

- Minimum credit score Full Doc is 575; 12 Month Bank Statements is 580.
- Maximum DTI is 50%
- Full Doc Maximum LTV/CLTV: Credit score => 600 max 95%. Credit scores 580-599 max 90%.
- 12 Month Bank Statements Maximum LTV/CLTV is 90%.
- Maximum Loan Amount is $750,000
- 1-2 Units, Primary residence only. Maximum housing payment increase of 2x current rental payment.
- BK 7/11/13: Must be at least 36 months from date of discharge.
- Reserves: 2 months PITI (source/seasoned 60 days) required on LTV/CLTV > 80%
- A 12 months rental history is required as supported by 12 months cancelled checks or an institutional VOR.
- A handwritten VOR from a non-institutional landlord will be accepted as verification of payment history, in place of canceled checks or an institutional VOR, where the primary borrower has a credit score of at least 580.

BANKRUPTCY

- BK must be discharged at least 6 months with a credit score of at least 600.
- For credit scores less than 600:

BK-7:	**BK-11/13:**
LTV 85.01% – 95% = Discharge > 2 yrs.	LTV 90.01% + = Discharged > 2 years.
LTV 80.01% – 85% = Discharge 18 months.	LTV 80.01% - 90% = Discharge 1 year from filing.
LTV 80.00% or less = Discharge	LTV 80.00% or less = Discharge 1 day & Paid AA.

BK 13 Buyout:

Considered up to 90% LTV with paid as agreed BK, no cash to borrower for owner occupied primary residence only.

- Re-established or "pulled through" credit after a bankruptcy must conform to the minimum credit characteristic requirements.

FORECLOSURE

- 2 years if credit score => 600 and CLTV <= 90%, else 3 years.
- Second (2nd) home and Investment property maximum LTV may be further reduced by 10% or 15%, based on credit score as described under Property Eligibility below.

CCC

- CCC must be evidenced to be completed or paid in full for all cash out refinances.
- Purchase and Rate/Term do not require payoff.

COLLECTIONS, CHARGE-OFFS AND JUDGEMENTS

- If a collection, tax or other lien, charge off or judgment affects title, it must be paid at closing regardless of amount.
- An IRS or state/local tax judgment or settlement less than $5K, if not yet a recorded lien against the property, does not need to be paid at closing, but its payment evidenced by payment plan from IRS or an estimated payment calculated at 2% of the reported balance will be included in the DTI for qualification purposes.
- An IRS or state/local tax judgment or settlement over $5K, even if not yet a recorded lien against the property, must be paid or evidenced to be in a debt repayment plan.
- Judgments requiring payment must be verified as paid and dismissed or will be required to be paid at closing.
- Past due child/family support deemed by the applicable court to be delinquent must be paid current.

CREDIT SCORE CALCULATIONS

- Middle of three, lower of two or single score from Primary Borrower. Primary wage earner is considered the Primary Borrower.
- All Co-Borrowers must have minimum credit score of 500.
- Our credit scores (when necessary) are used to determine final scores.

MINIMUM CREDIT CHARACTERISTICS

- The primary borrower must possess the minimum credit characteristics as report on the credit report.
  - PURCHASE TRANSACTIONS: Four (4) open accounts, one greater than 24 months with $2,500 high credit.
  - REFINANCE TRANSACTIONS: Three (3) open accounts, one greater than 24 months with $2,500 high credit.
  - Open revolving, open installment, open mortgage are acceptable tradelines.
  - Installment accounts greater than $2,500, open for 24 months and paid within the last 24 months are acceptable tradelines.
- Collections, Charge-Offs, Judgments or Student Loans presently in deferment do not count as tradelines.
- 24-month mortgage history reporting on the credit bureau and currently open will satisfy the minimum credit requirements.
- A mortgage history reporting 0x30 on the credit bureau and currently open for 12-23 months reflecting at least 12 payments will satisfy the minimum credit requirements.
- When minimum tradelines are not satisfied, or no credit score exists, the loan will be considered on an exception basis if it is owner occupied, primary residence, SFR, PUD or Condo.

DTI

- 55% DTI is allowed with a minimum credit score of 620 at a maximum LTV of 90%. Credit scores 575-619 allow a max LTV of 80%. DTI over 50% requires gross disposable income of at least $2,500 for the family.
- A maximum DTI of 50% is allowed for loans with LTVs over 90%, LTV > 80% if score is < 620, fixed income borrowers, Interest Only loans, credit scores under 575, and loans without $2,500 gross disposable income per family.
- Our Affordability guidelines may affect maximum DTI allowed.

APPRAISALS

- An appraisal provided by the originator is required. Please reference our QMR list for ineligible appraisers.
- A second full appraisal is required as a secondary valuation source for loan amounts greater than $500,000.
- A second full appraisal is required as a secondary valuation source for loan amounts greater than $650,000 in the following states: AZ, CA, CT, FL, HI, MA, MD, NJ, NY, OR, RI, VA & WA.
- Additional information may be required at our underwriter discretion. We will closely review any property being resold within 12 mos.

OWNERSHIP SEASONING

- The borrower must have been on the title to the subject property for at least 12 months.

ESCROW

- Escrows are available where requested. Escrows may be required when property taxes are now or have been past due.

Interest Only requires a minimum credit score of 580.
Interest Only is not available on the 40/30, 40/40 and 50/30 loan products.

version: 030707

INCOME DOCS

- Income must be supported by sufficient documentation to adequately derive an amount that will provide for repayment of debts. This is usually accomplished by obtaining the previous two years information through VOE, W-2 or tax returns and the current years information through current pay stub or profit and loss (P&L) statement (for self-employed borrowers).
- 12 and 24 months personal bank statements from a checking account are also allowed for self-employed and W-2 borrowers and will be analyzed by using 100% of the normal gross deposits.
- Irregular deposits may be omitted or required to provide additional information / documentation for inclusion.
- NSF activity is not allowed for loans in excess of 80% LTV. Overdraft is not regarded as NSF activity. NSF activity will require tax returns and a current P&L or pay stub.
- A borrower may not use 2 accounts to qualify. All pages of each statement are required. All parties on the bank statements must be loan applicants and borrowers.
- Proof and verification of two years employment or business is required. Fixed income sources must be documented through a copy of the awards letter and evidence of current receipt. Items direct deposited to the checking account will satisfy the current receipt requirement.

GROSS DISPOSABLE INCOME

- LTV <= 70%: DTI <= 50% requires $1,000. DTI 50.01 to 55% requires $1,500.
- LTV > 70% & <= 90%: DTI <= 45% requires $1,000. DTI 45.01 to 50% requires $1,500. DTI 50.01 to 55% requires $2,000.
- LTV > 90%: DTI <= 45% requires $1,000. DTI 45.01 to 50% requires $1,500. DTI 50.01 to 55% requires $2,500.

MORTGAGE LATES

- All mortgages count toward the maximum delinquency allowed. Rolling 30-day lates (where allowed) will be allowed up to six.

ASSETS AND SUBORDINATE FINANCING

ASSET SEASONING:

- Verified funds (source/seasoned for 60 days) are required for all loans with LTVs over 90%.
- LTVs at 90% or less do not require verification as long as sufficient funds to close are listed on the 1003 and a copy of the check brought to closing is provided.

GIFT FUNDS:

- Allowed from family member only after borrower required funds (where required).

BORROWERS OWN FUNDS:

- Own funds are required on Primary Residence transactions when seller contributions and/or family gift does not cover closing costs and/or down payment needed.
- For all 2nd home and Investment property, the borrower is required to bring in the greater of 3% or all recurring closing costs from their own verified funds.

RESERVES:

- LTVs = 95% require 2 months PITI reserves.
- LTVs less than 95%: reserves generally not required.
- Reserves must be source/seasoned 60 days.

SELLER CONTRIBUTIONS:

- Seller contributions for primary residences are limited to 6% and can be applied to both recurring and non-recurring closing costs.
- 2nd home and investment property limited to 3% seller contributions and can be applied to both recurring and non-recurring closing costs.

SUBORDINATE FINANCING:

- LTV over 90% is not eligible for subordinate financing. 90% or less LTV allowed to 100% CLTV.
- All loans > $500K require institutional subordinate financing.
- Investment properties and 2nd home maximum CLTV is 100% for institutional subordinate financing and 90% for non-institutional.

PROPERTY ELIGIBILITY

PROPERTY:

- 1-4 Units, SFR, PUD, Town home and Lo-Rise Condo. Mfg. housing are not allowed.

LISTED PROPERTY:

- Not eligible for refinance if currently listed. If listed and removed in last 12 month maximum LTV is 75%.

ATTACHED HOUSING:

- All attached housing requires that a Homeowners Association be established and active. Exceptions will be reviewed on a case basis.

MINIMUM SQUARE FOOTAGE:

- 750 per unit.

RURAL PROPERTY:

- Reduce LTV by 10% to a maximum LTV of 80%. Maximum loan amount is $600K. Rural property is generally determined by appraiser comment, appearance from appraisal photos, number of acres (usually > 10 is rural), number of outbuildings, distance from the nearest MSA and comparable sales, and dates of sale for comparable properties.

STATE/LOCAL RESTRICTIONS:

- Alaska maximum LTV is 95%. For Alaska loans in excess of 90% LTV, a min credit score of 620 is required; purchase or rate/term only; and property must be SFR within the city limits of Fairbanks, Anchorage or Juneau.
- Applicable Federal, State & Local laws may restrict availability of loan products and terms.

2ND HOME:

- Minimum credit score required is 600.
- LTVs > 90% require a minimum credit score of 640. For credit scores below 640, reduce LTV by 10%.
- 2nd home must be SFR, PUD, Townhome or Lo-Rise Condo.
- 2nd home must be in resort communities, not in the same area as the primary residence and may not produce any rental income.

INVESTMENT PROPERTY:

- Minimum credit score required is 600.
- For credit scores of 620 and above, reduce LTV by 10% from Owner Occupied LTV.
- For credit scores of 619 and lower, subtract 15% from Owner Occupied LTV.
- Maximum loan amount is $600,000.
- LTV reductions for occupancy and property types are cumulative.
- Maximum cash out for Investment properties is $50,000.

CONDOMINIUMS AND 2 UNITS:

- Lo-rise condominiums (4 stories or less) and 2 unit properties are available to a maximum LTV of 95%.
- Condominiums must meet our pre-sale (60%) and owner occupancy (60%) requirements.
- Hi-rise condominiums (5+ stories) are reviewed on an exception basis, usually at a reduced LTV.

3-4 UNITS:

- Maximum LTV is 80%.
- Maximum loan amount is $600,000.
- Reduce LTV by 10% from SFR LTV.
- Maximum 90% LTV and maximum loan amount of $800,000 allowed for properties in states of: NY, NJ, MD, MA, CT Only.

ACREAGE:

- When LTV is over 90%, maximum allowed is 10 acres. Must be customary for area.
- Maximum 15 acres for LTV's less than or equal to 90%.

Subprime S500

LIMITED DOC AND STATED INCOME
Purchase & Refinance
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A+	0 x 30 Mortgage/Rental Last 12 Months					
	680	660	640	620	600	580
90%	$850	$850	$850	$750	$750	$650
85%	$850	$850	$850	$750	$750	$650
80%	$1,000	$1,000	$1,000	$850	$750	$750
75%	$1,250	$1,250	$1,000	$850	$750	$750
70%	$1,500	$1,500	$1,000	$850	$750	$750
65%	$1,500	$1,500	$1,000	$850	$750	$750

A	1 x 30 Mortgage/Rental Last 12 Months (No Rolling)					
	680	660	640	620	600	580
90%	$600	$550	$500	$400	$400	
85%	$700	$650	$550	$500	$400	
80%	$750	$700	$600	$550	$500	$450
75%	$750	$700	$650	$600	$550	$500
70%	$800	$750	$700	$600	$550	$550
65%	$850	$750	$700	$650	$600	$600

A-	2 x 30 Mortgage/Rental Last 12 Months (Rolling 30's allowed)					
	680	660	640	620	600	580
90%	$400	$400	$400	$400		
85%	$400	$400	$400	$400	$400	
80%	$500	$500	$500	$450	$450	$450
75%	$650	$650	$600	$500	$500	$500
70%	$650	$650	$600	$550	$550	$500
65%	$700	$650	$600	$600	$550	$500

B+	3 x 30 Mortgage/Rental Last 12 Months (Rolling 30's allowed)					
	680	660	640	620	600	580
90%	$400	$400	$400			
85%	$400	$400	$400	$400		
80%	$500	$500	$500	$450	$450	$450
75%	$600	$600	$550	$500	$500	$450
70%	$600	$600	$600	$500	$500	$500
65%	$650	$600	$600	$600	$550	$500

B	1 x 60 Mortgage/Rental Last 12 Months (Unlimited 30's)					
	680	660	640	620	600	580
80%	$400	$400	$400	$400		
75%	$400	$400	$400	$400	$400	$400
70%	$400	$400	$400	$400	$400	$400
65%	$500	$500	$500	$400	$400	$400

C	1 x 90 Mortgage/Rental Last 12 Months (Unlimited 60's)					
	680	660	640	620	600	580
75%	$350					
70%	$350	$350	$350	$350	$350	
65%	$400	$400	$400	$400	$350	$350

$-000 omitted in above grids

CREDIT GUIDELINES

- Maximum LTV for Stated Income is 85%
- Stated Income requires minimum credit score of 600.
- Minimum loan amount is $75,000.
- Maximum cash out is $100,000 for LTVs at 90% or less for both primary resident and 2nd homes, Investment property maximum cash out is $50,000.
- A mortgage or rental history for the most recent 12 months, reflecting 12 payments is required for all loans. A handwritten VOR from a non-institutional landlord is allowed in place of canceled checks, if the borrower's credit score is at least 620.
- Minimum credit score required for Interest Only is 600.
- Minimum credit score required for 40/30 is 580.
- Minimum credit score required for 50/30 is 580.
- Borrower paid Mortgage Insurance is not required on any of these product loan.

- Refer to page two (2) for specific guidelines, non SFR property types and investment/second (2nd) home information.
- Refer to the Underwriting Manual for additional information

version: 030707

Subprime S500

LIMTED DOC AND STATED INCOME

Purchase & Refinance

Maximum LTV and Loan Amount for Owner Occupied Single Family Residence First Lien

FIRST TIME HOME BUYERS

- Stated Income is NOT allowed.
- Minimum credit score is 640
- Maximum DTI is 50%
- Maximum LTV/CLTV is 90%.
- Maximum Loan Amount is $750,000
- 1-2 Units, Primary residence only. Maximum housing payment increase of 2x current rental payment.
- BK 7/11/13: Must be at least 36 months from date of discharge.
- Reserves: 2 months PITI (source/seasoned 60 days) required on LTV/CLTV > 80%
- A 12 months rental history is required as supported by 12 months cancelled checks or an institutional VOR.
- A handwritten VOR from a non-institutional landlord maybe used in place of canceled checks if credit score => 640 with maximum CLTV of 90%.

BANKRUPTCY

BK-7:
LTV 80.01% – 90% = Discharge > 2 yrs.
LTV 70.01% – 80% = Discharge 18 months.
LTV 70% or less = Discharge 1 day.

BK-11/13:
LTV 80.01% -90% = Discharge > 2 yrs.
LTV 70.01% - 80% = Discharged 1 year from filing.
LTV 70% or less = Discharge 1 day & Paid AA.

- Re-established or "pulled through" credit after a bankruptcy must conform to the minimum credit characteristic requirements.
- Chapter 13 buyout not eligible under Limited Doc or Stated Income.

FORECLOSURE

- 2 years if credit score => 600 and CLTV <= 90%, else 3 years.
- Second (2nd) home and Investment property maximum LTV may be further reduced by 10% or 15%, based on credit score as described under Property Eligibility below.

CCC

- CCC must be evidenced to have been paid as agreed and must be completed or paid in full.

COLLECTIONS, CHARGE-OFFS AND JUDGEMENTS

- If a collection, tax or other lien, charge off or judgment affects title, it must be paid at closing regardless of amount.
- An IRS or state/local tax judgment or settlement less than $5K, if not yet a recorded lien against the property, does not need to be paid at closing, but its payment evidenced by payment plan from IRS or an estimated payment calculated at 2% of the reported balance will be included in the DTI for qualification purposes.
- An IRS or state/local tax judgment or settlement over $5K, even if not yet a recorded lien against the property, must be paid or evidenced to be in a debt repayment plan.
- Judgments requiring payment must be verified as paid and dismissed or will be required to be paid at closing.
- Past due child/family support deemed by the applicable court to be delinquent must be paid current.

CREDIT SCORE CALCULATIONS

- Middle of three, lower of two or single score from Primary Borrower. Primary wage earner is considered the Primary Borrower.
- All Co-Borrowers must have minimum credit score of 500.
- Our credit scores (when necessary) are used to determine final scores.

MINIMUM CREDIT CHARACTERISTICS

- The primary borrower must possess the minimum credit characteristics as report on the credit report.
  - PURCHASE TRANSACTIONS: Four (4) open accounts, one greater than 24 months with $2,500 high credit.
  - REFINANCE TRANSACTIONS: Three (3) open accounts, one greater than 24 months with $2,500 high credit.
  - Open revolving, open installment, open mortgage are acceptable tradelines.
  - Installment accounts greater than $2,500, open for 24 months and paid within the last 24 months are acceptable tradelines.
- Collections, Charge-Offs, Judgments or Student Loans presently in deferment do not count as tradelines.
- 24-month mortgage history reporting on the credit bureau and currently open will satisfy the minimum credit requirements.
- A mortgage history reporting 0x30 on the credit bureau and currently open for 12-23 months reflecting at least 12 payments will satisfy the minimum credit requirements.
- When minimum tradelines are not satisfied, or no credit score exists, the loan will be considered on an exception basis if it is owner occupied, primary residence, SFR, PUD or Condo.

MORTGAGE LATES

- All mortgages count toward the maximum delinquency allowed. Rolling 30-day lates (where allowed) will be allowed up to six.

DTI

- Maximum DTI allowed is 55% for LTVs <= 80% with a minimum credit score of 640, else maximum DTI is 50%.
- Our Affordability guidelines may affect maximum DTI allowed.

APPRAISALS

- An appraisal provided by the originator is required. Please reference our QMR list for ineligible appraisers.
- A second full appraisal is required as a secondary valuation source for loan amounts greater than $500,000.
- A second full appraisal is required as a secondary valuation source for loan amounts greater than $650,000 in the following states: AZ, CA, CT, FL, HI, MA, MD, NJ, NY, OR, RI, VA & WA.
- Additional information may be required at our underwriter discretion. We will closely review any property being resold within 12 mos.

OWNERSHIP SEASONING

- The borrower must have been on the title to the subject property for at least 12 months.

ESCROW

- Escrows are available where requested. Escrows may be required when property taxes are now or have been past due.

GROSS DISPOSABLE INCOME

- LTV <= 70%: DTI <= 50% requires $1,000. DTI 50.01 to 55% requires $1,500.
- LTV > 70% & <= 90%: DTI <= 45% requires $1,000. DTI 45.01 to 50% requires $1,500. DTI 50.01 to 55% requires $2,000.

LIMITED DOCS

- Income must be supported by sufficient documentation to adequately derive an amount that will provide for repayment of debts.
- Limited doc requires 6 months personal bank statements from a checking account and is available for self-employed and W-2 borrowers.
- Business bank statements are allowed for borrowers who own 100% of the company.
- Personal bank statements will be analyzed by using 100% of the normal gross deposits.
- Irregular deposits may be omitted or required to provide additional information / documentation for inclusion.
- NSF activity is not allowed for loans in excess of 80% LTV. Overdraft is not regarded as NSF activity. NSF activity will require tax returns and a current P&L or pay stub.
- A borrower may not use 2 accounts to qualify. All pages of each statement are required. All parties on the bank statements must be loan applicants and borrowers.
- Proof and verification of two years employment or business is required. Fixed income sources must be documented through a copy of the awards letter and evidence of current receipt. Items direct deposited to the checking account will satisfy the current receipt requirement.

STATED DOCS

- Maximum LTV is 85%.
- Available for self-employed and W-2 borrowers with a minimum credit score of 600.
- Fixed income must be full doc.
- Proof of two (2) years business or employment is required.

HOUSING PAYMENT INCREASE

- Is reviewed on every loan. Full income documentation may be required for excessive increases.

ASSETS AND SUBORDINATE FINANCING

ASSET SEASONING:
- Verified funds (source/seasoned for 60 days) are required for all loans with LTVs over 80%.
- LTVs at 80% or less do not require verification as long as sufficient funds to close are listed on the 1003 and a copy of the check brought to closing is provided.

GIFT FUNDS:
- Allowed from family member only after borrower required funds (where required).

BORROWERS OWN FUNDS:
- Own funds are required on Primary Residence transactions when seller contributions and/or family gift does not cover closing costs and/or down payment needed.
- For all 2nd home and Investment property, the borrower is required to bring in the greater of 3% or all recurring closing costs from their own verified funds.

RESERVES:
- 2 months PITI (source/seasoned for 60 days) required for loan amounts > $500,000 and Limited/Stated W-2 with LTV > 90%.

SELLER CONTRIBUTIONS:
- Seller contributions for primary residences are limited to 6% and can be applied to both recurring and non-recurring closing costs.
- 2nd home and investment property limited to 3% seller contributions and can be applied to both recurring and non-recurring closing costs.

SUBORDINATE FINANCING:
- LTV over 90% is not eligible for subordinate financing.
- Limited Doc at 90% or less allowed to 100% CLTV.
- Stated at 90% or less allowed to 100% CLTV if institutional.
- All loans > $500,000 require institutional subordinate financing.
- Investment properties and 2nd home maximum CLTV is 90%.

PROPERTY ELIGIBILITY

PROPERTY:
- 1-4 Units, SFR, PUD, Town home and Lo-Rise Condo. Mfg. housing are not allowed.

ATTACHED HOUSING:
- All attached housing requires that a Homeowners Association be established and active. Exceptions will be reviewed on a case basis.

LISTED PROPERTY:
- Not eligible for refinance if currently listed. If listed and removed in last 12 month maximum LTV is 75%.

MINIMUM SQUARE FOOTAGE:
- 750 per unit.

RURAL PROPERTY:
- Reduce LTV by 10% to a maximum LTV of 80%. Maximum loan amount is $600K. Rural property is generally determined by appraiser comment, appearance from appraisal photos, number of acres (usually > 10 is rural), number of outbuildings, distance from the nearest MSA and comparable sales, and dates of sale for comparable properties.

STATE/LOCAL RESTRICTIONS:
- Applicable Federal, State & Local laws may restrict availability of loan products and terms.
- Alaska maximum LTV is 90%.

2ND HOME:
- Minimum credit score required is 600.
- LTV > 80% must have minimum credit score of 620.
- Credit scores 620 and above, reduce LTV by 10% from Owner Occupied LTV.
- Credit scores 619 and lower, subtract 15% from Owner Occupied LTV.
- Maximum loan amount is $600,000.
- 2nd home must be SFR, PUD, Townhome or Lo-Rise Condo.
- 2nd home must be in resort communities, not in the same area as the primary residence and may not produce any rental income.
- LTV reductions for occupancy and property types are cumulative.

INVESTMENT PROPERTY:
- Minimum credit score required is 600.
- For credit scores of 620 and above, reduce LTV by 10% from Owner Occupied LTV.
- For credit scores of 619 and lower, subtract 15% from Owner Occupied LTV.
- Maximum loan amount is $600,000.
- LTV reductions for occupancy and property types are cumulative.
- Maximum cash out for Investment properties is $50,000.

CONDOMINIUMS AND 2 UNITS:
- Lo-rise condominiums (4 stories or less) and 2 unit properties are available to a maximum LTV of 95%.
- Condominiums must meet our pre-sale (60%) and owner occupancy (60%) requirements.
- Hi-rise condominiums (5+ stories) are reviewed on an exception basis, usually at a reduced LTV.

3-4 UNITS:
- Maximum LTV is 80%.
- Maximum loan amount is $600,000.
- Reduce LTV by 10% from SFR LTV.
- Maximum 90% LTV and maximum loan amount of $800,000 allowed for properties in states of: NY, NJ, MD, MA, CT Only.

ACREAGE:
- When LTV is over 80%, maximum allowed is 10 acres. Must be customary for area.
- Maximum 15 acres for LTV's less than or equal to 80%.

Interest Only is not available on the 40/30, 40/40 and 50/30 loan products.