EQUITY SOLUTIONS CLOSED-END SECOND O/O
[Full Doc, Bank Statement, 1099, WVOE, P&L Only]

Program Code: PB##HES

Loan Size	FICO	Primary Residence				2nd Home			
		Full Doc	Bank STMT 1099	WVOE	P&L Only	Full Doc	Bank STMT 1099	WVOE	P&L Only
$50,000 - $350,000	720	90	90	85	80	80	80	75	70
	700	90	85	80	75	80	75	70	65
	680	85	80	75	70	75	70	65	60
	660	80	75	70	65	70	60	60	55
$350,001 - $500,000	720	90	85	80	75	80	75	70	65
	700	85	80	75	70	80	70	65	60
	680	80	75	70	65	70	65	60	55
	660	75	65	65	60	65	60	55	50
$500,001 - $750,000	720	80	80	75	70	75	70	65	60
	700	80	75	70	65	70	65	60	55
	680	75	65	65	60	65	55	55	50
	660	70	60	60	55	60	50	50	45

Income Documentation

Full Doc (2 or 1 Years) - Salaried	▪ W-2s (1 or 2 yrs) + YTD paystub (min. 30 days earnings)
Full Doc (2 or 1 Years) - Self Employed	▪ Tax returns (1 or 2 yrs, all schedules)
	▪ YTD P&L or 3 months business bank statements to support income continuance
Bank Statement Personal & Business – Combined (24 mo, 12 mo)	▪ ≥1 borrower must be self-employed ≥2 years (≥25% ownership)
	▪ Asset depletion allowed with bank statement documentation
	▪ 50% standard expense factor
	▪ Lower expense factor allowed with CPA / CTEC / EA letter or P&L
	▪ CPA / CTEC / EA expense factor must be reasonable
Bank Statement Personal & Business – Separated (24 mo, 12 mo)	▪ ≥1 borrower must be self-employed ≥2 years (≥25% ownership)
	▪ Asset depletion allowed with bank statement documentation on Closed End Seconds only
	▪ Personal used to qualify; 2 mo business stmts to verify cash flow and allow 100% business deposits (no expense factor).
1099(12 mo)	▪ 1099 + current check/stub or bank statement showing deposits from each 1099 payor (10% expense factor)
	▪ Qualifying income = 1099 gross – 10% expense factor; check stub or bank deposits must align with 1099 income
WVOE	▪ WVOE FNMA Form 1005 completed by HR, Payroll, Company Officer plus 2 mos personal bank statements supporting wages, or WVOE from online data source (Work Number, Finicity, etc.)
	▪ Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program
P&L (12 mo) [CPA, CTEC, EA]	▪ Self-employed (2yrs - 25% or greater ownership) P&L prepared by CPA, CTEC or EA
	▪ Qualifying income based on the net income as reflected on P&L statement (multiplied by borrower's ownership percentage) / 12 months

Program Guidelines

Combined Lien Balance	Max Comb. Lien Bal.	$2,000,000	$3,000,000	$3,500,000	$4,000,000	$5,000,000
	Max CLTV	90	85	80	75	60
Loan Purpose	▪ Purchase		▪ Rate & Term Refinance		▪ Cash-Out Refinance	
Occupancy Type	▪ Primary Residence		▪ Second Home			
Property Type	▪ SFR	▪ PUD	▪ 2-4 Unit		▪ Warrantable Condo	
Product Type	30 Year Fixed, 20 Year Fixed, 15 Year Fixed, 10 Year Fixed					
Ineligible Senior Liens	▪ Loans in active forbearance or deferment are ineligible. Deferred balance from modifications > 12mos may remain open					
	▪ Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien.					
	▪ Negative amortization					
	▪ Reverse mortgages					
Interest Only Senior Lien	▪ Max 45 DTI using 1st Lien Interest Only Payment					
	▪ Qualify 1st lien I/O on Fully Amortized payment on remaining term after I/O period					
Prepayment Penalty	Not Allowed					
Citizenship Status	U.S Citizen, Permanent Resident, and Non-Permanent Resident					
Foreign National	Not Allowed					
Non Occupant Co-borrower	Not Allowed					
Minimum Loan Amount	$50,000					
Max Loan Amount	$750,000					
Min Fico	660					
Max DTI	50%					
Title Seasoning	▪ > 6 months ownership seasoning no restrictions. ≤ 6 months ownership seasoning ineligible for refinance					
	▪ ≤ 6 months seasoning since previous refinance on either 1st lien or 2nd lien max 80 CLTV					
Housing Lates	▪ 0x30x12 On all mortgages for all borrowers					
	▪ Minimum 12 months housing history required					
Tradeline Requirement - Stand-Alone	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months					
Tradeline Requirement - Piggy-Back	Default to AUS Approval (If applicable), no minimum tradelines required					
Tradeline Requirement - Limited Credit	Does not meet tradeline requirements. Primary only ok with 0x30x12 mortgage reported on credit					
Credit Event Seasoning	Foreclosure / Bankruptcy / SS / DIL		4 Years			
	No multiple credit / housing events (FC/BK/SS/DIL)		7 Years			
	▪ Open charge-offs/collections < $1,000 per occurrence allowed; medical collections < $1,000 allowed					
	▪ All open judgments, garnishments, and all outstanding liens must be paid off prior to or at loan closing					
Appraisal requirement - HPML	One full appraisal (1004, 1025, 1073)					
Appraisal requirement - HPML	Loan Amount ≤ $400k		AVM with a 90% Confidence Factor and Property Condition Inspection			
	Loan Amount > $400k		One full appraisal (1004, 1025, 1073)			