

PROGRAM CODE: FJ30, FJ51

FLEX NON QM PORTFOLIO - AGENCY PLUS						
FIXED / ARM						
PURCHASE AND RATE & TERM						
OCCUPANCY	UNITS	MAX LOAN AMT	LTV	CLTV	MIN FICO	DTI
PRIMARY	1-4	\$1M	80	80	680	UP TO 50%
		\$1.5M	75	75		
		\$2M	70	70		
		\$3M	60	60	620	
		\$750K	75	75		
		\$1M	65	65		
SECOND HOME / INVESTMENT	1-4 <sup>(1)</sup>	\$1M	80	80	720	
		\$1.5M	70	70		
		\$2.5M	60	60		
		\$750K	80	80	680	
		\$1M	70	70		
		\$2M	60	60		
		\$750K	70	70	620	
		\$1M	60	60		
\$1.5M	50	50				
CASH OUT						
OCCUPANCY	UNITS	MAX LOAN AMT	LTV	CLTV	MIN FICO	DTI
PRIMARY	1-4	\$750K	80	80	720	UP TO 50%
		\$1.5M	70	70		
		\$2M	60	60		
		\$750K	75	75	680	
		\$1.5M	65	65		
		\$2M	55	55		
		\$750K	70	70	620	
\$1M	60	60				
\$1.5M	50	50				
SECOND HOME / INVESTMENT	1-4 <sup>(1)</sup>	\$750K	75	75	720	
		\$1.5M	65	65		
		\$2M	55	55		
		\$750K	70	70	680	
		\$1M	60	60		
		\$2M	50	50		
		\$750K	65	65	620	
		\$1M	55	55		
\$1.5M	45	45				

(1) SECOND HOMES: 1-2 UNITS ONLY. 2-UNIT MUST BE IN A RECOGNIZED VACATION AREA.

- 1. MINIMUM LOAN AMOUNT:
- 2. CREDIT HISTORY:

\$100,000

MINIMUM 3 TRADELINES. ONE TRADELINE MUST BE SEASONED FOR MINIMUM 24 MONTHS WITH AT LEAST A \$5,000 HIGH CREDIT LIMIT.  
MORTGAGE / RENTAL LATE MAX 1 X 30 IN PAST 12 MONTHS.

BK (CH7 AND 13), SHORTSALE, DIL	4 YEARS 2 YEARS IF LTV <= 70% OR LOWER AS PERMITTED BY GUIDELINE.
FORECLOSURE	4 YEARS 3 YEARS IF LTV <= 70% OR LOWER AS PERMITTED BY GUIDELINE.

- 3. CASH-OUT REQUIREMENT:

THERE IS VALUE SEASONING REQUIREMENT FOR CASH-OUT REFINANCE.

4. RESERVES:

OCCUPANCY	LOAN AMOUNT	RESERVES
PRIMARY	<= \$1,000,000	3 MONTHS PITI
	> \$1,000,000 < \$2,000,000	6 MONTHS PITI
	>= \$2,000,000	12 MONTHS PITI

CASH OUT FROM THE SUBJECT TRANSACTION MAY BE USED TOWARD THE RESERVE REQUIREMENT.

VESTED STOCKS, BONDS AND MUTUAL FUNDS INCLUDING RETIREMENT:	100% OF VALUE.
BUSINESS FUNDS:	50% OF VALUE.
GIFTS:	NOT ALLOWED AS RESERVES.
VESTED LIFE INSURANCE:	CASH VALUE.

REFINANCE ONLY: REQUIRED RESERVES (ABOVE) MAY BE WAIVED WHEN ALL BORROWER HAVE 0x30x12 VOM/VOR AND PAYMENT ON NEW LOAN IS DECREASING.

5. GIFT:

ALLOWED ON ALL OCCUPANCY TYPE.

SECOND HOME & INESTMENT: 5% OWN FUNDS VERIFICATION REQUIRED.  
REDUCE LTV BY 10% IF CANNOT VERIFY 5%.

GIFT OF EQUITY ALLOWED FOR IMMEDIATE FAMILY MEMBERS ONLY (MAX. LTV <= 75%).

6. APPRAISAL REQUIREMENTS:

LOAN AMOUNT	APPRAISAL REQUIREMENT
<= \$1,000,000	ONE FULL APPRAISAL + APPRAISAL REVIEW BY INVESTOR
> \$1,000,000	TWO FULL APPRAISALS
ALL FSBO LTV > 75%	

LOWER OF THE TWO APPRAISALS OR APPRAISAL REVIEW (IF VARIANCE >= 5%) USED FOR LTV.  
TRANSFERRED APPRAISALS ALLOWED.

7. PREPAYMENT PENALTY:

7 MONTHS OF PAYMENT

8. ARM FEATURES:

INDEX: 1 YEAR LIBOR  
MARGIN / FLOOR: 3.50% / NOTE START RATE  
CAPS: 2 / 2 / 5

9. IMPOUNDS:

NOT REQUIRED UNLESS THE LOAN IS A HPML. HPML LOANS REQUIRE 5 YEAR ESCROW PERIOD.

10. DTI RATIO:

FOR LOANS WITH DTI > 43% UNDERWRITER MAY REQUIRE ADDITIONAL RESERVES BASED ON BORROWER'S RESIDUAL INCOME AFTER TOTAL DEBT PAYMENTS. MAXIMUM INCREASE OF SIX (6) MONTHS RESERVES. ADDITIONAL RESERVES ARE NOT REQUIRED IF THE RESIDUAL INCOME EXCEEDS THE TABLE AMOUNT BY OVER 20%.

11. HELOC COMBINED LOAN TO VALUE (HCLTV) USES THE FULL LINE AMOUNT FOR HCLTV CALCULATION, REGARDLESS OF AMOUNT DRAWN.

12. NON OCCUPANT CO-BORROWERS ALLOWED. REDUCE LTV BY 5%.

13. W-2 TRANSCRIPT ALLOWED.

14. ASSET AMORTIZATION:

BANK DEPOSITS 100%  
STOCKS, BONDS, MUTUAL FUNDS 90%  
RETIREMENTS (IF DISTRIBUTION NOT SET UP YET) 80%  
ADD ALL ALLWABLE BALANCES / LOAN TERM (360 FOR 30 YEARS) = MONTHLY INCOME

15. IPC LIMITS:

OCCUPANCY TYPE	LTV / CLTV	MAX. IPC
PRIMARY AND SECOND HOME	75% - 80%	6%
	< 75%	9%
INVESTMENT		2%

16. CONCENTRATION LIMIT:

8 LOANS / \$2M AGGREGATE LOAN AMOUNT.

17. POWER OF ATTORNEY:

ALLOWED.

18. QUALIFYING RATE:

FULLY INDEXED RATE OR NOTE RATE WHICHEVER IS GREATAER.

19. INVESTOR SPECIFIC DOCUMENT:

BORROWER AFFIRMATION DOCUMENT MUST BE SIGNED AT CLOSING. FORM AVAILABLE IN ENCOMPASS.  
PLEASE CONTACT AE FOR DETAIL.