10.28.26 v3

BUSINESS CLASS Matrix



Matrix				Primary Residence								
				Full Doc			Bank Statement			1099		
				12mo or 24mo			12mo or 24mo			12mo or 24mo		
Loan Amount	Reserves Month	Max DTI %	FICO	Purchase	Rate/Term	Cash Out	Purchase	Rate/Term	Cash Out	Purchase	Rate/Term	Cash Out
100,000 to 1,000,000	See Reserves[1]	45%[2]	760	90	85	80	90	85	80	90	85	80
			740	90	85	80	90	85	80	90	85	80
			720	90	85	80	90	85	80	90	85	80
			700	90	85	80	90	85	80	90	85	80
			680	85	80	75	85	80	75	85	80	75
			660	80	80	70	80	80	70	80	80	70
1,000,001 to 1,500,000	See Reserves[1]	45%[2]	760	90	85	75	90	85	75	90	85	75
			740	90	85	75	90	85	75	90	85	75
			720	90	85	75	90	85	75	90	85	75
			700	85	80	75	85	80	75	85	80	75
			680	85	80	75	85	80	75	85	80	75
			660	80	80	70	80	80	70	80	80	70
1,500,001 to 2,000,000	12	45%[2]	760	80	80	75	80	80	75	80	80	75
			740	80	80	75	80	80	75	80	80	75
			720	80	80	75	80	80	75	80	80	75
			700	80	75	70	80	75	70	80	75	70
			680	80	75	70	80	75	70	80	75	70
			660	80	75	N/A	80	75	N/A	80	75	N/A
2,000,001 to 2,500,000	12	50	760	80	75	70	80	75	70	80	75	70
			740	80	75	70	80	75	70	80	75	70
			720	80	75	70	80	75	70	80	75	70
			700	75	70	65	75	70	65	75	70	65
			680	70	70	65	70	70	65	70	70	65
			660	70	70	N/A	70	70	N/A	70	70	N/A
2,500,001 to 3,000,000	12	50	760	75	70	65	75	70	65	75	70	65
			740	75	70	65	75	70	65	75	70	65
			720	75	70	65	75	70	65	75	70	65
			700	75	70	60	75	70	60	75	70	60
			680	70	70	60	70	70	60	70	70	60

2,500,001 to 3,000,000	12	50	660	70	70	N/A	70	70	N/A	65	65	N/A
3,000,001 to 3,500,000 [3]	12	50	760	70	70	N/A	70	70	N/A	70	70	N/A
			740	70	70	N/A	70	70	N/A	70	70	N/A
			720	70	70	N/A	70	70	N/A	70	70	N/A

Matrix

Loan Amount	Reserves Month	Max DTI %	FICO	Second Home								
				Full Doc			Bank Statement			1099		
				12mo or 24mo			12mo or 24mo			12mo or 24mo		
				Purchase	Rate/Term	Cash Out	Purchase	Rate/Term	Cash Out	Purchase	Rate/Term	Cash Out
100,000 to 1,000,000	See Reserves[1]	45%[2]	760 [1]	85	80	75	85	80	75	85	80	75
			740 [1]	85	80	75	85	80	75	85	80	75
			720 [1]	85	80	75	85	80	75	85	80	75
			700	80	75	70	80	75	70	80	75	70
			680	75	75	65	75	75	65	75	75	65
1,000,001 to 1,500,000	See Reserves[1]	45%[2]	760 [1]	85	80	75	85	80	75	85	80	75
			740 [1]	85	80	75	85	80	75	85	80	75
			720 [1]	85	80	75	85	80	75	85	80	75
			700	75	75	70	75	75	70	75	75	70
			680	75	75	65	75	75	65	75	75	65
1,500,001 to 2,000,000	12	45%[2]	760 [1]	80	75	70	80	75	70	80	75	70
			740 [1]	80	75	70	80	75	70	80	75	70
			720 [1]	80	75	70	80	75	70	80	75	70
			700	70	70	65	70	70	65	70	70	65
			680	70	70	60	70	70	60	70	70	60
2,000,001 to 2,500,000	12	45%[2]	760 [1]	75	70	65	75	70	65	75	70	65
			740 [1]	75	70	65	75	70	65	75	70	65
			720 [1]	75	70	65	75	70	65	75	70	65
			700	65	65	60	65	65	60	65	65	60
			680	65	65	60	65	65	60	65	65	60
2,500,001 to 3,000,000	12	45%[2]	760 [1]	70	65	60	70	65	60	70	65	60
			740 [1]	70	65	60	70	65	60	70	65	60
			720 [1]	70	65	60	70	65	60	70	65	60
			700	60	60	60	60	60	60	60	60	60
			680	60	60	60	60	60	60	60	60	60

Reference		
Reserves [1]	•	0 Months PITIA when LTV ≤ 65% LTV
	•	6 Months PITIA when LTV > 65% LTV
	•	3 Months PITIA for Purchase with a Credit Score > 720 and LTV < 80%

Reference (Continued)		
Reserves [1]	•	12 Months PITIA for loan amounts greater than $1,500,000
	•	Cash Out Proceeds may be used for Reserves
Maximum DTI [2]	•	45% Maximum, 50% Maximum when LTV is equal to or less than 80%
Subject to Sr. Management Approval [3]	•	Loan Amounts > $3,000,000

LTV Restrictions			
			Maximum LTV
Property Type	**Purchase**	Non-Warrantable Condo (Min FICO 680)	75%
		2-4 Unit	85%
	Rate/Term	Non-Warrantable Condo (Min FICO 680)	75%
		2-4 Unit	80%
	Cash-Out	Non-Warrantable Condo (Min FICO 680)	70%
		2-4 Unit	75%
	Rural	Maximum LTV	80%
Loan Type	**Interest Only**	Purchase & Rate/Term	85%
		Cash-Out	80%
Gift of Equity	**Full Doc or Bank Statement Only**	Purchase	80%
State Restriction Florida Refinance Only	**Full Doc & Bank Statement: Maximum LTV**		80%
	1099: Maximum LTV		75%

BUSINESS CLASS Documentation



Loan Purpose		
Loan Purpose	•	Purchase, Rate/Term and Cash-Out Refinance
Refinance Seasoning	•	Rate and Term: No seasoning. At least 1 borrower from the existing loan must be in the new loan.
	•	Cash Out: 6 months from existing Note date to application date of new loan. LTV/CLTV is based upon the appraised value.
	•	LLC Cash Out: 6 months seasoning required if the property was owned prior to closing by LLC that is majority-owned by the borrower.

Assets				
Assets	•	See guidelines for details	•	Assets sourced or seasoned for 30 days
Cash-Out Proceeds	•	May be used as Reserves		
Cash-Out Max	•	$1,000,000		
Gift Funds	•	Gift funds are acceptable for use toward paying off debts, equity contribution refinances, down payment and closing costs.		
	•	Gift funds may not be used to meet reserve requirements.		
	•	Acceptable Donors: Fannie Mae guidelines should be used for donor relationship to borrower(s), documentation, proof of funds, and evidence of receipt;		
Reserves for Additional Financed Properties	•	None		

Income						
1099	1099 (12 Months)	•	1099 plus either: Check/check stub or bank statement showing employment deposits (10% expense factor applied, see guidelines for specifics)			
		•	Qualifying income = 1099 gross - 10% expense factor. Current check stub or bank statement deposits must support amounts consistent with 1099 levels			
Bank Statement	Bank Statement (12 Months/ 24 Months)	•	Personal & Business-**Combined** or **Business** (12mo or 24mo):			
			•	At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)		
			•	Income documented separately (SSI, W2, etc.) but included in deposits being reviewed must be backed out of deposits. Gross rents from any REOs are to be backed out of the deposit totals.		
			•	Standard Expense Factor based on Fixed Expense Ratio		
				Number of Full-Time Employees/Contractors	**0-1**	**2-10**	**10+**
				Service Business	20%	40%	60%
				Product Business	30%	50%	70%
			•	Asset Speculation Businesses such as Real Estate Professionals, Property Developers, Fix & Flip, Day Traders, are not eligible.		
			•	The minimum expense factor is based on the number of Full-Time Employees and/or Contractors with business type as charted above.		
			•	A letter from corporate accountant/CPA/CTEC/EA/Licensed Tax Preparer, or Completed Business Narrative Form or similar 3rd party verification to support the number of Full-Time Employees and/or Contracts and business type.		
			•	A letter from corporate accountant/CPA/CTEC/EA/Licensed Tax Preparer, or similar 3rd party verification to support the percentage of ownership.		

Income (Continued)			
Bank Statement	Bank Statement (12 Months/ 24 Months)	•	Personal & Business **Separated** (12mo or 24mo):
		•	At least one of the borrowers must be self-employed for at least 2 years (25% or greater ownership)
		•	Personal used to qualify, 2 months business to show business cash flows in order to utilize 100% of business related deposits in personal account (no expense factor)
Full Doc 2Yr	Standard FNMA Documentation	•	Documented benefit to the borrower(s)
		•	Wage Earner - 2 years W-2, current paystub(s) reflecting 30 days earnings. 2 years tax returns required for income from other sources (ie: rents)
		•	Self-Employed -2 years tax returns. If applicable both personal and business with all schedules.
Full Doc 1Yr	W-2	•	Documented benefit to the borrower(s)
		•	Wage Earner - 1 years W-2, current paystub(s) reflecting 30 days earnings. 1 year tax return required for income from other sources (ie: rents)
	Tax Returns	•	Self-Employed -1 year tax returns. If applicable both personal and business with all schedules.
		•	1099 must be payable to the individual borrower(s). 1099 payable to business entity owned by the borrower(s) are not eligible.

Credit							
Borrower Eligibility		•	US Citizen	•	Permanent Resident Alien (with US Credit)		
		•	Non-Permanent Resident Alien is not Eligible				
Credit		•	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months				
		•	If Borrower has 3 credit scores, the minimum tradeline is met				
Credit Event		•	48 Months (Bankruptcy, Foreclosure, Short Sale, Forbearance, Modification)				
Consumer Charge-offs and Collections		•	Following may remain open:				
		•	Collections and charge-offs < 24 months old with a maximum cumulative balance of $2,000	•	All medical collections regardless of amount		
		•	Collections and charge-offs ≥ 24 months old with a maximum of $2,500 per occurrence	•	Collections and charge-offs that have expired under the state statute of limitations on debts; evidence of expiration must be documented		
First Time Home Buyer	With Housing History	•	Minimum FICO 660	•	Must have documented 0x30 housing history		
	Without Housing History	•	Full Doc or Bank Statement Only	•	Standard tradelines required		
		•	No gifts allowed	•	Non-occupying co-borrowers not allowed		
Purchase Between Family Members		•	Full Documentation and Bank Statement Documentation only	•	Must provide a 12-month mortgage history on existing mortgage securing subject property confirming Family Sale is not a foreclosure bailout		
		•	Gift of Equity requires a gift letter and the equity gift credit is to be shown on the CD				
Mortgage History		•	0X30X12 for All Mortgages				

Property							
Acreage		•	Maximum 10 acres				
Minimum Property Standards		•	600 sq. ft. for SFR	•	500 sq ft. per Condominium	•	400 sq ft. per individual unit on 2-4 units
		•	Contains a full kitchen, bathroom and bedroom	•	No excessive deferred maintenance	•	No structural deferred maintenance
		•	Property constructed for year-round use	•	Permanently affixed continuous heat source	•	No health or safety issues both internal or external
Appraisal		•	Loan amounts < $2,000,000 = 1 Full Appraisal + CDA or FNMA CU Risk score of 2.5 or less				
		•	If enhanced desk review (CDA) is ≤ 5% a 2nd full appraisal is required				

Property (Continued)				
Appraisal	•	Loan amounts > $2,000,000 = Two Full Appraisals	•	See guidelines for details
	•	Cash Out: 6 months from existing Note date to application date of new loan. LTV/CLTV is based upon the appraised value.		
	•	Transferred Appraisal is ineligible in State of Florida		
Property Flips	•	When the subject property is being resold within 90 days of its acquisition by the seller and the sales price has increased more than 10%, the transaction is considered a "flip." The following should be used to determine the 90-day period: the acquisition date (the day the seller became the legal owner of the property), and the purchase date (the day both parties executed the purchase agreement); or		
	•	When the subject property is being resold within 91-180 days of its acquisition by the seller and the sales price has increased more than 20%, the transaction is considered a "flip." The following should be used to determine the 91-180-day period: the acquisition date (the day the seller became the legal owner of the property), and the purchase date (the day both parties executed the purchase agreement); or		
	•	Property seller on the purchase contract must be the owner of record	•	The property was marketed openly and fairly, through a multiple listing service, auction, FSBO offering (documented), or developer marketing
	•	Flip transactions must comply with the TILA HPML Appraisal Rule in Reg Z	•	Appraisal sufficiently addresses subject's improvements
	•	Increases in value are to be documented with commentary from the appraiser and recent comparable sales	•	All transactions must be arm's length, with no identity of interest between the buyer and property seller or other parties participating in the sales transaction
	•	No assignments of contract to another buyer	•	A Second Full Appraisal is required
Property Types	•	SFR • Condominium • PUD • 2-4 Units • Non-Warrantable Condominium Minimum FICO 680		
Property Types - Ineligible	•	Co-Ops • Mixed-Use • Manufactured Home • Multi-Family 5+ Units • Agricultural Zoned • Condotel • Adult Assisted Living/Care Facilities		
Seasoning for Property Recently Listed on the Market	•	For all transaction types, subject property must be taken off the market on or before application date.		
	•	For Cash-Out: Loans must be seasoned for at least 180 days from the listing contract expiration date to the application date.		
	•	LTV is based on the lesser of appraised value or previously listed price		

Product				
Compliance	•	No Section 32 or state High Cost	•	Points and Fees max 5% limit
	•	Loans must comply with all applicable federal and state regulations		
	•	Fully Documented Ability to Repay including Borrower Attestation		
	•	Impounds required on LTV > 80% or HPML loans unless otherwise specified by applicable state law		
ARM Information	•	ARM Margin 3.5%, Index 30-day average SOFR, Floor: Start Rate - 2.0% Initial Cap, 2% Annual Cap, 5.0% Life Cap		
Interest Only Products	•	120 Months, Qualify off of 30 Year Amortization, Minimum FICO 680		
Product Type	•	5/6 SOFR ARM, 7/6 SOFR ARM, 15, 20, 30 Year Fixed, or 40 Year Fixed with 10 year I/O		
Seller Concessions / IPC	•	6% Max Interested Party Contribution		
States Ineligible	•	New York, Texas I/O and Vermont		
States Eligible	•	State eligibility subject to review of applicable docs		
Subordinate Financing	•	CLTV max = LTV max		

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