

PREMIUM CLASS NON-OWNER Matrix



Matrix				Full Doc		Bank Statement & 1099		WVOE		P & L Only		Asset Depletion		DSCR	
Loan Amount	Reserves Month	Max DTI %	FICO	12mo or 24mo		12mo or 24mo									
				Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out	Purchase R/T	Cash Out
100,000 to 1,000,000	6	50	720	85	80	85	80	80	75	80	75	75	70	85	80
			700	85	80	85	80	75	75	75	75	75	70	80	80
			680	80	75	80	75	75	65	75	65	75	65	80	75
			660	80	70	80	70	70	65	70	65	70	65	75	75
			640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	75	70
1,000,001 to 1,500,000	9	50	720	85	80	85	80	80	75	80	75	75	70	85	75
			700	80	75	80	75	75	75	75	75	75	70	80	75
			680	80	75	80	75	70	65	70	65	70	65	80	75
			660	75	70	75	70	70	60	70	60	70	60	75	70
			640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65	65
1,500,001 to 2,000,000	9	50	720	80	75	80	80	75	65	75	65	75	65	80	75
			700	80	75	80	75	70	65	70	65	70	65	75	70
			680	75	70	75	70	65	60	65	60	65	60	70	65
			660	70	65	70	65	65	60	65	60	65	60	70	65
			640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	65	N/A
2,000,001 to 2,500,000	12	50	720	75	70	75	70	65	60	65	60	65	60	70	65
			700	75	70	75	70	70	65	70	65	70	65	75	70
			680	70	65	70	65	70	65	70	65	70	65	70	65
			660	70	65	70	65	65	60	65	60	65	60	70	65
2,500,001 to 3,000,000	12	50	720	75	65	75	65	65	60	65	60	65	60	70	65
			700	70	60	70	60	65	60	65	60	65	60	70	65
			680	70	60	70	60	65	60	65	60	65	60	65	60
3,000,001 to 3,500,000	12	50	720	70	55	70	55	N/A	N/A	N/A	N/A	N/A	N/A	70	55
			700	70	55	70	55	N/A	N/A	N/A	N/A	N/A	N/A	70	55
3,500,001 to 4,000,000 *	12	50	720	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60	N/A
			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Requires Sr. Management Approval

LTV Restrictions							
						LTV	
Property Type	Purchase & Rate-Term			Condo		85%	
				Non-Warrantable Condo		80%	
				Condotel (Max: \$2.0 mil Loan Amount)		75%	
				2-4 Unit		80%	
				Rural		80%	
	Cash-Out -Unlimited			Condo		80%	
				Non-Warrantable Condo		75%	
				Condotel (Max: \$2.0 mil Loan Amount)		70%	
				2-4 Unit		75%	
				Modular		75%	
				Rural		75%	
Loan Type	Interest Only					80%	
Declining Values	Declining Values					5% LTV Reduction	
Housing Lates	All past due housing payments must be cured by application and remain paid as agreed thru closing.			1x30x12		No reduction	
				0x60x12		5% LTV Reduction	
Credit Event Seasoning	Foreclosure Short-Sale Deed-in-Lieu			36 Months		No reduction	
				24 Months		5% LTV Reduction	
				12 Months (Cash-Out Not Allowed)		15% LTV Reduction	
	Bankruptcy			36 Months		No Reduction	
				24 Months		5% LTV Reduction	
				12 Months (Cash-Out Not Allowed)		5% LTV Reduction	
No Reserves	Rate & Term Refinance Only Maximum DTI 50%					Max 65% LTV	
Reduced Reserves	Maximum -3 mos. Reserves					5% LTV Reduction	
Expanded DTI (50.01-55)	Investment	+3 months reserves		Max Loan Amount \$1.5 Mil		Ineligible on 40 Yr Term	75% Max LTV
	Asset Depletion	Not Allowed					Not Allowed
DSCR .750 to .999		680 FICO	Cash-Out Refinance Maximum 70%			5% LTV Reduction	
DSCR .000 to .749	Cash-Out Max 70% LTV	700 FICO	Max Loan Amount \$3.0 Mil		Max Refi \$2.0 Mil	5% LTV Reduction	
	Cash-Out Max 70% LTV	680 FICO	Max Loan Amount \$3.0 Mil		Max Refi \$2.0 Mil	10% LTV Reduction	

Overlays				
Cash-Out Max	Unlimited			
Credit	No Mortgage or Rental History	Max 50% DTI		
Residual Income for DTI >43%	Per VA guideline or \$2500+\$150 per dependent			
First Time Home Buyer with Rental History	DSCR Only - See Below for First Time Investor			
First Time Investor with Mortgage History	6 Months Mortgage History Required	DSCR Only	Min. 660 FICO	Max Loan Amount \$1.5 Mil

Overlays (Continued)							
First Time Investor & First Time Home Buyer	DSCR Only - Min 1.00 DSCR	Min. 700 FICO		12 Months Reserves Required		Max Loan Amount \$1.5 Mil	Max 75% LTC
Unleased Properties	Purchase (Full, BK, P&L Doc type)		Qualify with Market Rents			5% LTV Reduction	
	Refinance (Full, BK, P&L Doc type)		Max 1 vacancy for 2-4 units - Use Market Rent for Vacancy				
	DSCR Refinance		Qualify with Market Rents				
	1-3 Unit: Max 1 vacant Unit		4 Unit: Max 2 vacant units with DSCR 1.00				
State Restriction Florida	Full Doc or Bank Statement : Maximum LTV						
	1099, P&L, WVOE, Asset Depletion : Maximum LTV						
	P&L Only Requires 3 Months of Supporting Bank Statements						
	DSCR						

PREMIUM CLASS NON-OWNER Documentation



Income				
Asset Depletion	Most recent 6 months asset documentation verified by: cash in bank (100%); stocks, bonds, and/or mutual funds (90%); IRAs, 401K, and/or retirement accts (80%)			
	Allowable assets divided by 60 months = qualifying income			
	Maximum 50% DTI - No Expanded DTI available			
Bank Statement 12 or 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)			
	Asset Depletion allowed with Bank Statement documentation			
	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 factors apply: 50% expense factor or follow Expense Table below			
	Expense Factor Table			
	Business Type		Number of Employees	
	Service Business		0	1-5
				Greater than 5
	For Example: Accounting, Consulting, Legal, Financial Planning, Insurance, Therapy		15%	30%
				50%
	Product Business		0	1-5
				Greater than 5
	For Example: Retail, Food Service, Restaurant, Manufacturing, Contracting, Construction		25%	50%
				85%
	- If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required			
	PTIN is acceptable if documented as employed by 3rd party tax preparation service			
	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)			
	Asset Depletion allowed with Bank statement documentation			
	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)			
	Standard expense factors apply: 50% expense factor or follow Expense Table below			
	Expense Factor Table			
	Business Type		Number of Employees	
	Service Business		0	1-5
				Greater than 5
	For Example: Accounting, Consulting, Legal, Financial Planning, Insurance, Therapy		15%	30%
				50%
	Product Business		0	1-5
				Greater than 5
	For Example: Retail, Food Service, Restaurant, Manufacturing, Contracting, Construction		25%	50%
				85%

Income (Continued)						
Full Doc 1 Year	•	Documented benefit to the borrower(s)				
	•	Wage Earner - 1 year most recent W-2 or 1 year tax returns plus 30 days paystubs				
	•	Self-Employed - 1 year most recent tax returns plus either:	•	YTD P&L (Borrower prepared ok with tax returns on full doc only)		
	•	1040 Transcripts required	•	3 months bank statements verifying cash flow (No P&L)		
Full Doc 2 Years	•	Documented benefit to the borrower(s)				
	•	2 years tax returns, recent paystub (self-employed YTD P&L) 1040 transcripts required				
P & L Only 12 Months	•	Self-employed (2yrs - 25% or greater ownership)				
	•	CPA/CTEC/EA signed/prepared Profit and Loss Statement(s) covering the most recent 12 month period. A gap P&L covering period between end of 12 month P&L and application required when gap is greater than three (3) months.				
	•	A letter from the CPA, CTEC or EA on their business letterhead showing address, phone number, and license number is required with the following information:				
	•	CPA/CTEC/EA prepared or reviewed the most recent 2 years business tax return filing; and,				
	•	PTIN's are not acceptable				
	•	The business name, borrower's name, and percentage of business ownership by the borrower.				
	•	Business License for the past 2 years				
	•	Minimum expense factor with P&L is 10% for service business and 20% for product business (see guidelines for details)				
	•	No other income documentation type other than Asset Depletion can be combined with the P&L for the self-employed borrower.				
	•	Income from co-borrowers who are W2 wage earners is to be documented with most recent W2 and paystub.				
	•	Borrower (Not Tax Preparer) to complete Business Narrative				
	•	Florida Properties require 3 months of supporting bank statements				
	•	Borrower to sign P&L				
1099 12 or 24 Months	•	1099 Plus either: Paycheck or Bank Statement showing employment direct deposits (10% Expense Factor Applied) must support amounts consistent with 1099 levels				
	•	Qualifying Income = 1099 Gross - 10% Expense Factor.				
WVOE	•	WVOE FNMA Form 1005 completed by HR, Payroll, Company Officer plus				
	•	2 months personal bank statements supporting WVOE employment wages or WVOE from online data supplier (WorkNumber, Experian, TRUV, etc.)				
	•	Borrowers employed by a family owned or managed business are ineligible for WVOE documentation program				
DSCR ≥ 1.00	•	Interest Only:	•	DSCR (Gross Rents / ITIA)	•	Qualifying ratios based on Note Rate Initial Interest Only payment (ITIA)
	•	Full Amortization:	•	DSCR (Gross Rents / PITIA)	•	Qualifying ratios based on Note Rate (PITIA)
	•	Short Term Rental allowed with 5% LTV Reduction				
	•	Purchase Qualify using AMC's short-term rental income analysis form or 1007				
	•	Refinances can qualify with 3rd party documentation of 12 months of rents.				
	•	For Purchase: The 1007 is used to determine DSCR				
	•	For Refinance: The lower of the lease agreement or rent survey is used to determine DSCR				
	•	1) 12 monthly statements documenting receipt of rents or 2) An annual statement provided by the on-line service to document receipt of rents				
	•	See guidelines for limitations and treatment of vacant unit(s)				
	•	Gross monthly rent divided by PITIA of subject property must be greater than or equal to 1.00 for max LTV				
DSCR .750 - .999	•	Reduce LTV by 5% with Minimum FICO of 680 and Maximum LTV on Cash-Out of 70%				
DSCR .000 - .749	•	Reduce LTV by 5% with Minimum FICO of 700 and Maximum LTV on Cash-Out of 70%				
	•	Reduce LTV by 10% with Minimum FICO of 680 and Maximum LTV on Cash-Out of 70%				
	•	State Eligibility: IL 2-4 Units not eligible				

Quick References									
Assets	•	See guidelines for details	•	Assets sourced or seasoned for one month unless utilizing assets to document income (6 months)					
	•	Gift funds are acceptable for use toward down payment and loan costs							
Borrower Eligibility	•	US Citizen							
	•	Permanent Resident Alien							
	•	Non-Permanent Resident Alien (with US Credit) Current VISA E-1, E-2, E-3, EB-5, G-1 through G-5, H-1, L-1, NATO, O-1, R-1, TN NAFTA. Provide EAD when applicable.							
Cash-Out	•	Unlimited Cash-Out							
	•	Cash-out may be counted toward reserve requiremer	•	See guidelines for details					
	•	Property owned 6 mos or greater - Valuation based on current market value							
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							
Credit	•	If borrower has 3 credit scores, the min tradeline requirements are met							
	•	3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months							
	•	No mortgage or rental history (Lower of Matrix LTV or 70% LTV, 50% DTI)							
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 Rental History	•	Minimum FICO 640							
	•	Must Have documented 0X30 Rental History							
	•	Primary and 2nd Home Only							
	•	Non-Owner DSCR Only See First Time Investor Section							
First Time Home Buyer Without Rental History	•	Full Doc, Bank Statement or 1099 Only							
	•	Standard Tradelines Required							
	•	Gift funds are ineligible							
	•	Non-Occupying Co-Borrowers are ineligible							
First Time Investor DSCR Only	•	6 Months Primary mortgage history is required (Unless First Time Home Buyer - See Below)	•	Min FICO 660	•	Maximum loan amount \$1,500,000			
	•	First Time Homebuyer: Max 75% LTV, Min 700 FICO, Min 1.00 DSCR, 12 Months Reserves, \$1,500,000 Loan Amount, 12 Month Housing History							
	•	Any borrower who has not owned at least one investment property for a minimum of 12 months at any time within the most recent 36 months							
	•	Gift funds not allowed for First Time Investor.							
Gift	•	Gift funds are allowed for paying off debt, equity contribution refinances, and for closing costs and down payments.							
	•	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;							
Investor History	•	Borrower must have a history of owning and managing at least one property for a minimum of 12 months within the most recent 36 months on DSCR product.							
	•	Borrower must have a housing history for all investor products Borrower must have a housing history for all investor products							

Quick References (Continued)			
Investor Professional		• DSCR Only: Provides reduced documentation on non-subject properties for the borrower who has a strong investor track record documenting the following:	
		•	Currently owns 5 properties (Primary residence included).
		•	Has 5 years credit depth reported on credit report.
		•	At least 3 mortgages are reported on credit report within the last three (3) years. No minimum months reporting required. No delinquencies allowed on months reported.
	•	Required Information:	
		•	All properties owned by borrower to be listed on REO schedule.
		•	All information completed on REO schedule (mortgage balances, gross rents, etc.).
	•	Reduced Documentation	
		•	Housing History not required
		•	All properties owned by borrower to be listed on REO schedule. All information completed on REO schedule (mortgage balances, gross rents, etc.).

Quick References: Properties				
Acreage	Maximum 20 acres			
Appraisal	Loan amounts > \$2,000,000 = Two Full Appraisals		See guidelines for details	
	Loan amounts < \$2,000,000 = 1 Full Appraisal + AVM or FNMA CU Risk score of 2.5 or less			
	CDA required if AVM Confidence Score is below 90% or CU Risk score >2.5			
	All 1 unit investor appraisals require form 1007 Single Family Comparable Rent Schedule, except when rental income is not used to qualify on NON-DSCR only			
	DSCR Rate and Term: If owned less than six (6) months LTV/CLTV is based on purchase price. If owned less than 12 months but more than six (6) months, the LTV/CLTV is based on the lower of the appraised value or purchase price plus documented improvements.			
Fixed Rate	15 Year	30 Year	40 Year	
Interest Only	All doc types but DSCR: Qualifying ratios are based on fully amortized P&I payments over the scheduled remaining loan term after the interest only period has expired. <i>IE: 30 yr IO product is qualified at fully amortized payment for 20 yrs.</i>			
	DSCR: Use Note Rate of IO payment to calculate ITIA.			
	SOFR 5/6 30yr ARM		5yr Fixed	10yr I/O
	SOFR 5/6 40yr ARM		5yr Fixed	10yr I/O
	SOFR 7/6 30yr ARM		5yr Fixed	10yr I/O
	SOFR 7/6 40yr ARM		5yr Fixed	10yr I/O
	30yr Fixed		10yr I/O	20yr Full Amortization after I/O Period - Full Maturity in 30 Yr
	40yr Fixed		10yr I/O	30yr Full Amortization after I/O Period - Full Maturity in 40 Yr
Minimum Property Standards	600 sq. ft. for 1 unit properties		2+ units no minimum. Size must be supported by market comparison	Maximum deferred maintenance cannot exceed \$2,000
	Property constructed for year-round use		Permanently affixed continuous heat source	No health or safety issues both internal or external
Property Condominium	Must Meet Fannie Mae Full Doc Condo Review			

Quick References: Properties (Continued)										
Property Eligible Condotels	•	Condotel units are categorized as non-warrantable condos.				•	Minimum 500 square feet.			
	•	Kitchen required with full size appliances, refrigerator, stove, oven.				•	Investor concentration ok to 100%			
	•	Bedroom required – no studios.								
Property Ineligible Condotels	•	Properties with hotel, motel in name. Converted hotel or motel				•	Projects with less than 10 units.			
	•	Properties with Registration desks/office.				•	Properties that are not located in a resort/destination area (beach, ski, lake)			
Property Flips	•	When the subject property is being resold within 180 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 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).								
	•	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				•	Sufficient documentation to validate actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, receipts, invoices, lien waivers, etc.)			
	•	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			
Property Types	•	SFR	•	Condominium	•	Townhouse	•	PUD	•	Non-Warrantable/Condotel
	•	PUD	•	Rural	•	Rowhouse	•	2-4 Unit	•	Rural
Vesting - LLC	•	Business Vesting with Entities as members								
	•	Ineligible for multiple layered LLC's								
Seasoning	•	Rate and Term: No seasoning. At least one borrower on the new loan must be an owner (on title) of the subject property at the time of initial application.								
	•	Cash Out: 6 months from existing Note date to new note date. Appraised value is used for LTV/CLTV. (Refer to guidelines for details)								
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 refinances, loans must be seasoned for at least 1 month from the listing contract expiration date to the new application date.								
	•	Cash-out DSCR with prepayment penalty ok with no seasoning.								
States Ineligible	•	Interest Only Feature: TX- Texas Section 50(a)(6) Equity Cash-Out transactions or Texas Section 509(a)(4) - see guidelines for detail								
	•	Baltimore City, Maryland, Philadelphia, PA, IL 2-4 units on DSCR <.75, New York and Vermont								

Quick References: Miscellaneous									
Prepayment Penalty Option	• Prepayment penalty must be in compliance with the terms and limitations of the applicable state or federal law								
Qualifying Payment	• Full Amortization:		Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA)						
	• Interest Only (DTI):		Qualifying ratios based on greater of Note Rate or Fully Indexed Rate (PITIA), fully amortized payment on remaining term after I/O period						
	• Full Amortization (DSCR):		Qualifying ratios based on Note Rate (PITIA)						
	• Interest Only (DSCR):		Qualifying ratios based on Note Rate Initial Interest Only payment (ITIA)						
	• Full Amortization:		Qualifying ratios based on Note Rate (PITIA)						
	• Interest Only (DTI):		Qualifying ratios based on Note Rate Initial Interest Only payment (ITIA)						

Quick References: Miscellaneous (Continued)			
Residual Income	•	Required on DTI > 43% only	• Per VA or \$2,500 plus an additional \$150/dependent
	•	VA Residual Income Calc per VA Form #26-6393 and VA Residual Income Tables in VA Lending Manual Chapter 4.9	
Seller Concessions / IPC	•	Max 6% on Non-Owner Occupied	
Subordinate Financing	•	CLTV max = LTV max - Loans closing concurrently with Prime 2nd must qualify to the guideline requirements of both products	
	•	Subordinate Financing payment must be included in DSCR calculation	

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