

ALT DOC / 2 Bank Statements + Reserves

FULL AMORTIZATION

PRIMARY RESIDENCE, 2 <sup>ND</sup> HOME & INVESTMENT PROPERTIES				
PROPERTY TYPE	Max Loan amt	MAX LTV	MAX CLTV	MIN FICO
1 UNIT SFR & PUD	\$625,000	70%	70%	700 **
	\$1,000,000	60%	60%	700 **
	\$1,500,000	55%	55%	720
	\$1,500,000	45%	45%	700
CONDO	\$750,000	65%	65%	700 **
2-4 UNITS	\$1,000,000	60%	60%	700 **
FOREIGN NATIONALS	\$1,000,000	60%	60%	
	\$1,500,000	55%	55%	

\*\* 700 – 719 FICO 5% LTV reduction from max LTV

Minimum loan amount = \$100,000.00

CASH-OUT REFINANCE

50% MAX LTV

Maximum cash-out amount - \$1,500,000

6 month seasoning required

(note: See property type for loan amount limits & min fico requirement)

IMPOUND OPTION – *not available*

PROGRAM DETAILS

Income Documentation	<p><b>Self-Employed</b></p> <ul style="list-style-type: none"> <li>• For application received on or after 7/1: YTD Profit &amp; Loss Statement.</li> <li>• Business license for the past 2 years</li> <li>• CPA letter verifying the following:                             <ul style="list-style-type: none"> <li>○ 2 years business at the same location.</li> <li>○ CPA prepared most recent 2 years business tax returns filing.</li> <li>○ Indicate business name, borrower's name, and percentage of business ownership by the borrower.</li> </ul> </li> <li>• CPA license #.</li> </ul> <p><b>Salary or Wage-Earning Employees</b></p> <ul style="list-style-type: none"> <li>• Written Verification of Employment Form (FNMA Form 1005) completed by employer.</li> <li>• Foreign Nationals – Length of employment; last 2 yrs income to present &amp; current position indicated on employing company letterhead.</li> </ul>
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Insurance	<b>Hazard – must equal the lesser of the following:</b> <ul style="list-style-type: none"> <li>• 100% of the insurable value of the improvement as established by the property insurer or</li> <li>• The unpaid principal balance of the loan amount, as long as it equals the minimum amount – 80% of the insurable value of improvements.</li> </ul>	
General Points	<ul style="list-style-type: none"> <li>• Debt to Income (DTI) ratios to be equal or less than 43%.</li> <li>• Condominiums must be warrantable by Fannie Mae, non-warrantable condominiums will be reviewed on an individual basis</li> <li>• Delayed financing is allowed if the original purchase transaction was arms-length transaction and source of funds for purchase transaction must be borrower's own funds.</li> <li>• Maximum number of financed properties: 8 (For borrowers w/ 5-8 financed properties, max LTV is 50% if subject property is investment property).</li> <li>• Business phone number must be verifiable via 411 or internet.</li> <li>• Subject property cannot be listed for sale in previous 3 months prior to the application date for R&amp;T and C/O.</li> </ul>	
Credit Standards	Mortgage/Rent	Max. 1x30 in past 12 months (no exception)
	Trade Lines	3 trade lines seasoned for at least twelve (12) months
	Bankruptcy/SS&DIL/Foreclosure	3yrs/2yrs/5yrs
Qualifying	Qualifying Interest Rate: Full Amortization The greater of start rate or fully-indexed rate	

ASSETS/RESERVES		
	Loan amount	Required Reserves (P&I)
All Property Type	LTV ≤ 60% & Loan Amt up to \$1MM	6 months in US Financial Institution
	LTV 60.01 - 70% & Loan Amt up to \$1MM	12 months in US Financial Institution
	Loan Amount \$1,000,001 to \$1,500,000	12 months in US Financial Institution
	<ul style="list-style-type: none"> <li>• Most recent 2 months bank statements (UW may require additional months).               <ul style="list-style-type: none"> <li>◦ 3 months for foreign nationals</li> </ul> </li> <li>• Stocks/Bonds/Mutual Funds: 70% maybe considered for reserves.</li> <li>• Vested Retirement Account funds: 60% may be considered for reserves.</li> </ul>	

APPRAISAL GUIDELINES	
Loan amount up to \$1,000,000	One Full Appraisal
Loan amount from \$1,000,001 to \$1.5mm	One Full Appraisal and One Field Review

Eligible States	California only
Eligible Borrowers	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent resident with proper documentation (Green Card).</li> <li>• Non-Permanent resident with acceptable VISA.</li> </ul>
Ineligible Transactions	<ul style="list-style-type: none"> <li>• Non-arms length.</li> <li>• For sale by owner</li> <li>• Power of attorney</li> <li>• At-Interest Transactions</li> </ul> <p><i>An at-interest transaction involves persons who are not closely tied or related, but may have a greater vested interest in the transaction, such as a party who plays more than one role in the same transaction. Acceptable examples of at-interest transactions include builder also acting as realtor/broker, dual real estate agent (selling/listing agent), realtor/broker selling own property. Unacceptable examples of at-interest transactions include realtor/broker acting as listing/selling agent as well as the mortgage loan originator, seller acting as the mortgage loan originator, borrower's family member acting as the mortgage loan originator and real estate broker at the same time. Transaction includes unacceptable at-interest characteristics are not permitted</i></p>
Source of Funds	<ul style="list-style-type: none"> <li>• Borrowers must contribute at least 10% toward the transaction from their own funds for purchase transactions. (50% for foreign nationals)</li> </ul>
Foreign Nationals	<ul style="list-style-type: none"> <li>• Copy of passport, I-94 and valid VISA (F-1 and F-2 type are not allowed)</li> <li>• Copy of passport and either I-94W or proof of ESTA Approval required for borrowers on VISA Waiver Program</li> <li>• Borrower must have U.S. address when applying for loan.</li> <li>• Max number of financed properties is the lesser of 3 loans or \$2,000,000 (total financed amount including subject)</li> <li>• Foreign assets (down payment, CC, Reserves) must be transferred to U.S. institutional account prior to ordering loan documents.</li> <li>• 24mos P&amp;I reserves required for subject property. <ul style="list-style-type: none"> <li>◦ 12 months of 24 months reserve must be deposited to assigned financial institution by MCFI (servicing investor).</li> </ul> </li> <li>• <b>Income:</b> <ul style="list-style-type: none"> <li>◦ VOE – indicate position, length of employment, last 2yrs to present income on official company letterhead signed by HR or Supervising officer.</li> <li>◦ Translated &amp; notarized (if necessary).</li> </ul> </li> <li>• Foreign Nationals of the following countries are not eligible: <ul style="list-style-type: none"> <li>◦ Cuba</li> <li>◦ Iran</li> <li>◦ North Korea</li> <li>◦ Sudan</li> <li>◦ Syria</li> </ul> </li> </ul>
Principal Reduction	<b>Not allowed</b> - Loan amount must either be reduced or qualified as a cash-out transaction.

Gift Funds	<ul style="list-style-type: none"> <li>Interested Party Contributions not to exceed 3%</li> <li>Gift fund is not allowed on: <ul style="list-style-type: none"> <li>N/O/O transaction</li> <li>Reserves</li> </ul> </li> </ul>
Eligible Properties	<ul style="list-style-type: none"> <li>Single Family Residence</li> <li>Two to Four unit Properties</li> <li>Planned Unit Development</li> <li>Condominium</li> </ul>

<b>PRIME7/1</b> (7/1 ARM)	<b>Adjustments</b>		<b>to rate</b>
<b>15 Day lock</b> <b>4.750 0.000</b>	Investment Property		0.250
	Cash Out Refinance		0.250
	Foreign National		0.250
	2 Units		0.125
	3 to 4 Units		0.250
<b>Margin:</b> 2.750% <b>1yr Libor</b> 0.700 <b>1/2/5 CAPS</b>	<b>Exception Grid</b>	<b>700-719 FICO</b>	5% reduction from max LTV
			0.250 hit to FEE

- ▶ Full Amortization
- ▶ Primary Residence, Second Home and Investment Properties
- ▶ Purchase, Rate & Term Refinance and Cash-Out Refinance

### Program Details

Property Type	Loan Amt	LTV/CLTV	FICO
SFR & PUD (1 unit)	\$625,000	70%	700
	>\$625k to \$1mm	60%	700
	>\$1MM to \$1.5MM	55%	720
CONDO	\$750,000	65%	700
2-4 UNITS	\$1,000,000	60%	700
MAXIMUM CASH-OUT UP TO \$500,000 (12 MONTH SEASONING)			50% MAX LTV

### FOREIGN NATIONAL ALLOWED

- ▶ 2mo BANK STATEMENTS (3 for foreign nationals)