



theSecond Matrix

Effective Date: 02.22.23

				Owner Occupied		2 nd Home		Non-Owner Occupied	
Max Combined Liens		\$2,000,000		Full Doc	Bank Statement	Full Doc	Bank Statement	Full Doc	Bank Statement
Loan Amount	Reserves	Max DTI	FICO	CLTV		CLTV		CLTV	
\$125,000 - \$350,000	None	50%	720	80%	80%	80%	75%	80%	75%
			700	80%	80%	80%	70%	80%	70%
			680	80%	75%	75%	65%	75%	65%
			660	80%	70%	70%	60%	70%	60%
\$350,001 - \$450,000	None	50%	720	80%	80%	75%	70%	80%	70%
			700	80%	75%	75%	65%	75%	65%
			680	80%	70%	70%	60%	70%	60%
			660	75%	65%	65%	55%	65%	55%

Guidelines

Appraisal Requirements	<ul style="list-style-type: none"> • Previous appraisal within 12 months + CDA. CDA value must be equal to or greater than appraisal • If a previous appraisal is not available, the following will be required: <ul style="list-style-type: none"> ○ Owner Occupied & 2nd Home – Full appraisal plus an AVM supporting the value ○ Non-Owner Occupied - New 2055 appraisal and CDA supporting value within 10% variance • Declining markets maximum 75% CLTV on Owner Occupied/2nd Home. Maximum 70% CLTV on Non-Owner Occupied
Assets	<ul style="list-style-type: none"> • None Required
Cash-Out	<ul style="list-style-type: none"> • Proceeds from second lien may be all cash-out
Credit Event Seasoning	<ul style="list-style-type: none"> • 48 months - Foreclosure, short-sale, deed in lieu, bankruptcy. No multiple events in last 7 years.
Credit Score	<ul style="list-style-type: none"> • Lowest of 2 scores, middle of 3 scores. Qualifying score is lowest of all borrowers. • Non-traditional credit ineligible.
Derogatory Credit	<ul style="list-style-type: none"> • Charge-offs or Collections acceptable if paid off over 12 months prior. • No delinquent tradelines at closing. • Open Medical collections < \$1000 per occurrence ok.
DTI	<ul style="list-style-type: none"> • 50% • 45% with an I/O senior lien
Eligible Borrowers	<ul style="list-style-type: none"> • US Citizen • Non-Permanent Resident Alien (with US Credit) • Permanent Resident Alien
Geographic Restrictions	<ul style="list-style-type: none"> • Not available in <ul style="list-style-type: none"> ○ Hawaii ○ Illinois ○ Massachusetts ○ New Jersey ○ New York ○ North Carolina ○ Pennsylvania ○ Tennessee ○ Texas ○ Vermont
Housing Lates	<ul style="list-style-type: none"> • 0x30x12 on all mortgages for all borrowers. • Minimum 12-month housing history required
Ineligible Borrowers	<ul style="list-style-type: none"> • Non-occupant co-borrowers



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	<ul style="list-style-type: none"> Vesting is not permitted to be in the name of an LLC, Corporation or Partnership
Ineligible Senior Liens	<ul style="list-style-type: none"> Private party mortgages Loans in active forbearance or deferment, any deferred balance must be paid at closing Negative amortization Reverse mortgages Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien
Property Type	<ul style="list-style-type: none"> SFR PUD Condo-Warrantable Modular 2-4 Units max 75% LTV
Qualifying Payment	<ul style="list-style-type: none"> Qualifying ratios based on Full Note Rate
Recently Listed Properties	<ul style="list-style-type: none"> Properties listed for sale in the last 12 months are not eligible
Seasoning	<ul style="list-style-type: none"> > 6 months seasoning no restrictions. Less than 6 months seasoning ineligible
Terms Available	<ul style="list-style-type: none"> Full Am: 10 yr, 15 yr, 20 yr & 30 year
Title Report	<ul style="list-style-type: none"> Short ALTA - Lenders Policy
Tradelines Requirement	<ul style="list-style-type: none"> 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months.
Vesting	<ul style="list-style-type: none"> Vesting as an individual only, no entities
Documentation Options	
Full Doc – 2 years	<ul style="list-style-type: none"> Standard Fannie Mae Documentation
Full Doc – 1 year	<ul style="list-style-type: none"> NonQM <ul style="list-style-type: none"> NonQM: Alternative Loan Review Form (Exhibit F) or DU Approve/Ineligible finding. Wage Earner - 1 year most recent W-2 plus 30 days paystubs Self-Employed - 1 year most recent tax returns plus either: <ul style="list-style-type: none"> Borrower prepared YTD P&L 3 months bank statements verifying cash flow (No P&L)
Bank Statements	<ul style="list-style-type: none"> Personal & Business-Combined or Business (12mo or 24mo): <ul style="list-style-type: none"> 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 Standard expense factors apply: 50% expense factor <ul style="list-style-type: none"> If business operates < standard expense factor, P&L or expense letter from CPA, CTEC (California Tax Education Council), or EA (Enrolled Agent) required Minimum expense factor with 3rd party prepared P&L or letter is 20% Personal & Business Separated (12mo or 24mo): <ul style="list-style-type: none"> 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)