



Hometown Equity Mortgage

25531 Commercentre Dr. Ste 250
Lake Forest, CA 92630
833-381-8733 | www.HTEM.com

Effective Date: May 28, 2024

HTEM 2nds Rate Sheet

LOCK DESK

CONTACT:

E-mail: lockdesk@HTEM.com

Direct: 833-381-8733

Lock Desk Closes at 3:00 PM PST

APPRAISAL ORDER PROCEDURES

AMC selection can be made at:
<https://www.HTEM.com/appraisals/>

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the 2nd Fee's

2ndOO and 2ndNOO: \$999

*EXTENSION FEES

2nds

5 day	-0.250
7 day	-0.325
10 day	-0.550
15 day	-0.650

*Extension Max: 15 days

Eligible States

*See Matrix for restrictions and additional details.

MEET
theLender NONI™
NON OWNER NO INCOME

★ ★ ★

Click HERE
for more information

LOSS PAYEE

Hometown Equity Mortgage, LLC its successors and/or assigns
25531 Commercentre Dr #250, Lake Forest, CA 92630

For use by mortgage professionals only. Mortgage Financing Provided by Hometown Equity Mortgage, LLC dba theLender NMLS #133519 . Rates, terms and programs subject to change without notice.



Lock Desk Hours: 8am - 3:00pm PST
 Email: lockdesk@HIEM.com
 NMLS # 133519

Note Rate	Full Doc	Alt Doc
7.7500	96.068	NA
7.8750	96.467	NA
8.0000	96.870	NA
8.1250	97.372	96.068
8.2500	97.768	96.467
8.3750	98.164	96.870
8.5000	98.560	97.372
8.6250	98.955	97.768
8.7500	99.328	98.164
8.8750	99.701	98.560
9.0000	100.076	98.955
9.1250	100.451	99.328
9.2500	100.826	99.701
9.3750	101.200	100.076
9.5000	101.574	100.451
9.6250	101.947	100.826
9.7500	102.312	101.200
9.8750	102.676	101.574
10.0000	103.033	101.947
10.1250	103.390	102.312
10.2500	103.640	102.676
10.3750	103.890	103.033
10.5000	104.140	103.390
10.6250	104.490	103.640
10.7500	104.740	103.890
10.8750	104.990	104.140
11.0000	105.240	104.490
11.1250	105.490	104.740
11.2500	105.740	104.990
11.3750	105.990	105.240
11.5000	106.240	105.490
11.6250	106.490	105.740
11.7500	106.615	105.990
11.8750	106.740	106.240
12.0000	106.865	106.490
12.1250	106.990	106.615
12.2500	107.115	106.740
12.3750	107.240	106.865
12.5000	107.365	106.990
12.6250	107.490	107.115
12.7500	107.615	107.240
12.8750	107.740	107.365
13.0000	107.865	107.490
13.1250	107.990	107.615
13.2500	108.115	107.740
13.3750	108.240	107.865
13.5000	108.365	107.990

MAX PRICE AND LOCK TERM	
Max Price	102.000
15 Lock Period	0.000
30 Lock Period	-0.375

Extension Fees*	
5 days	-0.250
7 days	-0.325
10 days	-0.550
15 days	-0.650

*Extension Max: 15 days

- Program Notes
1. UW Fee \$999
 2. Borrower Paid Comp Only with Max 1.5 pts allowed
 3. Lock cutoff 3:00 PM PST
 4. Loan must be U/W Approved status to lock

Price Adjustments		CLTV									
		<=50.00	50.01-55.00	55.01-60.00	60.01-65.00	65.01-70.00	70.01-75.00	75.01-80.00	80.01-85.00	85.01-90.00	
Full Doc - 2 Year	800+	3.250	3.125	3.000	2.750	2.500	2.000	0.875	-2.000	-3.500	
	780 - 799	3.125	3.000	2.875	2.625	2.250	1.375	0.500	-2.875	-4.500	
	760 - 779	2.125	2.000	1.875	1.375	1.000	0.750	-0.500	-4.000	-6.500	
	740 - 759	1.250	1.250	1.250	1.000	0.625	0.250	-1.750	-5.500	-8.500	
	720 - 739	0.875	0.875	0.875	0.500	0.125	-0.500	-2.750	-7.000	-9.500	
	700 - 719	0.375	0.375	-0.375	-0.125	-1.000	-2.000	-5.000	-8.000	-10.000	
	680 - 699	-0.250	-0.500	-0.750	-1.000	-3.000	-4.000	NA	NA	NA	
	Full Doc - 1 Year (+ 2 Year Adj)	0.000	0.000	0.000	0.000	-0.125	-0.125	-0.125	-0.250	-0.375	
	Bank Statement - 12/24 Months	800+	3.250	3.125	3.000	2.750	2.500	2.000	0.875	-2.250	NA
		780 - 799	3.125	3.000	2.875	2.625	2.250	1.375	0.500	-3.125	NA
760 - 779		2.125	2.000	1.875	1.375	1.000	0.750	-0.500	-4.250	NA	
740 - 759		1.250	1.250	1.250	1.000	0.625	0.250	-1.750	-6.000	NA	
720 - 739		0.875	0.875	0.875	0.500	0.125	-0.500	-2.750	-7.000	NA	
700 - 719		0.125	0.125	0.125	-0.375	-1.250	-2.250	-5.500	NA	NA	
680 - 699		-0.500	-0.750	-1.000	-1.250	-3.250	-4.500	NA	NA	NA	
Additional Alt Doc Adj		0.000	0.000	0.000	0.000	-0.125	-0.125	-0.125	-0.250	NA	
Employment		W-2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		Self-Employed	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250
	10yr Fixed	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	
	15yr Fixed	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	
	20yr Fixed	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	
Product	25yr Fixed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	30yr Fixed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	75.000 - 100k	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	-0.250	
	100.001 - 150k	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Loan Amount	150.001 - 200k	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	200.001 - 350k	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	350.001 - 500k	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.000	NA	
	500.001 - 750k	-1.000	-1.000	-1.000	-1.000	-1.000	-1.000	-1.000	-1.000	NA	
Occupancy	2nd Home	-1.000	-1.000	-1.000	-1.000	-1.000	-1.000	-1.000	-1.000	NA	
	Investor	-1.875	-1.875	-2.375	-2.875	-3.375	-4.000	NA	NA	NA	
	<= 40	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
DTI	40.01 - 45	-0.375	-0.375	-0.375	-0.375	-0.375	-0.375	-0.500	-0.750	-1.000	
	45.01 - 50	-0.500	-0.500	-0.500	-0.500	-0.500	-0.500	-0.750	-1.250	-3.000	
	> 50	-1.000	-1.000	-1.250	-1.250	-1.500	-1.500	-2.000	-2.500	-3.000	
State	CA, IL	-0.250	-0.250	-0.250	-0.250	-0.375	-0.375	-0.500	-1.000	-1.000	
	Condo/Warrantable	-0.250	-0.250	-0.250	-0.250	-0.375	-0.375	-0.500	-1.000	-1.000	

*2nd00+ Pricer		
Category	Inputs	Price
All Doc	No	
Interest Rate -->	9.75	102.312
CLTV Range	65.01-70.00	
FICO Range FD	Choose a Selection	0
FD 1 Year + 2 Year Adj	Choose a Selection	0
FICO Range AD	Choose a Selection	0
Add Alt Doc Adj	Choose a Selection	0
Employment	Choose a Selection	0
Product	Choose a Selection	0
Loan Amount	Choose a Selection	0
Occupancy	Choose a Selection	0
DTI	Choose a Selection	0
State	Choose a Selection	0
Property Type	Choose a Selection	0
Lock Period	15	0
Total LIPAs		0
Final Price -->		102.000

Price is a pricing tool only, please refer to the matrix for eligibility.



theSecond Plus Matrix

Effective Date: 02.26.24
Updated on 3/1/2024

Fixed Rate					
Maximum CLTVs					
Standard Doc					
Loan Amount	Credit Score	Primary	2 nd Home	Investment	Reserves
\$350,000	740	90%	80%	75%	No Reserves Required
	700	85%	80%	65%	
	680	75%	75%	N/A	
\$500,000	740	85%	75%	75%	
	700	85%	75%	65%	
	680	75%	70%	N/A	
Alt Doc					
\$350,000	740	85%	75%	70%	No Reserves Required
	700	80%	70%	60%	
	680	75%	65%	N/A	
\$500,000	740	80%	70%	65%	
	700	75%	65%	60%	
	680	70%	60%	N/A	
Guidelines					
Product Type	<ul style="list-style-type: none"> • Fixed Rate Terms: 15, 30, 40-years • 5/6 ARM, 7/6 ARM, 10/6 ARM <ul style="list-style-type: none"> ○ 40-year term ARMs available when combined with interest only feature 				



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Combined Loan Balance	<ul style="list-style-type: none"> The CLTV of the combined loan balances are restricted as follows: <ul style="list-style-type: none"> Combined loan balance > \$2,000,000 – maximum 80% CLTV Combined loan balance > \$3,000,000 – maximum 75% CLTV Maximum combined loan balance for all liens not to exceed \$4,000,000
City/County/State Restrictions	<p>Max 80% LTV Minimum FICO 720</p> <ul style="list-style-type: none"> Connecticut <p>Max 80% LTV</p> <ul style="list-style-type: none"> Louisiana Idaho San Francisco-Oakland-Hayward, CA San Jose-Sunnyvale-Santa Clara, CA Santa Cruz-Watsonville, CA Boulder, CO Breckenridge, CO Sevierville, TN Phoenix-Mesa-Chandler, AZ Sacramento-Roseville-Folsom, CA <p>Not Eligible</p> <ul style="list-style-type: none"> Illinois Massachusetts New Jersey New York Pennsylvania Tennessee Texas Vermont Puerto Rico, Guam & US Virgin Islands Any state HEM is not licensed in
Loan amounts	<ul style="list-style-type: none"> \$75,000 minimum \$500,000 maximum
Loan Purpose	<ul style="list-style-type: none"> Stand-alone only Simultaneous/Piggyback
Occupancy	<ul style="list-style-type: none"> Primary residence 2nd Home – max 80% Investor – max 75%
Cash-out	<ul style="list-style-type: none"> \$500,000
Eligible Borrowers	<ul style="list-style-type: none"> US Citizen Permanent Resident Alien
Ineligible Borrowers	<ul style="list-style-type: none"> Non-Permanent Resident Aliens Foreign Nationals Non-occupant Co-borrowers
Ineligible Loan Features	<ul style="list-style-type: none"> Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible. Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date. Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months. All existing subordinate liens must be satisfied except for solar panels, see Solar Panels section of the guidelines. <ul style="list-style-type: none"> All Solar Panel loans and leases with PACE/HERO financing must be paid off.
Income	
Standard Doc	<ul style="list-style-type: none"> Standard (full) 1 or 2-year income documentation. <ul style="list-style-type: none"> Wage/Salary – Paystubs covering 30-days including YTD earnings, prior years W-2's Self-employment Income (25% or greater ownership): <ul style="list-style-type: none"> Personal and/or Business tax returns, signed and dated by the borrower(s), including all schedules. An unaudited YTD Profit and Loss Statement (borrower prepared acceptable) signed by the borrower, including business sales, expenses, and net income up to and including the most recent month preceding the loan application date. Two business bank statements, representing the two most recent months from the P&L statement.



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	<ul style="list-style-type: none"> ▪ An income analysis worksheet, (i.e., FNMA Form 1084), is required. ○ Income documentation must meet the standards of Chapters B3-3 to B3-6 of the FNMA Seller Guide dated 6/03/2020. • Regardless of the income source (i.e., wage/salary/self-employment) all files must include 2-years of personal tax returns, including all schedules. The tax returns signed by the borrower, or evidence of electronic filing required in each file. Tax transcripts obtained from the IRS are required prior to closing and are used to validate the income. <ul style="list-style-type: none"> ○ Other sources documented per FNMA Seller Guide dated 6/03/2020 include: <ul style="list-style-type: none"> ▪ Social Security ▪ VA Benefits ▪ Pensions ▪ Investment/Trust
Alt Doc – Personal Bank Statement	<ul style="list-style-type: none"> • 24 or 12-months of Personal and 2-months of business bank statements • Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements • The business bank statements must reflect business activity and transfers to the personal account
Alt Doc – Business Bank Statement	<ul style="list-style-type: none"> • 24 or 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> ○ Fixed Expense Ratio (50%) ○ Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) with min ratio of 10% ○ 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)
Alt Doc – 1099	<ul style="list-style-type: none"> • 2-Years or 1-Year 1099 • Fixed Expense Ratio of 10% • YTD documentation to support continued receipt of income
Ineligible Sources of Income	<ul style="list-style-type: none"> • Capital Gains • Foreign Income • Retained Earnings • Income from a business that is state or federally illegal.
Pre-close Reverification of employment	<ul style="list-style-type: none"> • Verbal VOE within 10-days wage/salary • Business verification for S/E by 3rd party within 10-days of Note Date
Underwriting Requirements	
First Lien	<ul style="list-style-type: none"> • First lien documentation requirements: <ul style="list-style-type: none"> ○ Copy of 1st lien Note; and <ul style="list-style-type: none"> ▪ Default interest rate on Note cannot exceed Note rate ▪ If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) ○ Copy of most recent monthly mortgage payment statement <ul style="list-style-type: none"> ▪ Utilized to determine if payment includes escrows (See DTI Requirements) • Ineligible First liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> ○ Forbearance, modifications, or deferrals (including COVID-19 related events) completed or reinstated within 12- months of the Note date ○ Loans in active forbearance or deferment ○ Negative amortization including loans with Paid-In-Kind (PIK) features ○ Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien ○ Reverse Mortgages ○ First liens for the subject property not reporting on credit report <ul style="list-style-type: none"> ▪ e.g., Private party mortgages including any loan not reporting on credit report ○ Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages ○ Home Equity Line of Credit ○ Note with default interest rate greater than the Note rate.
Application	<ul style="list-style-type: none"> • FNMA Form 1003 - Current version of the Uniform Residential Loan Application
Age of Documents	<ul style="list-style-type: none"> • Credit Documents: May not be over 90-days old at the time of closing. • Appraisals, Title Report (or O&E): May not be over 120-days old at time of closing. <ul style="list-style-type: none"> ○ AVM may not be over 30- days old at time of closing.
Credit and Fraud Documentation	<ul style="list-style-type: none"> • Credit report • Gap credit report or Undisclosed Debt Monitoring (UDM) • Fraud report • OFAC
Qualifying Credit Score	<ul style="list-style-type: none"> • Use credit score of the borrower with the highest qualifying income • Middle of 3 scores or lower of 2



theSecond Plus Matrix

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Housing History	<ul style="list-style-type: none"> • 0x30x12 – verification of mortgage history required on all loans • Verify the 1st lien P&I payment with all of the following: <ul style="list-style-type: none"> ○ Copy of 1st lien Note, and ○ Copy of most recent monthly mortgage payment statement
Credit Events	<ul style="list-style-type: none"> • Foreclosure, Short Sale, Deed in Lieu, Bankruptcy: 48-month seasoning
Tradelines	<ul style="list-style-type: none"> • Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting 12-months w/recent activity • If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived
DTI Requirement	<ul style="list-style-type: none"> • Maximum DTI ratio: <ul style="list-style-type: none"> ○ 50% DTI for CLTV less than or equal to 80% ○ 45% DTI for CLTV greater than 80% • Qualifying payment for first lien: <ul style="list-style-type: none"> ○ Stand-alone: Utilize senior lien mortgage payment from credit report ○ Simultaneous: Utilize 1st lien qualifying method • Fixed rate: Note rate amortized over the total term <ul style="list-style-type: none"> ○ Interest Only: Note rate amortized over the remaining term after the expiration of the interest only period • ARMs: Qualifying rate is the higher of the fully indexed rate or note rate <ul style="list-style-type: none"> ○ Interest Only: Qualifying rate amortized over the remaining term after the expiration of the interest only period
Reserves	<ul style="list-style-type: none"> • Not required
Appraisal and Property	
Eligible Property	<ul style="list-style-type: none"> • Single Family (Attached, Detached, PUD) • 2-4 Unit residential properties (Max CLTV 75%) • Condominiums (Max CLTV 80%)
Ineligible Properties	<ul style="list-style-type: none"> • Property > 10-acres • Manufactured Homes • Agricultural Zoned • Rural • Mixed-Use • Unique Properties
Appraisal	<ul style="list-style-type: none"> • HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of the loan balance. • Any simultaneous transaction requires a full appraisal. • Transferred appraisals are eligible. <p>Loan Amount <=\$250,000</p> <ul style="list-style-type: none"> • AVM within 30- days of the Note date from approved vendor with acceptable FSD and a new Property Condition Report with acceptable findings, or • Exterior Drive-By appraisal (Hybrid or 2055 or 1075), or • New Appraisal (FNMA Form 1004/1025/1073), or • Prior 1st lien appraisal dated within 12- months of subject loan Note date allowed subject to the following: <ul style="list-style-type: none"> ○ The lender on the prior appraisal must be the same as the subject loan, and ○ A new Property Condition Report with acceptable findings, ○ Recertification of value by the original appraiser. <p>Loan Amount >\$250,000</p> <ul style="list-style-type: none"> • New Appraisal (FNMA Form 1004/1025/1073), or • Prior 1st lien appraisal dated within 12- months of subject loan Note Date allowed subject to the following: <ul style="list-style-type: none"> ○ The lender on the prior appraisal must be the same as the subject loan, and ○ A new Property Condition Report with acceptable findings, and ○ Recertification of value by the original appraiser, and ○ AVM within 30- days of the Note date from approved vendor with acceptable FSD. <ul style="list-style-type: none"> ▪ The lower of the Prior Appraisal value or the current AVM will be used to determine CLTV. <p>Secondary Valuation Product</p> <ul style="list-style-type: none"> • Secondary valuation product required in every file • Acceptable review products include one of the following: <ul style="list-style-type: none"> ○ The broker may submit the appraisal report to Collateral Underwriter® (CU®) or Loan Collateral Advisor® (LCA). An eligible score is 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). (Only one score required, if both scores (CU & LCA) provided, both required to be 2.5 or less). If the score exceeds 2.5, the file must include either an enhanced desk review, field review, or second appraisal; or ○ An enhanced desk review product from one of the following choices:



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	<ul style="list-style-type: none"> ▪ ARR from Stewart Valuation Intelligence FKA Pro Teck. ▪ CDA from Clear Capital. ▪ ARA from Computershare. ▪ CCA from Consolidated Collateral Analysis. ▪ VRR from Homegenius Real Estate ▪ Valreview Appraisal Review Value from Valligent (Veros Software Company) ○ If the enhanced desk review product reflects a value more than 10% below the appraised value or cannot provide a validation, the file must include either a field review or a second appraisal. A field review or a second appraisal is acceptable. These may not be from the same appraiser or appraisal company as the original report. ○ AVM within 30- days of Note date (If primary valuation based on an AVM, review must be a different vendor) <ul style="list-style-type: none"> ▪ If two AVMs are ordered, the AVM with the higher FSD (closest to zero) will be treated as the primary valuation product. <ul style="list-style-type: none"> • The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10%. • If both AVMs have the same FSD, the lower of the two property values must be utilized for determining the CLTV. ○ Broker Price Opinion (BPO) 										
AVM	<p>The following are acceptable AVMs</p> <table border="1" data-bbox="556 565 2055 690"> <thead> <tr> <th style="text-align: center;">AVM Vendor</th> <th style="text-align: center;">Acceptable FSD Score at 90%</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Clear Capital</td> <td style="text-align: center;">≤ 0.13</td> </tr> <tr> <td style="text-align: center;">Collateral Analytics</td> <td style="text-align: center;">≤ 0.10</td> </tr> <tr> <td style="text-align: center;">House Canary</td> <td style="text-align: center;">≤ 0.10</td> </tr> <tr> <td style="text-align: center;">Red Bell Real Estate (Homegenius)</td> <td style="text-align: center;">≤ 0.10</td> </tr> </tbody> </table>	AVM Vendor	Acceptable FSD Score at 90%	Clear Capital	≤ 0.13	Collateral Analytics	≤ 0.10	House Canary	≤ 0.10	Red Bell Real Estate (Homegenius)	≤ 0.10
AVM Vendor	Acceptable FSD Score at 90%										
Clear Capital	≤ 0.13										
Collateral Analytics	≤ 0.10										
House Canary	≤ 0.10										
Red Bell Real Estate (Homegenius)	≤ 0.10										
Property Condition Report	<ul style="list-style-type: none"> • When required, a Property Condition Report (i.e., Clear Capital Property Condition Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property's physical condition and characteristics. 										
Property	<ul style="list-style-type: none"> • Minimum property size 750 Square Feet • Condition Rating of C5/C6 not eligible • Any property located in a declining market as reported by the appraiser requires a 5% CLTV reduction. 										
Properties Recently Listed for Sale	<ul style="list-style-type: none"> • Properties listed for sale in the past 6-months are not eligible 										
Title Insurance	<p>Loan Amount ≤ \$250,000, provide one of the following</p> <ul style="list-style-type: none"> • Owner and Encumbrance Report (O&E) to include: <ul style="list-style-type: none"> ○ Current Grantee / Owner ○ How property was conveyed to current owner ○ Liens (e.g., mortgage, UCC, other financing) ○ Involuntary liens and judgements ○ Property Tax Information with break-down of all taxes including special assessments ○ Legal Description • ALTA Full Title Policy • ALTA Short Form Residential Limited Coverage Junior Loan Policy <p>Loan Amount > \$250,000, provide one of the following</p> <ul style="list-style-type: none"> • ALTA Full Title Policy • ALTA Short Form Residential Limited Coverage Junior Loan Policy 										
Homeowners Insurance	<ul style="list-style-type: none"> • Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis • Loss payee clause must reflect seller as additional insured 										



theSecond Matrix

Effective Date: 11.06.23
Updated 03.27.2024

				Owner Occupied		2 nd Home		Non-Owner Occupied	
				Full Doc	Bank Statement	Full Doc	Bank Statement	Full Doc	Bank Statement
Loan Amount	Max Combined Liens	Max DTI	FICO	CLTV		CLTV		CLTV	
\$75,000 - \$350,000	\$2M	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	\$2.5M	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%
\$450,001 - \$550,000	\$2.5M	50%	720	80%	75%	70%	65%	75%	65%
			700	80%	70%	70%	60%	70%	60%
			680	75%	65%	65%	55%	65%	55%
			660	70%	60%	60%	50%	60%	50%

Guidelines

Appraisal Requirements	<ul style="list-style-type: none"> O/O & Second Home <ul style="list-style-type: none"> New Appraisal and AVM supporting value within 10% variance. Greater than 10% variance, use lower of two values. OR - For Non-HPML loans - Previous appraisal within 12 months + CDA. Review value must be equal to or greater than appraisal. Non-O/O <ul style="list-style-type: none"> Previous appraisal within 12 months + CDA. Review value must be equal to or greater than appraisal. OR - New 2055 Appraisal and Appraisal Desk Review supporting value within 10% variance. Greater than 10% variance, use lower of two values. 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. The occupying borrower with the highest income is the primary borrower and their representative credit score is to be used. <ul style="list-style-type: none"> When borrowers are self-employed and have equal ownership of a business, the lowest representative score of all borrowers is to be used. Minimum credit score for co-borrowers is 500. 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 Collections and Charge-offs ≤ \$1,000 may remain open 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



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Geographic Restrictions	<ul style="list-style-type: none"> • Not available in <ul style="list-style-type: none"> ○ Illinois ○ Massachusetts ○ New Jersey ○ New York ○ 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 • 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 • Deferred balance due to a documented hardship may remain open. Without documented hardship, deferred amounts must be paid through closing. Negative amortization • Reverse mortgages • Balloon loans that the balloon payment comes due during the amortization period of the 2nd lien
Senior Lien Payment Calc	<ul style="list-style-type: none"> • 1st lien ARMS with < 3 years fixed period remaining qualified on fully indexed payment
Property Type	<ul style="list-style-type: none"> • SFR • PUD • Condo-Warrantable • Modular • 2-4 Units max 75% LTV for O/O, 70% for non-O/O • Rural – Full doc only, Primary residence, 5 acres maximum
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. • On Primary residence only, borrowers who do not have the minimum tradelines are acceptable with a current mortgage history on their credit report reporting 0x30x12 (no private party mortgages).
Vesting	<ul style="list-style-type: none"> • Vesting as an individual, Living Trusts and Business Entities allowed
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):



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- 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)