

PRODUCT DESCRIPTION
<ul style="list-style-type: none"> Available for Self-Employed and W-2 borrowers Minimum loan amount \$100,000 Primary and Secondary Residence only (See Diamond and Diamond Plus for Investment)

GEOGRAPHIC RESTRICTIONS
Available in CA, CO, OR and TX

PROGRAMS
5/1, 7/1 ARM, 15YR Fixed and 30YR Fixed
I/O feature for 5/1, 7/1 ARM and 30YR Fixed

CREDIT GRADING	FULL DOC (2YR)			FULL DOC (1YR)	
	A	B	B MINUS	A	B
FICO	620	620	620	620	620
Mortgage/Rent History	1x30x12	0x60x12	0x90x12	1x30x12	0x60x12
BK - Chapter 13 (Discharge Only)	12 Mon	Settled	Settled	12 Mon	Settled
BK - Other Discharges & Dismissals	24 Mon	24 Mon	12 Mon	24 Mon	24 Mon
Foreclosure	24 Mon	24 Mon	12 Mon	24 Mon	24 Mon
Short Sale/DIL/Loan Mod	24 Mon	Settled	Settled	24 Mon	Settled

FULL DOC - PRIMARY & SECOND HOMES* (REFER TO OCCUPANCY SECTION)					
	Grade	Min. FICO	LTV / CLTV		Maximum Loan
			Purch/RateTerm	Cash Out	
2YR FULL DOC	A	720+	90	85	<= 1,000,000
			90	80	1,000,001 1,500,000
			85	75	1,500,001 - 2,000,000
		680-719	90	80	<= 1,000,000
			90	80	1,000,001 1,500,000
			80	75	1,500,001 - 2,000,000
		660-679	85	80	<= 1,000,000
			85	80	1,000,001 1,500,000
			80	75	1,500,001 - 2,000,000
		640-659	85	80	<= 1,000,000
			80	75	1,000,001 1,500,000
		620-639	80	80	<= 1,000,000
	80		75	1,000,001 1,500,000	
	B	620+	80	75	<= 1,000,000
80			75	1,000,001 1,500,000	
B-	620+	75	70	<= 1,000,000	
1YR FULL DOC	A	720+	85	80	<= 1,000,000
			80	75	1,000,001 1,500,000
			75	70	1,500,001 - 2,000,000
		680-719	80	75	<= 1,000,000
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		660-679	80	70	<= 1,000,000
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			70	70	1,500,001 - 2,000,000

CREDIT GRADING	BANK STATEMENTS (24 MONTHS)			BANK STATEMENTS (12 MONTHS)	
	A	B	B MINUS	A	B
FICO	620	620	620	620	620
Mortgage/Rent History	1x30x12	0x60x12	0x90x12	1x30x12	0x60x12
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BANK STATEMENTS - PRIMARY & SECOND HOMES* (REFER TO OCCUPANCY SECTION)

	Grade	Min. FICO	LTV / CLTV		Maximum Loan
			Purch/RateTerm	Cash Out	
24 MONTH BANK STATEMENTS	A	720+	90*/85	80	<= 1,000,000
			85	75	1,000,001 1,500,000
			80	70	1,500,001 - 2,000,000
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	B	620+	80	75	<= 1,000,000
80			70	1,000,001 1,500,000	

	Grade	Min. FICO	LTV / CLTV		Maximum Loan
			Purch/RateTerm	Cash Out	
12 MONTH BANK STATEMENTS	A	720+	80	80	1,000,000
			80	75	1,000,001 1,500,000
			75	70	1,500,001 - 2,000,000
		680-719	80	75	1,000,000
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	660-679	75	70	1,000,000	
		75	70	1,000,001 1,500,000	
		70	70	1,500,001 - 2,000,000	

ARMS CAPS & MARGINS	<ul style="list-style-type: none"> 5/1: 12 Mon. LIBOR; 2/2/5 caps - Qualify @ greater of Fully-Indexed rate or Note Rate 7/1: 12 Mon. LIBOR; 5/2/5 caps - Qualify @ greater of Fully-Indexed rate or Note Rate Margins: <ul style="list-style-type: none"> A GRADE = 4.50% B & B MINUS GRADE = 5.50% 				
APPRAISAL REQUIREMENT	<ul style="list-style-type: none"> Required one appraisal for all loan amounts up to \$1,500,000 - 3 sold comps < 12 months old Appraisal with condition rating of =>C4 OR quality rate of Q6 - Not Eligible 2nd appraisal required for transactions: <ul style="list-style-type: none"> Loan > \$1,500,000 For Sale By Owner (FSBO) Flipped within 365 days; 10% or more increased in value in the past 12 months 5 sold comps < 12 months old Appraisal must be dated no later than 120 days at time of funding 				
BORROWERS	<table border="0" style="width:100%"> <tr> <td style="text-align:center">ELIGIBLE</td> <td style="text-align:center">INELIGIBLE</td> </tr> <tr> <td> <ul style="list-style-type: none"> US Citizen Permanent Residents Non-permanent Residents First Time Home Buyers Non-Occupant Co-Borrowers (on exception basis and Full Doc only) </td> <td> <ul style="list-style-type: none"> Foreign Nationals Tenants buying from Landlord Employees of originating entity Borrowers with diplomatic immunity Trust, LLC, etc. </td> </tr> </table>	ELIGIBLE	INELIGIBLE	<ul style="list-style-type: none"> US Citizen Permanent Residents Non-permanent Residents First Time Home Buyers Non-Occupant Co-Borrowers (on exception basis and Full Doc only) 	<ul style="list-style-type: none"> Foreign Nationals Tenants buying from Landlord Employees of originating entity Borrowers with diplomatic immunity Trust, LLC, etc.
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CASHOUT	<ul style="list-style-type: none"> If borrower acquired subject in the last 12 months, loan amount will not exceed the lower of the purchase price or appraised value. (delayed financing exception rules may apply if < 6 months) 		
	CASH IN HAND LIMITS		
		Loan <= \$1.00M	Loan > \$1.00M
	SFR	75% of value	70% of value
Condo/Units	70% of value	65% of value	
CONDOMINIUMS	ELIGIBLE		INELIGIBLE
	<ul style="list-style-type: none"> Fannie Mae warrantable HO6 coverage required Non-Warrantable subject to the following: <ol style="list-style-type: none"> Max LTV = 80% Max DTI = 43% Max loan = \$1,500,000 Maximum single ownership = 20% Maximum % of commercial = 35% HOA delinquencies > 15% case per case Internal project certification and approval required 12 months reserves (< 12mos w/compensating factors) 		<ul style="list-style-type: none"> Condo - Hotel Resort style projects Condo conversion less than 2 years old Single ownership > 20% EXCEPT project 5-19 units, max per individual = 2 units Commercial area > 35% of total area Non-conforming zoning Project in litigation
CREDIT REQUIREMENT	<ul style="list-style-type: none"> Use primary wage earner's FICO providing his/her income is > 55% of total household (Full Doc only) 		
	Tradelines:	# of Tradelines	24 Month Rating
		3	1 - Active
			12 Month Rating
		2 - Reported	
<ul style="list-style-type: none"> Housing history: Max 1x30x12 (Min 620 FICO) Collection and charge-off accounts > \$250 each and total of \$2,000 must be paid at closing Medical collections may remain unpaid for total up to \$10,000 Collection and charge-off accounts may remain open IF: <ol style="list-style-type: none"> Payments are included in DTI calculation AND Reserves are sufficient to cover balance of account(s) Consumer Credit Counseling (CCC) acceptable with 12 months rating Loan modification/Forebearance shall be treated as shortsale for grading determination Tax lien(s) and judgements must be paid at closing (Cashout only) Borrowers without housing history (rent free) are restricted to: <ol style="list-style-type: none"> DTI max 36% Full Doc only 5% minimum own's funds Minimum 6 months reserves Primary Only 			
ESCROW ACCOUNT	<ul style="list-style-type: none"> Required for all loans 		
FIRST TIME HOME BUYERS	<ul style="list-style-type: none"> Eligible with the following restrictions: <ol style="list-style-type: none"> Primary Residence only 0x30 rental history with 12 months proof of payments OR management company VOR Minimum 6 months reserves 		
	PAYMENT SHOCK		
		DTI <= 36%	DTI > 36%
	FICO >= 620	N/A	300%
	FICO < 620	N/A	200%
Using Gift Funds	N/A	150%	
GIFT FUNDS	<ul style="list-style-type: none"> 5% of borrower's own funds required LTV <= 75%: <ol style="list-style-type: none"> 100% of gift funds allowed. Use Fannie Mae for method of documentation Full Doc only 		
GIFT OF EQUITY	<ul style="list-style-type: none"> Acceptable with restrictions: <ol style="list-style-type: none"> Full Doc only Primary Residence only 12 month housing on subject mortgage to confirm sale is not a foreclosure bailout 		

INCOME	FULL DOC	W-2 Borrowers	<ul style="list-style-type: none"> • Most recent paycheck stubs covering 30 days • 2 most recent years W-2's + Tax Returns
		Self-Employed	<ul style="list-style-type: none"> • 2 most recent years of Tax Returns • YTD P&L & Balance Sheet
		• 4506T required for same period used for income qualification	
	BANK STATEMENTS		
	<ul style="list-style-type: none"> • Verification of minimum 2 years in same business - 2 years business license • Letter from CPA or Tax Preparer stating borrower's ownership percentage AND length of self-employment • Businesses that do not require a professional license MAY be accepted by letter from CPA or Tax Preparer to state the same. Additional information may be required at Underwriter's discretion • Certified copies of 2 months bank statements OR VOD including two previous statement average balances 		
24 MONTH BANK STATEMENTS	Option #1	<ul style="list-style-type: none"> • 24 months personal bank statements • 24 months Profit & Loss (P&L) self-prepared by borrower • 2 months business bank statements • Minimum 25% ownership • Income will be the "lower" of the initial 1003, P&L, or Underwriter's income analysis 	
	Option #2	<ul style="list-style-type: none"> • 24 months business bank statements • 24 months Profit & Loss (P&L) prepared by CPA/Tax Preparer • Minimum 100% ownership • Income will be the "lower" of the initial 1003, P&L, or Underwriter's income analysis 	
12 MONTH BANK STATEMENTS	Option #1	<ul style="list-style-type: none"> • 12 months PERSONAL bank statements (no business statements) • 12 months Profit & Loss (P&L) self-prepared by borrower • 2 months business bank statements • Minimum 100% ownership • Income will be the "lower" of the initial 1003, P&L, or Underwriter's income analysis 	
	<ul style="list-style-type: none"> • Restrictions: <ul style="list-style-type: none"> ○ Max DTI 43% ○ Minimum 660 FICO ○ Limited to sole proprietor and 100% business owners 		
INELIGIBLE TRANSACTIONS	<ul style="list-style-type: none"> • Employee of originating company • Employer / Employee Sales • Loans closed with Power of Attorney • Borrower affiliated with builder/developer or seller 		
INTEREST ONLY	<ul style="list-style-type: none"> • Interest only option available for 5/1 ARM, 7/1 ARM and 30 YR Fixed • I/O period = 120 months • Owner-Occupied only • Minimum FICO 660 • Qualifying ratios are based on the PITIA payment amortized over remaining 20 year loan term after I/O period has expired 		
LISTED PROPERTIES	<ul style="list-style-type: none"> • Must be removed from MLS & LOE from borrowers • R/T - No LTV restriction • Cashout: < 6 months from listing cancellation limits to 65% LTV. PRICE HIT APPLIES 		
LOAN TO VALUE RESTRICTIONS	<ul style="list-style-type: none"> • If loan balance < 150k = 80% Max LTV • Condo/2-4 Unit = 85% Max LTV • Non-Warrantable condos = 80% Max LTV / Max Loan Amount = \$1,500,000 • Rural Property = 80% Max LTV 		
MAXIMUM FEES	<ul style="list-style-type: none"> • Maximum points & fees = 3.00% without discount points • Points & fees may increase to 5.00% with bonafide discount points 		
MULTIPLE FINANCED	<ul style="list-style-type: none"> • Maximum 20 financed properties including subject property • Maximum 6 loans and/or \$3,000,000 for 1 borrower 		

NON-ARM'S LENGTH TRANSACTIONS	<ul style="list-style-type: none"> Eligible Non-Arm's length transactions: <ol style="list-style-type: none"> Renter(s) buying from Landlord - 12 months cancelled checks. VOR not acceptable Seller(s) representing as agents in real estate transaction Gift of Equity: <ul style="list-style-type: none"> Full Doc only Primary Residence only 12 month housing on subject mortgage to confirm sale is not a foreclosure bailout, amount must reflect on LE and CD Ineligible Non-Arm's Length Transactions: <ol style="list-style-type: none"> 2nd Home Cashout transactions FSBO Employer to employee transfer 																																																																										
OCCUPANCY	<ul style="list-style-type: none"> Second Homes: <ul style="list-style-type: none"> Maximum LTV/CLTV: 80% or Program max (whichever is lower) 																																																																										
PROPERTY TYPE	<p style="text-align: center;">ELIGIBLE</p> <ul style="list-style-type: none"> SFR/PUD 2 - 4 Units Condominiums Non-Warrantable condos Leasehold properties - Refer to Fannie Mae 	<p style="text-align: center;">INELIGIBLE PROPERTIES:</p> <ul style="list-style-type: none"> Properties with > 10 acres Condotel Agricultural properties SFR < 700 square feet 2-4 unit with each unit < 400 square feet Condo < 500 square feet 																																																																									
QUALIFYING RATE	<ul style="list-style-type: none"> 5/1 ARM: Qualify at the greater of Fully-Index OR Note Rate 7/1 ARM: Qualify at the greater of Fully-Index OR Note Rate 																																																																										
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PREPAYMENT PENALTY	<ul style="list-style-type: none"> Not allowed 																																																																										
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RESIDUAL INCOME		LTV/CLTV <= 80%	1st Dependent	Each Additional Dependent
	PRIMARY	\$1,250	\$250	\$125
	SECOND HOME	\$2,500	\$250	\$125
RESTRICTIONS	<ul style="list-style-type: none"> LTV Restrictions may apply to the following: Warrantable/Non-Warrantable Condos and 2-4 Units, and Declining Markets 			
SECONDARY FINANCING	<ul style="list-style-type: none"> Acceptable for institutional lender(s) only 			
SELLER'S CONCESSION	<ul style="list-style-type: none"> Max 3% of sales price 			
STATE SPECIFIC RESTRICTION(S)	<ul style="list-style-type: none"> Owner-Occupied refinance transactions in TX are not eligible 			
SUBORDINATION	<ul style="list-style-type: none"> Prior-approval must be reviewed by Excelerate Capital 			

RESERVED FOR FUTURE USE