

WHOLESALE DIVISION

17802 Sky Park Circle, Ste 100, Irvine, CA 92614

www.EC-TPO.com

rev. November 28, 2017

PRODUCT DESCRIPTION
<ul style="list-style-type: none"> • Full doc available for Self-Employed and W-2 borrowers • 24 Month Bank Statements for Self-Employed borrowers • Minimum loan amount \$150,000 • Primary Residence Only

GEOGRAPHIC RESTRICTIONS
Available in CA, CO, OR and TX

PROGRAMS
5/1 ARM, 7/1 ARM, 15YR Fixed and 30YR Fixed

FULL DOC					
	Grade	Min. FICO	LTV / CLTV		Maximum Loan
			Purch/RateTerm	Cash Out	
PRIMARY & SECOND HOMES* (REFER TO OCCUPANCY SECTION)	B	600-619	80	80	<= 1,000,000
			80	75	1,000,001 - 1,500,000
		580-619	80	75	<= 1,000,000
			80	75	1,000,001 - 1,500,000
	B-	540-579	75	70	<= 1,000,000
		500-619	70	65	<= 1,000,000

BANK STATEMENTS					
	Grade	Min. FICO	LTV / CLTV		Maximum Loan
			Purch/RateTerm	Cash Out	
PRIMARY & SECOND HOMES* (REFER TO OCCUPANCY SECTION)	B	600-619	80	75	<= 1,000,000
			80	70	1,000,001 - 1,500,000
		580-619	80	75	<= 1,000,000
			80	70	1,000,001 - 1,500,000

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 = 5.5%

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	ELIGIBLE	INELIGIBLE
	<ul style="list-style-type: none"> • US Citizen • Permanent Residents • Non-permanent Residents (with restrictions) • 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.

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:	<table border="1"> <thead> <tr> <th># of Tradelines</th> <th>24 Month Rating</th> <th>12 Month Rating</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>1 - Active</td> <td>2 - Reported</td> </tr> </tbody> </table>	# of Tradelines	24 Month Rating	12 Month Rating	3	1 - Active	2 - Reported		
# of Tradelines	24 Month Rating	12 Month Rating								
3	1 - Active	2 - Reported								
	<ul style="list-style-type: none"> Housing history: Max 0x90x12 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 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) 									
	FULL DOC									
	Primary Residence	Max Housing	0x 60 x 12	0 x 90 x 12	1 x 120 x 12					
		LTV - Purchase/RT	75%	75%	65%					
		LTV - Cashout	70%	70%	65%					
		MIN FICO	540	500	500					
		Max Loan	\$1,000,000	\$1,000,000	\$1,000,000					
		BK - Chapter 13 (Discharge Only)	Settled	Settled	Settled					
		BK - Other Discharges & Dismissals	24 Months	12 Months	Settled					
		Foreclosures	24 Months	12 Months	Settled					
	SS/DIL/Mod	Settled	Settled	Settled						
	Second Home	Max Housing	0x 60 x 12	0 x 90 x 12	1 x 120 x 12					
		LTV - Purchase/RT	75%	75%	65%					
		LTV - Cashout	70%	70%	65%					
		MIN FICO	540	540	540					
		Max Loan	\$1,000,000	\$1,000,000	\$1,000,000					
		BK - Chapter 13 (Discharge Only)	Settled	Settled	Settled					
		BK - Other Discharges & Dismissals	24 Months	12 Months	Settled					
		Foreclosures	24 Months	12 Months	Settled					
	SS/DIL/Mod	Settled	Settled	Settled						

CREDIT REQUIREMENTS	BANK STATEMENTS (24 MONTHS)																		
	Primary Residence/ Second Home	Max Housing	0x 60 x 12	0 x 90 x 12	1 x 120 x 12														
		LTV - Purchase/RT	80%	N/A	N/A														
		LTV - Cashout	75%	N/A	N/A														
		MIN FICO	580	N/A	N/A														
		Max Loan	\$1,500,000	N/A	N/A														
		BK - Chapter 13 (Discharge Only)	Settled	N/A	N/A														
		BK - Other Discharges & Dismissals	24 Months	N/A	N/A														
		Foreclosures	24 Months	N/A	N/A														
SS/DIL/Mod		Settled	N/A	N/A															
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 <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th colspan="3">PAYMENT SHOCK</th> </tr> <tr> <th></th> <th>DTI <= 36%</th> <th>DTI > 36%</th> </tr> </thead> <tbody> <tr> <td>FICO >= 620</td> <td>N/A</td> <td>300%</td> </tr> <tr> <td>FICO < 620</td> <td>N/A</td> <td>200%</td> </tr> <tr> <td>Using Gift Funds</td> <td>N/A</td> <td>150%</td> </tr> </tbody> </table>				PAYMENT SHOCK				DTI <= 36%	DTI > 36%	FICO >= 620	N/A	300%	FICO < 620	N/A	200%	Using Gift Funds	N/A	150%
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 																
	24 MONTH BANK STATEMENTS	<ul style="list-style-type: none"> 4506T required for same period used for income qualification 																	
		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 																		
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 																		
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 																		

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 			
NON-ARM'S LENGTH TRANSACTIONS	<ul style="list-style-type: none"> Ineligible Non-Arm's Length Transactions: <ol style="list-style-type: none"> 2nd Home Cashout transactions FSBO Employer to employee transfer 			
NON-OCCUPANT CO-BORROWERS	<ul style="list-style-type: none"> On exception basis only 			
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) A, B, and B MINUS credit grades only Min FICO 540 			
PROPERTY TYPE	ELIGIBLE	INELIGIBLE PROPERTIES		
	<ul style="list-style-type: none"> SFR/PUD 2 - 4 Units Condominiums Non-Warrantable condos Leasehold properties - Refer to Fannie Mae 	<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 			
QUALIFYING RATIOS	<ul style="list-style-type: none"> Maximum DTI - 50% 			
PREPAYMENT PENALTY	<ul style="list-style-type: none"> Not allowed 			
RESERVES	FULL DOC	PRIMARY RESIDENCE	DTI <=43%	DTI > 43%
		Loan Amount - <= \$1.00M	2 Mon PITI	6 Mon PITI
		Loan Amount - \$1.00 - 1.5M	6 Mon PITI	6 Mon PITI
		SECOND HOME	DTI <=43%	DTI > 43%
		Loan Amount - <= \$1.00M	2 Mon PITI	6 Mon PITI
		Loan Amount - \$1.00 - 1.5M	6 Mon PITI	6 Mon PITI
	24 MONTH BANK STATEMENTS	PRIMARY RESIDENCE	DTI <=43%	DTI > 43%
		Loan Amount - <= \$1.00M	6 Mon PITI	6 Mon PITI
		Loan Amount - \$1.00 - 1.5M	6 Mon PITI	6 Mon PITI
		SECOND HOME	DTI <=43%	DTI > 43%
		Loan Amount - <= \$1.00M	6 Mon PITI	6 Mon PITI
		Loan Amount - \$1.00 - 1.5M	6 Mon PITI	6 Mon PITI
<ul style="list-style-type: none"> Cashout proceeds MAY be considered for reserves based on the following criteria: <ul style="list-style-type: none"> Max loan = \$1.00M Cashout must be used for debt consolidation AND net cash-in-hand must meet one of the below: <ol style="list-style-type: none"> Total Monthly Obligations reduced by 15% OR \$500 OR reduce PITIA by => 10% (Max mortgage late 1x30x12) Retirement funds - IRA, 401K may be used at 60% of "vested" value Stocks/Bonds/Mutual Funds may be used at 70% of value Borrowers with multi-financed properties are required to have 2 mons PITI for each financed properties in addition to subject property 				

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 			
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