

## FULL INCOME DOCUMENTATION (FULL DOC) <sup>2, 8, 9</sup>

1-4 Unit Primary Residence <sup>10</sup>; 1-Unit Second Home; 1-4 Unit Investment Property <sup>7</sup>

**PRODUCT DESCRIPTION:** This program is designed for Borrowers who are not eligible for agency and prime credit jumbo loans. Income Documentation: Paystub & W-2 (1 YR and 2YR); 1YR and 2YR Tax Returns for Self-Employed

THIS IS A QUICK GUIDE FOR THE FULL DOC PROGRAM. REFER TO FULL GUIDELINES FOR ACCESS WHICH SUPERSEDE THIS DOCUMENT.

Purchase and Rate/Term Refinance			
<=\$1,000,000 <sup>1</sup>			
FICO	Owner Occupied	Second Home	Investment
740	90% <sup>8</sup>	85%	80%
720	90% <sup>8</sup>	85%	80%
700	90% <sup>8</sup>	85%	80%
680	85% <sup>8</sup>	80%	80%
660	85% <sup>8</sup>	80%	80%
640	75%	75%	75%
620	70%	70%	70%
<=\$1,500,000			
FICO	Owner Occupied	Second Home	Investment
740	90% <sup>8</sup>	85%	80%
720	90% <sup>8</sup>	85%	80%
700	85% <sup>8</sup>	85%	80%
680	85%	80%	80%
660	80%	80%	75%
640	75%	75%	75%
620	70%	70%	70%
<=\$2,000,000			
FICO	Owner Occupied	Second Home	Investment
740	90% <sup>8</sup>	80%	80%
720	90% <sup>8</sup>	80%	80%
700	85%	80%	80%
680	80%	80%	80%
660	80%	75%	75%
640	70%	65%	65%
<=\$2,500,000 <sup>6</sup>			
FICO	Owner Occupied	Second Home	Investment
740	85%	80%	80%
720	85%	80%	80%
700	80%	80%	80%
680	80%	80%	75%
660	70%	70%	70%

Cash Out Refinance <sup>3, 4, 5, 9</sup>			
<=\$1,000,000 <sup>1</sup>			
FICO	Owner Occupied	Second Home	Investment
740	80%	80%	80%
720	80%	80%	80%
700	80%	80%	80%
680	80%	80%	75%
660	75%	75%	70%
640	70%	70%	65%
620	65%	65%	65%
<=\$1,500,000			
FICO	Owner Occupied	Second Home	Investment
740	80%	80%	80%
720	80%	80%	80%
700	80%	80%	80%
680	80%	80%	75%
660	75%	75%	70%
640	65%	65%	65%
620	65%	65%	65%
<=\$2,000,000			
FICO	Owner Occupied	Second Home	Investment
740	80%	80%	80%
720	80%	80%	80%
700	80%	75%	75%
680	80%	75%	75%
660	70%	70%	70%
640	60%	55%	55%
<=\$2,500,000 <sup>6</sup>			
FICO	Owner Occupied	Second Home	Investment
740	80%	80%	75%
720	80%	80%	75%
700	80%	80%	75%
680	75%	75%	75%
660	65%	65%	65%

Matrix continues on next page

## MATRIX CONTINUED

<=\$3,000,000 <sup>6</sup>			
	Owner Occupied	Second Home	Investment
740	80%	80%	80%
720	80%	80%	80%
700	80%	75%	75%
680	75%	75%	75%
<=\$3,500,000 <sup>6</sup>			
	Owner Occupied	Second Home	Investment
740	75%	60%	N/A
720	75%	60%	N/A
700	70%	N/A	N/A

<=\$3,000,000 <sup>6</sup>			
	Owner Occupied	Second Home	Investment
740	75%	75%	75%
720	75%	75%	75%
700	75%	75%	75%
680	75%	75%	75%
<=\$3,500,000 <sup>6</sup>			
	Owner Occupied	Second Home	Investment
740	65%	N/A	N/A
720	65%	N/A	N/A
700	60%	N/A	N/A

## MATRIX FOOTNOTES

### Footnotes (Apply to Matrix)

1. Minimum loan amount \$125,000
2. Max DTI is 50%
3. Max Cash-Out Refinance Limits:
  - For LTVs 65% and lower, unlimited cash-out funds
  - For LTVs > 65%, \$1M total cash-out funds
4. Loans using Asset Utilization are not eligible for Cash-Out Refinance
5. See Texas Cash-Out Refinances a/k/a Texas Home Equity Loans section of the full guidelines for full details regarding Texas Home Equity Section 50(a)(6) eligibility.
6. Loan amounts >\$2MM require Credit Committee approval; NO EXCEPTIONS TO MAX LOAN AMOUNT
7. Non-Warrantable Condo transactions limited to 80% max LTV
8. Interest Only is capped at 85% LTV up to \$2M and 80% over \$2M max with min 700 FICO
9. Non-Permanent Resident Alien borrowers
  - Max 80% LTV
  - Purchase & Rate-Term Refinances only; Cash-Out Refinance not eligible
10. 2-4 Unit Properties – Max 85% LTV

## GUIDELINES

### Credit Requirements

Use the middle score of the primary income earner. A borrower's documented income may not be excluded to determine the primary income earner on a file. Borrowers with only one (1) bureau reporting are not eligible. Each borrower must have three trade lines and a credit history covering 24 months. One trade line must have been open and active within the last 6 months. At least one trade line must be seasoned for 24 months.

### Age of Documents

Asset statements are generally valid for 120 days. Asset statements provided must cover at least 60 days. The title report/commitment/certification is valid for 120 days. The credit report is good for 120 days from report date to note date.

### Qualifying ARM Payment

Note that these requirements are superseded by any regulatory requirements such as HPML, unless exempt by definition.

**Fully-Amortized ARM Loans:** Qualified at the greater of the Note rate or the index plus margin, using the full term of the loan

**Interest Only Loan:** Interest-Only loans have a ten (10) year interest-only period and are fully amortized for the remaining term. The loan cannot be qualified at the interest-only payment.

Determine a simulated fully amortizing payment for purposes of loan qualification based on the following:

- For 30-year loan – use a 20-year term and the Note rate\* to simulate the qualifying payment
- For 40-year loan – use a 30-year term and the Note rate\* to simulate the qualifying payment.

\* For IO ARMs, use the greater of the Note rate or fully-indexed rate (index + margin)

Interest-Only loans will require a minimum 700 FICO .

Interest Only is capped at max LTV of 85% or the max LTV defined by the eligibility matrix, whichever is less.

## GUIDELINES

<b>Eligible Borrowers</b>	<p>Eligible Borrowers include United States Citizens, Permanent Resident Aliens, Non-Permanent Resident Aliens, and First Time Home Buyers.</p> <p>Non-Permanent Resident Aliens are eligible for Purchase and Rate-Term Refinance transactions only with a maximum LTV of 80%. Cash-Out Refinances are not eligible. See full guidelines for eligible visa types and additional requirements.</p> <p>FTHB Eligible with one of the following: Document a 12-month rental history (documented via cancelled checks, paid by the borrower or an institutional VOR completed by a management company; private party/landlord VORs are not an acceptable form of documentation) within the 3 years prior to application showing 0x30. Payment shock cannot exceed 300%* (*see full guidelines for exceptions); if a FTHB is living rent-free or cannot document a 12mo housing history, the following eligibility criteria must apply in lieu of payment shock: 80% max LTV, 680 minimum FICO, primary residence only, reserves must be borrower sourced, LOX from owner/leaseholder of borrower's current address verifying rent free status.</p> <p>Non-Occupant Co-Borrowers are eligible under the below guidelines.</p> <ul style="list-style-type: none"> <li>Primary Residence Only</li> <li>1-Unit Only</li> <li>Purchase and Rate/Term Refinance Transactions Only</li> <li>Max Loan Amount \$1,500,000 (\$1,000,000 for ITIN transactions)</li> <li>Max 80% LTV</li> <li>LTV reduced by 5% <ul style="list-style-type: none"> <li>This is exclusive of the 80% Max LTV. A loan which would be 85% must be reduced to 80% and would be acceptable. A loan which would be 80% must be reduced to 75%</li> </ul> </li> <li>The occupant borrower must contribute 50% of the total income required to qualify and front-end HTI may not exceed 60%. Income and assets are fully blended to determine back-end DTI of 50%. Non-occupant co-borrower may contribute remaining funds to close and reserves</li> </ul>
<b>Ineligible Borrowers</b>	<ul style="list-style-type: none"> <li>Borrowers with diplomatic immunity</li> <li>Borrowers without a social security number or a number that cannot be validated with the SSA.</li> <li>Life Estate</li> <li>Non-revocable trust – no exceptions</li> <li>Guardianships</li> <li>Borrowers previously convicted of mortgage fraud</li> <li>Broker company employees and owners, except Full Doc transactions. If Full Doc, broker cannot represent him/herself in the transaction; also, a letter of explanation is required, and additional due diligence may be needed</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>1-4 unit attached and detached properties (Max LTV of 85% for 2-4 unit properties)</li> <li>Attached and detached PUDs</li> <li>Attached and detached Condos which are warrantable under Fannie Mae/Freddie Mac criteria.</li> <li>Non-Warrantable Condos with one Non-Warrantable feature (see Non-Warrantable Condo section). Max 80% LTV. Pricing adjustments apply</li> <li>Condotels (review "Condotels" section of REM N Access guidelines for eligibility rules)</li> <li>Properties with an Accessory Unit (ADU) must meet Fannie Mae/Freddie Mac criteria. SFR with 2 ADUs are permitted only if the following criteria are met: appraiser confirms compliance with local regulations, appraiser provides a minimum of 2 comparable properties with 2 ADUs, the value and/or income from only one unit may be used.</li> <li>TBD Properties (file must be resubmitted when property address is found – valid change of circumstance to add the property address is ineligible for this product).</li> <li>Rural properties are eligible as primary residence or second homes only. Investment properties are not eligible. Must be primarily for residential use. Property must not be agricultural or provide a source of income to the borrower. Lot size and acreage must be typical for the area and similar to the surrounding properties. Present use as per the appraisal must be the highest and best use for the property. Maximum 75% LTV/CLTV. See Agriculturally Zoned Properties section of full guides for exception cases.</li> </ul>

## GUIDELINES

<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>▪ Acreage greater than 20 acres (appraisal must include total acreage)</li> <li>▪ Mixed Use Properties</li> <li>▪ Log Homes</li> <li>▪ <b>Boarding Homes</b></li> <li>▪ Manufactured housing/Modular homes</li> <li>▪ Properties subject to oil and/or gas leases</li> <li>▪ Unique properties</li> <li>▪ <b>Agriculturally Zoned Properties (exceptions may be considered on a case-by-case basis)</b></li> <li>▪ Working farms, ranches, or orchards</li> <li>▪ Hobby farms</li> <li>▪ Co-ops</li> <li>▪ Properties in Lava Zones 1 and 2</li> <li>▪ Properties with a condition rating of C5 or C6</li> </ul>
<b>Geographic Eligibility</b>	<p>The Access product suite is eligible in ALL states. No state subprime or equivalent allowed. Loans that fall under the definition of New York Subprime Home Loan are not eligible for the product. In the event an appraisal indicates a property is located in a declining market, a 5% LTV reduction will be applied.</p> <p><b>Second Home and Investment Properties in the City of Baltimore are ineligible</b></p>
<b># of Properties Owned</b>	<p>Loan/Property restrictions per borrower are as follows:</p> <ul style="list-style-type: none"> <li>• Borrowers are collectively limited to eight (8) loans either issued or purchased by REMN/HBFS not to exceed \$10,000,000. If greater than four (4) loans, then REMN WS Credit Committee approval is required</li> <li>• Borrowers with &gt; 15 properties are not eligible for any second home or investment property transaction (purchase, rate/term, or cash-out). This is an aggregate based on all borrowers, and includes commercial properties and properties owned free and clear</li> <li>• Borrowers may have REMN/HBFS financing on a maximum of 5% of the properties in a condominium project. Condo project will require upfront validation with the Project Standards group to ensure maximum exposure in the project has not been reached.</li> <li>• For projects ≤ 10 total units, financing on a maximum of 1 unit is allowed</li> <li>• Multiple simultaneous submissions require REMN management approval</li> </ul>
<b>Pre-Payment Penalties</b>	<p>Prepayment penalties may be placed on investment properties (all documentation types) where allowed and to the extent permitted by state and federal law. Except as otherwise specified or directed, the prepayment penalty placed shall be for a term of at least 1 year and permit the Borrower to pay down up to 20% of the original principal balance per 12-month period. Any pay downs (including complete payoff) which exceed 20% per year are penalized in an amount not less than six (6) months interest on the amount prepaid which exceeds 20% of the original principal balance, unless restricted by state/federal law. Any loan which has a prepayment penalty must be a business purpose loan as defined in 12 CFR 1026.3(a). This includes cash-out refinance transactions, where the cash-out proceeds must be used solely for business purposes. Prepayment penalties are available for terms up to five (5) years. Pricing implications may apply in the event that a PPP shorter than three years or no PPP is placed.</p> <p>Eligible states for PPP are AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL*, IN, KS, KY, LA, MA, ME, MD*, MO, MT, NC, ND, NE, NH, NJ*, NV, NY, OK, OR, PA*, SC, SD, TN, TX, UT, VA, VT, WA*, WI, WY</p> <p>*State Specific Limitations</p> <p>Illinois – PPP permitted only when closing in an LLC or a corporation</p> <p>Maryland – Note must include Choice of Law – Title 12, Subtitle 10 Credit Grantor provisions</p> <p>New Jersey – PPP permitted only when closing in a corporation</p> <p>Pennsylvania – Minimum loan balance of \$312,159 required to allow PPP on 1-2 unit properties</p> <p>Rhode Island – Max 1 year prepay period. Purchase transactions must have a Flat-Pay structure</p> <p>Washington – PPP permitted only on fixed rate transactions</p>

## GUIDELINES

<b>Income</b>	The income of each borrower who will be obligated for the mortgage debt must be analyzed to determine whether his/her income level can be reasonably expected to continue through at least the first three years of the mortgage loan. Income from other sources can be considered when properly verified and documented. All sources of income included in the loan qualification must be stable, with a reasonable expectation that at least the same level of income will continue for a minimum of three years. In no case can income be used for qualification if there is any knowledge or documentation indicating that the income will terminate within the first three years of the loan.
<b>Reserves</b>	Loan amount up to \$1.5MM – 6 months PITIA Loan amount above \$1.5MM up to \$2MM – 9 months PITIA Loan amount above \$2MM up to \$3.5MM – 12 months PITIA Other real estate owned – 2 months of each property's PITIA
<b>Gifts</b>	A borrower of a mortgage loan may use funds received as a personal gift from an acceptable donor as a source of funds to close, closing costs, and funds to pay down debts. The gift donor must be a relative. A relative is any person related by blood, legal proceedings, marriage, or adoption and also includes a fiancé or domestic partner. Gift funds may not be used for reserves. The borrower must contribute 5% of the purchase price from their own funds, except as otherwise specified. A purchase of a primary residence with an LTV ≤80 does not require a borrower contribution, except as otherwise specified. Gift funds are eligible on primary, second, and investment properties. For second home and investment properties, the borrower must contribute 5% of the purchase price from their own funds if the LTV > 75%. No minimum borrower contribution is required for LTV ≤ 75%. For ITIN borrowers, gift funds are not permitted on investment properties.
<b>Maximum Seller Concession</b>	On a primary or second home, 9% up to 75 LTV and 6% to 90 LTV. On an investment property, 6%.
<b>LLC and Corporation Requirements</b>	<p>Domestic LLCs and Corporations are eligible subject to the requirements below.</p> <ul style="list-style-type: none"> <li>• Investment property transactions only</li> <li>• Must be legal in the state in which the LLC/Corporation is being formed</li> <li>• LLC/Corporation must be formed in the same state where property is located</li> <li>• LLC/Corporation must have been created to manage rental properties only</li> <li>• Title may be held in the LLC/Corporation; however, the loan application must be made in the individual borrower's name.</li> <li>• All borrowers must sign the Deed of Trust/Mortgage as individuals and as authorized signors of the LLC/Corporation therefore subject property mortgage debt will be reported on the borrower's credit report</li> <li>• No more than four (4) owners for an LLC/Corporation; Members of the LLC/Corporation must be beneficial owners of the property</li> <li>• The operating agreement must provide the term of the LLC/Corporation and the members authorized to encumber the LLC/Corporation as guarantors. Organizational meeting minutes may be required if the operating agreement does not clearly identify the powers of the managing partners.</li> <li>• All owners of the LLC/Corporation (no more than four) are borrowers on the transaction.</li> </ul> <p>Documentation Requirements</p> <ul style="list-style-type: none"> <li>• Articles of Organization or Articles of Incorporation or equivalent</li> <li>• Operating Agreement</li> <li>• By-Laws, including all amendments (for Corporations only)</li> <li>• Unanimous Consent &amp; Resolution to Borrow, which must include lender name, loan amount, and property address</li> <li>• SS-4 Form listing tax ID Number</li> <li>• Certificate of Good Standing from the applicable Secretary of State's office (print out from sec of state website not acceptable), dated within 60 days of the note date</li> </ul>

## GUIDELINES

### Appraisals

Appraisals may not be more than 120 days old as of the note date. All transactions require a new appraisal. Appraisals must be ordered through a REMN approved Appraisal Management Company.

#### Determining Collateral Value

Collateral valuations impact the determination of the loan-to-value ratios, as well as approval and identification of exceptions. Loans wherein the best usage is as a "tear down and replace" are not eligible. The methods for determining collateral value are different for purchase versus refinance transactions (see below). In instances where two full appraisals are completed, utilize the lower of the two.

#### Purchase Transaction

The collateral value is based upon the lesser of the sales price (minus concessions or excess contributions) or the appraised value.

#### Rate/Term Refinance Transaction

The current value may be used provided the value is supported both by appraisal and a CDA with a variance  $\leq 10\%$ . **\*See full guidelines for complete valuation requirements**

#### Cash-Out Refinance Transaction

**For properties own six months or longer:** the current value may be used provided the value is supported both by appraisal and a CDA with a variance  $\leq 10\%$ . **\*See full guidelines for complete valuation requirements**

**For properties owned less than six months:** the LTV/CLTV will be based on the lesser of the original purchase price plus improvements or current appraisal value. Proof of improvements are required. Proof of purchase is required as evidenced by final CD from the property purchase.

In instances where one appraisal is required, the CU and/or LCA score must be reviewed. If the CU and/or LCA score is less than or equal to 2.5, no additional appraisal review products are required unless otherwise specified. If the CU and/or LCA score exceeds 2.5, there is no CU and/or LCA score, or the risk flag is high: **an additional valuation product may be required; \*See full guidelines for complete valuation requirements**

#### For each transferred appraisal, the following criteria must be met:

- A copy of the appraiser's current license, to be independently verified by REMN WS
- A copy of the appraiser's current E&O Policy with sufficient coverage name the appraiser as insured
- If the appraisal is a transferred appraisal, the AMC must provide an assignment of appraisal to REMN WS. In lieu of this requirement the AMC's business license must be independently verified by REMN WS.
- The AIR certificate confirming compliance with Dodd-Frank AIR requirements
- A desk review from the Appraisal Department

#### Appraisal Requirements:

Up to and including \$2,000,000 – One Appraisal

Above \$2,000,000 – Two Appraisals

HPML Loan with a Flipped Property\* – Two Appraisals (Borrower is not permitted to pay for 2<sup>nd</sup> appraisal)

**\*For HPML loans, the borrower must provide evidence of receipt of the appraisal(s) or 3 calendar days must have elapsed since delivery of the appraisal(s) report.**