Tax ID Max-Select Guidelines

1. Overview

This underwriting guide outlines investor's underwriting requirements for its Delegated ITIN mortgage program. This document serves as a supplement to the Fannie Mae underwriting guidelines. All loans must comply with the current version of the Fannie Mae guidelines at the time of loan application, except where this underwriting guide differs. For questions not addressed by this guide and the FNMA guidelines, please reach out to your investor representative for assistance.
At least one borrower on each loan is required to be an individual with a valid ITIN number or be a non-permanent resident

2. Products

Select Program

Tax ID Max-Select

Program Max LTV/FICO		Primary
Loan Amount	FICO	Purchase
$150,000 - $650,000	740+	80%
	720-739	80%
	700-719	80%
	680-699	80%
	660-679	80%
	640-659	80%
$650,001 - $800,000	740+	75%
	720-739	75%
	700-719	75%
	680-699	75%
	660-679	75%
	640-659	75%
12-month VOR on all 75.01>LTV's		

Amortization	
Max Terms	
SFOO	30 years
2-4 Unit	25 years
15, 20, 25, 30 Year Fixed (Fully Amortizing)	

Income Types	
Full Doc ITIN	Alt Doc ITIN
1040's & WVOE; 1040's for SE	12 Month P&L
WVOE Only Program	12 Month Bank Statements

Be In Mortgage

Premier Program

Tax ID Max-Select Premier

Program Max LTV/FICO		Primary
Loan Amount	FICO	Purchase
$150,000-$650,000	725+	80%
	700-724	80%
	690-699	80%
	680-689	80%
$650,001-$800,000	725+	75%
	700-724	75%
	690-699	75%
	680-689	75%

Amortization	
Max Terms	
SFOO	30 years
2-4 Unit	25 years
15,20,25,30 Year Fixed(Fully Amortizing)	

Income Types	
Full Doc ITIN	Alt Doc ITIN
1040's WVOE; 1040's for SE	12 Month P&L
WVOE Only Program	12 Month Bank Statements

- Eligible Loan Types
  - Purchase of primary residence
  - Rate and Term refinance of the borrower's primary residence
- Loans Ineligible for the Tax ID Max-Select Program
  - Section 32
  - Section 35 without escrow or impound established
  - Blanket (cross collateralized loans)
  - Loans with terms greater than 30 years
  - Home Equity Lines of Credit
  - Interest Only Loans
  - Arm loans
  - Bridge loans
  - Construction to Permanent loans
  - Cash out refinance loans

3. Limited Power of Attorney

Not permitted

4. Ability to Repay

- All loans that are subject to Reg Z 'Ability to Repay" must demonstrate an ability to repay. Some underwriting factors that are considered under Reg Z Ability to Repay include:
  - Current employment status
  - Current income and assets
  - Monthly mortgage payments for subject property and all real estate owned
  - Monthly payments of any installment loans
  - Monthly payments for other mortgage related debts / expenses (e.g. taxes, insurance, HOI, HOA, etc.)
  - Other financial obligations such as child support, maintenance, alimony, and other court mandated debts
  - Monthly DTI
  - Credit history of all borrowers
  - Residual income
- Loan files that are subject to the Ability to Repay regulation must include a borrower certification attesting to the following:
  - borrower has fully disclosed their financial obligations;
  - borrower has reviewed and understands the loan terms; and
  - borrower has the ability to repay the loan.

5. Borrower eligibility

- Ineligible Borrowers
  - Foreign Nationals who do not reside in the United States
  - All person with diplomatic immunity
  - Citizens of Iran, North Korea, Russia, Syria, Cuba, and the following regions of Ukraine:

Crimea, Donetsk and Luhansk

- LLCs, partnerships, corporations, trusts
- Persons sanctioned or blocked by OFAC
- Eligible Borrowers
- US Citizen
  As defined by the U.S. Department of Immigration and Naturalization Service
- Permanent Resident Alien

  Individual who is not a U.S. Citizen but maintains legal, permanent residency in the US. They typically have a "green card"
- Non-Permanent Resident Alien
- Individual who is not a U.S Citizen but lives in US
- ITIN borrowers

  Individuals who reside in the United States and have a valid ITIN number from the IRS for the purposes of paying taxes.

- Identification Requirements
  - US Citizen

    Unexpired US government issued drivers license or passport; and Social Security Card
  - Permanent Resident

    Unexpired government issued passport or US drivers license; and Social Security Card
  - Non-permanent Resident

    Unexpired government issued passport or US drivers license; and Social Security Card
  - ITIN Borrower
    - ☐ Unexpired government issued passport, consulindo card, or US drivers license; and unexpired ITIN letter
      - W7 is not accepted as a standalone document
      - If an expired ITIN letter is provided
        - Most recent filed 1040
        - Signed W7
    - ☐ ITIN must be assigned prior to loan application

- For loans with Non-Occupant Co-Borrowers the following applies
  - Maximum of 75% LTV
  - Rate and term refinances are not allowed

- A minimum credit score of 660 is required for each borrower
- Any non-occupant co-borrower must be an immediate relative.
- A relative, defined as the borrower's spouse, child, or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship

6. Credit

Full details of the loan will be evaluated. This includes the borrower's ability and willingness to repay. This will be based on, but not limited to, the borrower's credit history, employment history, income, asset statements, and a collateral review of the subject property.

- Credit Pull
  - The delegated partner will pull tri-merge credit and price off TransUnion only.
  - Tradeline Requirements*

    *Refer to Product Matrix section of this guide(Section II)
    - ☐ SELECT Product
      No tradeline requirements
    - ☐ PREMIER Product
      - 3 tradelines reporting for at least 12 months showing 0x30 OR
      - 2 tradelines reporting for at least 24 months showing 0x30 for the most recent 12 months
      - Authorized user accounts cannot be counted towards borrower's overall tradelines
  - The credit report is only valid for a maximum of 90 days
  - Credit scores shall be blended if there is more than one borrower on the loan
- Credit Score
  - All loans must have a minimum blended credit score of 640. Refer to product Matrix for additional details.
  - No score borrowers
    - ☐ Borrower will need to have three months of PITIA reserves
      - No gifts allowed
    - ☐ Max 75% LTV
- Housing History
  - VOM/VOR
    - ☐ Required on Select product when LTV is >75%. However, it is not required when a borrower qualifies for the Premier product.
    - ☐ Acceptable as stand-alone if completed by 3rd party management company

- ☐ Private VORs filled out by private individual
  Provide supporting documentation that includes 12 months of canceled checks, venmo transfers, zelle transfers, CashApp, Google Pay, PayPal, Square or bank statement transfers.
- ☐ If a VOR cannot be obtained, provide a signed lease agreement with 12 months of supporting documentation that include canceled checks, venmo transfers, zelle transfers, CashApp, Google Pay, Paypal, Square, or bank statement transfers.

- Borrowers living rent free are acceptable as long as the following is satisfied
  - ☐ Spouse cannot own current residence
  - ☐ No occupancy concerns
  - ☐ Borrower must have six months of PITIA reserves
  - ☐ No gift funds allowed
  - ☐ Maximum 75% LTV
- If the borrower owns their current residence free and clear, nothing additional is needed.

- Derogatory Credit
  - Any housing event or credit event disqualifies borrower from the Tax ID Max-Select program. There can be no prior foreclosure, bankruptcy, charge-offs of mortgages, deed in lieu, pre-foreclosure, or similar events

7. Assets

- Eligible Assets
  - Checking Account
  - Savings Account
  - Certificates of Deposit
  - Retirement accounts
    - ☐ To be utilized, the borrower must liquidate retirement funds and transfer into personal checking/savings
    - ☐ If used for reserves only, there is no need to liquidate. May only use 70% of the balance
  - Business Checking/Savings Account
    - ☐ Must be a minimum 25% owner of business
    - ☐ If not 100% owned, need access letter(s) from all other owners
    - ☐ Letter from CPA/PTIN or borrower stating that use of business funds will not negatively impact the business
  - Marketable Securities Assets

- UTMA and UGMA Assets
- Anticipated Sales Process
  - ☐ Pre-Closing Disclosure needed
  - ☐ Final CD

- Ineligible Assets
  - Digital Currency
  - Non vested Stock Options
  - Rent Credits
  - Private Stock
  - ITF Fund
  - Restricted Stock Units
  - Unsecured Loans, sweat equity, and gifts that require repayment
  - Trust Assets
  - Foreign Bank Accounts

- Verification of Assets
  - Complete copies of bank statements or investment statements covering the most recent three consecutive months. These must cover the account activity for the most recent periods and have no gaps
  - The statements must include the following information:
    - ☐ Borrower as account holder
    - ☐ Account numbers
    - ☐ Timeframe the statements cover
    - ☐ Include all withdrawal and deposit transactions
    - ☐ Previous closing balance, current balance, and ending account balance
  - Retirement accounts must be from the most recent 3 month period and identify the borrower's vested amount and terms

- Large Deposits
  - Large deposits must be sourced with copies of cancelled checks
    - ☐ Large deposits in personal account are defined as anything greater than or equal to 50% of monthly qualifying income
    - ☐ Large Deposits in business account are defined as anything greater than 50% of the average monthly gross income.

- Cash Deposits
  - Letter of explanation from borrower on how the funds were saved AND the timeframe over which they were saved
  - If cash deposits were from businesses, provide the LOX as well as an invoice

- Gift Funds
  - Fully executed gift letter by both donor and borrower(s) must include the following information
    - ☐ Specify the dollar amount of gift
    - ☐ Date the funds were transferred
    - ☐ No repayment expected statement
    - ☐ Donor's name, address, telephone number, and relationship to borrower
    - ☐ Donor cannot be an interested party to the transaction
  - There will be a LLPA for all gifted funds
  - 100% of gifted funds allowed. Max 75% LTV.
    - ☐ No seller concessions allowed
      - Borrower must provide 3 consecutive months of assets statements showing they have sufficient funds to cover the closing costs
  - Spousal Gift Funds

    Must be fully sourced and documented
  - Gifts of Equity
    - ☐ Allowed on non-arm's length transactions. Transactions with gifts of equity are subject to maximum LTVs (refer to rate sheet) Up to 100% of 75% LTV
      - Provide fully executed gift letter
      - Seller cannot be in default
      - Non-arm's length
  - Required to be an immediate relative
    - ☐ a relative, defined as the borrower's spouse, child, or other dependent, or by any other individual who is related to the borrower by blood, marriage, adoption, or legal guardianship
      - Market rate for sales price
      - No seller concessions allowed
  - Borrower must provide three consecutive months of assets statements showing they have sufficient funds to cover the closing costs

- ☐ Only for primary residences
- ☐ LLPA for gift of equity

8. Income and Employment Overview

- Overview
  - Application must show a complete 24 month history. But income documentation in file needs to cover at least 12 months. Any gaps in employment need to be explained.
    - Non-permanent resident borrowers who are considered self employed for >12 months but less than 24 months have a max LTV of 75%
  - Programs (refer to rate sheets for pricing adjustments)
    - ☐ Full Doc W2
    - ☐ Full Doc 1040
    - ☐ 12 month Profit and Loss Program
    - ☐ 12 month Bank Statement Income Program
- Compensating Factors
  - Be In Mortgage allows the maximum allowable DTI to increase with compensating factors. The chart is listed below and compensating factors are listed below

Qualifying Income	0 compensating factors	1 compensating factor	2 compensating factors
<$2,000	43%	43%	43%
>=$2,000 and <$50,000	43%	47%	50%
>=$50,000	43%	43%	43%

- ☐ Blended FICO is 700 or higher
- ☐ Borrower (who earns most income) has been employed in the same job for over 3 years
- ☐ Six months of PITIA in reserves after closing
- ☐ 12 months of PITIA in reserves
  - Will count as two compensating factors
  - If gift funds are being used, then #3 and #4 above cannot be used as compensating factors

9. Full Doc W2 Income

- Paystub/W2s
  - Paystub covering most recent 14 days and most recent W2
    - ☐ Paystubs must include the following
      - Clearly identify the borrower as the employee
      - Show the gross earnings and deductions for both Year to date and the pay period
      - Show the pay period covered
      - Show the employer's name
    - ☐ For ITIN borrowers, provide the following:
      - WVOE and most recent year signed 1040
        - Must pass directly between the lender and employer without being handled by any third party
        - Must not contain any alterations or erasures
        - Must have YTD and previous two years filled out

- WVOE only program
  - Required to pass directly between lender and employer without being handled by any third party
  - Not allowed contain any alterations or erasures
  - Required to have YTD and previous two years filled out
  - Processor certification must accompany the WVOE
    Processor certification must list what independent search was used to contact employer and list the information on WVOE. This includes, but is not limited to, income numbers, pay rate, raises, start date, comments, continuance, and other similar information.

- Overtime, Bonus, commission Income
  - Must be documented with a WVOE. WVOE is to confirm the historical receipt and current receipt of the variable income
  - WVOE must state that variable income is expected to continue
  - Variable income will be analyzed to determine the trend
    If variable income had a significant increase or decrease, employer to provide letter of explanation (LOX). LOX will then determine if income can be used.

- Seasonal Income
  - To determine seasonal income is consistent, income documentation in file must show that borrower has worked for the same employer for the past 24 months.
  - WVOE is required
  - Employer to provide letter of explanation stating that borrower is expected to return next season
  - Income to be annualized over a 12 month period

- Verbal Verification of Employment
  - Required for all jobs in which income is being used.
  - Must be completed 10 days prior to closing confirming that borrower is still employed

- Conflicting SSN/ITIN on income documentation
  - Can be cleared with the following documentation
    - ☐ Filed tax return or transcript matching ITIN of the borrower
    - ☐ WVOE matching the name and address of borrower(s)
    - ☐ Bank statement matching the name and address of borrower(s) that shows payroll deposits.

10. Full Doc Self Employed (Tax Return)

- Any borrower who has ownership interest of 25% or more in a business is considered self-employed and must provide the following income documentation for the Full Doc 1040 program.
  - Most recent year of personal 1040s with all schedules
  - If most recent year has not been filed, need proof of extensions and previous year of personal 1040s and transcripts
  - Corresponding year of tax transcripts
  - Corresponding year of business returns with all schedules, K1s, and other relevant information
  - A third party verification of the existence of borrowers business is required within 30 days of note date
    Verification must be from a third party, such as a CPA/PTIN, regulatory agency (Secretary of state), or an unexpired business license

11. 12 Month Profit and Loss Program

- Document proof of ownership.
  - Must be at least a 25% owner
  - If using letter from a PTIN/CPA, they must give what document was reviewed to give ownership percentage
- Document that borrower's business is active and has been operating for at least 12 months
- The P&L must cover exactly 12 months
- The P&L must be reviewed/attested to by a licensed and verifiable third party. 3rd party must have a PTIN number. An acceptable third party is:
  - CPA
  - Enrolled Agent
  - Annual Filing Seasoned Participant (AFSP)
  - Licensed Tax preparer
- If the 3rd party is just a licensed tax preparer, then there needs to be a two year experience history documented. Acceptable documentation includes:
  - Proof that PTIN's business has been active and operating for at least two years
  - Proof that PTIN has been employed by employer for at least two years
  - Minimum of 75 tax returns filed under the PTIN number
  - Required provide current year and previous two years of PTIN license For example, if loan was originated in 2023, need 2023, 2022 and 2021 licence
- Any differences for the preparer information between the P&L packet and IRS PTIN registry must be explained. Information including but not limited to address, phone number, name, and company
- Third parties must complete a questionnaire that provides information about how the borrower's business generates income, expenses, NAICS code, explanations for expenses that aren't applicable, as well as information regarding PTIN
- A verbal verification of the P&L must be completed by the lender's processor. Processor must use/list the independent search used to contact the preparer and confirm the following info on P&L
  - Gross Income
  - Total Expenses

- Net income

- Most recent two consecutive months of bank statements. Bank statements must be the ones which show business activity. The average monthly deposits (minus any non-income deposits) will be used to support the P&L. The average monthly deposits must be within 20% of the monthly gross revenue reflected on P&L
  - Anything outside 20% must be explained by borrower
  - Additional documentation must be provided to support explanation including but not limited to additional bank statements, invoices, cancelled checks, and job contracts.
    - ☐ If additional documentation is not obtainable, must use the full doc 1040 program

- The expenses on the P&L must make sense for the industry the borrower's business is in.
  - Business bank statements will be reviewed to ensure that expenses on P&L are in line with withdrawals.

For example, if borrower has $0 listed for materials on P&L and borrower is in painting industry, and the bank statements reflect withdrawals to Sherwin Williams. The P&L will then be considered invalid unless additional documentation or explanations are provided.

12. 12 Month Bank Statement Program

- 12 months of Business bank accounts, personal bank accounts addressed to a DBA, or personal accounts with evidence of business expenses can be used for qualification.
- Document ownership percentage. Must be at least 25% owner.
- Document that borrower's business is active and has been operating for at least the past 12 months
- A bank statement questionnaire "BSI Questionnaire" is required, providing information regarding the business is to be attested by the tax preparer.
    - How income is generated
    - Explanation of which expenses are applicable and not applicable
    - The qualified deposits
    - Gross annual revenue
    - Type of business structure: DBA, LLC, Corp, or Partnership
- Large deposits exceeding 50% of the total monthly gross deposit average must be fully sourced via canceled check or other reasonable documentation
- Statements should show a trend of ending balances that are stable or increasing over time.
- Decreasing or negative ending balances must be explained.
- An expense ratio will be used in the analysis that is from a licensed 3rd party

  The Expense Statement from the 3rd party must be prepared, signed, and dated by the third-party Tax Professional (defined as a CPA, AFSP, Enrolled Agent (EA), or Paid Tax Professional (PTIN)), specifying business expenses as a percentage of the gross annual sales/revenue prepared over the same timeframe of the bank statements provided. The statement must come from the BSI questionnaire. Lender must provide a processor cert confirming the ratio by contacting the preparer through an independent search.

- Any differences for the preparer information between the P&L packet and IRS PTIN registry must be explained. Information including but not limited to address, phone number, name, and company.
- A review of three months with the highest withdrawals will be done to confirm the consistency of expenses as well as the accuracy of the BSI questionnaire.
- Provide three months of personal statements OR business statements showing transfers to/from the income account
- Investor reserves the right to request additional information.

13. Rental Income

- All information must be provided on 1003
- All rentals will have a 25% vacancy factor taken from the lease agreement.
    - Rental Income/Loss will be calculated by taking the 75% rent amount and deducting the PITIA (Principal, Interest, Taxes, Insurance, Association Dues) from the Real Estate Owned (REO)
        - ☐ To document REO being free and clear provide one of the following
            - HOI policy with a blank mortgagee section
            - Letter from the HOI agent
            - Title Search
- Rental income from family members cannot be considered
- Current rental income
    - Copy of current signed lease
    - Proof of receipt dated within 60 days of application via cancelled check, zelle transfer, Square, PayPal, Venmo, Google Pay, CashApp transfers, or bank statement transfers
- Future Rental Income (Primary conversion)
    - Copy of executed lease
    - Proof of receipt of security deposit via cancelled check, zelle transfer, Square, PayPal, Venmo, Google Pay, CashApp transfers, or bank statement transfers
    - Tenant cannot be family member

- Subject property must be a CLEAR upgrade. A letter of explanation is required.

14. Other Sources of Income

- Unless otherwise noted as an unacceptable source of income, refer to FNMA guidelines
- Unacceptable Income Sources
  - Notes Receivable
  - Cryptocurrency
  - Foreign Income
  - Capital Gains
  - Interest/Dividend Income
  - Annuity Income
  - IRA distribution
  - Ready Asset
  - Asset Depletion
  - Automobile Allowance
  - Boarder Income
  - Foster-Care
  - Housing/Parsonage Income
  - Mortgage Credit Certificates
  - Mortgage Differential Payments Income
  - Public Assistance Income
  - Restricted Stock Units
  - Royalty Income
  - Trust Income
  - Any income generated outside of the United States

15. Interested Party Contributions

Occupancy Type	LTV/CLTV Ratio	Maximum IPC
Principal residence	75.01% to 80% LTV	3%
	75% LTV or less	6%

16. Letters of Explanation

- All Letters of Explanations (LOXs or LOEs) must be hand signed/e-signed AND dated
- Must be provided for the following
  - Undisclosed addresses
  - Credit Inquiries within 90 days
  - Credit delinquencies
  - Undisclosed Debt
  - Significant increase or decrease in income
  - Commutes longer than 60 miles to place of employment for W2 borrowers
  - For self-employed borrowers, moving more than 45 miles away from current operating area.

17. Property Insurance

- Coverage Requirements
  - The minimum required property insurance coverage amount for a first mortgage secured by a one- to four-unit property must be equal to the lesser of:
    - ☐ 100% of the replacement cost value of the improvements, or
    - ☐ the unpaid principal balance of the loan
- Deductible Requirements
  The maximum deductible allowed on a 1-4 unit HOI policy is 2% of the dwelling coverage.

- Mortgagee Clause
  The mortgagee clause on all HOI policies is the correspondent's mortgagee clause with ISAOA/ATIMA verbiage added

18. Flood Insurance

- The lender is required to ensure that the subject property is adequately protected by flood insurance when required. Refer to FNMA guideline requirements for coverage, deductible requirements and acceptable policies.
- Reference correspondent agreement for Flood Certification.
- Mortgagee Clause
  The mortgagee clause on all flood policies is the correspondent's mortgagee clause with ISAOA/ATIMA verbiage added

19. Title

- Refer to FNMA guidelines
- Be In Mortgage Title Overlays
  Leasehold properties are ineligible
- Be In Mortgage requires first lien marketable title

20. Subordinate Financing

Subordinate financing is not allowed

21. Appraisal Review

- Must be completed by AMC and provide FNMA SSR
- Appraisers are required to use the current appraisal report forms that are acceptable to FNMA
  - Uniform Residential Appraisal Form (FNMA form 1004)
  - Small Residential Income Property Appraisal Report (FNMA Form 1025)
  - Appraisal Update/and or Completion Report (FNMA Form 1004D)

- All appraisals must be completed “As-Is”
  Completion Report will be required prior to close if it is “subject to”

- Appraisal review must meet FNMA guidelines
  Property must be in C4 condition or higher. C5 and C6 properties are not allowed.

- Field Review must be ordered when
  - 2 comps have gross adjustments over 20%
  - FNMA SSR has a score over 2.5
  - Overvaluation Flag on FNMA SSR
  - 20-40% rapid appreciation from 6 months – 1 year

- Rapid Appreciation
  - Defined as 20-40% increase after 6 months up to 1 year
  - Maximum LTV of 75%
  - Provide receipts to document improvements

- Property Flips
  - A “flipped” property is defined as anything that falls within thresholds below (Refer to CFPB 1026.35)
    - ☐ The seller acquired the property 90 or fewer days prior to the date of the consumer's agreement to acquire the property and the price in the consumer's agreement to acquire the property exceeds the seller's acquisition price by more than 10 percent; or
    - ☐ The seller acquired the property 91 to 180 days prior to the date of the consumer's agreement to acquire the property and the price in the consumer's agreement to acquire the property exceeds the seller's acquisition price by more than 20 percent
  - Property flips are ineligible unless it’s a new build or falls under an exemption per CFPB 1026.35
    - ☐ If falls within “flip” threshold and is a new build, a second appraisal is required per CFPB 1026.35. Refer to CFPB 1026.35 for all requirements, rules,
    - ☐ regulations for this second appraisal.

22. Ineligible Properties

- Co Ops
- Timeshares
- Units with environmental hazards
- Commercial
- Multiple Dwellings on one lot
- Condos
- Farmland
- Vacant Land
- Homes on 3+ acres
- Agricultural Use Properties
- Leasehold Properties
- Mobile home/Manufactured Home
- Modular Home
- Condotels
- Properties with 5 or more units
- Houseboats
- Rural Properties

23. Expiration of Documentation

- Credit Report – 90 days
- Income – 90 days
- Assets - 90 days
- Appraisal – 180 days
- Title – 90 days

24. Excluded Parties List

Check required to be run on all parties related to the transaction and no party may be on the OFAC list

25. Maximum Number of Financed Properties

Four, which includes subject Real estate owned free and clear is omitted from total

ADDENDUM A

STREAMLINE REFINANCE PROGRAM OVERLAY

Products

a) Product Matrix

Tax ID Max-Select Streamline Refinance Matrix

Program Max LTV/FICO		Primary
Loan Amount	TUScore	REFI
$150,000-$650,000	700+	80%
	660-699	80%

Income Types	
Full Doc ITIN	Alt Doc ITIN
1040's &WVOE; 1040'S for SE	3 Month P&L
WVOE Only Program	3 Month Bank Statements

Amortization	
Max Terms	
SFOO	30 Years
15,20,30 Year Fixed(fully amortizing)	

Points

- Max origination points is 2.75%

Rate and term

- Max Cash out of $2,000

Occupancy

- Primary Residence Only

Qualification

- Existing mortgage is required to have pay history for a minimum of 12 months.
    - If the existing mortgage is less than 24 months old, the borrower's original LTV at time of purchase is required to have been 80% LTV or less.
    - If existing mortgage is >24 months old and <=48 months, the borrower's original LTV at time of purchase is required to have been 85% LTV or less.
    - If the existing mortgage is >48 months old, the borrower's original LTV at time of purchase is required to have been 90% LTV

Housing History

- Pay History showing 0x30 for the most recent 12 months from application date
    - If existing mortgage is reporting on borrower's credit report, then no additional information required
    - ii. If existing mortgage is NOT reporting on the credit report, provide a VOM with 12 months of cancelled checks or bank statements showing timely payments made by borrower

LTV Limits

- Max LTV 80%
- No Score borrowers max of 75% LTV

Title Requirements

- Borrower required to be on title prior to application date

Appraisal

- For transactions less than or equal to $400,000, an evaluation is required. Anything greater than $400,000 requires an appraisal. (Per Interagency Appraisal and Evaluation Guidelines via OCC)
    - Evaluation
        - ☐ FNMA form 2055 completed by a license appraiser via AMC
        - ☐ If 2 sold comparables have gross adjustments over 25% then a normal appraisal must be obtained
        - ☐ If SSRS reflect an overvaluation flag, then anormal appraisal must be obtained
    - Appraisal
      Required to meet all guidelines within Tax ID Max-Select program guidelines

*Please note: Loans failing Section 35 Higher priced Mortgage Loan (HPML), are required to meet Compliance requirements and order a full interior/ exterior appraisal prior to loan closing and meeting AIR requirements.

Credit

- No tradeline requirement
    - Any tradelines reporting on the credit report must be 0x30 for the most recent 12 months
    - ☐ Minimum score of 660
    - ☐ No score borrowers
    - Priced at 660
    - No alternate tradelines required

Income

- Self Employed
    - No need for tax transcripts on full doc self-employed borrowers
    - No other changes from investor Delegated Program guidelines

- W2
    - No need to follow VIII (f) – Conflicting SSN on paystubs/W2s
    - No other changes from investor Delegated Program
- P&L
    - Must cover a minimum of 3 months, maximum of 12 months
    - No need for 3 months of asset statements to validate the average monthly gross income on P&L
    - No need for verbal verification of P&L
    - No other changes from investor Delegated program guidelines
- BSI Overlays
    - Minimum of 3 months given, maximum of 12 months
    - Flat expense ratio of 65% used
    - If needing to lower expense ratio, then original guidelines must be met
    - If using a 3rd party expense ratio, no need to get a verbal verification
    - No other changes from investor Delegated program guidelines
- Max DTI of 50%

Assets

- Provide a bank statement showing 3% of the loan amount in liquidity
    - Each bank statement account used must cover a minimum of 30 days.
    - Required to have a positive balance and no NSFs
    - Large Deposits
    - ☐ Provide a letter of explanation stating the large deposit
        - If it was newly obtained debt not reporting on the credit report, then this new debt is required to be fully documented and added into the borrowers DTI.