

## Tax ID Max-SMC ITIN Flex Matrix

Loan amount	Fico	Reserves	Occupancy/LTV Max		Property Type/LTV Max		DTI
<750k	740+	Zero	Primary	85%	SFR	85%	50% standard
	700-739	Zero			Condo	75%	Up to 55 % DTI with >= 680 FICO or 6 months reserves
	680-699	Zero	2nd Home	75%	2-4 Units	70%	
	660-679	Zero			Manufactured	70%	
	640-659	Zero	NOO	75%	Gift of Equity not allowed for 85% LTV		
	No score	Zero					
General Requirements							
Min Loan Amount	130,000						
Max Loan Amount	750,000						
FC/SS/DIL/BK Seasoning	48 Months						
Documentation	Full + WVOE/ Bank Statement /1099/ P&L w/2 mos. Bank statements						
Max DTI	50% standard, 55% with FICO>=680 OR 6 months reserves						
Reserves	No reserves are required if FICO >=680 and Max DTI 55% If FICO <680 and DTI goes up to 55% 6 months of reserves are required.						
Mortgage/Rental History	0x30z12						
Gift Funds( O/O & 2nd home only)	100% of down payment can come from gift funds with FICO>=680				* Gift funds cannot be used towards reserves		
Minimum Borrower Contribution	5% down payment plus closing costs if FICO less than 680				* Closing costs must come from borrowerfunds no matter LTV		
Documentation Requirements							
Photo ID	Unexpired government issued photo ID						
IRS Letter	IRS letter confirming the ITIN is assigned to the borrower and ITIN was issued prior to loan application. Pages 1 & 2 are required and front and back of the letter						
DACA	DACA eligible with ITIN &SSN and valid US driver's licence of other government ID.						
IRS Form W-7	Borrowers will be required to execute IRS Form W-7 at closing						
OFAC	Check required on all borrowers						
Borrower Eligibility							
Employment/ Residence	Continuously live and work within the US for the past 2 years & reside at same location past 12 months						
Non Occupant Co- Borrowers	Occupant borrower Max DTI up to 55% Max LTV of 75%	Combined Borrowers DTI Max 50%	Occupying borrower must: Contribute to qualifying income. Have a FICO over 660			Co- Borrower cannot have an interest in the sale of the property, seller , builder, or RE.	

Income		
Full Documentation	Wage Earner	One of the following: WVOE, W-2 30 days - paystubs, 2 YR. Tax returns
	Self- Employed	2 YR. Tax returns( personal & business if applicable)   3rd party prepared YTD P&L
		Most recent 2 Mo. Bank statements supporting P&L
Self Employed Bank Statements	Borrower may use 12 months of personal bank statements to qualify if self-employed. Business narrative is required. Bank statement income analysis required. Take allowed deposits and divide by 12 to get the monthly income. Deposits from business must be typical and consistent.	
Expense Ratio (12 months business bank statements)	Business expense ratio is 50%, Deduct 50% of allowed deposits /income as an expense factor. Industry specific job types that apply to the 50% expense factor are: (general contractors, sub- contractors, electricians, plumbers, landscapers, etc. That typically have a lot of expenses) Ex. \$1,000,000 of allowed deposits and multiply by 50% = \$500,000 of business expenses and then subtract \$500,000 from \$1,000,000 equals \$500,000 of yearly income and then divide by 12 to get \$41,666.67 monthly income for qualifying purposes. A 10% expense ratio will be applied to self-employed borrowers who do not typically have a high number of business expenses like: (barbers, hair salon stylist, tattoo artists, consultant etc.)	
12 Month P&L with 2 months bank statements	12 month Profit & Loss statement representing total business revenue and expenses for the time period covered, prepared by a Certified Public Accountant an IRS Enrolled Agent, or a CTEC registered tax preparer. PTIN number will be used for verification. - P&L must contain the following language from the preparer: I certify that I have prepared this P&L to reasonably reflect the typical income and expenses from the business over compensated for services related to tax and financial records. Must also state they are not an employee of the borrower or a relative. - Documentation showing the tax prepare is currently licensed. - Verification of business existence and borrower's ownership percentage with one of the following: CPA letter, Tax preparer letter, operating agreement, business search listing or equivalent. - Self - Employed Business narrative form. Two months of bank statements validate the monthly income on P&L	
Large Deposits	Large deposits - Deposits exceeding 50% of the borrower's monthly income must be sourced to determine if business related or excluded.	
Rental Income	Documentation: - Current rental / lease agreement; AND -Complete Schedule of Real Estate Owned; AND -Signed Schedule E for most recent two(2) years -Documentation of timely receipt for the prior two (2) months rental payments. NOTE: If the borrower owns any 5 + units /apartments, the income figure will be taken from Schedule E.	

Assets	
Gift Funds	100% of down payment can come from gift funds if FICO is $\geq 680$ or borrower has 6 months of reserves. Borrower must use own funds for closing costs, gift funds cannot be used towards reserves. Gift funds are NOT allowed on NOO
Business Assets	Permitted with 3rd Party Tax Preparer/CPA stating withdraw of fund will not negatively impact the business. Must be sourced but not seasoned
Reserves	No reserves are required if FICO $\geq 680$ and Max DTI 55% If FICO $< 680$ and DTI goes up to 55% 6 months of reserves are required.
Personal Assets	Must be sourced but no seasoned

Credit		
Tradelines	* 3 open & active reporting for 12 months or 2 open and active reporting for 24 months	Must have 3 total tradelines and can use a 12 months VOR credit supplement or non-traditional alternative tradelines
Minimum Fico	640 FICO and no score allowed	
Non-Traditional Credit	All accounts must be verified using a supplemental credit report. Payment format reported as a 30,60, and 90 days late. *12 month verified housing history; and 2 of the following	
	Utility Payments	Installment Payments
	Local Store Payments	Leased Payment
		Insurance Payments
		School Tuition

Payment History		
Obligation:	Last 12 Months	Last 24 Months
Housing/Rent	0x30	1x30,0x60 or beyond
Installment, Non -Traditional or revolving	0x30	2x30 or 1x60 and beyond
Collections(excluding medical) Charge-offs, Repossessions	None	Allowed -collections aged over 2k must be paid in full prior to or at closing. Refer to guidelines.

Adverse Credit History	
Requirement	
Judgement and Tax liens	All outstanding balance must be paid in full prior to closing
Medical Collections	Excluded
BK/SS/DIL/BK seasoning	48 months seasoning
Consumer Credit Counseling/ Debt Management Plan	Must be discharged/complete 3 years prior to loan application

Appraisal	
Requirement	Appraisals are required to be ordered by an AMC and SSR's provided. A CDA from Clear Capital are preferred but if lender is using another firm, please confirm that the AMC is satisfactory.
CDA exceeds value threshold	If the CDA returns a value that is "Indeterminate" or if the CDA indicates a lower value than the appraised value that exceeds a 10% tolerance, then one (1) of the following requirements must be met:
	1. A Clear Capital BPO (Broker Price Opinion) and a Clear Capital Value Reconciliation of the three reports is required. The Value Reconciliation will be used for the appraised value of the property. The Seller is responsible for ordering the BPO and Value Reconciliation through Clear Capital.
	2. A field review or 2nd full appraisal may be provided (The lower value of the field review or 2nd appraisal and the original appraisal will be used as the appraised value)

Underwriting	
Credit, Income & Assets	Manual Underwriting will be used. Follow SMC guidelines and where applicable, follow FNMA underwriting guidelines if SMC guidelines do not address.
Collateral	Collateral quality generally needs to meet a C3 appraisal code but a C4 appraisal code will be accepted as long as there are no deferred maintenance repairs needed.
Due Diligence TPR Review	All loans require a cleared full due diligence TPR report and reliance letter in order to be purchased. Infinity IPS is our approved vendor for the ITIN FLEX program.