

NON QM BANK STATEMENTS

Effective Date: 3.2.2026

Program Max LTVs/CLTVs		Self Employed Only								
		Primary			Second Home			Investment Property		
Loan Amount	FICO	Purchase	Rate & Term	Cash Out	Purchase	Rate & Term	Cash Out	Purchase	Rate & Term	Cash Out
≤ \$1,000,000	740	90%	90%	80%	85%	80%	75%	85%	80%	75%
	700	90%	85%	80%	85%	80%	75%	85%	80%	75%
	680	85%	85%	75%	80%	80%	75%	80%	80%	70%
	660	80%	80%	75%	80%	80%	75%	80%	80%	70%
\$1,000,001 - \$1,500,000	700	85%	85%	80%	80%	80%	75%	80%	80%	75%
	680	85%	80%	75%	80%	80%	75%	80%	80%	70%
	660	80%	75%	75%	80%	75%	75%	75%	75%	70%
\$1,500,001 - \$2,000,000	740	85%	80%	75%	80%	80%	75%	80%	80%	70%
	720	80%	80%	75%	80%	80%	75%	80%	80%	70%
	700	80%	80%	70%	80%	80%	70%	80%	75%	70%
	680	80%	75%	70%	80%	75%	70%	75%	75%	65%
	660	75%	70%	65%	70%	70%	65%	70%	70%	60%
\$2,000,001 - \$2,500,000	720	80%	75%	70%	75%	75%	70%	75%	75%	65%
	700	75%	70%	65%	75%	70%	65%	75%	70%	65%
	680	70%	70%	65%	70%	70%	65%	70%	70%	60%
	660	70%	65%	N/A	65%	65%	N/A	65%	65%	N/A
\$2,500,001 - \$3,000,000*	720	75%	75%	70%	70%	70%	60%	70%	70%	60%
	700	70%	70%	65%	70%	70%	60%	70%	70%	60%
	680	70%	65%	65%	N/A	N/A	N/A	N/A	N/A	N/A
\$3,000,001 - \$3,500,000	720	70%	70%	N/A	60%	60%	N/A	70%	70%	N/A
	700	70%	65%	N/A	N/A	N/A	N/A	70%	65%	N/A
\$3,500,001 - \$4,000,000	720	70%	65%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Requirements						
Program Requirements		Property Overlays	Max LTV/CLTV		Products	
Min Loan Amount	\$150,000	Rural- Primary/Second Home Only, Purchases and Rate & Term Only. (Rural not permitted on Product 110).	75%		30 Year Fixed	
*Max Loan Amount on Second Home- Product 110 Only	\$2,500,000					
			Warrantable Condo	85%		
			Non-Warrantable Condo**	80%		
		2 - 4 Unit	85%		30 Year Fixed Interest Only and 40 Year Interest Only	
Max Loan Amount	\$4,000,000	Declining Markets	5% reduction from max qualifying LTV			
Max Cash Out LTV <= 60%	No Limit	Reserve Requirements			IO Period	10 Years
Max Cash Out LTV > 60%	\$750,000	<= \$1,500,000	6 Months		Amort Term	20/30 years
Max DTI		\$1,500,001 to \$2,000,000	9 Months		Final Maturity	30/40 Years
DTI > 43%	Residual Income of \$1,500 Req.	\$2,000,001 to \$4,000,000	12 Months		ARM Margins & Caps	
DTI > 50%, Max 55%	Allowed with min 700 FICO, Max 80% LTV/CLTV, Primary Only, No FTHB, Purchase or Rate and Term Only.				Not available	
		Cash Out can be used toward Reserves			Qualifying Rate	
		Interest Only	Max LTV/CLTV		Fixed = Note Rate	
		40 YR I/O	Max 85%		Qualifying Payment	
Credit Requirements		30 YR I/O	No Max		Fixed: Use Qualifying Rate for calculating PITIA	
Mortgage History	1x30x12	Geographic Overlays	Max LTV/CLTV/Loan Amount			
	Not Available on Product 130.	Investment Properites in Baltimore, MD and Philadelphia, PA are ineligible	Not Available			
Foreclosure Seasoning	48 Months	Product Code 110 Only: CT, FL, IL, NJ & NY	Purchase 85%; Rate & Term and Cash Out 80%; Max Loan Amount \$2MM		Interest-Only: Use the fully amortized payment with the Qualifying Rate over the fully amortized term of the loan. Maximum LTV/CLTV 85%. First Time Homebuyer Not Eligible.	
Loan Modification		Seasoning Requirements				
Chapter 7/11/13 BK Seasoning from Discharged/Dismissed Date		Properties owned less than 12 months but greater than 6 months: Property value is limited to the lesser of the current appraised value or purchase price plus documented improvements.				
		Refinance of a previous Cash-Out seasoned <1 year will be considered Cash Out.				
		Product 110 Only- Not eligible for refinance if there has been a prior cash out transaction, 1st or 2nd mortgage in the past 6 months. Also, if the subject property has been listed for sale within the past 12 months it is ineligible regardless of loan purpose.				



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Other Requirements

Property Types	SFR, PUD, Townhome, Warrantable Condo, Non- Warrantable Condo, 2-4 Units.
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit.
First Time Home Buyer	Eligible with the following: 1) 0x30x12 Rental History 2) No Interest Only 3) If living rent free, max 75% LTV/CLTV, min 680 FICO, primary residence only, minimum 5% own funds.
Credit	Use the representative score (lower of two or middle of three) of the primary wage earner. If the borrower and co-borrower jointly own the business being used for income qualifying the higher of their representative scores is used.
	Trade line requirements: 3 trade lines reporting for a minimum of 12-mos OR 2 trade lines reporting for a minimum of 24-mos. One trade line must have been active within the last 12 months.
Non- Occupant Co-Borrower	Primary Residence Only: Reduce LTV/CLTV from maximum qualifying by 5%. Occupant borrower must have a maximum DTI ratio of 60% (this excludes the income/debts of non-occupant borrowers). Blend income to determine back-end ratio, non-occupant co-borrower may contribute remaining funds to close and reserves.
Bank Statement Types	One of three types of bank statements can be used for income qualifying. 12-months Personal Bank Statements with 3-months Business Bank Statements; 12-months Business Bank Statements; or 12-months Commingled Bank Statements. Commingled meaning that the borrower uses a single personal bank account for both his personal and business financial transactions.
Business and Co-Mingled Bank Statements	Borrower must have a minimum of 25% ownership to use business bank statements. Apply a standard 50% expense factor, if the borrower's expense factor is lower it will need to be verified with a letter from a licensed tax professional. Minimum allowed expense factor is 10%. The business should be owned by the borrower and active for a minimum of two years. Borrowers who have been self-employed less than two year, but not less than one year prior to application are eligible with an additional six-months reserves, and by documenting two years of previous experience in the same line of work. The borrower must provide at least 12-months of bank statements supporting their self-employment and the existence of the business. Calculation: 12-months of deposits that are clearly business related * Percentage of Ownership * Expense Factor / 12.

Personal Bank Statements	Borrower(s) must have a minimum of 25% ownership. Three months business bank statements to show business cash flows in order to utilize 100% of business related deposits in personal account (no expense factor). Business must be active for a minimum of 2 years. Transfers into the personal account from the provided business account are permitted. Calculation: 12-months of deposits that are clearly business related and transfers from the provided business account / 12 (Percentage of Ownership should only apply if other account holder on bank statements is not going on the loan. Ex. Husband and Wife are on personal bank statements and husband is not going on the loan).
NSFs	Three instances with one or more in the most recent two months OR none in the most recent two months with five instances in 12 months.
**Non- Warrantable Condo	Full Condo Review Required. Only one non-warrantable feature is permitted. Allowable reasons are the following: Commercial Space- must be typical for the market, have no negative impact and be < 50% of the project space; Delinquent HOA Dues- no more than 20% of the total units in the project may be 60+ days past due; Investor Concentration- up to 60%; Single Owner/Entity- up to 25%; Litigation- is permitted as long as the lawsuit does not involve structural issues, health and safety issues, or does not impact the marketability of the project.
Gift Funds	Borrower must contribute 5% of their own funds towards the down payment.
Seller Concession	Primary & Second Home - 9% with max 75% LTV/CLTV; 6% with max 85% LTV/CLTV; 5% with max 90% LTV/CLTV; Investment - 3%. To be used towards closing costs.
Escrows	Required for taxes & insurance on HPML Loans. Escrows can be waived when HPML does not apply per product requirements. Refer to rate sheet for specifics.
Prepayment Penalty	Allowed on Investment Properties Only. Purchases, Rate & Term, and Cash Out if use meets Business Purpose Requirements. Permitted in the following states: AL, AR, AZ, CA, CO, CT, DC, FL, GA, HI, ID, IN, KY, LA, MA, MD (Maximum 3 years), ME, MN (Loan Amount >\$647,200), MO, MT, NC, NV, OK, OR, PA (Loan Amount >\$329,411 applies to 1- 2 Units only), SC, TN, TX, UT, VA (Loan Amount >\$75,000), WA, WI, WV, & WY. 1 to 5 year prepayment terms available.
Approved States	Please refer to approved states
Texas Home Equity 50 (a)(6) Cash Out	80% LTV/CLTV Max. One Unit Principal residences claimed as Borrower's homestead. Copy of current Mortgage or Note is required to determine previous terms are not subject to Texas 50 (a)(6). 12 month seasoning required. Maximum 2% fee limitation for all closing costs, fees and charges. Texas (a)(6) loan may not close until: 12 days after the borrower submits the loan application OR all borrowers sign the 12 day notices, whichever is later; One day after the borrower(s) receives a copy of the Initial Closing Disclosure and 12 months seasoning of the existing Texas (a)(6) loan.
Texas Non-Home Equity 50 (a)(4)	80% LTV/CLTV Max. The refinance must occur at least one year after the Home Equity Loan closed. The additional loan amount only covers the cost of refinancing and does not provide the borrower with any cash proceeds. All title holders must be provided with affidavit acknowledging the refinance of their Texas 50 (a)(6) loan to a no cash out Texas 50 (a)(4) refinance loan provided no later than 3 business days after the date the application is received AND at least 12 days before loan closing.