

DG Second Platinum – Standard and Alt Doc

Maximum CLTV – Standard Doc				
Loan Amount	Credit Score	Primary Residence	Second Home	Investment
\$350,000	740	90	80	75
	700	85	80	65
	680	75	75	NA
\$500,000	740	85	75	75
	700	85	75	65
	680	75	70	NA
Maximum CLTV – Alt Doc				
Loan Amount	Credit Score	Primary Residence	Second Home	Investment
\$350,000	740	85	75	70
	700	80	70	60
	680	75	65	NA
\$500,000	740	80	70	65
	700	75	65	60
	680	70	60	NA
Property Type				
<ul style="list-style-type: none">• Single Family (Attached, Detached, PUD)• 2-4 Unit residential properties (Max CLTV 75%)• Condominiums (Max CLTV 80%)• Rural: Not eligible				
Housing History	Credit Event Seasoning		Forbearance, Modification, or Deferral	First Time Home Buyer
0x30x12	BK/FC/SS/DIL/PreFC/MC/NOD: >= 48 Mo		> 12 Mo	Not Allowed
State Eligibility				
<ul style="list-style-type: none">• Not Eligible: Texas and Territories of Puerto Rico, Guam, & the US Virgin Islands• State Overlays for CT, FL, IL, NJ, NY:<ul style="list-style-type: none">◦ Single Family, Condominiums: Max CLTV 80%, min credit score 720◦ 2-4 Units: Max CLTV 75%, min credit score 720				
Declining Market				
If the appraisal report identifies the property in a declining market, the maximum CLTV is limited to 80% for all transactions.				
General Requirements				
Product and Term	<ul style="list-style-type: none">• Fixed Rate - Fully amortizing terms of 10, 15, 20, 25 & 30 years			
Loan Amounts	<ul style="list-style-type: none">• Min: \$50,000• Max: \$500,000			
Combined Loan Balance	<ul style="list-style-type: none">• The CLTV of the combined loan balances are restricted as follows:<ul style="list-style-type: none">◦ Combined loan balance > \$2,000,000 – maximum 80% CLTV◦ Combined loan balance > \$3,000,000 – maximum 75% CLTV• Maximum combined loan balance for all liens not to exceed \$4,000,000			
Loan Purpose	<ul style="list-style-type: none">• Stand-Alone Cash Out (minimum ownership of 6 months required)• Simultaneous Purchase, First Lien must be an Agency-eligible loan			
Occupancy	<ul style="list-style-type: none">• Primary, Second Home, Investment			
Cash-Out	<ul style="list-style-type: none">• Max cash-out: \$500,000			
Eligible Borrower	<ul style="list-style-type: none">• U.S. Citizen• Permanent Resident Alien• Non-Permanent Resident Alien: Max 80% CLTV			
Ineligible Loan Features	<ul style="list-style-type: none">• Lien Free Properties – if the subject property is lien free, including delayed financing, ineligible.• Unseasoned cash-out – if the existing lien is a cash-out, measured within six (6) months of the note date to note date.• Frequent Refinances – Two (2) or more cash-out refinances in the past twelve (12) months.• All existing subordinate liens must be satisfied except for solar panels, see Solar Panels section of the Seller Guide.<ul style="list-style-type: none">◦ All Solar Panel loans and leases with PACE/HERO financing must be paid off.			
Income Requirements				
Standard Doc	<ul style="list-style-type: none">• Wage/Salary: Paystubs, 1-year or 2-years W-2's, IRS Form 4506-C, Verbal VOE• Self-Employed: 1-year or 2-years of Personal and Business (If applicable) Tax Returns, YTD P&L, IRS Form 4506-C			

Personal Bank Statements	<ul style="list-style-type: none"> • 12- or 24-months of personal and 2-months of business bank statements • Qualifying income is determined by the total eligible deposits from the 12- or 24-months of personal statements divided by the number of statements • The business bank statements must reflect business activity and transfers to the personal account
Business Bank Statements	<ul style="list-style-type: none"> • 12 or 24-months of business bank statements. Qualifying income is determined by one of the following analysis methods: <ul style="list-style-type: none"> ◦ Fixed Expense Ratio (50%) ◦ Expense ratio provided by a 3rd party (CPA, EA, or tax preparer) with min ratio of 10% ◦ 3rd party prepared Profit & Loss Statement (CPA, EA, or tax preparer)
IRS Form 1099	<ul style="list-style-type: none"> • 1-year or 2-years 1099 • Fixed Expense Ratio of 10% • YTD documentation to support continued receipt of income
Written VOE	<ul style="list-style-type: none"> • FNMA Form 1005 • Two (2) most recent months of personal bank statements reflecting deposit(s) from employer on each of the statements • Max CLTV 80%

DG Second Platinum – Standard and Alt Doc, continued

Desktop Underwriter (DU) or Loan Product Advisor (LPA)	<ul style="list-style-type: none"> Final AUS findings must be included in the loanfile <ul style="list-style-type: none"> Fannie Mae: DU Approve/Eligible, or Freddie Mac: LPA Accept/Eligible Ineligible, Caution, or Refer with Caution not allowed For simultaneous purchase transactions only Findings permitted to be used for income, asset, and liability documentation Appraisal must follow the requirements of this program (appraisal waiver option from findings not eligible) Max DTI based upon CLTV restrictions for this program. See DTI section.
Underwriting Requirements	
Eligibility Criteria	<ul style="list-style-type: none"> For criteria that is not referenced in this matrix, follow the Closed End Second chapter in the Non-Agency Seller Guide
First Lien	<ul style="list-style-type: none"> First lien documentation requirements, all of the following apply: <ul style="list-style-type: none"> Copy of 1st lien Note <ul style="list-style-type: none"> Default interest rate on Note cannot exceed Note rate If Interest Only and/or ARM, terms of the Note to be reviewed (See DTI Requirements) Copy of most recent monthly mortgage payment statement <ul style="list-style-type: none"> Utilized to determine if payment includes escrows (See DTI Requirements) Ineligible First liens with high-risk features which can include, but are not limited to: <ul style="list-style-type: none"> Forbearance, modifications, or deferrals completed or reinstated within 12- months of the Note date Loans in active forbearance or deferment Negative amortization including loans with Paid-In-Kind (PIK) features Balloon, if the balloon payment becomes due during the amortization period of the new 2nd lien Reverse Mortgages Loans secured by more than one underlying property, including cross collateralized loans or blanket mortgages Home Equity Line of Credit Note with default interest rate greater than the Note rate
Credit and Fraud	<ul style="list-style-type: none"> Credit report Gap credit report or Undisclosed Debt Monitoring (UDM) Fraud report OFAC
Qualifying Credit Score	<ul style="list-style-type: none"> Use representative credit score of the borrower with the highest qualifying income
First Lien Payment Verification	<ul style="list-style-type: none"> Verify the 1st lien P&I payment with all of the following: <ul style="list-style-type: none"> Copy of 1st lien Note, and Copy of most recent monthly mortgage payment statement
Tradelines	<ul style="list-style-type: none"> Min: 2 reporting 24-months with/activity in the last 12-months or 3 reporting 12-months w/recent activity If the primary borrower has three (3) credit score, the minimum tradeline requirement is waived
Reserves	<ul style="list-style-type: none"> None required
Assets	<ul style="list-style-type: none"> Asset verification required if funds needed to consummate the transaction
DTI Requirements	<ul style="list-style-type: none"> Maximum DTI ratio: <ul style="list-style-type: none"> 50% DTI for CLTV less than or equal to 80% 45% DTI for CLTV greater than 80% Qualifying payment for first lien: <ul style="list-style-type: none"> Stand-alone: Utilize senior lien mortgage payment from credit report Simultaneous: Utilize 1st lien qualifying method <ul style="list-style-type: none"> Fixed rate: Note rate amortized over the total term ARMs: Qualifying rate is the higher of the fully indexed rate or note rate Interest Only (Fixed/ARM): Qualifying rate amortized over remaining term after expiration of the interest only period
Age of Documents	<ul style="list-style-type: none"> Credit Documents: May not be over 120-days old at the time of closing. Appraisals, Title Report (or O&E): May not be over 120-days old at time of closing. <ul style="list-style-type: none"> AVM may not be over 90- days old at time of closing.
Appraisal Requirements	

Desktop Underwriter (DU) or Loan Product Advisor (LPA)	<ul style="list-style-type: none"> Final AUS findings must be included in the loanfile <ul style="list-style-type: none"> Fannie Mae: DU Approve/Eligible, or Freddie Mac: LPA Accept/Eligible Ineligible, Caution, or Refer with Caution not allowed For simultaneous purchase transactions only Findings permitted to be used for income, asset, and liability documentation Appraisal must follow the requirements of this program (appraisal waiver option from findings not eligible) Max DTI based upon CLTV restrictions for this program. See DTI section. 								
Appraisals	<ul style="list-style-type: none"> HPML loans that are not Qualified Mortgages require a full appraisal with an interior inspection, regardless of loan balance. Any simultaneous transaction requires a full appraisal. Transferred appraisals are eligible. Primary valuation and secondary valuation are required for all loan files. <p>Primary Valuation - Loan Amount <=\$250,000 Provide one of the following:</p> <ul style="list-style-type: none"> AVM from approved vendor with an acceptable FSD score and a new Property Condition Report with acceptable findings <ul style="list-style-type: none"> AVM may not be more than 90 days old at closing (date the Note is signed) Exterior Drive-By appraisal (Hybrid or 2055 or 1075) <ul style="list-style-type: none"> Only allowed for one (1) unit property, with or without an accessory dwelling unit New Appraisal (FNMA Form 1004/1025/1073) Prior 1st lien appraisal dated within 12- months of subject loan Note date allowed subject to: <ul style="list-style-type: none"> The lender on the prior appraisal must be the same as the subject loan, and A new Property Condition Report with acceptable findings, and Recertification of value by the original appraiser. Broker Price Opinion (BPO) from one of the following: <ul style="list-style-type: none"> Clear Capital, or Consolidated Analytics, or Computershare, or Stewart Valuation Intelligence 								
Appraisals, continued	<p>Primary Valuation - Loan Amount >\$250,000 Provide one of the following:</p> <ul style="list-style-type: none"> New Appraisal (FNMA Form 1004/1025/1073) Prior 1st lien appraisal dated within 12- months of subject loan Note Date allowed subject to: <ul style="list-style-type: none"> The lender on the prior appraisal must be the same as the subject loan, and A new Property Condition Report with acceptable findings, and Recertification of value by the original appraiser, and AVM from approved vendor with an acceptable FSD score. <ul style="list-style-type: none"> AVM may not be more than 90 days old at closing (date the Note is signed) The lower of the Prior Appraisal value or the current AVM will be used to determine CLTV <p>Secondary Valuation Product Secondary valuation (review product) required in every file, through one of the following:</p> <ul style="list-style-type: none"> Acceptable review products include one of the following: <ul style="list-style-type: none"> The Seller may submit the appraisal report to Collateral Underwriter® (CU) or Loan Collateral Advisor® (LCA). An eligible score is 2.5 or less. The file must include a copy of the Submission Summary Report (SSR). Only one score required, if both scores (CU & LCA) provided, both required to be 2.5 or less. If the score exceeds 2.5, the file must include either an enhanced desk review, field review, or second appraisal; or An enhanced desk review product from one of the following: <ul style="list-style-type: none"> ARR from Stewart Valuation Intelligence FKA Pro Teck. CDA from Clear Capital. ARA from Computershare. CCA from Consolidated Analytics. VRR from Homegenius Real Estate Valreview Appraisal Review Value from Valligent (Veros Software Company) If the enhanced desk review or BPO product reflects a value more than 10% below the appraised value or cannot provide a validation, the file must include either a field review or a second appraisal. A field review or a second appraisal is acceptable. These may not be from the same appraiser or appraisal company as the original report. AVM from an approved vendor with an acceptable FSD score. <ul style="list-style-type: none"> AVM may not be more than 90 days old at closing (date the Note is signed). If primary valuation is based on an AVM, review must be from a different vendor. If two AVMs are ordered, the AVM with the higher FSD score (closest to zero) will be treated as the primary valuation product. <ul style="list-style-type: none"> The second AVM will be treated as the secondary valuation product and must support the primary AVM within 10%. If the second AVM does not support the primary AVM within 10%, the file must include either a BPO, exterior-only appraisal, or full appraisal. If both AVMs have the same FSD, the lower of the two property values must be utilized for determining the CLTV. Broker Price Opinion (BPO) <ul style="list-style-type: none"> If two BPOs are ordered, the BPO with the lowest value will be treated as the primary valuation product. If two BPOs are ordered, they must be completed by different brokers. 								
AVM and FSD Score	<p>The following AVM vendors are acceptable:</p> <table> <tr> <th>AVM Vendor</th><th>Acceptable FSD Score</th></tr> <tr> <td>Clear Capital</td><td>0.00 to 0.13</td></tr> <tr> <td>Collateral Analytics</td><td>0.00 to 0.10</td></tr> <tr> <td>House Canary</td><td>0.00 to 0.10</td></tr> </table>	AVM Vendor	Acceptable FSD Score	Clear Capital	0.00 to 0.13	Collateral Analytics	0.00 to 0.10	House Canary	0.00 to 0.10
AVM Vendor	Acceptable FSD Score								
Clear Capital	0.00 to 0.13								
Collateral Analytics	0.00 to 0.10								
House Canary	0.00 to 0.10								

	Red Bell Real Estate (Homegenius)	0.00 to 0.10
Property Condition Report	<ul style="list-style-type: none"> When required, a Property Condition Report (i.e., Clear Capital Property Condition Inspection) should be obtained to include an exterior photo of the subject property along with a rating of the property's physical condition and characteristics. 	
Recently Listed Properties	<ul style="list-style-type: none"> Properties currently listed for sale or previously listed for sale within the past 6-months are not eligible 	
Title Insurance	<p><u>Loan Amount <=\$250,000, provide one of the following</u></p> <ul style="list-style-type: none"> Owner and Encumbrance Report (O&E) to include: <ul style="list-style-type: none"> Current Grantee / Owner How property was conveyed to current owner Liens (e.g., mortgage, UCC, other financing) Involuntary liens and judgements Property Tax Information with break-down of all taxes including special assessments Legal Description ALTA Full Title Policy ALTA Short Form Residential Limited Coverage Junior Loan Policy <p><u>Loan Amount >\$250,000, provide one of the following</u></p> <ul style="list-style-type: none"> ALTA Full Title Policy ALTA Short Form Residential Limited Coverage Junior Loan Policy 	
Flood Certificate and Flood Insurance	<ul style="list-style-type: none"> Flood determination required for every loan file Properties within a flood zone require evidence of insurance coverage in accordance with the HFIAA <ul style="list-style-type: none"> Loss payee clause must reflect seller as additional insured. 	
Escrows	<ul style="list-style-type: none"> Escrows for taxes and insurance are not permitted for second lien programs 	
Hazard Insurance	<ul style="list-style-type: none"> Hazard Insurance coverage must provide for claims to be settled on a replacement cost basis Loss payee clause must reflect seller as additional insured 	