

PRODUCT DESCRIPTION

- Available for Self-Employed, W-2 borrowers, and Fixed Income Borrowers
- Program intended for "Business Purpose - Outside of Dodd-Frank"
- Minimum loan amount \$75,000
- **INVESTMENT PROPERTY - BUSINESS PURPOSE ONLY**

GEOGRAPHIC RESTRICTIONS

Available in CA, CO, OR and TX

PROGRAMS

3/1, 5/1, 7/1 ARM, 15YR and 30YR Fixed
I/O feature for 5/1, 7/1 ARM and 30YR Fixed

	Grade	Min. FICO	Reserves	LTV / CLTV		Maximum Loan
				Purch/RateTerm	Cash Out	
FULL DOC	A	720+	6	80	75	<=1,000,000
			12	75	75	1,000,001 1,500,000
			12	70	65	1,500,001 - 2,000,000
		700-719	6	80	75	<=1,000,000
			12	75	70	1,000,001 1,500,000
			12	70	65	1,500,001 - 2,000,000
		680-699	6	80	75	<=1,000,000
			12	75	70	1,000,001 1,500,000
			12	70	65	1,500,001 - 2,000,000
		660-679	6	80	70	<=1,000,000
			12	75	65	1,000,001 1,500,000
			12	70	60	1,500,001 - 2,000,000
640-659	6	80	70	<=1,000,000		
620-639	6	75	70	<=1,000,000		
B	620+	6	75	70	<=1,000,000	
B-	620+	6	70	65	<=1,000,000	
BANK STATEMENTS	A	720+	6	80	75	<=1,000,000
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CREDIT GRADING	A	B	B MINUS
FICO	620	540	540
Mortgage/Rent History	1x30x12	0x60x12	0x90x12
BK - Chapter 13 (Discharge Only)	12 Mon	Settled	Settled
BK - Other Discharges & Dismissals	24 Mon	24 Mon	12 Mon
Foreclosure	24 Mon	24 Mon	12 Mon
Short Sale/DIL/Loan Mod	24 Mon	Settled	Settled

PROGRAMS

5/1 ARM	12 Mon LIBOR - 2/2/5 CAPS
7/1 ARM	12 Mon LIBOR - 5/2/5 CAPS
15 YR FIXED	N/A
30 YR FIXED	N/A

MARGINS

ALL PROGRAMS	7.00%
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APPRAISAL REQUIREMENT	<ul style="list-style-type: none"> • Required one appraisal for all loan amounts up to \$1,500,000 - 3 sold comps < 12 months old • Appraisal with condition rating of =>C4 OR quality rate of Q6 - Not Eligible • 2nd appraisal required for transactions: <ul style="list-style-type: none"> ○ Loan > \$1,500,000 ○ For Sale By Owner (FSBO) ○ Flipped within 365 days; 10% or more increased in value in the past 12 months ○ 5 sold comps < 12 months old • Appraisal must be dated no later than 120 days at time of funding 										
BORROWERS	<table border="1"> <thead> <tr> <th colspan="2" style="background-color: #cccccc;">ELIGIBLE</th> </tr> </thead> <tbody> <tr> <td colspan="2"> <ul style="list-style-type: none"> • US Citizen • Permanent Residents • Non-permanent Residents • LLC/Partnerships/Corporation </td> </tr> </tbody> </table>	ELIGIBLE		<ul style="list-style-type: none"> • US Citizen • Permanent Residents • Non-permanent Residents • LLC/Partnerships/Corporation 		<table border="1"> <thead> <tr> <th colspan="2" style="background-color: #ff0000; color: white;">INELIGIBLE</th> </tr> </thead> <tbody> <tr> <td colspan="2"> <ul style="list-style-type: none"> • First Time Home Buyers • Tenants buying from Landlord • Employees of originating entity • Borrowers with diplomatic immunity • Borrowers from OFAC sanctioned countries </td> </tr> </tbody> </table>	INELIGIBLE		<ul style="list-style-type: none"> • First Time Home Buyers • Tenants buying from Landlord • Employees of originating entity • Borrowers with diplomatic immunity • Borrowers from OFAC sanctioned countries 		
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VESTING IN LLC/PARTNERSHIP/CORPORATION											
<ul style="list-style-type: none"> • Maximum number of members = 4 • All members must provide personal guarantee • Each member requires a separate 1003 and credit report • Borrower(s) must be majority owner of company • Documents required: <ol style="list-style-type: none"> 1. (Corps) Articles of Incorporation/Cert of Formation & Bylaws 2. (LLC) Articles or Organization/Cert of Formation & Operating Agreement 3. Tax identification number 4. Certificate of Good Standing 5. CPA letter and/or Certificate of authorization for the signer to execute on behalf of company 6. Internet Reverse Lookup for company 											
CASHOUT	<ul style="list-style-type: none"> • If borrower acquired subject in the last 12 months, loan amount will not exceed the lower of the purchase price or appraised value. (delayed financing exception rules may apply if < 6 months) 										
CASH IN HAND LIMITS											
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CREDIT REQUIREMENT	<ul style="list-style-type: none"> • Refer to Credit Grading matrix for housing history • Use primary wage earner's FICO providing his/her income is > 55% of total household (Full Doc only) <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Tradelines:</th> <th># of Tradelines</th> <th>24 Month Rating</th> <th>12 Month Rating</th> </tr> </thead> <tbody> <tr> <td></td> <td>3</td> <td>1 - Active</td> <td>2 - Reported</td> </tr> </tbody> </table>			Tradelines:	# of Tradelines	24 Month Rating	12 Month Rating		3	1 - Active	2 - Reported
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<ul style="list-style-type: none"> • Collection and charge-off accounts > \$250 each and total of \$2,000 must be paid at closing • Medical collections may remain unpaid for total up to \$10,000 • Collection and charge-off accounts may remain open IF: <ol style="list-style-type: none"> 1. Payments are included in DTI calculation AND 2. Reserves are sufficient to cover balance of account(s) • Consumer Credit Counseling (CCC) acceptable with 12 months rating • Loan modification/Forebearance shall be treated as shortsale for grading determination • Tax lien(s) and judgements must be paid at closing (Cashout only) 											

ESCROW ACCOUNT	<ul style="list-style-type: none"> Required 			
FIRST TIME HOME BUYERS	<ul style="list-style-type: none"> Ineligible 			
GIFT FUNDS	<ul style="list-style-type: none"> Acceptable after borrower's 20% contribution Gift funds may not be used for reserves 			
INCOME	FULL DOC	W-2 Borrowers	<ul style="list-style-type: none"> Most recent paycheck stubs covering 30 days 2 most recent years W-2's + Tax Returns 	
		Self-Employed	<ul style="list-style-type: none"> 2 most recent years of Tax Returns YTD P&L & Balance Sheet 	
		<ul style="list-style-type: none"> 4506T required for same period used for income qualification 		
	BANK STATEMENTS			
	<ul style="list-style-type: none"> Verification of minimum 2 years in same business - 2 years business license Letter from CPA or Tax Preparer stating borrower's ownership percentage AND length of self-employment Businesses that do not require a professional license MAY be accepted by letter from CPA or Tax Preparer to state the same. Additional information may be required at Underwriter's discretion Certified copies of 2 months bank statements OR VOD including two previous statement average balances 			
	24 MONTH BANK STATEMENTS		Option #1	<ul style="list-style-type: none"> 24 months personal bank statements 24 months Profit & Loss (P&L) self-prepared by borrower 2 months business bank statements Minimum 25% ownership Income will be the "lower" of the initial 1003, P&L, or UW's income analysis
Option #2			<ul style="list-style-type: none"> 24 months business bank statements 24 months Profit & Loss (P&L) prepared by CPA/Tax Preparer Minimum 100% ownership Income will be the "lower" of the initial 1003, P&L, or UW's income analysis 	
Option #1			<ul style="list-style-type: none"> 12 months PERSONAL bank statements (no business statements) 12 months Profit & Loss (P&L) self-prepared by borrower 2 months business bank statements Minimum 100% ownership Income will be the "lower" of the initial 1003, P&L, or UW's income analysis 	
		<ul style="list-style-type: none"> Restrictions: <ul style="list-style-type: none"> Max DTI 36% Minimum 640 FICO Limited to sole proprietor and 100% business owners 		
INELIGIBLE TRANSACTIONS	<ul style="list-style-type: none"> Employee of originating company Employer / Employee Sales Loans closed with Power of Attorney Borrower affiliated with builder/developer or seller 			
LISTED PROPERTIES	<ul style="list-style-type: none"> Must be removed from MLS & LOE from borrowers R/T - No LTV restriction Cashout: < 6 months from listing cancellation limits to 65% LTV. PPP REQUIRED 			
MAXIMUM FEES	<ul style="list-style-type: none"> Maximum loan points & fees = 5% 			
MULTIPLE FINANCED	<ul style="list-style-type: none"> Unlimited Maximum 6 loans and/or \$3,000,000 for 1 borrower 			
PROPERTY TYPE	ELIGIBLE		INELIGIBLE PROPERTIES:	
	<ul style="list-style-type: none"> SFR/PUD 2 - 4 Units Condominiums Non-Warrantable condos Leasehold properties - Refer to Fannie Mae 		<ul style="list-style-type: none"> Properties with > 10 acres Condotel Agricultural properties SFR < 700 square feet 2-4 unit with each unit < 400 square feet Condo < 500 square feet 	
QUALIFYING RATE	<ul style="list-style-type: none"> Qualifying interest is the greater of Note Rate or Fully Indexed Rate 			
QUALIFYING RATIOS	Max DTI	Full Doc	24 Mon B/S	12 Mon B/S
		50%	50%	43%
PREPAYMENT PENALTY	<ul style="list-style-type: none"> Standard 12 months PPP. PPP buyout option available Prepayment penalty = 6 months interest of 80% of outstanding principal balance 			

RESERVES	<ul style="list-style-type: none"> • Cashout proceeds may NOT be considered for reserves • Retirement funds - IRA, 401K may be used at 60% of "vested" value • Stocks/Bonds/Mutual Funds may be used at 70% of value • Borrowers with multi-financed properties are required to have 2 mons PITI for each financed properties in addition to subject property • Total reserve requirement for all properties max = 24 months PITI
RESIDUAL INCOME	<ul style="list-style-type: none"> • N/A
SECONDARY FINANCING	<ul style="list-style-type: none"> • Acceptable for institutional lender(s) only
SELLER'S CONCESSION	<ul style="list-style-type: none"> • Max 3% of sales price
STATE SPECIFIC RESTRICTION(S)	<ul style="list-style-type: none"> • N/A
SUBORDINATION	<ul style="list-style-type: none"> • Prior-approval must be reviewed by Excelebrate Capital

RESERVED FOR FUTURE USE