



Fixed Rate Second Liens

Credit Score	Purchase and Rate/Term - CLTV	Cash-out Refinance - CLTV
760+	95* / 90	N/A
740	95* / 90	N/A
720	95* / 90	N/A
700	85	80
680	85	80

Other CLTV Caps

2nd Homes	85	80
2-4 Units	85	80
Maximum Loan Balance	\$500,000	
Minimum Loan Balance	\$20,000	

Investment Properties are not permitted

* 95% CLTV Guideline Overlays

- Above overlays only apply when CLTV is 90.01-95%
- Minimum Credit Score of 760 required for 95% CLTV
- Minimum Credit Score of 720 required for Rate/Term Refi
- Maximum 35% DTI
- Primary Residence only.
- Single-family, PUDs, and Warrantable Condos only

	Simltaneous Piggyback Second	Stand Alone Seconds
Program Codes	30 Yr Fixed CE 2nds Piggyback 20 Yr Fixed CE 2nds Piggyback 15 Yr Fixed CE 2nds Piggyback 10 Yr Fixed CE 2nds Piggyback	Not Available

Underwriting Method	<ul style="list-style-type: none"> • FNMA DU Required to be run on all loans. • Freddie Mac LP not permitted. • Manual Underwriting not permitted
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DTI	<ul style="list-style-type: none"> • 43% regardless of DU Findings
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Eligible Borrowers	<ul style="list-style-type: none"> • No Non-Occupant co-borrower's.
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Loan Purpose	<ul style="list-style-type: none"> • Purchase (Non-Arm's length transactions are no permitted) <ul style="list-style-type: none"> - Must close simultaneous with an Agency eligible first lien. (Not HomeReady) • Rate/Term Refinance <ul style="list-style-type: none"> - May close simultaneous with an Agency eligible first lien. - Principal curtailment/principal reductions are not allowed - If Borrower receives more cash back than allowed on a rate/term refinance, EMM will consider the transaction a cash-out. • Cash-Out Refinance <ul style="list-style-type: none"> - May close concurrent with an Agency eligible first lien. <p>Note: Regardless of how the first lien transaction is treated, if any of the proceeds are for debt consolidation, debt payoff, or cash out then second lien will be treated as a cash-out refinance.</p>
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Credit	<ul style="list-style-type: none"> • A minimum of 680 credit score is required. • Borrowers without an established credit are Ineligible. Credit history to should contain at least Three (3) established opened and active trade lines: <ul style="list-style-type: none"> - One reported for a minimum of 24 months. - All active in the last 12 months (defined as last activity within 12 months of credit report date.) - One with a minimum \$2,500 high credit balance. • Borrower's that fail the 3 trade line criteria but have a minimum 1 open trade line may be considered if: <ul style="list-style-type: none"> - 8 or more trade lines reported and - Minimum 7 years of established credit history • Mortgage Housing History: <ul style="list-style-type: none"> - 0x30 in the pas 24 months - Borrowers must have a fully documented, recent, consecutive 24 housing history - Private Mtg holder or landlord requires 24 mos cancelled checks. No VOM/VOR
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<p>Assets</p>	<ul style="list-style-type: none"> • Borrower must contribute 5% of own funds to any purchase transaction • Borrower must have their own funds for down payment, closing costs and reserves • Gift funds and Gifts of equity are not permitted. <p>Reserves:</p> <ul style="list-style-type: none"> • Reserves above the DU requirements are required and must be manually calculated. <p>Subject Property:</p> <ul style="list-style-type: none"> - 3 months PITIA reserves ≤ 90% CLTV - 6 months PITIA reserves > 90% CLTV - Reserves are calculated by including the second lien payment <p>Other Financed properties:</p> <ul style="list-style-type: none"> - 2% of the total UPB of mortgages if borrower has 1 to 4 financed properties - 4% of the total UPB of mortgages if borrower has 5 to 6 financed properties or - 6% of the total UPB of mortgages if borrower has 7 to 10 financed properties
<p>Income</p>	<ul style="list-style-type: none"> • Income documented per DU • Day 1 certainty permitted if on the DU cert.
<p>Property</p>	<ul style="list-style-type: none"> • Property flips within 180 days are not permitted. • Transferred appraisals are not permitted. • Property Inspection Waivers (PIW's) are not permitted. • Properties currently listed for sale or listed for sale in the past 6 months are ineligible for refinance transactions. <p>Eligible Property Types:</p> <ul style="list-style-type: none"> - Single Family Residence (Attached and Detached) - PUD's (Attached and Detached) - 2-4 Unit's - Agency Warrantable condo's <p>Ineligible Property Types:</p> <ul style="list-style-type: none"> - Mixed Use; Rural and Agricultuarally zoned; Co-Ops; Age restricted properties; Condition rating of C5 or C6; properties located in a decling market as determined by appraisal or valuation report.
<p>Appraisal Valuation Requirements</p>	<p>Refer to Appraisal valuation and review requirements on separate matrix</p>
<p>Title Requirements</p>	<p>Simultaneous/Purchase Money Second:</p> <ul style="list-style-type: none"> • A full title policy with Expanded Coverage that insures both the First Lien and Second Lien positions.