



## EMM Non-Qm First Lien

### Primary Residence (Single Family)

Credit Score	Purchase and Rate/Term - CLTV	Cash-out Refinance - CLTV
760+	95 <sup>1</sup> / 90	95 <sup>1</sup> / 90 <sup>2</sup> / 85
720	95 <sup>1</sup> / 90	95 <sup>1</sup> / 90 <sup>2</sup> / 85
680	95 <sup>1</sup> / 90	85
640	85	75
600	80	70

### Second Home and 2-4 Units

Credit Score	Purchase and Rate/Term - CLTV	Cash-out Refinance - CLTV
680+	85	80
640	85	75
600	80	70

#### <sup>1</sup>95% Purchase / Rate & Term Refi / Cash-out Refi Guideline Overlays

- These overlays only apply when LTV/CLTV is 90.01 - 95%
- Minimum credit score of 680 required for purchase and rate/term refinance transactions
- Minimum credit score of 720 required for cash-out refinance transactions
- Maximum 35% DTI
- Primary residence only. Single-family, PUD's and warrantable condominium's only.

#### <sup>2</sup>90% Cash-out Refinance Guideline Overlays

- These overlays only apply when LTV/CLTV is 85.01 - 90%
- Minimum credit score of 720 required.
- Maximum 35% DTI
- Primary residence only. Single-family, PUD's and warrantable condominium's only.

#### First Time Homebuyer Guidelines

- Primary residence only. Single-family, PUD's and warrantable condominium's only.

#### Texas Equity (Cash-out a(6)) not permitted

<b>Program Codes</b>	<p style="text-align: center;">Fixed Rate</p> <ul style="list-style-type: none"> <li>• GF30 Yr Fixed</li> <li>• GF20 Yr Fixed</li> <li>• GF15 Yr Fixed</li> <li>• GF10 Yr Fixed</li> </ul> <ul style="list-style-type: none"> <li>• GF30IO (30 yr Interest Only) *</li> <li>• GF40IO (40 yr Interest Only)*</li> </ul>	<p style="text-align: center;">ARM's</p> <ul style="list-style-type: none"> <li>• GF5/1 ARM</li> <li>• GF7/1 ARM</li> <li>• GF10/1 ARM</li> </ul>
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\* Interest Only loans are qualified at the note rate based on the fully amortizing Principal & Interest payment during the repayment period. Borrowers **will not** be qualified on the interest only payment. Example: 30 year IO will qualify at 240 mos. repayment at Note rate.

<b>AUS Requirements</b>	<ul style="list-style-type: none"> <li>• Fannie Mae DU required. Freddie Mac LP not permitted.</li> <li>• Approve/Eligible</li> <li>• Approve/Ineligible (for loan structure such as LTV limits, loan purpose and loan amount)</li> <li>• 30 yr Interest Only should be run as a 20 yr fixed rate. 40 yr IO to be run as a 30 yr fixed</li> </ul>
<b>Qualifying Payment</b>	<ul style="list-style-type: none"> <li>• 5/1 ARM qualified at Note rate + 2% or the fully indexed rate.</li> <li>• 7/1 and 10/1 ARM's are qualified at the Note rate.</li> <li>• 30 IO qualified as a 20 yr fixed rate; 40 yr IO qualified as a 30 yr fixed rate.</li> </ul>
<b>Max DTI</b>	45%
<b>Income</b>	Documented per DU findings
<b>Assets</b>	<ul style="list-style-type: none"> <li>• A minimum of 5% of the borrower's own funds is required.</li> <li>• Reserves determined by Fannie Mae DU findings</li> </ul>

<b>Credit</b>	<p><b>Minimum Tradeline Requirements:</b></p> <ul style="list-style-type: none"> <li>- Borrower(s) without an established credit history are ineligible</li> <li>- A valid usable score should contain at least 3 open and active tradelines:               <ul style="list-style-type: none"> <li>- One reported for a minimum of 24 months</li> <li>- All active within the past 12 months</li> <li>- One with a minimum \$2,500 high credit balance</li> </ul> </li> </ul> <p><b>Mortgage/Housing History:</b></p> <ul style="list-style-type: none"> <li>- 0X30 in the past 12 months.</li> <li>- <b>Borrower(s) without a primary mortgage or rent history in the last 12 months are ineligible</b></li> <li>- At least one of the borrower(s) must have a fully documented, recent, consecutive, 12-month primary housing history.</li> </ul>
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<b>Cash-Out Seasoning Requirements</b>	<ul style="list-style-type: none"> <li>• Minimum 6 months ownership seasoning required for cash-out transactions</li> <li>• Minimum 12 months seasoning to use appraised value to determine LTV.</li> <li>• For ownership less than 12 months use the lower of the purchase price or appraised value to determine LTV.</li> </ul>
<b>Property Flips</b>	<ul style="list-style-type: none"> <li>• Property flips (properties resold within 180 days of acquisition) are not permitted unless the following is met:             <ul style="list-style-type: none"> <li>- Property obtained through inheritance</li> <li>- Property that is part of a divorce settlement</li> <li>- Property that is part of an employer relocation program</li> <li>- Property acquired by the lender/servicer as a result of foreclosure</li> </ul> </li> </ul>
<b>Property Listed</b>	<p>Properties listed at time of application are not eligible. Properties listed within 6 months of application are permitted with the following:</p> <p><b>Rate/Term Refi:</b></p> <ul style="list-style-type: none"> <li>- Primary residence and second home only</li> <li>- Document cancellation of listing</li> <li>- Letter of explanation from borrower detailing reason for cancelling the listing</li> </ul> <p><b>Cash-out Refi:</b></p> <ul style="list-style-type: none"> <li>- Primary residence and second home only</li> <li>- Document cancellation of listing</li> <li>- Letter of explanation from borrower detailing reason for cancelling the listing</li> <li>- Maximum CLTV of 80% or the program maximum, whichever is less</li> </ul>
<b>Continuity of Obligation</b>	<p>Refinances must meet continuity of obligation.</p> <ul style="list-style-type: none"> <li>- At least one borrower held title for the most recent 6 month period. The file must contain evidence that the borrower has been making the mortgage payments, including any payments for secondary financing.</li> <li>- Property was inherited or was legally awarded (Divorce settlement)</li> </ul> <p>NOTE: Transfer of ownership from an LLC to an individual does not meet the obligation.</p>
<b>Appraisal Valuation Requirements</b>	<p>All loans require an Appraisal/Collateral valuation from Clear Capital. Refer directly to the Appraisal Valuation and review requirements on separate matrix.</p>
<b>Property Types</b>	<p><b>Eligible Property Types:</b></p> <ul style="list-style-type: none"> <li>- Single Family, PUD's, 2-4 units and Fannie Mae warrantable condo's</li> </ul> <p><b>Ineligible Property Types:</b></p> <ul style="list-style-type: none"> <li>- Manufactured Housing</li> <li>- Rural Properties</li> <li>- Agriculture and agriculturally zoned</li> <li>- Properties with more than 20 acres</li> <li>- Mixed use properties</li> <li>- Properties in a declining market</li> <li>- Non-warrantable condo's</li> <li>- Properties with resale restrictions such as retirement or senior communities</li> <li>- Unique homes like log cabins, geodesic and earth</li> <li>- Properties zoned commercial, industrial or business</li> <li>- Property condition ratings of C5 and C6</li> </ul> <p>NOTE: Complete list of all ineligible properties can be found in the complete guide.</p>