

ELITE ELIGIBILITY MATRIX

Occupancy Type	Transaction Type	Property Type	Maximum LTV/CLTV	Maximum Loan Amount	Minimum Credit Score	Maximum DTI
Primary Residence	Purchase and Rate/Term Refinance	Single Family, PUD, Condominium	80%	\$1,500,000 ¹	720 ¹	43% ¹
			80%	\$850,000 ¹	680 ¹	
			80%	\$1,000,000 ¹	700 ¹	
	Cash-Out Refinance	2- to 4-Units	65%	\$850,000	740	
		Single Family, PUD, Condominium,	65%	\$1,000,000	740	
			2- to 4-Units	65%	\$850,000	
Second Home	Purchase and Rate/Term Refinance	Single Family, PUD, Condominium	70%	\$1,500,000	740	
Investment Property	Purchase and Rate/Term Refinance	Single Family, PUD, Condominium	65%	\$1,000,000	740	
		2- to 4-Units		\$850,000		

¹See First-Time Homebuyer section for Loan Amount, LTV, DTI and FICO requirements

ELITE PROGRAM BENEFITS

- LTV up to 80%
- Credit scores from 680+
- First-Time Homebuyers OK
- Loan amounts up to \$1,500,000
- 15-, 20-, and 30- year Fixed Terms
- No Prepayment Penalty
- 1-4 Units, Primary and Investment Properties are eligible.
- Second Home Properties are eligible

Elite Jumbo Program Codes

Product Code	Product Detail
WJ30-080	W Elite Jumbo Fixed 30
WJ20-080	W Elite Jumbo Fixed 20
WJ15-080	W Elite Jumbo Fixed 15

For specific scenario requests, please go to the eScenarios tab located in eXPRESS - www.LHFSWholesale.com, and post your scenario.

Guidelines are for use by mortgage professionals only and subject to change without notice.



GENERAL REQUIREMENTS	
Appraisal	<p>An Appraisal Review Fee of \$350 will be required and needs to be disclose on the LE. For Loan Amounts up to \$1,500,000:</p> <ul style="list-style-type: none"> • Full Uniform Residential Appraisal Report (URAR), with interior and exterior inspection required. • Additional third-party Residential Appraisal Field Review Report (Fannie Mae Form 2000) or Full Uniform Residential Appraisal Report (URAR), with interior and exterior inspection required. • No transfers or assignments allowed.
Borrower Eligibility	<p>Eligible</p> <ul style="list-style-type: none"> • U.S. Citizens and Nationals • Non-U. S Citizens <ul style="list-style-type: none"> • <u>Permanent Resident</u> <ul style="list-style-type: none"> • A permanent resident is a non-U.S. citizen who is legally eligible to maintain permanent residency in the U.S. and holds a Permanent Resident card. A permanent resident is an eligible borrower, provided that legal residency is documented according to the applicable Agency requirements. Please see www.uscis.gov for more information. • <u>Non-Permanent Resident</u> <ul style="list-style-type: none"> • Loans to non-permanent residents are ineligible. All borrowers signing the Mortgage Note must have a valid social security number. • <u>Other Residency Statuses</u> <ul style="list-style-type: none"> • Individuals classified under Diplomatic Immunity, Temporary Protected Status, Deferred Enforced Departure, or Humanitarian Parole, and foreign nationals (other than permanent residents meeting the requirements of Section 5.01) are ineligible. <p>Ineligible Borrowers</p> <ul style="list-style-type: none"> • Non-individual legal entities, including but not limited to corporations, general partnerships, limited partnerships, real estate syndications, blind trusts and investment trusts, • Non-occupant co-borrowers • Guarantors, and • Co-signers.
Condominium Project Requirements	<p>Pre-Sale:</p> <ul style="list-style-type: none"> • Minimum of 50% of the units in a new or existing project must be conveyed or under contract to purchasers who will occupy the units as a primary residence or second home (see additional restrictions within guidelines). • For two- to four-unit condominium projects, all but one unit in the project must have been conveyed or under contract to owner-occupant principal residence or second home purchasers.
Credit	<p>General Credit Requirements</p> <ul style="list-style-type: none"> • LHFS will pull a new Credit Report(s) and re-run AUS which will be used for the underwrite of the file. • Automated Underwriting requirements and the applicable Agency guidelines should be followed as they relate to Credit Report Requirements, unless otherwise specified in the Elite Underwriting Guidelines. • All borrowers on a loan are required to have a valid Social Security number. • Credit reports with partially displayed Social Security numbers are not considered eligible documentation due to the increased opportunity for fraud. Social Security number must be displayed on the credit report. • Loans to borrowers who have been issued an ITIN in lieu of a Social Security number are ineligible. • Late payments unrelated to the mortgage, which occurred in the previous 12 months require a letter of explanation from the borrower • If a borrower does not have sufficient trade line references in the United States, credit references from foreign countries may not be used, and the loan will be ineligible. • Minimum of two credit scores per borrower required. Borrowers who do not meet the minimum credit score and minimum trade line requirements are considered "non-traditional" or "thin file" credit borrowers and are ineligible. <p>Borrower Meeting Tradeline Requirements</p> <ul style="list-style-type: none"> • The score for each borrower must be generated from a minimum of three traditional trade lines evaluated for at least 12 months. Must reflect a satisfactory payment history. • Trade lines for closed accounts may be used to meet this requirement provided the payment history is acceptable. • Authorized user accounts may not be used to satisfy this requirement unless the borrower can provide written documentation (such as canceled checks or payment receipts) proving that he or she has been the actual and sole payer of the monthly payment on the account for at least 12 months preceding the date of the application. • A trade line for which a payment has never been made may not be used to satisfy this requirement (for example, a deferred student loan). • Borrowers who do not meet the above requirements would be viewed as having a "thin file" credit history and would be ineligible.



GENERAL REQUIREMENTS (continued)

Credit (continued)

Significant Adverse or Derogatory Credit

- To conclude that the borrower's credit profile is acceptable despite previous financial mismanagement, the rationale supporting the determination that the financial mismanagement is unlikely to recur, and the borrower's credit profile is acceptable must be explained.
- The following guidelines apply to individuals who have a significant adverse or derogatory credit incident such as a bankruptcy or foreclosure reporting in their credit history. The same guidelines apply to borrowers who have or have had ownership interest in a property that has been included in a significant adverse or derogatory credit incident:
- For all bankruptcies discharged or dismissed, LHFS will align with applicable agency waiting period requirements with the exception of the following:
 - Borrowers with bankruptcy filings in the past seven years are ineligible.
 - Mortgages discharged in bankruptcy require seven-year waiting period.
 - Borrowers with multiple bankruptcy filings are ineligible.

Reestablished Credit Requirements

- After a bankruptcy, foreclosure, deed-in-lieu of foreclosure or short sale, or other significant derogatory credit, the borrower's credit will be considered reestablished if all of the following are met:
 - The waiting period and related additional requirements are met.
 - The minimum credit score requirements based on the loan parameters and established eligibility requirements are met.
 - The borrower has traditional credit. Non-traditional credit is not acceptable. The borrower will be considered as having acceptable reestablished credit if there are at least three traditional credit references with activity during the most recent 24 months with no late payments
 - AUS approval based on credit profile.

Foreclosures/Deeds-in-Lieu of Foreclosure/Pre-Foreclosure/Short Sales/Settled Debts

- Any of the above credit events require seven years' seasoning after the completion date, and satisfactory re-established credit must be verified.
- Regardless of the borrower's credit score and/or payment history, the seven-year seasoning requirement applies for any reference to one of the above-mentioned events, whether via the credit report or other loan file documentation.
- Manufactured housing/mobile home loans indicated as repossessions, collections, or charge-offs are considered foreclosures.

Significant Adverse or Derogatory Credit Caused by Extenuating Circumstances

- If the borrower's credit history reveals significant adverse or derogatory credit within the most recent two years, even if caused by extenuating circumstances, the borrower's credit profile cannot be considered acceptable.

Past Due Accounts / Collections / Charge-offs/Liens

- Past-due open accounts must be brought current prior to the loan closing and will be factored into the overall credit profile.
- Liens impacting title must be satisfied prior to closing.
- All collections and charge-offs must be paid if an individual collection or charge-off is equal to or greater than \$1000 or if the cumulative total of collections and charge-offs per loan is equal to or greater than \$2500.
- All settled debts reported in the previous 24 months must be fully explained and taken into consideration in the full credit review.
- Borrowers making monthly installment payments to the Internal Revenue Service (IRS) may be eligible provided the borrower is being qualified with the installment payment, and the following documentation is included in the loan file:
 - Document a satisfactory payment history (account must be in good standing).
 - Evidence of the approved installment agreement with the IRS.
 - If the installment debt is scheduled to be repaid in ten months or less, the debt may be excluded from the borrower's DTI, provided the obligation does not impact the borrower's ability to pay the mortgage after closing.
- Borrowers with late mortgage or rent payments in the previous 12 months are ineligible. Additionally, late mortgage or rent payments in the previous 24 months are deemed significant derogatory credit and should be considered in the total credit analysis.
- First-time home buyers with late rental payments in the previous 24 months are ineligible

Student Loans

- All student loans regardless of their current status (forbearance, deferred, or in repayment) must be included in the borrower's recurring monthly debt for qualifying. The following options are eligible for qualifying a borrower with student or educational loans:
 - A payment that when made will fully amortize the loan and is documented by the credit report or student loan lender.
 - A payment based on 1% of the outstanding balance of the loan and documented by the credit report of student loan lender.
 - A calculated payment that will fully amortize the loan based on the documented repayment terms provided in the file.



GENERAL REQUIREMENTS (continued)														
Additional Requirements	<ul style="list-style-type: none"> Documentation requirements for manual underwriting for the applicable agency must be provided. Loan must be QM -compliant. The verification of assets, credit (including mortgage/rental history), and income may not be verified by a non-arms-length third party without additional supporting documentation. 													
Escrow Waivers	<ul style="list-style-type: none"> Partial escrow waivers on jumbo mortgage loans with LTVs 80% or less are eligible, except as to premiums and fees for flood insurance as mandated by the Flood Disaster Protection Act of 1973, as amended. 													
First-Time Homebuyer	<p>Any borrower who has not owned a residential property at any time during the prior three years (prior ownership within the previous three years is measured from the HUD or Closing Disclosure closing date (when property was sold) to the date of the subject mortgage loan application). Note: First-time home buyer requirements do not apply to loans with more than one borrower when at least one borrower has owned a residential property at any time during the prior three years. See First- Time Home Buyer section for additional criteria.</p> <ul style="list-style-type: none"> Maximum loan amount \$1,000,000 Maximum LTV based on loan amount. Primary residence only. 38% maximum DTI. 740 minimum FICO. 12 months' reserves. 24 months' rental history with no late payments. One-unit properties only. The following documentation may be necessary to provide evidence of previous/current residential property ownership: <ul style="list-style-type: none"> Evidence borrower(s) was responsible for the PITIA (if additional non-borrowing parties are or were on title to the property with the borrower). 													
Gift Fund Eligibility	<table border="1"> <thead> <tr> <th>Occupancy Type</th> <th>Transaction Type</th> <th>Property Type</th> <th>Maximum DTI</th> <th>Maximum LTV Based on Loan Amount</th> </tr> </thead> <tbody> <tr> <td>Primary Residence</td> <td>Purchase, Limited Cash-out Refinance</td> <td>Single Family, PUD, & Condominium</td> <td>40% Maximum 38% (First-time Home Buyer).</td> <td>80% LTV up to \$1.5M</td> </tr> </tbody> </table>				Occupancy Type	Transaction Type	Property Type	Maximum DTI	Maximum LTV Based on Loan Amount	Primary Residence	Purchase, Limited Cash-out Refinance	Single Family, PUD, & Condominium	40% Maximum 38% (First-time Home Buyer).	80% LTV up to \$1.5M
	Occupancy Type	Transaction Type	Property Type	Maximum DTI	Maximum LTV Based on Loan Amount									
Primary Residence	Purchase, Limited Cash-out Refinance	Single Family, PUD, & Condominium	40% Maximum 38% (First-time Home Buyer).	80% LTV up to \$1.5M										
<ul style="list-style-type: none"> Minimum 5% borrower contribution must come from the borrower's own demonstrated savings. Co-mingled accounts are ineligible as the source of funds for the 5% borrower contribution. Eligible Gift Donor—relative, spouse, domestic partner, fiancé. First-time home buyer eligible. Gift funds must be evidenced by fully executed gift letter, evidence of donor's ability, and evidence borrower has received the funds. Gifts of equity are ineligible Gift funds are not eligible for reserves. The donor may not be, or have any affiliation with, the builder, the developer, the real estate agent, or any other interested party to the transaction. All other jumbo guidelines apply. 														



GENERAL REQUIREMENTS (continued)	
Ineligible	<p><u>Ineligible Geographic Locations:</u></p> <ul style="list-style-type: none"> • Mississippi. • U.S. Territories (including Puerto Rico, Guam, and the Virgin Islands). <p><u>Ineligible Transaction Types:</u></p> <ul style="list-style-type: none"> • Loans to Principal Owners of Business Lending Client. • Permanent Financing for New Construction. • Single-Close Construction-to-Permanent Mortgage. • Installment Land Contracts. • Loans with principal curtailments. • Refinance of Restructured Loan or Short Refinance Loan. • Renovation/Rehabilitation Mortgages. • Texas Section 50(a)(6) Loans. • Property Flips (as defined within the Elite Jumbo Underwriting Guidelines). • A refinance transaction of a home currently listed for sale. • A cash-out refinance on a property listed for sale in the previous six months. • Transactions that include the use of privately funded loans for the purpose of securing assets for the transaction. • EEM Loans (Energy Efficient Mortgages). • HUD-184 Mortgages. • Loans exceeding 80%. • Transactions consisting of an assignment of sales contract <p><u>Ineligible Loan Attributes:</u></p> <ul style="list-style-type: none"> • Balloons and ARMs • Temporary Buydowns. • Assumptions. • Pre-Payment Penalties. • Community Land Trusts • Illinois Land Trust • Blind Trusts. • Documented credit profiles containing less than two valid credit scores. • Loans involving borrowers with undocumented credit histories ("no credit"). • "Thin-file" credit. • Non-traditional credit reports and credit reports which are not Tri-merge. • Foreign credit reports. • Loans with more than four borrowers.
Maximum Loan Amount	<ul style="list-style-type: none"> • Loan amount is less than or equal to \$1,500,000.
Maximum Number of Financed Properties	<ul style="list-style-type: none"> • The borrower may own a maximum of four financed, one- to four-unit residential real properties, including the subject property (regardless of occupancy type). Each separate financed property (other than the subject property) requires an additional six months of PITI reserves (in addition to the reserves required for the subject property).
Minimum Borrower Contribution	<ul style="list-style-type: none"> • 5%



GENERAL REQUIREMENTS (continued)	
Occupancy	<p>Eligible Occupancies</p> <ul style="list-style-type: none"> • Primary Residence <ul style="list-style-type: none"> • A primary residence is a property in which all borrower(s) take title and occupy as his, her, or their primary residence. • All borrowers on the transaction must occupy the property for the majority of the year and take title to the property. • Borrowers are required to occupy subject property within 60 days of closing. • Second Home <ul style="list-style-type: none"> • The property must be located in a recreational area. • The property must be occupied by the borrower for some portion of the year. • The property must be suitable for year-round occupancy. • Property cannot be subject to any agreements that give a management company control over the property. • The property must be under the borrower's exclusive control (timeshares and rental agreements ineligible). • Gift funds are ineligible and may not be used for down payment, closing costs, pre-pays, or reserves. • If any of these requirements are not met, the borrower must give a satisfactory explanation for the use of the property as a second home, and the seller must carefully consider the property eligibility. • Investment Property <ul style="list-style-type: none"> • An investment property is owned but not occupied by the borrower. • Income from the subject investment property may not be used to qualify the borrower. • Gift funds are ineligible and may not be used for down payment, closing costs, pre-pays, or reserves.
Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • Single-family residences. • Two-to four-unit properties. • Attached Condominiums (borrower does not own the land or the exterior walls of their unit). • Site Condominiums (borrower owns the land on which the structure is located and the property is essentially a single-family dwelling). • Detached Condominiums (borrower does not own the land or the exterior walls of the structure). • Planned Unit Development (PUD). <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Manufactured housing. • Modular, prefabricated, and panelized homes. • Geodesic homes. • Properties comprising more than 15 acres of land. • Cooperatives. • Group homes. • Log homes. • Live/Work Projects • Properties with deed restrictions (with the exception of age restricted properties that meet FNMA deed restriction requirements.) • Properties which are unique in nature (dome, berm and octagon homes etc.)
Qualifying Rate	<p>Fixed Rate</p> <ul style="list-style-type: none"> • The borrower is qualified at the fully amortizing note rate payment. • 15, 20 or 30-year term.
Qualifying Ratios	<ul style="list-style-type: none"> • The maximum debt-to-income ratio is 43% • The maximum debt-to-income ratio for first-time home buyers is 38% • The maximum debt-to-income ratio for loans involving gift funds is 40% (may be lower based on program specifications).
Refinance	<p>Limited Cash-Out:</p> <ul style="list-style-type: none"> • Closing costs, points, and pre-paid fees may be rolled into the loan amount. • Delinquent real estate taxes, which are past due 60 days or more, must be handled according to the applicable agency guidelines. • Borrowers may receive up to 1% of the subject loan principal amount back at closing. • New subordinate financing is ineligible. • Paying off a seasoned non-purchase money subordinate lien or first lien HELOC. <ul style="list-style-type: none"> • A seasoned non-purchase money subordinate lien or first lien HELOC is a mortgage that has been in place for a minimum of 12 months. Seasoning is based on the note date of the second lien to the application date of the subject Mortgage Loan. A seasoned equity line of credit is defined as not having cumulative draws greater than \$2,000 in the past 12 months. <p>Cash-Out:</p> <ul style="list-style-type: none"> • Paying off a non-seasoned (financed for less than twelve months) non-purchase money subordinate lien. • Maximum cash out \$250,000. • Cash-out totals are based on the combination of unseasoned second lien payoff amount and cash back at closing.



GENERAL REQUIREMENTS (continued)			
Reserves	Occupancy		Cash Reserves Required
	Primary Residence - 1 Unit		9 months
	Primary Residence - 2 Unit		12 months
	Primary Residence - 3 Unit		15 months
	Primary Residence - 4 Unit		18 Months
	Second Home/Investment Property		24 Months
Borrowers with other properties in addition to the property being purchased or refinanced are required to have six months PITIA reserves for each property. Properties owned free and clear require six months of taxes, insurance and HOA dues in reserves.			
Secondary Financing	Purchase transactions with simultaneous secondary financing are ineligible. Limited Cash-out refinance transactions: <ul style="list-style-type: none"> • Transactions with new simultaneous secondary financing are ineligible. • Existing subordinate financing may be re-subordinated. The HCLTV may never exceed the maximum LTV for the transaction. 		
Seller Contributions	Primary Residences and Second Homes		
	Occupancy	Loan Amount	Max Contribution %
	Primary Residence	up to \$1,500,000	3%
	Second Home	up to \$1,500,000	3%
	Investment	up to \$1,000,000	2%
Underwriting	DU		
	Decision	Description	
	Approve/Ineligible	Based on the data submitted to DU, "Approve/Ineligible" findings would be the result of either the loan amount and/or the LTVs of the Mortgage Loan only. Approve/Ineligible findings for excessive cash-out may also apply, as the Jumbo Underwriting Guidelines permit cash back up to 1% of the loan amount on a jumbo rate and term refinance.	
	Approve/Eligible	Approve/Eligible findings are acceptable for Agency eligible high-balance loans (\$453,100-\$679,650) when submitted and locked on the jumbo loan program. These files will be manually underwritten and must meet all applicable jumbo loan guidelines.	
	LPA		
	Decision	Description	
	Accept/Ineligible	Based on the data submitted to LP, "Accept/Ineligible" findings would be the result of either the loan amount and/or the LTV only. Accept/Ineligible findings for excessive cash-out may also apply, as the Jumbo Underwriting Guidelines permit cash back up to 1% of the loan amount on a jumbo rate and term refinance.	
	Accept/Eligible	Accept/Eligible findings are acceptable for Agency eligible super conforming loans (\$453,100-\$679,650) when submitted and locked on the jumbo loan program. These files will be manually underwritten and must meet all applicable jumbo loan guidelines.	

