

MAX LTV'S

Primary & Second Homes - 1x30 - 12 Month Mortgage History

Documentation			Primary and Second Homes			
Loan Amount	Reserves	FICO	Full Doc		Alternative Doc	
			Purchase and Rate/Term	Cash Out	Purchase and Rate/Term	Cash Out
≤ \$1,500,000	6 Months	720	95%* / 90%	85%	90%	85%
		680	90%	85%	90%	85%
		660	90%	80%	85%	80%
		640	85%	80%	85%	80%
		620	85%	80%	80%	80%
> \$1,500,000	12 Months	720	85%	80%	85%	75%
		680	85%	75%	80%	75%
		660	80%	75%	80%	75%
		640	80%	70%	80%	70%
		620	80%	70%	80%	70%

* 95% LTV – Purchase only, primary residence, loan amount >\$453,100, and max DTI of ≤ 43%.

Investment Property - 1x30 - 12 Month Mortgage History

Documentation			Investment			
Loan Amount	Reserves	FICO	Full Doc		Alternative Doc	
			Purchase and Rate/Term	Cash Out	Purchase and Rate/Term	Cash Out
≤ \$1,500,000	6 Months	720	85%	80%	80%	75%
		680	80%	75%	80%	75%
		660	80%	75%	75%	70%
		640	80%	75%	75%	70%
		620	80%	70%	75%	70%
> \$1,500,000	12 Months	720	75%	70%	70%	70%
		680	75%	65%	70%	65%
		660	75%	65%	70%	60%
		640	75%	65%	70%	60%
		620	-	-	-	-

ADDITIONAL PROGRAM REQUIREMENTS

Program	LTV	FICO	Reserves	Residual Income
Expanded DTI (see additional program requirements for details)				
DTI: 55% - Full doc and Primary Residence only	≤ 85%	≥ 680	12 Months	≥ \$3,500
Other:				
DTI: 43% - 12 months personal or business bank statements, or 1 year Doc (W-2 or Tax Return)	85%	620	Program	Program
Second Homes	80%	Program	Program	Program



Arm Features Index: 1 Year LIBOR	Product	Margin	Caps
		5/1	3.50%
	7/1	3.50%	5/2/5
Qualifying Rate	Fixed = Note Rate		
	ARM = Greater of Note Rate or Fully Indexed		
Interest Only Features	IO Period	Amort Term	Final Maturity
	10 Years	30 Years	40 Years
	10 Years	20 Years	30 Years

Property Type Requirements		
Property Type	Max LTV Owner Occupied	Max LTV Non-Owner Occupied
	Condominium	85%
Modular House	80%	80%
Non-Warrantable Condo	80%	80%
2-4 Unit	80%	80%
Rural Homes	80%	N/A
Log Homes	80%	N/A

All Non-QM loans require impound accounts.

LHFS PROGRAM CODES			
PROGRAM	CODES	PROGRAM	CODES
Full Doc Fixed 30	WEFA30-092	12 Mo Bk Stmts Fixed 30	WEFA12MBS30-092
Full Doc 5/1 ARM	WEFA51L-092	12 Mo Bk Stmts 5/1 ARM	WEFA12MBS51L-092
Full Doc 7/1 ARM	WEFA71L-092	12 Mo Bk Stmts 7/1 ARM	WEFA12MBS71L-092
Full Doc 5/1 ARM – Interest Only	WEFA51LIO-092	12 Mo Bk Stmts 5/1 ARM – Interest Only	WEFA12MBS51LIO-092
Full Doc 7/1 ARM – Interest Only	WEFA71LIO-092	12 Mo Bk Stmts 7/1 ARM – Interest Only	WEFA12MBS71LIO-092
24 Mo Bk Stmts Fixed 30	WEFA24MBS30-092	Business Bk Stmts Fixed 30	WEFABBS30-092
24 Mo Bk Stmts 5/1 ARM	WEFA24MBS51L-092	Business Bk Stmts 5/1 ARM	WEFABBS51L-092
24 Mo Bk Stmts 7/1 ARM	WEFA24MBS71L-092	Business Bk Stmts 7/1 ARM	WEFABBS71L-092
24 Mo Bk Stmts 5/1 ARM – Interest Only	WEFA24MBS51LIO-092	Business Bk Stmts 5/1 ARM – Interest Only	WEFABBS51LIO-092
24 Mo Bk Stmts 7/1 ARM – Interest Only	WEFA24MBS71LIO-092	Business Bk Stmts 7/1 ARM – Interest Only	WEFABBS71LIO-092



FLEX A EXPANDED NICHE PROGRAM MORTGAGE BENEFITS

- Provides liquidity to borrowers who have generally been good users of credit (limited consumer delinquencies), but have been negatively impacted by the housing crisis outside of the most recent 2 years.
- 36 months seasoning on Bankruptcies
- 36 months seasoning foreclosure, short sale, or DIL
- 5/1 ARM, 7/1 ARM, or 30 FRM – Interest only available
- Cash-out up to \$1,000,000
- Credit scores down to 620 (including jumbo loans)
- DTI 50% – expanded up to 55% (with compensating factors)
- Gift funds allowed
- Loans up to \$2,500,000 (minimum loan amount \$100,000)
- No pre-payment penalties (Primary & Second Homes only)
- Non-warrantable condos considered
- Owner occupied, Second homes, and Investment Properties allowed
- Seller concessions up to 9% (Primary & Second Homes), up to 2% for Investment Properties
- Up to 90% LTV
- 12 & 24 months' personal bank statements (bank statement program)
- 12 & 24 months' Business Bank Statements (bank statement program)
- 1-Year alternative documentation available

ADDITIONAL FLEX PROGRAMS:

- [Flex "A+"](#)
- [Flex "A-"](#)
- [Flex "B"](#)
- [Flex "C - Credit Event"](#)
- [Flex Foreign National](#)
- [Flex Investor Advantage](#)

HELPFUL LINKS:

- [Flex Guidelines](#)
- [Flex Income Calculator](#)
- [Flex Product Comparison](#)



GENERAL REQUIREMENTS

<p>APPRAISAL REVIEW</p>	<p><u>Appraisal Review Product required for:</u></p> <ul style="list-style-type: none"> • Loan sizes ≥ \$453,100 • Cash out > \$100,000 <p><u>Field Review or CDA required:</u></p> <ul style="list-style-type: none"> • LTV ≥ 80% • Loan Amount >1,000,000 • Non-arms length <p><u>2ND full appraisal required:</u></p> <ul style="list-style-type: none"> • Loan amounts ≥ \$1,500,000 • Approved loan amount exceptions
<p>ASSETS</p>	<ul style="list-style-type: none"> • Assets sourced or seasoned for 60 days • Gift funds allowed - see guidelines for details
<p>CASH OUT</p>	<ul style="list-style-type: none"> • \$500,000 to program LTV's • \$500,001-\$1,000,000 5% LTV reduction <ul style="list-style-type: none"> ○ Maximum Cash Out for Investment properties is \$500,000 ○ Cash Out may be used for reserve requirements and/or to pay off debt for qualifying ○ Cash out not allowed for Investment properties in Texas
<p>CITIZENSHIP</p>	<ul style="list-style-type: none"> • US Citizen, Permanent Resident Alien, and Non-Permanent Resident Alien (with US credit)
<p>COMPLIANCE</p>	<ul style="list-style-type: none"> • Escrows required for taxes and insurance • Fully documented ability-to-repay • No section 32 or state high cost • Total Borrower Paid Points and Fees must be less than 5% • Compliance with all applicable Federal and State regulations • All Non-QM loans require impound accounts.
<p>CREDIT</p>	<p><u>Standard:</u> 3 tradelines reporting for 12+ months <u>or</u> 2 tradelines reporting for 24+ months with activity in the last 12 months.</p> <p>1x30 - 12 Month Mortgage History</p> <p>Qualifying FICO = the FICO of the primary wage earner which will be the score used</p> <p><u>Seasoning:</u></p> <ul style="list-style-type: none"> • Foreclosure, Short Sale, and Deed in Lieu: 36 months • Bankruptcy (Chapter 7): 36 Months
<p>DEBT RATIOS</p>	<ul style="list-style-type: none"> • Maximum 50% total DTI ratio • Expanded DTI up to 55% available with ALL of the following compensating factors present (Full Doc only): <ul style="list-style-type: none"> ○ FICO ≥ 680 • LTV ≤ 85% • Primary Occupancy • Residual Income ≥ \$3,500 • 12 Months Reserves



GENERAL REQUIREMENTS	
INCOME	<p><u>Wage-Earners:</u></p> <ul style="list-style-type: none"> W-2s for the most recent 2 years W-2, Pay stub(s) covering the most recent 30-day period with year-to-date earnings, 4506-T and VVOE <p><u>Self-Employed: (25% or more ownership interest in a business)</u></p> <ul style="list-style-type: none"> 2 years tax returns: Federal (including W2s/1099 if applicable), Partnership, Corporation, S Corp. along with YTD P/L. 4506-T and Verification of the existence of the business <p><u>Bank Statements:</u></p> <ul style="list-style-type: none"> Self-employed for at least 2 years. Business must be in existence for at least 2 years. YTD P/L and Verification of business existence Either 12 or 24 months of bank statements <p><u>1-Year Alt Doc</u> In lieu of the standard 2-year documentation requirement for wage-earners and self-employed borrowers, the following will be accepted:</p> <ul style="list-style-type: none"> Wage-Earners: the most recent year W-2 and pay stub(s) covering the most recent 30-day period providing year-to-date earnings Self-Employed Full Doc: the most recent year filed federal income tax returns (personal and business; extensions are not allowed) and year-to-date P&L if end of applicable tax year is > 120 days from closing Self-Employed Bank Statements: 12 months complete personal or business bank statements from the same account <p><u>Asset Depletion:</u></p> <ul style="list-style-type: none"> ≥ 680+ FICO & LTV ≤ 80% (based on Full Documentation Matrix) 100% of checking, savings, and money market accounts 70% of the remaining value of stocks & bonds 60% of retirement assets 6-month seasoning of assets required
INELIGIBLE STATES	Alaska, New York, and West Virginia
INVESTMENT PROPERTY OVERLAYS	Rural and log homes are not eligible. Guarantor is required (for LLC's) No Cash out in Texas
MINIMUM / MAX LOAN SIZE	\$100,000 / \$2,500,000
OCCUPANCY	Owner Occupied, Second Homes, and Investment Properties
PREPAYMENT PENALTY	Investment Only: 6 months interest on 80% of the amount prepaid (Standard Term = 3 years); Not allowed in IA*, IL*, KS, MD, MI, MN, MS, ND, NJ*, NM, OH, PA and RI *Prepay Penalty allowed for loans closed in the name of corporations or LLCs in IA, IL, and NJ
PROPERTY TYPES	Single-Family Residences, Townhouses, Condominiums (non-warrantable condos considered – see guidelines), 2-4 Units, Rural Properties, Log Homes, and Modular Homes
RESERVES	6 - 12 month minimum as determined by loan amount; 3 months required if LTV is 10% less than program maximum and DTI < 43% (Primary only) Investment & Second Homes Only: Minimum 6 months; 2 months of additional reserves required for each financed property; no limit on the number of other properties borrowers may have financed
RESIDUAL INCOME	\$2,500 plus an additional \$150 per dependent is required (for Primary and Second Homes)
SELLER CONCESSIONS	Up to 9% towards closing for Primary and Second Homes (LTV ≤ 75%), 6% towards closing for Primary and Second Homes (LTV > 75%); Up to 2% toward closing for Investment Properties
SUBORDINATE FINANCING	Max 90% CLTV (Institutional seconds only); Not allowed on Investment Properties