

MAXIMUM LTV

Owner Occupied / Second Home	Max Loan Amount	FICO	Purchase / Rate Term Refi LTV/CLTV	Cash Out LTV/CLTV
SFR / PUD	\$2,500,000	620+	50% / 50%	50% / 50%
	\$1,000,000	620+	55% / 55%	55% / 55%
2-4 Unit Property / Condo	\$2,500,000	620+	50% / 50%	50% / 50%

Investment Properties	Max Loan Amount	FICO	Purchase / Rate Term Refi LTV/CLTV	Cash Out LTV/CLTV
All Property Types	\$2,500,000	620+	50% / 50%	50% / 50%

Select Mortgage Benefits

- 12 months seasoning foreclosure, short sale, or DIL
 - 12 months seasoning on BK
 - 5/1 ARM – Interest only also available
 - Unlimited Cash-out (LTV's up to ≤ 55%)
 - Credit scores down to 620
 - DTI up to 55%
 - Gift funds allowed
 - Loans up to \$2.5 million (minimum loan amount \$50,000)
 - No pre-payment penalties
 - No seasoning requirements for refinance transactions
 - Non-warrantable condos considered
 - Owner occupied, and 2nd homes
- Up to 55% LTV

LHFS PROGRAM CODES

LHFS Select Program	Select Program Codes	LHFS Select Program	Select Program Codes
Select Asset Depletion 5/1 Libor ARM	WEASDP51L-078	Select Asset Depletion 5/1 Libor ARM I/O	WEASDP51LIO-078

HELPFUL LINKS:

- [Select - Underwriting and Documentation Guidelines](#)
- [Select Comparison](#)
- [Select Submission](#)



GENERAL REQUIREMENTS		
APPRAISAL REVIEW	1 Full Appraisal if Combined Loan Amount ≤\$1,000,000 • 2 Full Appraisals if Combined Loan Amount >\$1,000,000	
ARM / NOTE TERMS	ARM Documents: 5/1 ARM; 5-2-5 caps; floor rate is equal to the margin; 1 Year LIBOR index; Margin is 3.75% Interest-Only: Loans are interest only for the initial 60 months, then are fully amortizing for the remaining 300 months.	
ASSETS	The Borrower must have sufficient liquid assets available to pay the down payment and the costs associated with obtaining the mortgage, meet any required investment criteria, and provide required reserves following closing. A Borrower's ability to accumulate assets provides insight into the Borrower's ability to successfully manage personal finances. Assets from acceptable sources must be verified for down payment, closing costs, prepaid items and reserves.	
CASH OUT	Cash Out transactions with an LTV ≤ 55% are not limited to the cash in hand the borrower can receive. Transactions with an LTV > 55% are limited to \$300,000 cash in hand to the borrower.	
CREDIT	Mortgage / Rent: 0x30 past 12 months	Foreclosure, Short-Sale, Bankruptcy, Loan Modification: Must be seasoned at least twelve (12) months (no exceptions)
	Maximum Financed: Borrowers are allowed up to 10 properties including the subject.	Trade Lines: 2 active trade lines seasoned for at least 24 months are required (with activity in the last 12 months is required)
	Judgement, Tax Lien, Collection, Charge-Off: Must be paid off with no new derogatory credit within the past 12 months (medical excluded).	
DEBT RATIO	Max DTI	LTV
	55%	≤ 65%
	<i>Loans with DTI ratios ≤ 43%, then no residual income required. Loans with DTI ≥ 43.01% require residual income.</i>	
DOCUMENTATION - INCOME	Eligible assets include cash or cash equivalents, marketable securities (i.e. CDs, money market accounts, savings, stocks & bonds (70%), and mutual funds). Retirement assets may only be used for AD if the borrower is retirement age (59 ½). All assets considered for AD must be verified through either an account statement from the most recent 30-day period or a Verification of Deposit (when available).	
ELIGIBLE BORROWERS	US Citizens • First Time Homebuyers (defined as a qualifying borrower who has not had ownership in a residence (principal or otherwise) during the three (3) year period ending on the date of the purchase of the property) • Foreign Nationals (Permanent Resident Aliens with appropriate documentation) • Non-occupant Co-borrowers (must be disclosed on the initial application; cannot be added at a later date to qualify; and must be related to the primary borrower).	
GIFT FUNDS	Gift funds are acceptable after a minimum down payment has been made from the borrowers own resources as outlined below:	
	Owner Occupied Standard Doc Transactions: 10%	All Other Transactions: 30%



GENERAL REQUIREMENTS		
INELIGIBLE STATES	US Territories and TX (Cash-Out Refi's)	
INTEREST ONLY	Qualify at the fully amortizing payment – the greater of the introductory or full-indexed rate (current index plus applicable margin) and substantially equal monthly payments of principal and interest that will fully repay the loan over the remaining term of the loan as of the date the loan is converted from interest only to principal and interest.	
MINIMUM LOAN SIZE	\$50,000	
OCCUPANCY	Owner Occupied, Second Home, and Investment Properties	
PROPERTY TYPES	Single Family Residence, 2-4 Units, Condos (Non-Warrantable Condo's reviewed on case by case basis), and PUD's	
QUALIFYING RATE	Qualify at the greater of the Start Rate or Fully Indexed Rate (i.e. Current Index + Margin) for income ratio calculations. The same rule applies to the Interest-Only programs (using the same criteria mentioned below, but it will be amortized over the remaining period after the IO period (25 or 23 years)).	
RESERVES	Loan Amount	Required Reserves
	\$50,000- \$650,000	6 months, verified PITI
	\$650,001 - \$1,000,000	9 months, verified PITI
	\$1,000,001 – \$1,500,000	12 months, verified PITI
	\$1,500,001 – \$2,500,000	18 months, verified PITI
RESIDUAL INCOME	Defined as the cash flow remaining after all monthly obligations have been paid. Requirement – 0.0045 (.45%) of the UPB. (UPB x 0.0045 = required residual income)	
SECONDARY FINANCING	Only institutional secondary financing is acceptable.	
SELLER CONCESSIONS	Up to 6% towards closing	

