



Revised: November 15, 2021

The Science of Doing Non-QM Right!™

PRIME PLUS PROGRAM

	PRIMARY		FULL DOC / BANK STMTS / P&L ONLY / 1099	
LOAN AMOUNT	RESERVES	FICO	PURCHASE & R/T	
≤ \$1,500,000	6 Months	720	90%	
	PRIMARY AND SECOND HOMES		FULL DOC / BANK STMTS / P&L ONLY / 1099	
LOAN AMOUNT	RESERVES	FICO	PURCHASE & R/T	CASH OUT
≤ \$1,500,000	3 Months	680	85%	75%
	3 Months	660	80%	75%
	3 Months	620	75%	70%
	3 Months	600	75%	N/A
	3 Months	No Score	75%	N/A

PROGRAM REQUIREMENTS		OTHER OVERLAYS	
		FEATURE	MAX LTV
Minimum Loan Amount:	\$150,000	Second Home	75%
Maximum Loan Amount:	\$1,500,000	2 – 4 Unit	80%
Maximum Cash Out:	\$500,000 (See additional Program Requirements for details)	Rural Properties	80%
Debt Ratio:	Max 50%	Condo - Non-Warrantable	80%
Residual Income:	\$1,500 plus an additional \$150 per dependent is required.	Condo - Warrantable	85%
Limited Tradelines:	Max 75%	Investment Property	N/A
		90% LTV (1 Year P&L Only & 12 Months Bank Stmts)	<ul style="list-style-type: none"> S/E 2 Years in Business Max DTI 43% 0 x 30 x 12 Housing History 4 Years Major Credit Events

CREDIT REQUIREMENTS

Mortgage / Rent:	0 x 30 x 6 months
Installment, Revolving, Non-Traditional:	0 x 30 x 6 months
Major Credit Events: (Bankruptcy, Foreclosure, Deed-in-Lieu, Short Sale)	24 months (exceptions considered on a case-by-case basis ≥ 12 months)

CREDIT REQUIREMENTS (cont.)

<p>Credit:</p>	<ul style="list-style-type: none"> • Tradeline requirement based on primary wage earner <ul style="list-style-type: none"> ✓ 3 tradelines reporting for 12+ months; OR ✓ 2 tradelines reporting for 18+ months <ul style="list-style-type: none"> ❖ Limited tradelines max 75% LTV • An acceptable 12 or 18 month housing history, not reporting on credit, may also be used as a tradeline. • Max 0 x 30 x 6 months reporting on acceptable tradelines. • Past due accounts must be brought current. • Qualifying Credit Score: <ul style="list-style-type: none"> ✓ Middle score of primary wage earner ✓ Each additional borrower on loan must have at least one valid score of 600+ or no score.
<p>Housing History:</p>	<p>Borrowers who do not have a complete 12-month housing history are subject to the following:</p> <ul style="list-style-type: none"> • Maximum 75% LTV • LTV's >75% LTV are subject to the following restrictions: <ul style="list-style-type: none"> ✓ Primary residence and second homes only ✓ Additional 3 months reserves required ✓ 10% minimum borrower contribution ✓ Payment Shock is not considered ✓ VOR/VOM must be obtained for all months available reflecting paid as agreed ✓ Properties owned free and clear are considered 0x30 for grading purposes.
<p>Multiple Financed Properties:</p>	<ul style="list-style-type: none"> • There is no limit on the number of other properties borrowers may currently have financed. • Second Home transactions require 2 months of additional reserves for each financed property. • ACC Mortgage exposure may not exceed \$5M aggregate with a maximum of five loans for each individual borrower.
<p>Charge-Offs and Collections:</p>	<ul style="list-style-type: none"> • The following accounts may remain open: <ul style="list-style-type: none"> ✓ Collections and charge-offs < 24 months old with a maximum cumulative balance of \$2,000 ✓ Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence ✓ All medical collections • Collection and charge-off balances exceeding the amounts listed above must either be paid in full or may remain open when one of the following is met: <ul style="list-style-type: none"> ✓ Borrower has sufficient reserves to cover remaining collection and charge-off balances (in addition to the published reserve requirement); or ✓ Payment for remaining collections and charge-offs included in DTI results in final DTI ≤ 50% (payment calculated at 5% of balance of remaining unpaid collections and charge-offs). <ul style="list-style-type: none"> ❖ A combination of the two options above is allowed. A portion of the unpaid collection balance can be included in the DTI while the remainder is covered by excess reserves. ❖ Collections and charge-offs that cannot be factored into DTI or reserves must be paid off.

CREDIT REQUIREMENTS (cont.)

Judgments and Tax Liens:

All judgments or liens affecting title must be paid.

Active court-ordered judgments may remain open when one of the two following options is:

- The amount is the lesser of \$5,000 per occurrence or 2% of the loan amount: OR
- The borrower is currently in a repayment agreement with the creditor (if the borrower is currently in a repayment plan, the following requirements apply):
 - ✓ A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided; and
 - ✓ The maximum payment required under the plan is included in the debt-to-income ratio.

Outstanding state and federal tax liens or delinquent obligations may remain open on purchase transactions only (additional LTV reductions may be required based on the size of the lien). All of the following requirements must be met:

- A copy of the repayment agreement is obtained;
- A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided;
- The maximum payment required under the plan is included in the debt-to-income ratio; and
- The title company must provide written confirmation confirming
 - ✓ (a) the title company is aware of the outstanding tax lien, and
 - ✓ (b) there is no impact to first lien position.

Forbearance/COVID-19 Related:

- COVID-19 related forbearance is allowed with the following requirements:
 1. Borrowers who have requested forbearance across either mortgage or consumer debt since March 1st, 2020 must provide a LOE explaining the reason for forbearance and provide payment history.
 2. Borrowers may not be in an active forbearance plan (must have “opted out” or the plan must have “expired”) across either mortgage or consumer debt.
 3. Borrowers who obtained mortgage forbearance after March 1st, 2020 but nevertheless made all contractual payments remaining current throughout the forbearance plan will follow standard underwriting guidelines.
 4. Borrowers who “opted out” of their mortgage forbearance plan without missing any payments will follow standard underwriting guidelines.
 5. Borrowers who obtained mortgage forbearance after March 1st, 2020 may be eligible depending on payment history after the expiration of the forbearance plan. See Guidelines for additional details.
 6. If a borrower was terminated or furloughed from work for a period of not more than six (6) months, borrowers must be newly employed for a minimum of 60 days prior to closing, with income consistent to previous earnings prior to termination.
 7. Proceeds of loans under the CARES Act (PPP and SBA relief funds, for example), are ineligible for income, asset, and reserve requirement consideration.

BORROWERS

Eligible Borrowers:

- US Citizens
- Permanent Resident Aliens
- Non-Permanent Resident Aliens (with US credit) – See Eligible Visa Status
- ITIN

BORROWERS (cont.)

<p>Eligible Visa Status:</p>	<ul style="list-style-type: none"> • Permanent and Non-Permanent Resident Alien Borrowers: <ul style="list-style-type: none"> ✓ Must provide one of the following: <ul style="list-style-type: none"> ○ Unexpired Green Card; or ○ Unexpired VISA ✓ All VISA types are permissible outside of diplomatic status (A-1 or A-2) ✓ Expired Green Cards and VISAs are permissible with documentation that the borrower has requested an extension ✓ Valid government photo ID required • ITIN Borrowers: <ul style="list-style-type: none"> ✓ ITIN Card or Letter from IRS required ✓ Valid government photo ID required • Borrowers with Diplomatic Immunity and Citizens of Venezuela are ineligible for ACC Mortgage programs.
<p>Non-Occupant Co-Borrower:</p>	<ul style="list-style-type: none"> • Primary occupancy only • Purchase and Rate/Term only (non-occupant must be on the current mortgage for a rate/term refinance) • Non-occupant co-borrower must be an immediate relative • Max 80% LTV • Max 60% DTI (occupying borrower only) • Max 43% DTI (total for all borrowers combined) • Max loan amount \$1,000,000
<p>First Time Homebuyers:</p>	<ul style="list-style-type: none"> • All ITIN first time home buyers will be required to receive certification from a HUD approved, home buyer education and counseling service. • The following requirements apply to First-Time Home Buyer transactions: <ul style="list-style-type: none"> ✓ Primary residence and second homes only • A First-Time Home Buyer is defined as a borrower who had no ownership interest in a residential property in the United States during the preceding 3-year period. • If a borrower has not owned a property in the last 3 years but can document ownership in the preceding 5-year period, the above criteria are waived.

INCOME	
Income:	<ul style="list-style-type: none"> • Full Doc (12 Months) <ul style="list-style-type: none"> ✓ W-2 ✓ Tax Returns • Bank Statements (12 Months) <ul style="list-style-type: none"> ✓ Personal or Business Bank Statements ✓ Must be Self-employed for 1 year ✓ Requires a minimum of 2 consecutive years in the same line of work • P & L Only (12 Months) <ul style="list-style-type: none"> ✓ Must be Self-employed for 1 year ✓ Requires a minimum of 2 consecutive years in the same line of work • 1099 (12 Months) <ul style="list-style-type: none"> ✓ Must be Self-employed for 1 year ✓ Requires a minimum of 2 consecutive years in the same line of work <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>A 1099 may be obtained to replace 1 calendar year of personal or business bank statements:</p> <ul style="list-style-type: none"> • 1099 must be validated with a wage and income transcript from the IRS • Evidence of year-to-date earnings must be verified via bank statements covering the YTD period • All other Bank Statement Documentation requirements apply </div>
Bank Statement – Calculating Qualifying Income:	<ul style="list-style-type: none"> • <u>Personal and Business Bank Statements</u>: Total useable deposits ÷ 12 months <ul style="list-style-type: none"> ✓ To calculate qualifying income, select one of the three options from the following matrix: [Click Here] • Business Bank Statements: Must have documented ≥ 25% ownership in business. • Personal Bank Statements: No minimum percentage ownership in business required.
Cannabis Derived Income:	<ul style="list-style-type: none"> • Eligible for borrowers located in states where cannabis has been legalized and the business is licensed accordingly
Debt Ratios:	<ul style="list-style-type: none"> • Max 50% (total DTI)
ASSETS	
Assets:	<ul style="list-style-type: none"> • Seasoned for 60 days. • Source unexplained deposits that exceed 50% of the borrowers gross monthly qualifying income.
Reserves:	<ul style="list-style-type: none"> • Cash out proceeds can be used for reserve requirements.
Seller Concessions:	<ul style="list-style-type: none"> • Up to 6% towards closing.
Gift Funds:	<ul style="list-style-type: none"> • Gift funds are allowed after the borrower has documented the minimum required borrower contribution. <ul style="list-style-type: none"> ✓ Minimum of 5% (of the sales price) of borrower’s own funds on purchase transactions. ✓ Minimum borrower contribution of 10% must be documented on the following transactions: <ul style="list-style-type: none"> ❖ Primary residence with unverifiable housing history ❖ Second home • Gift funds can be used for down payment, closing costs and reserves.
Gift of Equity:	<ul style="list-style-type: none"> • Primary residence transactions only. • No minimum borrower contribution is required. • Gift of equity is from an immediate family member. • Six months of reserves required of borrower’s own funds. • Non-arm’s length transactions are allowed. • Subject to the maximum LTVs available for cash-out transactions.

SUBJECT PROPERTY	
Acreage	<ul style="list-style-type: none"> • Max 15 Acres <ul style="list-style-type: none"> ✓ Exceptions considered on a case-by-case basis
Property Types:	<ul style="list-style-type: none"> • Single Family Detached (SFD) <ul style="list-style-type: none"> ✓ Site Condos are considered an SFD • PUD • Townhomes • Condominiums <ul style="list-style-type: none"> ✓ Non-Warrantable Condos (max 80% LTV) ✓ See Guidelines for additional details • 2 – 4 Unit (max 80% LTV) • Log Homes (max 80% LTV) • Modular (max 80% LTV) • Rural (max 80% LTV)
Ineligible Property Types:	<ul style="list-style-type: none"> • Manufactured (Mobile) • Mixed Use • Assisted Living/Continuing Care Facilities • Boarding Houses • Condotels • Co-Ops
Appraisal Review:	<ul style="list-style-type: none"> • The following transactions require a FNMA Collateral Underwriter review with a score of 2.5 or less or a Collateral Desktop Analysis (CDA): <ul style="list-style-type: none"> ✓ LTV > 80% ✓ Non-arm's length transactions ✓ Loan amounts from \$1,000,000 - \$1,500,000 • The following transactions require a 2nd full appraisal: <ul style="list-style-type: none"> ✓ Approved loan amount exceptions (when exceeding max loan amount available per matrix) ✓ Loan amounts > \$1,500,000
Appraisal Transfers:	<ul style="list-style-type: none"> • Appraisal transfers are eligible, as indicated on ACC's Appraisal Transfer Policy
Properties Listed For Sale:	<ul style="list-style-type: none"> • To be eligible for either a rate/term or a cash-out refinance, the subject property must be taken off the market on or before application date. • For cash-out transactions, if subject property was listed for sale in 6 months prior to application date, a 10% LTV reduction from the maximum available for the specific transaction is required. • The lesser of the most recent list price or the current appraised value should be used to determine loan-to-value for both rate/term and cash-out transactions
Seasoning:	<ul style="list-style-type: none"> • Rate/Term Refinance – No seasoning requirement. • Cash Out Refinance – 6 Months required from Purchase date to Note date (to ACC). • No waiting period for properties obtained through inheritance, divorce or separation.
Determining Loan to Value:	<ul style="list-style-type: none"> • Rate/Term Refinance <ul style="list-style-type: none"> ✓ Current appraised value may be used to determine loan to value. • Cash Out Refinance <ul style="list-style-type: none"> ✓ If the subject property was acquired > 12 months from application date, the appraised value must be used to determine loan-to-value. ✓ If the property was acquired ≤ 12 months from application date, the lesser of the current appraisal value or previous purchase price plus documented improvements (if any) must be used. The purchase settlement statement and any invoices for materials/labor will be required.

SUBJECT PROPERTY (cont.)

<p>Lease with Option to Purchase:</p>	<ul style="list-style-type: none"> • Transaction treated as a Purchase. • Principal dwelling only. • Must have a valid, executed lease with purchase option. • The lessor of the appraised value or the purchase price established within the agreement will be utilized for qualification. • Copies of cancelled checks for 12 months as proof of rental payments.
<p>Land Contracts / Contracts for Deed:</p>	<ul style="list-style-type: none"> • Acceptable for Primary Residence only. • 12 Months of cancelled checks required for housing payment history. • Payoff of land contracts is acceptable: <ul style="list-style-type: none"> ✓ Contracts signed ≤ 12 months from ACC application date = Purchase <ul style="list-style-type: none"> ❖ The lessor of the appraised value or the purchase price established within the agreement will be utilized for qualification. ✓ Contracts signed > 12 months from ACC application date = Rate/Term Refinance <ul style="list-style-type: none"> ❖ The current appraised value will be utilized for qualification.

MISCELLANEOUS

<p>Cash Out:</p>	<ul style="list-style-type: none"> • Up to \$500,000 • Cash Out proceeds can be used for reserve requirements. • Minimum of 6 months elapsed time since the most recent mortgage transaction on the subject property (Note Date to Note Date is utilized to calculate the 6 month period). <ul style="list-style-type: none"> ✓ Must use lesser of Purchase Price plus documented improvements or Appraised Value if ≤ 12 months from note date. • Texas Cash-Out allowed
<p>Occupancy:</p>	<ul style="list-style-type: none"> • Primary Residence • Second Homes
<p>Secondary Financing:</p>	<ul style="list-style-type: none"> • New secondary financing is not allowed. • Secondary financing already in place is accepted within the max LTV for the program and must be subordinated to the new loan.
<p>Vesting:</p>	<ul style="list-style-type: none"> • Natural persons • Inter vivos revocable trusts (case-by-case basis)
<p>Compliance:</p>	<ul style="list-style-type: none"> • Escrows required for taxes and insurance. • Fully documented ability-to-repay. • Compliance with all applicable federal and state regulations. • No section 32 or state high cost. • Total borrower paid points and fees must be less than 5%.
<p>Amortization Types:</p>	<ul style="list-style-type: none"> • 15, 20 and 30 Year Fixed
<p>Interest Only:</p>	<ul style="list-style-type: none"> • Not Eligible
<p>Prepayment Penalty:</p>	<ul style="list-style-type: none"> • Not Eligible
<p>Eligible States:</p>	<p>AR, AZ, CA, CO, CT, DE, DC, FL, GA, ID, IL, IN, KS, MD, MI, MN, MS, NC, NJ, NV, OK, OR, PA, SC, TN, TX, UT, VA & WA</p>