



Revised: November 15, 2021

The Science of Doing Non-QM Right!™

SECOND CHANCE PROGRAM

Program Max LTVs			Primary Owner Occupied				Second Home / Investment	
			FULL DOC / BANK STMTS / 1099				FULL DOC / BANK STMTS / 1099	
LOAN AMOUNT	RESERVES	FICO	PURCHASE, RATE/TERM	CASH OUT	PURCHASE, RATE/TERM	CASH OUT	PURCHASE, RATE/TERM	CASH OUT
≤ \$1,500,000	3 Months	700	85%	80%	75%	70%	80%	75%
		660	85%	75%	75%	70%	80%	70%
		620	80%	70%	70%	65%	75%	65%
Mortgage/Rental History			0x60x12		1x120x12		0x60x12	
Installment, Revolving, Non-Traditional History			N/A		N/A		N/A	
Chapter 7 and 11 Seasoning			24 Months		Discharged		24 Months	
Chapter 13 Seasoning			Discharged		Discharged		Discharged	
Foreclosure/Short Sale/Deed in Lieu Seasoning			24 Months		Settled		24 Months	

INTEREST ONLY FEATURES

Product	IO Period	Amortization
40Y Fixed-IO	10 Years	30 Years



Call your Account Executive or send email to our [Prequal Desk](#) for PRICING and LTV Requirements.

DEBT RATIOS

Limits	
Debt Ratio	Max 50%

LTV ADJUSTMENTS

Property Type	Max LTV
<ul style="list-style-type: none"> Rural 2-4 Unit Modular Log Home Non-Warrantable Condos 	80%

PROGRAM REQUIREMENTS

Minimum Loan Amount:	\$150,000
Maximum Loan Amount:	\$1,500,000
Maximum Cash Out:	\$500,000
Residual Income:	\$1,500
Per Additional Dependent:	\$150

CREDIT REQUIREMENTS

<p>Credit:</p>	<ul style="list-style-type: none"> • Tradeline requirement based on primary wage earner <ul style="list-style-type: none"> ✓ Standard: <ul style="list-style-type: none"> ○ 3 tradelines reporting for 12+ months all with activity in the last 12 months; OR ○ 2 tradelines reporting for 24+ months all with activity in the last 12 months. ✓ Limited: <ul style="list-style-type: none"> ○ No minimum tradeline requirements. ○ Requires 6 months reserves ○ Requires minimum borrower contribution of 10% • An acceptable 12 or 24 month housing history, not reporting on credit, may also be used as a tradeline. • Qualifying Credit Score: <ul style="list-style-type: none"> ✓ Middle score of primary wage earner. ✓ Each additional borrower on the loan must have at least one valid score of 620+
<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"> • Primary residence and second homes only • Minimum 3 additional 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 or Investment Property 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:	<p>All judgments or liens affecting title must be paid.</p> <p>Active court-ordered judgments may remain open when one of the two following options is:</p> <ul style="list-style-type: none"> • 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): <ul style="list-style-type: none"> ✓ 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. <p>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:</p> <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> ✓ (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:	<ul style="list-style-type: none"> • COVID-19 related forbearance is allowed with the following requirements: <ol style="list-style-type: none"> 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:	<ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens • Non-Permanent Resident Aliens (with US credit) – See Eligible Visa Status
----------------------------	---

BORROWERS (cont.)

<p>Eligible Visa Status:</p>	<ul style="list-style-type: none"> The following visa classifications are allowed as Non-Permanent Resident Aliens: <ul style="list-style-type: none"> ✓ E-1, E-2, E-3 ✓ G-1 through G-5 ✓ H-1B & C, H-2 through H-4 ✓ L-1B, L-2 ✓ NATO 1 through 6 ✓ O-1 ✓ R-1 ✓ TN-1 & 2 (NAFTA) If a non-U.S. citizen is borrowing with a U.S. citizen, it does not eliminate visa or other residency requirements. Individuals in possession of spouse or family member visas are to qualify as co-borrowers only. Borrowers who are residents of countries which participate in the State Department's Visa Waiver Program (VWP) will not be required to provide a valid visa. Participating countries can be verified through the U.S. Department of State website at https://travel.state.gov/content/travel/en/us-visas/tourism-visit/visa-waiver-program.html. Borrowers with Diplomatic Immunity and Citizens of Venezuela are ineligible for ACC Mortgage programs.
<p>Non-Occupant Co-Borrowers:</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"> The following requirements apply to First-Time Home Buyer transactions: <ul style="list-style-type: none"> ✓ Primary residence and second homes only ✓ 24-month income programs 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.
<p>First Time Investor:</p>	<ul style="list-style-type: none"> Not eligible <ul style="list-style-type: none"> ✓ A First-Time Investor is a borrower who has not owned at least one investment property for at least 12 months anytime during the most recent 12-month period.

INCOME

<p>Income:</p>	<ul style="list-style-type: none"> Full Doc (12 or 24 Months) <ul style="list-style-type: none"> ✓ W-2 ✓ Tax Returns Bank Statements (12 or 24 Months) <ul style="list-style-type: none"> ✓ Must be Self-employed for 2 years ✓ Personal or Business Bank Statements 1099 (12 or 24 Months) <ul style="list-style-type: none"> ✓ Must be Self-employed for 2 years <div data-bbox="1006 1458 1399 1787" style="border: 1px solid black; padding: 5px; 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>
-----------------------	--

INCOME (cont.)

Bank Statement – Calculating Qualifying Income:	<ul style="list-style-type: none"> • Personal and Business Bank Statements: Total useable deposits ÷ 12 or 24 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 costs for Primary and Second Homes. • Up to 2% towards closing costs for Investment Property.
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 ✓ Investment property transactions require all funds come from the borrower. • 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"> • Primary and Second Homes <ul style="list-style-type: none"> ✓ Max 15 Acres ✓ Exceptions considered on a case-by-case basis • Investment Properties <ul style="list-style-type: none"> ✓ Max 2 Acres ✓ 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 (max 85% LTV) <ul style="list-style-type: none"> ✓ Non-Warrantable Condos (max 80% LTV) • 2 – 4 Unit (max 80% LTV) • Log Homes (max 80% LTV) • Modular (max 80% LTV) • Rural (max 80% LTV)

SUBJECT PROPERTY (cont.)

<p>Ineligible Property Types:</p>	<ul style="list-style-type: none"> • Manufactured (Mobile) • Mixed Use • Assisted Living/Continuing Care Facilities • Boarding Houses • Condotels • Co-Ops
<p>Appraisal Review:</p>	<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
<p>Appraisal Transfers:</p>	<ul style="list-style-type: none"> • Appraisal transfers are eligible, as indicated on ACC's Appraisal Transfer Policy
<p>Properties Listed For Sale:</p>	<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
<p>Seasoning:</p>	<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.
<p>Determining Loan to Value:</p>	<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.
<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

Cash Out:	<ul style="list-style-type: none"> • Max Cash Out: \$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 not allowed on investment property. 	
Occupancy:	<ul style="list-style-type: none"> • Primary Residence • Second Homes • Investment Property 	
Secondary Financing:	<ul style="list-style-type: none"> • Institutional Secondary Financing is acceptable. • New and existing Secondary Financing is allowed. <ul style="list-style-type: none"> ✓ Texas (Note: Must be existing secondary financing only) • Max CLTV = allowable program LTV. • Not allowed on Investment Property. 	
Vesting:	<ul style="list-style-type: none"> • Natural persons • LLC (investment properties) • Limited and General Partnerships (investment properties) • Corporations and S Corporations (investment properties) • Inter vivos revocable trusts (case-by-case basis) 	
Compliance:	<ul style="list-style-type: none"> • Escrows required for taxes and insurance. • Compliance with all applicable federal and state regulations. • No Section 32 or state high cost. 	
Amortization Types:	<ul style="list-style-type: none"> • 15, 20 and 30 Year Fixed, 40 Year Fixed IO 	
Interest Only:	<ul style="list-style-type: none"> • Qualify using the fully amortized payment calculated over the fully amortizing period, based on the greater of the note rate or the fully indexed rate to determine qualifying PITIA. 	
Prepayment Penalty:	<ul style="list-style-type: none"> • Investment Property only. • 6 Months interest on 80% of original principal balance. • 3 Years standard term. • Not allowed in IL, KS, MD, MI, MN, MS, NJ and PA. 	
Eligible States:	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	
Eligible States (Non-Licensed Originators):	Investment Properties Only	AR, CO, CT, DE, DC, FL, GA, IN, MD, MS, OK, PA, SC, TN, TX, VA & WA
Eligible States (Real Estate Broker State License Required):	Investment Properties Only	CA, MI, MN & NJ