



Revised: January 9, 2023

The Science of Doing Non-QM Right!™

PRIME PLUS BRONZE

NON-ITIN & ITIN

Loan Amount	FICO	Primary Residence			Second Home			Investment Property		
		Purchase	Rate Term	Cash Out	Purchase	Rate Term	Cash Out	Purchase	Rate Term	Cash Out
≤ \$647,200	660	80%	80%	75%	75%	75%	75%			
	640	75%	75%	75%	75%	75%	75%			
	600	75%	75%		75%	75%				
	No Score	75%	75%		75%	75%				
≤ \$750,000	640	75%	75%	70%	75%	75%	70%			

PROPERTY TYPE OVERLAYS

2-4 Unit	70% LTV
Warrantable Condo	75% LTV
Non-Warrantable Condo	75% LTV
Attached PUD	75% LTV
Townhome	75% LTV



Call your Account Executive for more information on any of ACC's loan programs!

OTHER OVERLAYS

Interest Only	Not Eligible
Texas Cash-Out 50(a)(6)	Not Eligible

PROGRAM PARAMETERS

Minimum Loan Amount	<ul style="list-style-type: none"> \$150,000
Maximum Loan Amount	<ul style="list-style-type: none"> \$750,000
Maximum Cash Out	<ul style="list-style-type: none"> Unlimited
Maximum DTI	<ul style="list-style-type: none"> 50% with compensating factors 43% without compensating factors
Minimum PITIA Reserves	<ul style="list-style-type: none"> No minimum
Minimum Residual Income	<ul style="list-style-type: none"> No minimum

CREDIT REQUIREMENTS	
Mortgage / Rent:	<ul style="list-style-type: none"> • 0 x 30 x 6 months
Installment / Revolving:	<ul style="list-style-type: none"> • Payment history not considered
Tradelines:	<ul style="list-style-type: none"> • No minimum
Bankruptcy & Housing Event Seasoning:	<ul style="list-style-type: none"> • No Seasoning Requirements • Borrowers currently in foreclosure will be considered on a case-by-case basis • Chapter 13 bankruptcies can be paid off in a cash out refi with approval from the court.
Qualifying Credit Score:	<ul style="list-style-type: none"> • All borrowers must have the minimum credit score required to meet eligibility. • To determine the score for each Borrower on the loan: <ul style="list-style-type: none"> ✓ For individual borrowers, use the Trans Union score, if available. If no score is reporting, the loan will be priced using the “no score” line on the rate sheet ✓ For multiple borrowers, use the average of Trans Union scores, rounded up, if available. Any borrower with no score reporting will be priced using a 620 score. ✓ If the Trans Union credit report reflects a true “no score” (i.e. no credit activity) and does not show a credit score, then utilize the “no score” band of the matrix.
Housing History:	<ul style="list-style-type: none"> • For LTV's ≤ 75% a housing history is not required. • For LTV's > 75% a housing history for the most recent 6 months is required. • Borrowers who own their home free and clear can qualify by providing evidence of payment of homeowners' insurance and taxes. • Borrowers with no housing history (i.e. living rent-free) may be considered on a case-by-case basis. • Borrowers who do not own their homes free and clear, have owned their current home for less than 6 months AND have no prior homeownership can use a combination of previous rental history and mortgage history to meet the housing history requirements. • Housing histories through private parties must be verified with cancelled checks, referencing the company or individual who completes the verification.
Charge-Offs and Collections:	<ul style="list-style-type: none"> • Collections or Charge-offs must have 3.5% of the total debt included in DTI calculation if: <ul style="list-style-type: none"> ✓ The credit report indicates a last active date within the past 24 months, or referred to collection agency and reported as opened in the past 24 months, and ✓ Total non-medical collections per loan aggregate \$4,000 and greater, and are not being paid at closing ✓ Only collections greater than \$600 are to be included in calculating the aggregate • Excluded: <ul style="list-style-type: none"> ✓ Medical collections ✓ Non-Collection Debts with utility companies ✓ Liabilities that do not appear on the credit report may require proof by financial statement, note or mortgage to verify the amount owed.
Judgments and Tax Liens:	<ul style="list-style-type: none"> • Tax Liens and Judgments on the credit report (not affecting title), that have not been satisfied or discharged must be included in DTI and monthly liability will be calculated using either: <ul style="list-style-type: none"> ✓ Formal payment arrangement ✓ 3.5% of balance ✓ Tax liens and judgments not affecting title are not required to be paid prior to or at closing.

CREDIT REQUIREMENTS (cont.)

Housing Events:	<ul style="list-style-type: none"> • A Housing Event is any one of the following events listed below: <ul style="list-style-type: none"> ✓ Foreclosure ✓ Deed-in-Lieu ✓ Short Sale ✓ 1x120 mortgage history ✓ Modification resulting in (non COVID-19 related): <ul style="list-style-type: none"> ○ Forgiveness of a portion of principal and/or interest on either the first or second mortgage ○ Application of a principal curtailment by or on behalf of the investor to simulate principal forgiveness ○ Conversion of any portion of the original mortgage debt to a “soft” subordinate mortgage ○ Conversion of any portion of the original mortgage debt from secured to unsecured
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BORROWERS

Occupancy:	<ul style="list-style-type: none"> • Primary Residence • Second Homes
First Time Homebuyer:	<ul style="list-style-type: none"> • Defined as: Borrower(s) who have not owned at least one residential property in the United States in the last 3 years. • Required to receive certification from a HUD approved home buyer education and counseling service.
Non-Occupant Co-Borrower:	<ul style="list-style-type: none"> • Non-occupant borrower must sign the mortgage and note • Non-occupant borrower must not have an interest in the property sales transaction, such as the property seller, builder, or real estate Lender • Occupying borrower must contribute to qualifying income • Occupying borrower must have a minimum 660 credit score • LTV reduction of 5% from program maximum. LTV not to exceed 75%
Non-Arms Length:	<ul style="list-style-type: none"> • Non-Arm’s length transactions are subject to all the following requirements: <ul style="list-style-type: none"> ✓ Primary residence only ✓ Relationship must be fully disclosed ✓ An appraisal review product is required ✓ Borrower to provide a written explanation stating relationship to the seller and reason for purchase ✓ Borrower to provide a copy of the canceled earnest money check paid to the property seller ✓ ACC must be satisfied that the transaction makes sense, and that the borrower will occupy the property ✓ All liens on title to be paid in full and reflected on the settlement statement ✓ Lesser of sales price or current appraised value to be used to calculate the LTV ✓ Borrowers cannot provide services on transaction (closing agent, title agent, appraiser, etc.) ✓ Borrower may not be an owner of a business entity selling the subject property • The following additional requirements apply only to family sales: <ul style="list-style-type: none"> ✓ Payment history for the seller’s mortgage on the subject property must be obtained and show no pattern of delinquency within the past 12 months (if applicable) ✓ Verification that the borrower has not been in title to the property in the past 24 months ✓ Gift of Equity is permitted.

BORROWERS (cont)

Multiple Financed Properties:	<ul style="list-style-type: none"> No limitations on the number of other financed properties with outstanding balances.
Eligible Borrowers:	<ul style="list-style-type: none"> US Citizens ITIN Permanent Resident Aliens Non-Permanent Resident Aliens (with US credit) – includes DACA recipients
Ineligible Borrowers:	<ul style="list-style-type: none"> Foreign Nationals LLCs, partnerships, or corporations (may qualify for vesting only) Borrowers with diplomatic immunity or otherwise excluded from U.S. jurisdiction Borrowers from OFAC sanctioned countries: https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information
ITIN:	<ul style="list-style-type: none"> ITIN Letter from IRS & valid government photo ID required
Perm & Non-Perm Resident Alien:	<ul style="list-style-type: none"> One of the following is required: <ul style="list-style-type: none"> Green Card; or VISA/EAD All VISA types are permissible outside of diplomatic status (A-1 or A-2) Expired Green Cards and VISAs/EADs are permissible Valid government photo ID required Social Security Card required, otherwise borrower must have an ITIN, see that section.

INCOME

Doc Types:	<ul style="list-style-type: none"> Wage Earner: <ul style="list-style-type: none"> ✓ Full Doc – 12 months Self Employed: <ul style="list-style-type: none"> ✓ Full Doc – 12 months ✓ Alt Doc P&L Only – 12 months
Full Doc:	<ul style="list-style-type: none"> Wage Earner: <ul style="list-style-type: none"> ✓ YTD Paystubs, 1-Year W-2, Verbal VOE within 10 business days of closing Self Employed: <ul style="list-style-type: none"> ✓ 1-Year Personal and Business Tax Returns, YTD P&L, most recent month bank statement, Verification of business existence within 10 business days of closing

INCOME (cont)

<p>Alt Doc - P&L Only:</p>	<ul style="list-style-type: none"> • <u>Requirements</u> <ul style="list-style-type: none"> ✓ Must be self-employed for at least one year. ✓ The business being used to source income must be in existence for at least one year. ✓ The business being used to source the income must be located in the state of borrower's residency or a detail LOE is required. ✓ Must be employed in the same line of work for at least two years. ✓ No minimum borrower ownership percentage. • <u>Borrower Documentation</u> <ul style="list-style-type: none"> ✓ ACC Self-Employed Business narrative form. ✓ The chosen tax preparer must be licensed in the state of borrower's residency or a detailed borrower LOE is required describing why they chose an out of state tax preparer. • <u>Tax Preparer Documentation</u> <ul style="list-style-type: none"> ✓ Eligible tax preparers must be licensed as one of the following: <ul style="list-style-type: none"> ▪ CPA (Certified Public Accountant); or ▪ EA (Enrolled Agent); or ▪ AFSP (Annual Filing Season Participant); or ▪ PTIN (Preparer Tax Identification Number) ✓ Tax Preparer Questionnaire form located in that ACC template packet is required. ✓ Profit & Loss Statement located in the ACC template packet is required. ✓ A copy of the tax preparer's license is required, and must match the address, firm name, etc shown on the Questionnaire and P&L. ✓ PTIN preparers must also document at least 2 years of tax preparation experience by providing one of the following: <ul style="list-style-type: none"> ▪ PTIN license renewal documentation dating back 2+ years; or ▪ If preparer owns a tax preparation business, proof of 2+ years business existence; or ▪ If preparer works for a tax preparation business they do not own, letter from business owner verifying 2+ years employment ✓ ACC verbal verification of the Tax Preparer Questionnaire and Profit & Loss Statement required prior to closing.
<p>Cannabis Derived Income:</p>	<ul style="list-style-type: none"> • Not Eligible

ASSETS

<p>Asset Seasoning:</p>	<ul style="list-style-type: none"> • Sourced or seasoned for 60 days.
<p>Large Deposits:</p>	<ul style="list-style-type: none"> • Source unexplained deposits that exceed 50% of the borrowers gross monthly qualifying income.
<p>Seller Concessions:</p>	<ul style="list-style-type: none"> • Up to 6% if purchase price < / = list price • Up to 3% if purchase price > list price and appraisal supports the higher price • Up to 3% if the property was not listed for sale on open market (i.e. purchase of rental home, FSBO etc.)
<p>Borrower Contribution:</p>	<ul style="list-style-type: none"> • No minimum
<p>Gift Funds:</p>	<ul style="list-style-type: none"> • Gifted funds must be processed by a depository institution prior to being provided to the settlement agent, and must be evidenced by a letter which meets the following requirements: <ul style="list-style-type: none"> ✓ Specify the dollar amount of the gift; ✓ Specify the date the funds were transferred; ✓ Include a statement that no repayment is expected; ✓ Include the donor's name, address, telephone number, relationship to borrower; and ✓ Bear the donor's signature

ASSETS (cont)

<p>Gift of Equity:</p>	<ul style="list-style-type: none"> • A gift of equity refers to a gift provided by the seller of a property to the buyer. The gift represents a portion of the seller's equity in the property and is transferred to the buyer as a credit in the transaction. • Up to a 100% gift of equity for down payment is permitted for primary residences and second homes if: <ul style="list-style-type: none"> ✓ Provide copy of gift letter ✓ Seller may not be in default ✓ The transaction between buyer and seller is a non-arm's length transaction. A non-arm's length transaction would be when the buyers and sellers have an existing relationship with each other. ✓ The sales price for the property is at market rate ✓ No seller concessions allowed, closing costs must be borrower's own funds
<p>Reserves:</p>	<ul style="list-style-type: none"> • No minimum

SUBJECT PROPERTY

<p>Acreage:</p>	<ul style="list-style-type: none"> • There are no maximum acreage limitations. • Rural and agricultural properties are allowed with no limitations to LTV. • The appraiser must indicate the total acreage as well as provide data which indicates that like-size properties with similar land values are typical and common in the subject area's market.
<p>Eligible Property Types:</p>	<ul style="list-style-type: none"> • SFR Attached or Detached • PUD Attached or Detached • Modular • Townhomes • 2-4 Unit • Low or Mid-Rise Condominium (Warrantable & Non-Warrantable) • Rural Properties
<p>Ineligible Property Types:</p>	<ul style="list-style-type: none"> • Vacant land or land development properties • Properties not readily accessible by roads that meet local standards • Properties not suitable for year-round occupancy, regardless of location • Agricultural properties (including farms, ranches, or orchards) • Manufactured or Mobile Homes • Co-op/timeshare hotels • Cooperative share loans • Boarding houses or bed/breakfast properties • Properties with zoning violations • Dome or geodesic homes • Assisted living facilities • Homes on Native American Land (Reservations) • Hawaii properties located in lava zones 1 and/or 2 • Houseboats • Fractional ownership • Properties used for the cultivation, distribution, manufacture, or sale of marijuana • Condotels • Log Homes • High Rise Condominiums • Leasehold Properties

SUBJECT PROPERTY <i>(cont.)</i>	
Appraisal:	<ul style="list-style-type: none"> • A full interior inspection with photos is required for all units. • Appraisal Form 1004, 1025, 1007 and/or 1073 is required for all transactions. • Appraisal transfers are eligible, as indicated on ACC's Appraisal Transfer Policy
Appraisal Review:	<ul style="list-style-type: none"> • FNMA Collateral Underwriter (CU) score of 2.5 or less or a Collateral Desktop Analysis (CDA) required on all files.
Property Flips:	<ul style="list-style-type: none"> • Period is measured from the date the seller became legal owner of the property to the date all parties executed the sales contract, including builders land acquisition date on new construction. • Properties with a prior sale in the last 180 days Maximum 75% LTV • The following transactions require a 2nd full appraisal: <ul style="list-style-type: none"> ✓ Prior sale less than 90 days and > 10% increase in sales price ✓ Prior sale 91-180 days and > 20% increase in sales price
Properties Listed For Sale:	<ul style="list-style-type: none"> • Primary Residence <ul style="list-style-type: none"> ✓ Property must have been off the market for a minimum of ninety (90) calendar days prior to the application date ✓ The borrower must confirm in writing that they intend to occupy the subject as a primary residence and the reason for listing the property • Second Homes <ul style="list-style-type: none"> ✓ Property must have been off the market for a minimum of 6 months prior to the application date ✓ The borrower must confirm in writing the reason for listing property
Refinance Seasoning:	<p>Rate/Term Refinance:</p> <ul style="list-style-type: none"> • Owner occupied properties: <ul style="list-style-type: none"> ✓ The borrower has paid the mortgage for the last 6 months prior to application ✓ Borrower must be in title to the subject property at the time of loan application • Second Homes: <ul style="list-style-type: none"> ✓ Borrower must be in title to the subject property for 6 months prior to application ✓ Borrower must be obligated on underlying liability <p>Cash Out Refinance:</p> <ul style="list-style-type: none"> • 6 Months required from Purchase Date to Note Date (ACC) <p>No waiting period for properties obtained through inheritance, divorce or separation.</p>
Determining LTV Cash Out Refi:	<ul style="list-style-type: none"> • Property acquired > 12 months from application date: <ul style="list-style-type: none"> ✓ Current appraised value is used. • Property acquired 6 - 12 months from application date: <ul style="list-style-type: none"> ✓ Lesser of current appraised value or the previous purchase price plus documented improvements (if any) is used. The purchase settlement statement and any invoices for materials/labor will be required.

SUBJECT PROPERTY <i>(cont.)</i>	
Lease with Option to Purchase:	<ul style="list-style-type: none"> • A lease with option is renting or leasing property with the option to purchase at a later time. • Maximum LTV is capped at 80%. • Borrowers with a valid, executed lease with option to purchase will be priced, and treated as a purchase transaction. • The lesser of the appraised value or the purchase price established with the original lease with option, will be used for qualification. • Rent credit should be applied as a gift of equity.
Land Contracts / Contracts for Deed:	<ul style="list-style-type: none"> • Primary residence only • Copy of fully executed land contract and payoff(s) to be obtained • Copies of canceled checks for 12 months (or term of the lease if less) as evidence of timely payments • If the land contract was executed less than 12 months ago, the borrower's previous housing payment history must also be verified to complete a completed 12-month history • Liens on title to be paid in full and reflected on settlement statement at closing • If the contract was executed less than 12 months ago, the lesser of the purchase price or the current appraised value must be used to determine LTV. The current appraised value may be used to determine LTV if the land contract was executed over 12 months ago. • Cash-out and non-arm's length transactions not eligible
MISCELLANEOUS	
Document Expiration:	<ul style="list-style-type: none"> • Assets 60 days • Income 60 days • Appraisal 120 days • ACC Credit Report 90 days • Title Commitment and CPL 90 days
Amortization Types:	<ul style="list-style-type: none"> • 15, 20, 25 and 30 Year Fixed • Investment Property 25 years • Manufactured Doublewide 20 Years • Manufactured Singlewide 15 Years
Interest Only:	<ul style="list-style-type: none"> • Not Eligible
Secondary Financing:	<ul style="list-style-type: none"> • Permitted • Secondary financing must be institutional. • Existing secondary financing must be subordinated and recorded or refinanced. • HELOC CLTV must be calculated at the maximum available line amount unless the borrower can provide documentation showing the line of credit is past its draw period.
Power of Attorney:	<ul style="list-style-type: none"> • A limited Power of Attorney is acceptable when all the following are met: <ul style="list-style-type: none"> ✓ It is specific to the transaction; ✓ It is recorded with the Mortgage/Deed of Trust; ✓ It contains an expiration date; ✓ It is used to execute only the final loan documents; ✓ The Borrower who executed the POA signed the initial 1003; ✓ An interested party to the transaction (such as seller, broker, loan officer, realtor, etc.) may not act as Power of Attorney. ✓ Not eligible for cash-out transactions.

MISCELLANEOUS (cont.)	
Vesting Structures:	<ul style="list-style-type: none"> Natural persons Inter vivos revocable trusts (case-by-case basis)
Escrows:	<ul style="list-style-type: none"> Escrows required for taxes and insurance.
Compliance:	<ul style="list-style-type: none"> Compliance with all applicable federal and state regulations. No Section 32 or state high cost. Third Party Processing feed are not allowed.
Prepayment Penalty:	<ul style="list-style-type: none"> Not Eligible
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

