



Revised: January 27, 2023

The Science of Doing Non-QM Right!™

SECOND CHANCE SILVER

CREDIT EVENT LEVEL

Standard		Recent Level 1			Recent Level 2		
Mortgage History	1x30x12	Mortgage History	0x60x12		Mortgage History	0x90x12	
Housing Events	> 36 Months	Housing Events	> 24 Months		Housing Events	> 12 Months	
Bankruptcy	> 36 Months	Bankruptcy	> 24 Months		Bankruptcy	> 12 Months	

FULL & ALT DOC

			Primary Residence			Second Home			Investment Property		
Loan Amount	FICO	Credit Event Level	Purch	R/T	C/O	Purch	R/T	C/O	Purch	R/T	C/O
≤ \$1,000,000	680	Standard	85%	80%	80%	80%	75%	75%	80%	75%	75%
		Recent 1	80%	75%	75%	80%	75%	75%	80%	75%	75%
		Recent 2	70%								
	660	Standard	80%	75%	75%	80%	75%	75%	80%	75%	75%
		Recent 1	80%	75%	75%	80%	75%	75%	80%	75%	75%
		Recent 2	70%								
	620	Standard	75%	70%	70%	75%	70%	70%	75%	70%	70%
		Recent 1	75%	70%	70%	75%	70%	70%	75%	70%	70%
		Recent 2	70%								
	600	Standard	70%	65%	65%	70%	65%	65%	70%	65%	65%
		Recent 1	70%	65%	65%	70%	65%	65%	70%	65%	65%
		Recent 2	70%								
≤ \$1,500,000	700	Standard	85%	80%	80%	80%	75%	75%	80%	75%	75%
		Recent 1	80%	75%	75%	80%	75%	75%	80%	75%	75%
	660	Standard	80%	75%	75%	80%	75%	75%	80%	75%	75%
		Recent 1	80%	75%	75%	80%	75%	75%	80%	75%	75%
	620	Standard	70%	65%	65%	70%	65%	65%	70%	65%	65%
Recent 1		70%	65%	65%	70%	65%	65%	70%	65%	65%	
≤ \$2,000,000	700	Standard	80%	75%	75%	80%	75%	75%	80%	75%	75%
	680	Standard	80%	70%	70%	80%	70%	70%	80%	70%	70%
	660	Standard	70%	65%	65%	70%	65%	65%	70%	65%	65%
	620	Standard	65%			65%			65%		
≤ \$2,500,000	700	Standard	80%	75%	75%						
	680	Standard	80%	70%	70%						
	660	Standard	70%	65%	65%						
	620	Standard	65%								
≤ \$3,000,000	680	Standard	70%	65%	65%						

PROPERTY TYPE OVERLAYS		OTHER OVERLAYS	
2-4 Unit	Purch 85% LTV, Refi 75% LTV	Interest Only	85% LTV
Warrantable Condo	Purch 85% LTV, Refi 75% LTV	Texas Cash-Out 50(a)(6)	80% LTV
Non-Warrantable Condo	Purch 85% LTV, Refi 75% LTV	Non-Perm Resident Alien	80% LTV
> 10 Acres	80% LTV	First Time Investor	80% LTV
Rural	Not Eligible	Alt Doc – Asset Depletion	Not Eligible
Condotel	Purch 75% LTV, Refi 65% LTV	Alt Doc – P&L Only	Purch 80% LTV, Refi 70% LTV Min 660 Qual Score required Max Loan Amt \$1,500,000
Modular	85% LTV	Alt Doc – Written VOE	Purch 80% LTV, Refi 70% LTV Min 660 Qual Score required Max Loan Amt \$1,500,000
Log Home	Not Eligible	Entire States of: AZ, CT, ID, IL, NJ, OR, TN & UT	5% LTV reduction required Max Loan Amt \$2,000,000
		Certain Zip Codes in: CA, CO, FL, NV, NC, TX & WA (See Appendix)	5% LTV reduction required Max Loan Amt \$2,000,000

PROGRAM PARAMETERS	
Minimum Loan Amount	• \$150,000
Maximum Loan Amount	• \$3,000,000 (differs from gold)
Maximum Cash Out	• Unlimited (differs from gold)
Maximum DTI	• 50%
Minimum PITIA Reserves	• 3 Months
Minimum Residual Income	• \$1,500 + \$150 per dependent

CREDIT REQUIREMENTS	
Mortgage / Rent:	<ul style="list-style-type: none"> Standard Credit Events: 1x30x12 (differs from gold) Recent Level 1 Credit Events: 0x60x12 (differs from gold) Recent Level 2 Credit Events: 0x90x12 (differs from gold)
Installment / Revolving:	<ul style="list-style-type: none"> Payment history not considered
Tradelines:	<ul style="list-style-type: none"> Tradeline requirement based on primary wage earner If the primary wage earner has 3 credit scores: <ul style="list-style-type: none"> ✓ No minimum tradelines required. (differs from gold) If the primary wage earner has 2 credit scores: <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. Max 0 x 60 x 12 months reporting on acceptable tradelines. Authorized user accounts are not acceptable.
Bankruptcy & Housing Event Seasoning:	<ul style="list-style-type: none"> Standard Credit Events: > 36 months (differs from gold) Recent Level 1 Credit Events: > 24 months (differs from gold) Recent Level 2 Credit Events: > 12 months (differs from gold)

CREDIT REQUIREMENTS (cont.)

<p>Qualifying Credit Score:</p>	<ul style="list-style-type: none"> • Primary wage earner must have at least 2 scores and is used to determine the overall loan qualifying credit score. <ul style="list-style-type: none"> ✓ If three scores are provided, use middle score ✓ If two scores are provided, use lowest score ✓ If one score is provided, the borrower is not eligible • Each additional borrower must have at least one score. <ul style="list-style-type: none"> ✓ If three scores are provided, at least one must be 620+ ✓ If two scores are provided, at least one must be 620+ ✓ If one score is provided, it must be 620+ • When qualifying income is equal for all borrowers the highest representative score is used to determine the loan qualifying score.
<p>Housing History:</p>	<ul style="list-style-type: none"> • A 12-month mortgage history is required for all financed properties owned by the borrower. • A 12-month rental history is required when the borrower is renting their current primary residence. • Borrowers who live rent-free or without a complete 12-month housing history are allowed, with the following restrictions: <ul style="list-style-type: none"> ✓ 3 additional months reserves required ✓ 10% minimum borrower contribution ✓ Any available portion of a 12-month housing history must be paid as agreed. ✓ Borrower(s) who own their primary residence free and clear are not considered living rent-free.
<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). ✓ 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.
<p>Judgments and Tax Liens:</p>	<ul style="list-style-type: none"> • All judgments or liens affecting title must be paid. • Active court-ordered judgments may remain open when one of the following options is met: <ul style="list-style-type: none"> ✓ The amount is the lessor of \$5,000 per occurrence or 2% of the loan amount: OR ✓ The borrower is currently in a repayment agreement with the creditor, a minimum of 3 months has elapsed on the plan, and evidence of timely payments for the most recent 3 months is provided. • 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 the following requirements must be met: <ul style="list-style-type: none"> ✓ A copy of the repayment agreement is obtained; AND ✓ 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 title company must provide written confirmation confirming <ul style="list-style-type: none"> ○ the title company is aware of the outstanding tax lien, and ○ there is no impact to first lien position.

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 • Investment Property
First Time Investor:	<ul style="list-style-type: none"> • Defined as: Borrower(s) who have not owned and managed commercial or non-owner occupied residential real estate in the United States for at least 1 year in the last 3 years. • Eligible, see page 1 for applicable overlays.
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. • The following requirements apply: <ul style="list-style-type: none"> ✓ Primary residence and second homes only ✓ 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.
Non-Occupant Co-Borrowers:	<ul style="list-style-type: none"> • Non-occupant borrowers are credit applicants on a principal residence transaction who do not occupy the subject property. • When non-occupant income is used, a 5% LTV reduction from the program maximum is required. • Occupying borrower(s) must have a DTI ratio of 60% or less. This excludes the income/debts of non-occupant borrower(s). • Cash out transactions not allowed. • The non-occupant co-borrower must be included on title of the subject property.

BORROWERS (cont.)

<p>Non-Arms Length:</p>	<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.
<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. • ACC Mortgage exposure may not exceed \$5M aggregate for each individual borrower.
<p>Eligible Borrowers:</p>	<ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens • Non-Permanent Resident Aliens (with US credit)
<p>Ineligible Borrowers:</p>	<ul style="list-style-type: none"> • ITIN • Foreign Nationals • LLCs, partnerships, or corporations (may qualify for vesting only) • Borrowers with diplomatic immunity or otherwise excluded from U.S. jurisdiction • Citizens of Russia, Belarus and Venezuela • Borrowers from OFAC sanctioned countries: https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information
<p>Perm Resident Alien:</p>	<ul style="list-style-type: none"> • Acceptable evidence of lawful permanent residency must be documented and meet one of the following criteria: <ul style="list-style-type: none"> ✓ I-151 – Permanent Resident Card (Green Card) that does not have an expiration date ✓ I-551 – Permanent Resident Card (Green Card) issued for 10 years that has not expired ✓ I-551 – Conditional Permanent Resident Card (Green Card) issued for 2 years that has an expiration date and is accompanied by a copy of USCIS Form I-751 requesting removal of the conditions ✓ Un-expired Foreign Passport with an un-expired stamp reading as follows: “Processed for I-551 Temporary Evidence of Lawful Admission for Permanent Residence. Valid until mm-dd-yyyy. Employment Authorized.”
<p>Non-Perm Resident Alien:</p>	<ul style="list-style-type: none"> • Copies of the borrower’s passport and unexpired visa must be obtained. • 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) • Acceptable alternative documentation to verify visa classification is an I-797 form (Notice of Action) with valid extension dates and an I-94 form (Arrival/Departure Record).

INCOME

<p>Doc Types:</p>	<ul style="list-style-type: none"> • Wage Earner: <ul style="list-style-type: none"> ✓ Full Doc – 12 or 24 months ✓ Alt Doc Written VOE – 24 months (<i>differs from gold</i>) • Self Employed: <ul style="list-style-type: none"> ✓ Full Doc – 12 or 24 months ✓ Alt Doc Personal Bank Statements – 12 or 24 months ✓ Alt Doc Business Bank Statements – 12 or 24 months ✓ Alt Doc Co-Mingled Bank Statements – 12 or 24 months ✓ Alt Doc 1099 – 12 or 24 months ✓ Alt Doc P&L Only – 12 or 24 months (<i>differs from gold</i>)
<p>Full Doc:</p>	<ul style="list-style-type: none"> • Wage Earner: <ul style="list-style-type: none"> ✓ YTD Paystubs, 1- or 2-Years W-2s, 4506-C Transcripts, Verbal VOE within 10 business days of closing • Self Employed: <ul style="list-style-type: none"> ✓ 1 or 2 Years Personal and Business Tax Returns, YTD P&L, most recent month bank statement, 4506-C Transcripts, Verification of business existence within 10 business days of closing
<p>Alt Doc - Personal Bank Statements:</p>	<ul style="list-style-type: none"> • <u>Requirements:</u> <ul style="list-style-type: none"> ✓ Must be self-employed for at least two years. ✓ The business being used to source income must be in existence for at least two years. ✓ Minimum 25% borrower ownership percentage. • <u>Documentation</u> <ul style="list-style-type: none"> ✓ 24 or 12 months of consecutive PERSONAL bank statements. ✓ Most recent two months of BUSINESS bank statements. Note: If business bank statements are not available, see "Co-Mingled Bank Statements" ✓ Verification of business existence and borrower's ownership percentage with one of the following. CPA letter, Tax Preparer letter, operating agreement, or equivalent, reflecting the borrower's ownership percentage. ✓ Verification of business existence required within 10 business days of closing. ✓ ACC Self-Employed Business narrative form. • <u>Analyzing the Personal Statements</u> <ul style="list-style-type: none"> ✓ If the personal account is jointly owned, and the joint owner is not an owner of the business, deposits that are not readily identifiable as transfers from the business accounts or business deposits must be excluded unless sourced. ✓ Evidence of business receipt and expense activity is not permitted in personal bank accounts. Evidence of such activity will require the loan to be submitted/qualified as a Co-Mingled Bank Statement Documentation loan. ✓ Two months of business bank statements must reflect activity to support business operations and transfers to the personal account being used for qualification. • <u>Calculation Method</u> <ul style="list-style-type: none"> ✓ Net income from the analysis of the bank statements is multiplied by the borrower's ownership percentage to determine the borrower's qualifying income. ✓ Qualifying income calculated using total deposits from the statements, minus any inconsistent or large deposits not justified. ✓ An expense factor is not applied.

INCOME (cont.)

Alt Doc - Co-Mingled Bank Statements:

- Requirements:
 - ✓ Must be self-employed for at least two years.
 - ✓ The business being used to source income must be in existence for at least two years.
 - ✓ The borrower must be sole owner of the business (borrower and spouse with combined 100% ownership eligible).
- Documentation
 - ✓ A co-mingled bank account is a personal account used by a borrower for both business and personal use. A separate business account is not required.
 - ✓ 24 or 12 months of consecutive PERSONAL bank statements.
 - ✓ Verification of business existence and borrower's ownership percentage with one of the following. CPA letter, Tax Preparer letter, operating agreement, or equivalent, reflecting the borrower's ownership percentage.
 - ✓ Verification of business existence required within 10 business days of closing.
 - ✓ ACC Self-Employed Business narrative form.
- Analyzing the Co-Mingled Statements
 - ✓ If the co-mingled personal account is jointly owned, deposits that are not readily identifiable as business deposits must be excluded unless sourced.
- Calculation Method
 - ✓ A standard 50% expense factor will be applied to the total of eligible deposits.
 - ✓ If the business operates more efficiently or typically has a materially different expense factor (higher or lower than standard expense factor), then an expense factor from a CPA/CTEC/EA letter or P&L may be used to determine qualifying income.

Alt Doc - Business Bank Statements:

- Requirements
 - ✓ Must be self-employed for at least two years.
 - ✓ The business being used to source income must be in existence for at least two years.
 - ✓ Minimum 25% borrower ownership percentage.
- Documentation
 - ✓ A business bank account is used for ongoing operations of the business and reflects the name of the business as completed on the URLA.
 - ✓ 24 or 12 months of consecutive BUSINESS bank statements.
 - ✓ Verification of business existence and borrower's ownership percentage with one of the following. CPA letter, Tax Preparer letter, operating agreement, or equivalent, reflecting the borrower's ownership percentage.
 - ✓ Verification of business existence required within 10 business days of closing.
 - ✓ ACC Self-Employed Business narrative form.
- Analyzing the Business Statements
 - ✓ All other owners of the business not party to the loan must provide a signed and dated letter acknowledging the borrower's access to the business account for loan qualification.
 - ✓ Statements should show a trend of ending balances that are stable or increasing over time.
 - ✓ Decreasing or negative ending balances must be explained.
- Calculation Method
 - ✓ A standard 50% expense factor will be applied to the total of eligible deposits.
 - ✓ If the business operates more efficiently or typically has a materially different expense factor (higher or lower than standard expense factor), then an expense factor from a CPA/CTEC/EA letter or P&L may be used to determine qualifying income.

INCOME (cont.)

Alt Doc - 1099:

- Requirements
 - ✓ Permitted for individual(s) earning 100% commission, independent contractors and/or sole proprietors.
 - ✓ Minimum 2-year self-employment history is required (e.g., 1099 income).
- Documentation
 - ✓ 1-year or 2-years 1099s
 - ✓ Current YTD earnings must be documented to support the ongoing receipt of 1099 income with YTD bank statements or check stub(s) with YTD totals if available.
 - ✓ ACC Self-Employed Business narrative form.
 - ✓ When utilizing 1-year 1099 option, verification that the borrower has been self employed for a minimum of 2 years utilizing one of the following. CPA letter, Tax Preparer letter, or equivalent.
 - ✓ Tax returns and 4506-C transcripts are not required.
- Calculation Method:
 - ✓ A standard 10% expense factor will be applied.
 - ✓ Qualifying income is the 12 or 24 monthly 1099 average minus the expense factor .
 - ✓ The YTD earnings from the total of check stubs or the tally of deposits from bank statements must be within 10% or greater than prior year earnings.

Alt Doc - P&L Only:

- Requirements
 - ✓ Must be self-employed for at least two years.
 - ✓ The business being used to source income must be in existence for at least two years.
 - ✓ Minimum 50% borrower ownership percentage.
- Documentation
 - ✓ 24 or 12-month Profit & Loss statement representing total business revenue and expenses for the time period covered, prepared by a Certified Public Accountant, an IRS Enrolled Agent, or a CTEC registered tax preparer.
 - ✓ P&L must contain this exact language from the preparer: "For the purpose of mortgage application qualification only, I determined this profit and loss statement to reasonably reflect the income and expenses of the business described. I certify that I am independent from the business and have no financial or other interest in the business described other than assisting to complete tax or financial records. I am not receiving any compensation contingent on the closing of any loan related to the borrower."
 - ✓ Documentation showing the tax preparer is currently licensed.
 - ✓ Verification of business existence and borrower's ownership percentage with one of the following: CPA letter, Tax Preparer letter, operating agreement, or equivalent.
 - ✓ ACC Self-Employed Business narrative form.

INCOME (cont.)

Alt Doc – Written VOE	<ul style="list-style-type: none"> • <u>Requirements</u> <ul style="list-style-type: none"> ✓ Minimum 660 credit score ✓ Primary Residence Only ✓ 24-month 0x30 housing history required. ✓ Two-year history with same employer is required. ✓ First-Time Home Buyer maximum LTV 70%, no gift funds allowed. ✓ Borrower(s) employed by family members or related individuals are not eligible. ✓ Only eligible source of income is limited to Wage/Salary. Supplemental income sources such as rental income will be documented via standard documentation channel. • <u>Documentation</u> <ul style="list-style-type: none"> ✓ Completed 24-month Fannie Mae Form 1005 Written VOE. Must be completed by Human Resource, Payroll Department or Officer of the Company. ✓ Two (2) Months Personal Bank Statements required to support the WVOE. The bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE. ✓ Paystubs, Tax Returns, 4506-C transcripts, or W-2's not required. ✓ An internet search of the business is required with documentation to be included in the credit file to support existence of the business.
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

ASSETS

Asset Seasoning:	<ul style="list-style-type: none"> • Sourced or seasoned for 60 days.
Large Deposits:	<ul style="list-style-type: none"> • Source unexplained deposits that exceed 50% of the borrowers gross monthly qualifying income.
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.
Borrower Contribution:	<ul style="list-style-type: none"> • 5% Primary with verified housing history. • 10% Primary with unverified housing history. • 5% Second Homes. • 10% Investment Property. <i>(differs from gold)</i>
Gift Funds:	<ul style="list-style-type: none"> • Gift funds are allowed once the he minimum required borrower contribution is met for all occupancy types. <i>(differs from gold)</i> • Gift funds must be from a relative and can be used for down payment, closing costs and reserves.
Gift of Equity:	<ul style="list-style-type: none"> • Permitted for Primary Residence or Second Home non-arm's length transactions. • The following requirements apply: <ul style="list-style-type: none"> ✓ Gift of equity must be from an immediate family member ✓ Six months of reserves required of borrower's own funds is required ✓ Non-arm's length criteria must be met ✓ Signed gift letter is required ✓ Gift of equity must be listed on the settlement statement
Reserves:	<ul style="list-style-type: none"> • Cash out proceeds can be used for reserve requirements. • Second Home or Investment Property transactions require 2 months of additional reserves for each financed property.

SUBJECT PROPERTY	
Acreage:	<ul style="list-style-type: none"> • Primary and Second Homes Max 20 Acres • Investment Properties Max 2 Acres
Eligible Property Types:	<ul style="list-style-type: none"> • SFR Attached or Detached • PUD Attached or Detached • Modular • Townhomes • 2-4 Unit • Warrantable Condominium • Non-Warrantable Condominium • Condotels (<i>differs from gold</i>)
Ineligible Property Types:	<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 • Log Homes (<i>differs from gold</i>) • Rural Properties (<i>differs from gold</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"> • Loan Amount <= \$2M: <ul style="list-style-type: none"> ✓ FNMA Collateral Underwriter (CU) score of 2.5 or less or a Collateral Desktop Analysis (CDA). • Loan Amount > \$2M: <ul style="list-style-type: none"> ✓ Second 2nd full appraisal.
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. • 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 • For properties with a prior sale in the last 365 days and >10% increase in sales price, the following additional requirements apply: <ul style="list-style-type: none"> ✓ Must be ARMs length ✓ No pattern of previous flipping ✓ Must have been marketed openly and fairly ✓ No assignments of the contract to another buyer ✓ If sales price exceeds appraised value by more than 5% a signed letter of acknowledgement from borrower is required

SUBJECT PROPERTY (cont.)

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. The borrower must confirm in writing the reason for the prior listing and intent to occupy the subject property. For cash-out refinances, 6 months seasoning from listing contract expiration date to application date is required. <ul style="list-style-type: none"> ✓ A listing expiration of less than 6 months is permitted with the addition of a prepayment penalty on investment properties only. (<i>differs from gold</i>) 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.
Refinance Seasoning:	<ul style="list-style-type: none"> Rate/Term Refinance – No seasoning requirement. Cash Out Refinance – 6 Months required from Purchase date to ACC Note date. No waiting period for properties obtained through inheritance, divorce or separation.
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.
Lease with Option to Purchase:	<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 required.
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"> Measured to closing date: <ul style="list-style-type: none"> ✓ Assets 60 days ✓ Income 60 days ✓ Appraisal 120 days ✓ ACC Credit Report 120 days ✓ Title Commitment and CPL 120 days
Amortization Types:	<ul style="list-style-type: none"> 15 and 30 Year Fixed 40 Year Fixed – Interest Only <ul style="list-style-type: none"> ✓ 10 Years IO Period ✓ 30 Year Amortization
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.

MISCELLANEOUS (cont.)

Secondary Financing:	<ul style="list-style-type: none"> • Permitted on Primary Residence and Second Home Only. • 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. 	
Vesting Structures:	<ul style="list-style-type: none"> • Natural persons • Limited Liability Companies, Partnerships, Corporations, and S Corporations (Investment Property Only) • Inter vivos revocable trusts (case-by-case basis) 	
Escrows:	<ul style="list-style-type: none"> • Escrow funds/impound accounts can be waived (with the exception of Flood Insurance Premium) when the following requirements are met: <ul style="list-style-type: none"> ✓ Loan is not HPML ✓ LTV less than 80% ✓ Minimum decision credit score of 720 ✓ Minimum 12-months of reserves • Pricing adjustment may apply, see rate sheet 	
Compliance:	<ul style="list-style-type: none"> • Compliance with all applicable federal and state regulations. • No Section 32 or state high cost. 	
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 KS, MI, MN, and MS. (<i>differs from gold</i>) • State Overlays: <ul style="list-style-type: none"> ✓ IL, MD, and NJ: not allowed on loans vested to individuals (<i>differs from gold</i>) ✓ PA: not allowed on loan amounts < \$301,022 	
Eligible States:	AR, AZ, CA, CO, CT, DE, DC, FL, GA, ID, IL, IN, KS, MD, MI, MN, MS, NC, NJ, NV, OH, 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



APPENDIX

CALIFORNIA											
94002	94103	94140	94516	94552	94604	94707	94940	94042	95037	95121	95161
94005	94104	94141	94517	94553	94605	94708	94941	94043	95038	95122	95164
94010	94105	94142	94518	94555	94606	94709	94942	94085	95042	95123	95170
94011	94107	94143	94519	94556	94607	94710	94945	94086	95043	95124	95172
94014	94108	94144	94520	94557	94608	94712	94946	94087	95044	95125	95173
94015	94109	94145	94521	94560	94609	94720	94947	94088	95045	95126	95190
94016	94110	94146	94522	94561	94610	94801	94948	94089	95046	95127	95191
94017	94111	94147	94523	94563	94611	94802	94949	94301	95050	95128	95192
94018	94112	94151	94524	94564	94612	94803	94950	94302	95051	95129	95193
94019	94114	94158	94525	94565	94613	94804	94956	94303	95052	95130	95194
94020	94115	94159	94526	94566	94614	94805	94957	94304	95053	95131	95196
94021	94116	94160	94527	94568	94615	94806	94960	94305	95054	95132	95001
94025	94117	94161	94528	94569	94617	94807	94963	94306	95055	95133	95003
94026	94118	94163	94529	94570	94618	94808	94964	94309	95056	95134	95005
94027	94119	94164	94530	94572	94619	94820	94965	95002	95070	95135	95006
94028	94120	94172	94531	94575	94620	94850	94966	95008	95071	95136	95007
94030	94121	94177	94536	94577	94621	94901	94970	95009	95075	95138	95010
94037	94122	94188	94537	94578	94622	94903	94971	95011	95101	95139	95017
94038	94123	94401	94538	94579	94623	94904	94973	95013	95103	95140	95018
94044	94124	94402	94539	94580	94624	94912	94974	95014	95106	95141	95019
94060	94125	94403	94540	94582	94649	94913	94976	95015	95108	95148	95041
94061	94126	94404	94541	94583	94659	94914	94977	95020	95109	95150	95060
94062	94127	94497	94542	94586	94660	94915	94978	95021	95110	95151	95061
94063	94128	94501	94543	94587	94661	94920	94979	95023	95111	95152	95062
94064	94129	94502	94544	94588	94662	94924	94998	95024	95112	95153	95063
94065	94130	94505	94545	94595	94666	94925	94022	95026	95113	95154	95064
94066	94131	94506	94546	94596	94701	94929	94023	95030	95115	95155	95065
94070	94132	94507	94547	94597	94702	94930	94024	95031	95116	95156	95066
94074	94133	94509	94548	94598	94703	94933	94035	95032	95117	95157	95067
94080	94134	94511	94549	94601	94704	94937	94039	95033	95118	95158	95073
94083	94137	94513	94550	94602	94705	94938	94040	95035	95119	95159	95076
94102	94139	94514	94551	94603	94706	94939	94041	95036	95120	95160	95077
COLORADO											
80025	80301	80304	80307	80310	80466	80501	80510	80540	80435	80498	
80026	80302	80305	80308	80314	80471	80502	80516	80544	80443		
80027	80303	80306	80309	80455	80481	80503	80533	80424	80497		

APPENDIX

FLORIDA											
33901	33914	33932	33976	34105	34137	34205	34220	34237	34272	34289	33951
33902	33915	33936	33990	34106	34138	34206	34221	34238	34274	34290	33952
33903	33916	33945	33991	34107	34139	34207	34222	34239	34275	34291	33953
33904	33917	33956	33993	34108	34140	34208	34223	34240	34276	34292	33954
33905	33918	33957	33994	34109	34141	34209	34228	34241	34277	34293	33955
33906	33919	33965	34133	34110	34142	34210	34229	34242	34280	34295	33980
33907	33920	33966	34134	34112	34143	34211	34230	34243	34281	33927	33981
33908	33921	33967	34135	34113	34145	34212	34231	34249	34282	33938	33982
33909	33922	33970	34136	34114	34146	34215	34232	34250	34284	33946	33983
33910	33924	33971	34101	34116	34201	34216	34233	34251	34285	33947	34224
33911	33928	33972	34102	34117	34202	34217	34234	34260	34286	33948	
33912	33929	33973	34103	34119	34203	34218	34235	34264	34287	33949	
33913	33931	33974	34104	34120	34204	34219	34236	34270	34288	33950	
NORTH CAROLINA											
28605	28607	28608	28618	28679	28691	28692	28698				
NEVADA											
89402	89431	89435	89440	89451	89503	89507	89511	89519	89533	89595	
89405	89432	89436	89441	89452	89504	89508	89512	89520	89555	89599	
89412	89433	89437	89442	89501	89505	89509	89513	89521	89557	89704	
89424	89434	89439	89450	89502	89506	89510	89515	89523	89570		
TEXAS											
73301	78613	78630	78651	78666	78701	78714	78725	78736	78749	78760	78774
73344	78615	78633	78652	78667	78702	78715	78726	78737	78750	78761	78778
76527	78616	78634	78653	78669	78703	78716	78727	78738	78751	78762	78779
76530	78617	78640	78655	78673	78704	78717	78728	78739	78752	78763	78783
76537	78619	78641	78656	78674	78705	78718	78729	78741	78753	78764	78799
76573	78620	78642	78659	78676	78708	78719	78730	78742	78754	78765	78953
76574	78621	78644	78660	78680	78709	78720	78731	78744	78755	78766	78957
76578	78622	78645	78661	78681	78710	78721	78732	78745	78756	78767	
78602	78626	78646	78662	78682	78711	78722	78733	78746	78757	78768	
78610	78627	78648	78664	78683	78712	78723	78734	78747	78758	78772	
78612	78628	78650	78665	78691	78713	78724	78735	78748	78759	78773	
WASHINGTON											
98520	98535	98537	98547	98552	98559	98563	98568	98571	98583	98595	
98526	98536	98541	98550	98557	98562	98566	98569	98575	98587		