



# The Science of Doing Non-QM Right!™

## PRIME PLUS

Effective 9/18/2023

			PRIMARY RESIDENCE			SECOND HOME		
Loan Amount	Reserves	FICO	Purchase	Rate Term	Cash Out	Purchase	Rate Term	Cash Out
≤ \$1,500,000	3 Mos	700	80%	80%	75%	75%	75%	75%
	3 Mos	680	80%	80%	75%	75%	75%	75%
	3 Mos	660	80%	80%	75%	75%	75%	75%
	3 Mos	620	75%	75%				
	3 Mos	No Score	75%	75%				

### OVERLAYS

Declining Market per Appraisal	5% LTV Reduction
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### PROGRAM PARAMETERS

Minimum Loan Amount	\$150,000
Minimum Loan Amount IL Counties of: Cook, Kane, Peoria & Will	\$250,000
Maximum Cash Out	\$500,000
Maximum DTI	50%
Minimum Residual Income	\$1,500 + \$150 per dependent
Housing History	0x30x6 Months
Bankruptcy & Housing Event Seasoning:	24 Months

### LINKS TO CONTENT

<a href="#">Credit Requirements</a>	<a href="#">Assets</a>
<a href="#">Borrowers</a>	<a href="#">Subject Property</a>
<a href="#">Income</a>	<a href="#">Miscellaneous</a>

### Need 85%? We can do that!

All standard guidelines apply with the following overlays / restrictions.



### 85% OVERLAYS

Maximum Loan Amount	\$726,000
Loan Purpose	Purchase or RT Refi Only
Occupancy	Owner Occupied Only
Doc Type	Full Doc or P&L Only
Property Type	Single Family Detached Only (no PUDs)
Bankruptcy & Housing Event Seasoning:	48 Months
Gift Funds	Not Permitted
Maximum DTI	43% without comp factors 50% with comp factors
Minimum Score	700 using the following method: <ul style="list-style-type: none"> <li>• 1 borrower: Transunion score</li> <li>• &gt;1 borrower: Average of all Transunion scores</li> </ul>
Tradelines	Primary wage earner: <ul style="list-style-type: none"> <li>• 5 reporting for 12+ months</li> <li>• At least 1 of these reporting for 24+ months</li> <li>• At least 1 of these minimum \$3,000 high credit/limit</li> <li>• Housing history not on credit can be included</li> </ul>
States of CA & IL	Not Eligible

## CREDIT REQUIREMENTS

<p><b>Qualifying Credit Score:</b></p>	<ul style="list-style-type: none"> <li>• Primary wage earner is used to determine the overall loan qualifying credit score.                         <ul style="list-style-type: none"> <li>✓ Three scores: Use middle score</li> <li>✓ Two scores: Use lowest score</li> <li>✓ One score: Qualify borrower as a “No Score”</li> <li>✓ No scores: Qualify borrower as a “No Score”</li> </ul> </li> <li>• Each additional borrower is subject to the following.                         <ul style="list-style-type: none"> <li>✓ Three scores: At least one must be 620+</li> <li>✓ Two scores: At least one must be 620+</li> <li>✓ One score: It must be 620+</li> <li>✓ No scores: Eligibility is not negatively impacted</li> </ul> </li> <li>• When qualifying income is equal for all borrowers the highest representative score is used to determine the overall loan qualifying score.</li> <li>• No Score borrower(s) are required to:                         <ul style="list-style-type: none"> <li>✓ Provide either 6 months of third party verified housing history, OR</li> <li>✓ At least 50% of the assets for down payment must be from the borrower’s own resources.</li> </ul> </li> </ul>
<p><b>Tradelines:</b></p>	<ul style="list-style-type: none"> <li>• “Limited Tradeline” option available up to 80% LTV with a loan level pricing adjustment. Otherwise, see below:</li> <li>• Tradeline requirement based on primary wage earner                         <ul style="list-style-type: none"> <li>✓ 3 tradelines reporting for 12+ months; OR</li> <li>✓ 2 tradelines reporting for 18+ months</li> </ul> </li> <li>• An acceptable 12- or 24-month housing history, not reporting on credit, may also be used as a tradeline.</li> <li>• Authorized user accounts are not acceptable.</li> </ul>
<p><b>Housing History:</b></p>	<ul style="list-style-type: none"> <li>• A 12-month mortgage history is required for all financed properties owned by the borrower.</li> <li>• A 12-month rental history is required when the borrower is renting their current primary residence.</li> <li>• 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"> <li>✓ 3 additional months reserves required</li> <li>✓ 10% minimum borrower contribution</li> <li>✓ Any available portion of a 12-month housing history must be paid as agreed.</li> <li>✓ Borrower(s) who own their primary residence free and clear are not considered living rent-free.</li> </ul> </li> </ul>
<p><b>Housing Events:</b></p>	<ul style="list-style-type: none"> <li>• A Housing Event is defined as any of the following: 1) Foreclosure, 2) Deed-in-Lieu, 3) Short Sale, 4) 1x120 mortgage history, or 5) A Non-COVID Related Modification which resulted in forgiveness of a portion of principal and/or interest on either the first or second mortgage, or application of a principal curtailment by or on behalf of the investor to simulate principal forgiveness, or conversion of any portion of the original mortgage debt to a “soft” subordinate mortgage, or conversion of any portion of the original mortgage debt from secured to unsecured.</li> </ul>

## CREDIT REQUIREMENTS *(continued)*

<b>Charge-Offs and Collections:</b>	<ul style="list-style-type: none"> <li>• The following accounts may remain open:                             <ul style="list-style-type: none"> <li>✓ Collections and charge-offs &lt; 24 months old with a maximum cumulative balance of \$2,000</li> <li>✓ Collections and charge-offs ≥ 24 months old with a maximum of \$2,500 per occurrence</li> <li>✓ All medical collections</li> </ul> </li> <li>• 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"> <li>✓ Borrower has sufficient reserves to cover remaining collection and charge-off balances (in addition to the published reserve requirement); or</li> <li>✓ 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).</li> <li>✓ 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.</li> <li>✓ Collections and charge-offs that cannot be factored into DTI or reserves must be paid off.</li> </ul> </li> </ul>
<b>Judgments and Tax Liens:</b>	<ul style="list-style-type: none"> <li>• All judgments or liens affecting title must be paid.</li> <li>• Active court-ordered judgments may remain open when one of the following options is met:                             <ul style="list-style-type: none"> <li>✓ The amount is the lessor of \$5,000 per occurrence or 2% of the loan amount: OR</li> <li>✓ 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.</li> </ul> </li> <li>• 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"> <li>✓ A copy of the repayment agreement is obtained; AND</li> <li>✓ A minimum of 3 months has elapsed on the plan and evidence of timely payments for the most recent 3 months is provided; AND</li> <li>✓ The title company must provide written confirmation confirming                                     <ul style="list-style-type: none"> <li>○ the title company is aware of the outstanding tax lien, and</li> <li>○ there is no impact to first lien position.</li> </ul> </li> </ul> </li> </ul>
<b>Installment / Revolving:</b>	<ul style="list-style-type: none"> <li>• Payment history not considered</li> </ul>
<b>BORROWERS</b>	
<b>Occupancy:</b>	<ul style="list-style-type: none"> <li>• Primary Residence</li> <li>• Second Homes</li> </ul>
<b>First Time Homebuyer:</b>	<ul style="list-style-type: none"> <li>• Defined as: Borrower(s) who have not owned at least one residential property in the United States in the last 3 years.</li> <li>• The following requirements apply:                             <ul style="list-style-type: none"> <li>✓ Required to receive certification from a HUD approved home buyer education counseling service.</li> <li>✓ Primary residence and second homes only.</li> <li>✓ 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.</li> </ul> </li> </ul>
<b>Non-Occupant Co-Borrowers:</b>	<ul style="list-style-type: none"> <li>• Non-occupant borrowers are credit applicants on a principal residence transaction who do not occupy the subject property.</li> <li>• When non-occupant income is used, a 5% LTV reduction from the program maximum is required.</li> <li>• Occupying borrower(s) must have a DTI ratio of 60% or less. This excludes the income/debts of non-occupant borrower(s).</li> <li>• Cash out transactions not allowed.</li> <li>• The non-occupant co-borrower must be included on title of the subject property.</li> </ul>

**BORROWERS (continued)**

<p><b>Multiple Financed Properties:</b></p>	<ul style="list-style-type: none"> <li>• There is no limit on the number of other properties borrowers may currently have financed.</li> <li>• ACC Mortgage exposure may not exceed \$5M aggregate for each individual borrower.</li> </ul>
<p><b>Non-Arms Length:</b></p>	<ul style="list-style-type: none"> <li>• Non-Arm’s length transactions are subject to all the following requirements:             <ul style="list-style-type: none"> <li>✓ Primary residence only</li> <li>✓ Relationship must be fully disclosed</li> <li>✓ An appraisal review product is required</li> <li>✓ Borrower to provide a written explanation stating relationship to the seller and reason for purchase</li> <li>✓ Borrower to provide a copy of the canceled earnest money check paid to the property seller</li> <li>✓ ACC must be satisfied that the transaction makes sense, and that the borrower will occupy the property</li> <li>✓ All liens on title to be paid in full and reflected on the settlement statement</li> <li>✓ Lesser of sales price or current appraised value to be used to calculate the LTV</li> <li>✓ Borrowers cannot provide services on transaction (closing agent, title agent, appraiser, etc.)</li> <li>✓ Borrower may not be an owner of a business entity selling the subject property</li> </ul> </li> <li>• The following additional requirements apply only to family sales:             <ul style="list-style-type: none"> <li>✓ 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)</li> <li>✓ Verification that the borrower has not been in title to the property in the past 24 months</li> <li>✓ Gift of Equity is permitted.</li> </ul> </li> </ul>
<p><b>Eligible Borrowers:</b></p>	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• ITIN</li> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Aliens (with US credit)</li> </ul>
<p><b>Ineligible Borrowers:</b></p>	<ul style="list-style-type: none"> <li>• Foreign Nationals</li> <li>• LLCs, partnerships, or corporations (may qualify for vesting only)</li> <li>• Borrowers with diplomatic immunity or otherwise excluded from U.S. jurisdiction</li> <li>• Citizens of Venezuela</li> <li>• Borrowers from OFAC sanctioned countries:  <a href="https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information">https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information</a> </li> </ul>
<p><b>ITIN:</b></p>	<ul style="list-style-type: none"> <li>• ITIN Letter from IRS &amp; valid government photo ID required</li> </ul>
<p><b>Perm &amp; Non-Perm Resident Alien:</b></p>	<ul style="list-style-type: none"> <li>• One of the following is required:             <ul style="list-style-type: none"> <li>✓ Unexpired Green Card; or</li> <li>✓ Unexpired VISA; or</li> <li>✓ Unexpired EAD</li> </ul> </li> <li>• When using a VISA, all types are permissible outside of diplomatic status (A-1 or A-2)</li> <li>• Expired Green Cards, VISAs or EADs are permissible with documentation that the borrower has requested an extension. (Exceptions are considered on a case-by-case basis to proceed without the extension)</li> <li>• Valid government issued photo ID required</li> <li>• DACA Recipients are eligible when the above requirements are met.</li> </ul>

## INCOME

<p><b>Doc Types:</b></p>	<ul style="list-style-type: none"> <li>• Wage Earner:             <ul style="list-style-type: none"> <li>✓ Full Doc – 12 months</li> </ul> </li> <li>• Self Employed:             <ul style="list-style-type: none"> <li>✓ Full Doc – 12 months</li> <li>✓ Alt Doc Personal Bank Statements – 12 months</li> <li>✓ Alt Doc Business Bank Statements – 12 months</li> <li>✓ Alt Doc Co-Mingled Bank Statements – 12 months</li> <li>✓ Alt Doc P&amp;L Only – 12 months</li> <li>✓ Alt Doc 1099 – 12 months (Non-ITIN only)</li> </ul> </li> </ul>
<p><b>Full Doc:</b></p>	<ul style="list-style-type: none"> <li>• Wage Earner:             <ul style="list-style-type: none"> <li>✓ Non-ITIN: YTD Paystubs, 1-Year W-2, IRS Wage &amp; Income Transcript, Verbal VOE within 10 business days of closing</li> <li>✓ ITIN: YTD Paystubs, 1-Year W-2, Full Written VOE, Most recent 1040, IRS 1040 Transcript, Verbal VOE within 10 business days of closing</li> </ul> </li> <li>• Self Employed:             <ul style="list-style-type: none"> <li>✓ 1-Year Personal and Business Tax Returns, YTD P&amp;L, IRS 1040 Transcripts, Verification of business existence within 10 business days of closing</li> </ul> </li> </ul>
<p><b>Alt Doc - Personal Bank Statements:</b></p>	<p>A personal bank account is used exclusively for personal banking and reflects the name of the borrower as completed on the URLA. An expense factor is not applied.</p> <p><b><u>Requirements</u></b></p> <ul style="list-style-type: none"> <li>• 1 year minimum self-employment &amp; business being used to source income must be in existence for at least 1 year.</li> <li>• The borrower must be employed in the same line of work for at least two years.</li> <li>• 25% minimum borrower ownership percentage.</li> </ul> <p><b><u>Documentation</u></b></p> <ul style="list-style-type: none"> <li>• 12 months consecutive PERSONAL bank statements.</li> <li>• 2 most recent months BUSINESS bank statements reflecting activity to support business operations and transfers to the personal account being used for qualification. If this requirement cannot be met, the loan must be qualified as a Co-Mingled Bank Statement Documentation loan.</li> <li>• Verification of business existence and borrower's ownership percentage with one of the following:             <ul style="list-style-type: none"> <li>✓ Tax Preparer letter prepared by a Certified Public Accountant, an IRS Enrolled Agent, CTEC registered tax preparer or PTIN.</li> <li>✓ Entity documents such as an Operating Agreement, or equivalent.</li> </ul> </li> <li>• Verification of business existence required within 10 business days of closing.</li> <li>• ACC Self-Employed Business narrative form.</li> </ul> <p><b><u>Analyzing the Statements</u></b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Evidence of business receipt and expense activity is not permitted in personal bank accounts. Evidence of such activity will require the loan to be qualified as a Co-Mingled Bank Statement Documentation loan.</li> </ul> <p><b><u>Calculation Method</u></b></p> <ul style="list-style-type: none"> <li>• Gross qualifying income calculated using total deposits from the statements, minus any inconsistent or large deposits not justified.</li> <li>• Net qualifying income is gross income multiplied by the borrower's ownership percentage to determine the borrower's qualifying income. An expense factor is not applied to personal bank statements.</li> </ul>

## INCOME (continued)

**Alt Doc - Co-Mingled Bank Statements:**

A co-mingled bank account is a personal account used by a borrower for both business and personal use. An expense factor is applied. A separate business account is not required.

**Requirements**

- 1 year minimum self-employment & business being used to source income must be in existence for at least 1 year.
- The borrower must be employed in the same line of work for at least two years.
- Borrower must be sole owner of the business (borrower and spouse with combined 100% ownership eligible).

**Documentation**

- 12 months of consecutive PERSONAL bank statements.
- Verification of business existence and borrower's ownership percentage with one of the following:
  - ✓ Tax Preparer letter prepared by a Certified Public Accountant, an IRS Enrolled Agent, CTEC registered tax preparer, or PTIN.
  - ✓ Entity documents such as an Operating Agreement, or equivalent.
- Verification of business existence required within 10 business days of closing.
- ACC Self-Employed Business narrative form.

**Analyzing the 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 necessary for qualification, an expense factor letter from a Certified Public Accountant, an IRS Enrolled Agent, CTEC registered tax preparer, or PTIN may be used to determine qualifying income.
- Minimum expense factor percentage of 10%

**Alt Doc - Business Bank Statements:**

A business bank account is used for ongoing operations of the business and reflects the name of the business as completed on the URLA. An expense factor is applied.

**Requirements**

- 1 year minimum self-employment & business being used to source income must be in existence for at least 1 year.
- The borrower must be employed in the same line of work for at least two years.
- 25% minimum borrower ownership percentage.

**Documentation**

- 12 months consecutive BUSINESS bank statements.
- Verification of business existence and borrower's ownership percentage with one of the following:
  - ✓ Tax Preparer letter prepared by a Certified Public Accountant, an IRS Enrolled Agent, CTEC registered tax preparer, or PTIN.
  - ✓ Entity documents such as an Operating Agreement, or equivalent.
- Verification of business existence required within 10 business days of closing.
- ACC Self-Employed Business narrative form.

**Analyzing the Statements**

- All other business owners who are not borrowers on 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 necessary for qualification, an expense factor letter from a Certified Public Accountant, an IRS Enrolled Agent, CTEC registered tax preparer, or PTIN may be used to determine qualifying income.
- Minimum expense factor percentage of 10%

## INCOME (continued)

## Alt Doc - P&amp;L Only:

**Requirements**

- 1 year minimum self-employment & business being used to source income must be in existence for at least 1 year.
- The borrower must be employed in the same line of work for at least two years.
- 25% minimum borrower ownership percentage.

**Documentation**

- A fully completed ACC P&L Tax Preparer Packet is required containing:
  - ✓ Tax Preparer Questionnaire
  - ✓ Profit & Loss Statement
- Tax preparer must have reviewed and/or filed the borrower's self-employed tax returns for a minimum of 1 year.
- Eligible tax preparers must be licensed as one of the following:
  - ✓ CPA (Certified Public Accountant); or
  - ✓ EA (Enrolled Agent); or
  - ✓ CTEC registered tax preparer (California Tax Education Council), or
  - ✓ PTIN (Preparer Tax Identification Number)
- PTIN preparers must also document at least 2 years of tax preparation experience by providing one of the following:
  - ✓ 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.
- Documentation showing the tax preparer is currently licensed.
- ACC Self-Employed Business narrative form.
- Profit & Loss Statement must also be signed by the borrower.
- ACC P&L Verification Form required prior to closing.
- Most recent 2 months bank statements are required.

**Calculation Method**

- Total eligible deposits calculated with bank statements are used solely to validate self-employed earnings reported on the P&L.
- Average monthly gross revenue from the P&L must be supported by the bank statements provided within a 35% tolerance from the monthly gross revenue reflected on the P&L.
- If validated within 35%, the monthly net income average from the P&L may be used for qualifying income.

## INCOME (continued)

<b>Alt Doc - 1099:</b>	<ul style="list-style-type: none"> <li>• <u>Requirements</u> <ul style="list-style-type: none"> <li>✓ Permitted for individual(s) earning 100% commission, independent contractors and/or sole proprietors.</li> <li>✓ Minimum 1-year self-employment history is required (e.g., 1099 income).</li> </ul> </li> <li>• <u>Documentation</u> <ul style="list-style-type: none"> <li>✓ 1-year 1099</li> <li>✓ 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.</li> <li>✓ ACC Self-Employed Business narrative form.</li> <li>✓ Tax returns and 4506-C transcripts are not required.</li> </ul> </li> <li>• <u>Calculation Method</u> <ul style="list-style-type: none"> <li>✓ A standard 10% expense factor will be applied.</li> <li>✓ Qualifying income is the 12-month 1099 average minus the expense factor .</li> <li>✓ 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.</li> </ul> </li> </ul>
<b>Cannabis Derived Income:</b>	<ul style="list-style-type: none"> <li>• Eligible for borrowers located in states where cannabis has been legalized and the business is licensed accordingly</li> </ul>
<b>ASSETS</b>	
<b>Asset Verification:</b>	<ul style="list-style-type: none"> <li>• Verified for 60 days with most recent 2-months account statements, or most recent quarterly account statement, indicating opening and closing balances.</li> </ul>
<b>Large Deposits:</b>	<ul style="list-style-type: none"> <li>• Purchases: Source unexplained deposits that exceed 50% of the borrowers gross monthly qualifying income.</li> <li>• Refinances: Not sourced.</li> <li>• Unsourced assets, assets seasoned for less than 30 days, and unexplained deposits exceeding 50% of the borrower's gross monthly income are allowed if the total amount is less than or equal to 10% of the total funds required to close.</li> </ul>
<b>Seller Concessions:</b>	<ul style="list-style-type: none"> <li>• Up to 6% towards closing costs for Primary and Second Homes.</li> </ul>
<b>Borrower Contribution:</b>	<ul style="list-style-type: none"> <li>• 5% Primary with verified housing history.</li> <li>• 10% Primary with unverified housing history.</li> <li>• 10% Second Homes.</li> <li>• 50% ITIN</li> </ul>
<b>Gift Funds:</b>	<ul style="list-style-type: none"> <li>• Gift funds are allowed after the borrower has documented the minimum required borrower contribution.</li> <li>• Gift funds must be from a relative and can be used for down payment, closing costs and reserves.</li> </ul>
<b>Gift of Equity:</b>	<ul style="list-style-type: none"> <li>• Permitted for Primary Residence or Second Home non-arm's length transactions.</li> <li>• The following requirements apply: <ul style="list-style-type: none"> <li>✓ Gift of equity must be from an immediate family member</li> <li>✓ Six months of reserves required of borrower's own funds is required</li> <li>✓ Non-arm's length criteria must be met</li> <li>✓ Signed gift letter is required</li> <li>✓ Gift of equity must be listed on the settlement statement</li> </ul> </li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>• Cash out proceeds can be used for reserve requirements.</li> <li>• Second Home transactions require 2 months of additional reserves for each financed property.</li> </ul>



SUBJECT PROPERTY			
<b>Eligible Property Types:</b>	<ul style="list-style-type: none"> <li>SFR Attached or Detached</li> <li>PUD Attached or Detached</li> <li>Rural Properties</li> </ul>	<ul style="list-style-type: none"> <li>Warrantable Condominium</li> <li>Non-Warrantable Condominium</li> <li>Log Homes</li> </ul>	<ul style="list-style-type: none"> <li>Modular</li> <li>Townhomes</li> <li>2-4 Unit</li> </ul>
<b>Ineligible Property Types:</b>	<ul style="list-style-type: none"> <li>Cooperative share loans</li> <li>Boarding houses or bed/breakfast properties</li> <li>Properties with zoning violations</li> <li>Dome or geodesic homes</li> <li>Assisted living facilities</li> <li>Condotels</li> <li>Co-op/timeshare hotels</li> <li>Properties with a C5 or C6 condition rating</li> </ul>	<ul style="list-style-type: none"> <li>Homes on Native American Land (Reservations)</li> <li>Hawaii properties in lava zones 1 and/or 2</li> <li>Houseboats</li> <li>Fractional ownership</li> <li>Properties used for the cultivation, distribution, manufacture, or sale of marijuana</li> <li>Vacant land or land development properties</li> </ul>	<ul style="list-style-type: none"> <li>Properties not readily accessible by roads that meet local standards</li> <li>Properties not suitable for year-round occupancy, regardless of location</li> <li>Agricultural properties (including farms, ranches, or orchards)</li> <li>Manufactured or Mobile homes</li> </ul>
<b>Acreage:</b>	<ul style="list-style-type: none"> <li>Max 15 Acres</li> </ul>		
<b>Appraisal:</b>	<ul style="list-style-type: none"> <li>A full interior inspection with photos is required for all units.</li> <li>Appraisal Form 1004, 1025, 1007 and/or 1073 is required for all transactions.</li> <li>Appraisal transfers are eligible, as indicated on ACC's Appraisal Transfer Policy</li> </ul>		
<b>Appraisal Review:</b>	<ul style="list-style-type: none"> <li>FNMA Collateral Underwriter (CU) score of 2.5 or less or a Collateral Desktop Analysis (CDA) required on all files.</li> </ul>		
<b>Property Flips:</b>	<ul style="list-style-type: none"> <li>Period is measured from the date the seller became legal owner of the property to the date all parties executed the sales contract.</li> <li>The following transactions require a 2nd full appraisal:                             <ul style="list-style-type: none"> <li>✓ Prior sale less than 90 days and &gt; 10% increase in sales price</li> <li>✓ Prior sale 91-180 days and &gt; 20% increase in sales price</li> </ul> </li> <li>For properties with a prior sale in the last 365 days and &gt;10% increase in sales price, the following additional requirements apply:                             <ul style="list-style-type: none"> <li>✓ Must be ARMs length</li> <li>✓ No pattern of previous flipping</li> <li>✓ Must have been marketed openly and fairly</li> <li>✓ No assignments of the contract to another buyer</li> <li>✓ If sales price exceeds appraised value by more than 5% a signed letter of acknowledgement from borrower is required</li> </ul> </li> </ul>		
<b>Properties Listed For Sale:</b>	<ul style="list-style-type: none"> <li>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.</li> <li>The borrower must confirm in writing the reason for the prior listing and intent to occupy the subject property.</li> <li>For cash-out refinances, 6 months seasoning from listing contract expiration date to application date is required.                             <ul style="list-style-type: none"> <li>✓ A listing expiration of less than 6 months is permitted with a 10% LTV reduction.</li> </ul> </li> <li>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</li> </ul>		

## SUBJECT PROPERTY *(continued)*

<b>Refinance Seasoning:</b>	<ul style="list-style-type: none"> <li>• Rate/Term Refinance – No seasoning requirement.</li> <li>• Cash Out Refinance – 6 Months required from Purchase date to ACC Note date.</li> <li>• No waiting period for properties obtained through inheritance, divorce or separation.</li> </ul>
<b>Determining LTV Cash Out Refi:</b>	<ul style="list-style-type: none"> <li>• Property acquired &gt; 12 months from application date:             <ul style="list-style-type: none"> <li>✓ Current appraised value is used.</li> </ul> </li> <li>• Property acquired 6 - 12 months from application date:             <ul style="list-style-type: none"> <li>✓ 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.</li> </ul> </li> </ul>

## MISCELLANEOUS

<b>Document Expiration:</b>	<ul style="list-style-type: none"> <li>• Measured to closing date:             <ul style="list-style-type: none"> <li>✓ Assets 60 days</li> <li>✓ Income 60 days</li> <li>✓ Appraisal 120 days</li> <li>✓ ACC Credit Report 120 days</li> <li>✓ Title Commitment and CPL 120 days</li> </ul> </li> </ul>
<b>Amortization Types:</b>	<ul style="list-style-type: none"> <li>• 15 and 30 Year Fixed – Non-ITIN</li> <li>• 30 year Fixed - ITIN</li> </ul>
<b>Interest Only:</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Secondary Financing:</b>	<ul style="list-style-type: none"> <li>• Permitted on Primary Residence and Second Home Only.</li> <li>• Secondary financing must be institutional.</li> <li>• Existing secondary financing must be subordinated and recorded or refinanced.</li> <li>• 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.</li> </ul>
<b>Power of Attorney:</b>	<ul style="list-style-type: none"> <li>• A limited Power of Attorney is acceptable when all the following are met:             <ul style="list-style-type: none"> <li>✓ It is specific to the transaction;</li> <li>✓ It is recorded with the Mortgage/Deed of Trust;</li> <li>✓ It contains an expiration date;</li> <li>✓ It is used to execute only the final loan documents;</li> <li>✓ The Borrower who executed the POA signed the initial 1003;</li> <li>✓ An interested party to the transaction (such as seller, broker, loan officer, realtor, etc.) may not act as Power of Attorney.</li> <li>✓ Not eligible for cash-out transactions.</li> </ul> </li> </ul>

MISCELLANEOUS

<b>Vesting Structures:</b>	<ul style="list-style-type: none"> <li>Natural persons</li> <li>Inter vivos revocable trusts (case-by-case basis)</li> </ul>
<b>Escrows:</b>	<ul style="list-style-type: none"> <li>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"> <li>✓ Loan is not HPML</li> <li>✓ LTV less than 80%</li> <li>✓ Minimum decision credit score of 720</li> <li>✓ Minimum 12-months of reserves</li> </ul> </li> <li>Pricing adjustment may apply, see rate sheet</li> </ul>
<b>Compliance:</b>	<ul style="list-style-type: none"> <li>Compliance with all applicable federal and state regulations.</li> <li>No Section 32 or state high cost.</li> </ul>
<b>Prepayment Penalty:</b>	<ul style="list-style-type: none"> <li>Not Eligible</li> </ul>
<b>ACC Licensed States:</b>	<ul style="list-style-type: none"> <li>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 &amp; WA</li> </ul>

