



# The Science of Doing Non-QM Right!™

## DSCR SILVER

Effective 11/21/2023

Loan Amount	FICO	Reserves	DSCR	Purchase	Rate Term Refi	Cash Out Refi
≤ 1,000,000	700	2 Mos	≥ 1	80%	75%	75%
		2 Mos	0 – 0.99	75%	70%	70%
	660	2 Mos	≥ 1	75%	75%	75%
		2 Mos	0 – 0.99	70%	65%	65%
	620	2 Mos	≥ 1	75%	70%	70%
≤ 1,500,000	700	2 Mos	≥ 1	80%	75%	75%
		2 Mos	0 – 0.99	75%	70%	70%
	660	2 Mos	≥ 1	75%	70%	70%
		2 Mos	0 – 0.99	70%	65%	65%
	620	2 Mos	≥ 1	65%	65%	65%
≤ 2,000,000	700	6 Mos	≥ 1	75%	70%	70%
		6 Mos	0 – 0.99	70%	65%	65%
	660	6 Mos	≥ 1	70%	65%	65%
		6 Mos	0 – 0.99	65%	60%	60%
	620	6 Mos	≥ 1	65%		
≤ 2,500,000	700	12 Mos	≥ 1	70%	65%	65%
		12 Mos	0 – 0.99	65%		
	660	12 Mos	≥ 1	70%	65%	65%
		12 Mos	0 – 0.99	60%		
	620	12 Mos	≥ 1	60%		

See next page for [ADDITIONAL LOAN SIZES, FOREIGN NATIONAL and OVERLAYS](#)

## The Science of Doing Non-QM Right!™

## DSCR SILVER

Effective 11/21/2023

Loan Amount	FICO	Reserves	DSCR	Purchase	Rate Term Refi	Cash Out Refi
≤ 3,000,000	700	12 Mos	≥/ = 1	70%	65%	65%
		12 Mos	0 – 0.99	60%		
	660	12 Mos	≥/ = 1	65%		
		12 Mos	0 – 0.99	60%		
	620	12 Mos	≥/ = 1	60%		
≤ 3,500,000	700	12 Mos	≥/ = 1	70%	65%	

## FOREIGN NATIONAL

Loan Amount	FICO	Reserves	DSCR	Purchase	Rate Term Refi	Cash Out Refi
≤ 1,000,000	680 with US Credit; OR None without US Credit	6 Mos	≥/ = 1	75%	65%	65%
			0 – 0.99	65%	60%	60%
≤ 1,500,000	680 with US Credit; OR None without US Credit	6 Mos	≥/ = 1	70%	60%	60%
			0 – 0.99	65%		

## OVERLAYS

<a href="#">First Time Investor</a>	Eligible with no LTV restrictions
<a href="#">First Time Homebuyer</a>	Non-Foreign National: Not Eligible Foreign National: Eligible with no LTV restrictions
<a href="#">Non-Perm Resident Alien, Asylum &amp; DACA Recipients</a>	75% LTV
<b>Warrantable Condo</b>	Non-Foreign National: 75% LTV Purch, 70% LTV Refi Foreign National: 70% LTV
<b>Non-Warrantable Condo</b>	Non-Foreign National: 75% LTV Purch, 70% LTV Refi Foreign National: 70% LTV
<b>2-4 Unit</b>	Non-Foreign National: 75% LTV Purch, 70% LTV Refi Foreign National: 70% LTV
<b>Condotel</b>	Non-Foreign National: 75% LTV Purch, 65% LTV Refi Foreign National: 70% LTV

## OVERLAYS

<b>Declining Market per Appraisal</b>	75% LTV Purch , 70% LTV Refi & \$2M Max Loan Amt
<b>Unleased Unit(s) on Refinance</b>	Max LTV determined by the 0-0.99 DSCR matrix band
<b>Rural</b>	Not Permitted
<b>Interest Only</b>	Eligible with no LTV restrictions
<b>Entire States of:</b> CT, ID, IL, LA & NJ	75% LTV Purch , 70% LTV Refi & \$2M Max Loan Amt
<b>Certain Zip Codes in:</b> AZ, CA, CO, TN & TX (See <a href="#">Appendix</a> )	75% LTV Purch , 70% LTV Refi & \$2M Max Loan Amt

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PROGRAM PARAMETERS		LINKS TO CONTENT
Minimum Loan Amount	\$150,000	<a href="#">Credit Requirements</a>
Minimum DSCR	0.00	<a href="#">Assets</a>
Maximum Cash Out	≤ 65% LTV: \$1,000,000 > 65% LTV: \$500,000	<a href="#">Borrowers</a>
<a href="#">Housing History</a>	1 x 30 x 12 months: No LTV Reduction 0 x 60 x 12 months: 70% LTV Purch, 65% LTV Refi	<a href="#">Subject Property</a>
Bankruptcy & <a href="#">Housing Event</a> Seasoning	36 Months: No LTV Reduction 24 Months: 75% LTV Purch, 70% LTV Refi	<a href="#">Miscellaneous</a>
		<a href="#">Eligible States &amp; License Requirements</a>

## DSCR

<b>DSCR Calculation:</b>	<ul style="list-style-type: none"> <li>Debt Service Coverage Ratio is the Monthly Gross Income divided by the PITIA (or ITIA for interest-only loans) of the subject property.               <ul style="list-style-type: none"> <li>✓ Full Amortization = Qualifying Rental Income ÷ PITIA</li> <li>✓ Interest Only = Qualifying Rental Income ÷ ITIA</li> </ul> </li> </ul> <p>EXAMPLE:</p> <ul style="list-style-type: none"> <li>✓ Single Family Purchase Transaction, Tenant Occupied</li> <li>✓ Monthly PITIA = \$1,650</li> <li>✓ Estimated Monthly Market Rent = \$1,850</li> <li>✓ Existing Lease Monthly Rent = \$2,000</li> <li>✓ Use Market Rent of \$1,850</li> <li>✓ Gross Rents (\$1,850) ÷ PITIA (\$1,650) = DSCR (1.12)</li> </ul>
<b>FNMA Form 1007 / 1025:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>A 1007 or 1025 Comparable Rent Schedule survey prepared by the appraiser is required on all DSCR transactions.</li> <li>The 1007 or 1025 may reflect long term or short term estimated rent.</li> <li>If the subject property is currently tenant occupied, the 1007 or 1025 must also reflect the current monthly rent.</li> </ul>

**DSCR (continued)**

<b>Long-Term Qualifying Rental Income:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>If the subject property is currently vacant, use 100% of the 1007/1025 estimated long term rent. (No vacancy factor applies)</li> <li>If the subject property is currently tenant occupied, use the lower of the Lease Agreement or the 1007/1025 estimated long term rent. Use of a higher Lease/Rent amount is allowed with 3 months receipt.</li> <li>Rental income may be used for accessory dwelling unit(s) (ADU) subject to the following:                         <ul style="list-style-type: none"> <li>✓ Appraisal to reflect zoning compliance is legal. Permit is not required to establish zoning compliance.</li> <li>✓ Appraisal to include at least one comparable with an accessory unit.</li> <li>✓ Refinance: The market rent for the accessory unit should be documented on FNMA Form 1007 and the file must include a copy of the current lease agreement with two (2) months proof of current receipt</li> <li>✓ Purchase: User the lower of the market rent on FNMA Form 1007 or actual rent.</li> </ul> </li> </ul>
<b>Short-Term Qualifying Rental Income:</b>	<ul style="list-style-type: none"> <li>If the subject property is currently leased on a short-term basis utilizing an on-line service such as Airbnb, the gross monthly rents can be determined by using a 12-month look back period to account for seasonality.                         <ul style="list-style-type: none"> <li>✓ Rents for the look back period must be documented with either 12-monthly statements or an annual statement provided by the on-line service.</li> <li>✓ The statement must identify the subject property/unit, rents collected for the previous 12-months, and all vendor management fees.</li> <li>✓ The gross rental income prior to all vendor or management fees is used for qualification.</li> <li>✓ In the event the borrower owns a single rental property, 12-months bank statements with deposits clearly identified/sourced as rental income can be substituted.</li> <li>✓ If two or more rental properties owned, statements from an online service must be provided to associate rents received with the specific property.</li> <li>✓ 75% of the verified monthly rental income can be used to offset the PITIA of the rental property.</li> <li>✓ A screen shot of the online listing must show the property currently marketed as a short-term rental.</li> </ul> </li> </ul>
<b>AIRDNA Rentalizer and Overview:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>AIRDNA Rentalizer and Overview reports are acceptable alternate forms of documentation in these scenario(s):                         <ul style="list-style-type: none"> <li>✓ Purchase transactions only.</li> <li>✓ Using short term rental income for qualification which is higher than the 1007/1025 estimated rent.</li> <li>✓ Seller's short-term rental lookback documentation cannot be obtained, or property has not been used as a short-term rental previously.</li> </ul> </li> <li>Required documents and requirements:                         <ul style="list-style-type: none"> <li>✓ Rentalizer (Property Earning Potential)                                 <ul style="list-style-type: none"> <li>▪ Gross rents equal the revenue projection from the Rentalizer Report.</li> <li>▪ Qualifying rent equals the gross rent minus a 20% expense factor.</li> <li>▪ Forecast period must cover 12 months from the Note date</li> <li>▪ The occupancy rate must be &gt; 60%</li> <li>▪ Maximum occupancy limited to 2 individuals per bedroom</li> <li>▪ Must have five (5) comparable properties, all within the same ZIP code</li> <li>▪ Must be similar in size, room count, amenities, availability, and occupancy</li> </ul> </li> <li>✓ Overview Report (Evaluate a Market)                                 <ul style="list-style-type: none"> <li>▪ Market score by zip code</li> <li>▪ Must be 60 or greater</li> </ul> </li> </ul> </li> </ul>

## CREDIT REQUIREMENTS

<b>Qualifying Credit Score:</b>	<ul style="list-style-type: none"> <li>A credit report must be obtained for all borrowers who have a valid Social Security Number.</li> <li>Each individual borrower's qualification score is determined as follows: <ul style="list-style-type: none"> <li>✓ 3 scores: Middle score</li> <li>✓ 2 scores: Lowest score</li> <li>✓ 1 score: Borrower is not eligible</li> </ul> </li> <li>Lowest qualification score of all borrowers is used for overall loan qualification.</li> </ul>
<b>Tradelines:</b>	<p><b>Non-Foreign National:</b></p> <ul style="list-style-type: none"> <li>All borrowers must be evaluated individually.</li> <li>Borrowers with 3 credit scores: <ul style="list-style-type: none"> <li>✓ No minimum tradelines required</li> </ul> </li> <li>Borrowers with 2 credit scores: <ul style="list-style-type: none"> <li>✓ 3 tradelines reporting for 12+ months all with activity in the last 12 months; OR</li> <li>✓ 2 tradelines reporting for 24+ months all with activity in the last 12 months.</li> </ul> </li> <li>Max 0 x 60 x 12 months reporting on acceptable tradelines.</li> <li>Authorized user accounts are not acceptable.</li> </ul> <p><b>Foreign National:</b></p> <ul style="list-style-type: none"> <li>No minimum tradelines required</li> </ul>
<b>Housing History:</b>	<ul style="list-style-type: none"> <li>A 12-month history is required for borrower's primary residence if in United States, and subject property if a refinance transaction.</li> <li>A housing history is not required for other REO not reporting on credit.</li> <li>Any housing event reported on credit for any property must be included in housing history eligibility.</li> </ul>
<b>Housing Events:</b>	<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>
<b>Charge-Offs &amp; Collections:</b>	<ul style="list-style-type: none"> <li>Ignored unless title is impacted.</li> </ul>

## CREDIT REQUIREMENTS

<b>Judgments and 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 lesser 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 when all the following requirements are 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>
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## ASSETS

<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>• Not sourced</li> </ul>
<b>Seller Concessions:</b>	<ul style="list-style-type: none"> <li>• Maximum 2%</li> </ul>
<b>Borrower Contribution:</b>	<ul style="list-style-type: none"> <li>• Minimum 10%</li> </ul>
<b>Gift Funds:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>• Must be from a relative and can be used for down payment, closing costs and reserves.</li> <li>• US Citizens &amp; Permanent Resident Aliens: Permitted after the borrower has documented the minimum required borrower contribution.</li> <li>• Foreign National, Non-Permanent Resident Aliens, Asylum &amp; DACA: Not Permitted.</li> </ul>
<b>Gift of Equity:</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Reserves:</b>	<ul style="list-style-type: none"> <li>• Reserve requirements limited to subject property only. Additional reserves for other REO not required.</li> <li>• Cash out proceeds may be used to satisfy reserve requirements.</li> </ul>
<b>Foreign Assets:</b>	<ul style="list-style-type: none"> <li>• Funds to Close: <ul style="list-style-type: none"> <li>✓ Must be transferred to a US account in the borrower's name and/or the title/closing agent at least 10 days prior to closing.</li> </ul> </li> <li>• Reserves: <ul style="list-style-type: none"> <li>✓ Assets held in foreign accounts may be used for reserve requirements.</li> <li>✓ Assets must be verified in U.S. Dollar equivalency at the current exchange rate via either <a href="http://www.xe.com">www.xe.com</a> or the Wall Street Journal conversion table.</li> <li>✓ A copy of the most recent 30-day statement is required.</li> </ul> </li> </ul>

## BORROWERS

<b>Occupancy:</b>	<ul style="list-style-type: none"> <li>• Business purpose Investment Property only</li> <li>• Subject property not permitted to be occupied by the borrower or the borrower's family.</li> </ul>
<b>Primary Residence Attributes:</b>	<ul style="list-style-type: none"> <li>• Non-Foreign National borrowers should currently own or rent a primary residence with an associated housing expense. Living rent free will be considered on a case-by-case basis.</li> <li>• Primary residence should be superior to the subject property in value, design and appeal.</li> </ul>
<b>First Time Investor:</b>	<ul style="list-style-type: none"> <li>• 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.</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> </ul>
<b>Non-Arms Length:</b>	<ul style="list-style-type: none"> <li>• Not Eligible</li> </ul>
<b>Multiple Financed Properties:</b>	<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>
<b>Eligible Borrowers:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>• U.S. Citizens</li> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Aliens</li> <li>• Asylum Status</li> <li>• DACA</li> <li>• Foreign National</li> </ul>
<b>Ineligible Borrowers:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>• ITIN</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>• 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>
<b>Perm Resident Alien:</b>	<ul style="list-style-type: none"> <li>• Acceptable evidence of lawful permanent residency must be documented and meet one of the following criteria: <ul style="list-style-type: none"> <li>✓ I-151 – Permanent Resident Card (Green Card) that does not have an expiration date</li> <li>✓ I-551 – Permanent Resident Card (Green Card) issued for 10 years that has not expired</li> <li>✓ 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</li> <li>✓ 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."</li> </ul> </li> </ul>

## BORROWERS (continued)

<b>Non-Perm Resident Alien:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>• Lawful non-permanent residents are legally accorded the privilege of residing temporarily in the United States.</li> <li>• 2 years US residency history required, with valid Social Security Number and US credit.</li> <li>• Validation that borrower has employment authorization is required with <b>one</b> of the following:                         <ul style="list-style-type: none"> <li>✓ A valid current Employment Authorization Document (EAD).                                 <ul style="list-style-type: none"> <li>▪ The EAD may not expire within 6 months of loan application date.</li> <li>▪ The EAD documentation is acceptable up to 540 days if an automatic extension has been granted.</li> </ul> </li> <li>✓ USCIS Form I-765 Application for Employment Authorization. The form must:                                 <ul style="list-style-type: none"> <li>▪ Reflect approval status in the Action Block (upper right-hand corner), OR</li> <li>▪ Be accompanied by Form I-797, I-797A, or I-797B conveying approval status. Form I-797C is not used to communicate approval status.</li> </ul> </li> <li>✓ Employment authorization may also be evidenced by certain VISA types. Some common VISAs allowing employment include E-3, H-1B, L, O, and P.</li> </ul> </li> <li>• Copy of borrower's passport is not required.</li> </ul>
<b>Asylum:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>• Individuals granted asylum are eligible for financing.</li> <li>• 2 years US residency history required, with valid Social Security Number and US credit.</li> <li>• Validation that borrower has employment authorization is required with <b>one</b> of the following:                         <ul style="list-style-type: none"> <li>✓ A valid current Employment Authorization Document (EAD) referencing Category C08.                                 <ul style="list-style-type: none"> <li>▪ The EAD may not expire within 6 months of loan application date.</li> <li>▪ The EAD documentation is acceptable up to 540 days if an automatic extension has been granted.</li> </ul> </li> <li>✓ USCIS Form I-765 Application for Employment Authorization referencing Category C08. The form must:                                 <ul style="list-style-type: none"> <li>▪ Reflect approval status in the Action Block (upper right-hand corner), OR</li> <li>▪ Be accompanied by Form I-797, I-797A, or I-797B conveying approval status. Form I-797C is not used to communicate approval status.</li> </ul> </li> </ul> </li> <li>• Copy of borrower's passport is not required.</li> </ul>
<b>DACA:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>• Individuals who can provide documentation of current DACA status along with work authorization are eligible for financing under the same criteria as a non-permanent resident.</li> <li>• 2 years US residency history required, with valid Social Security Number and US credit.</li> <li>• Validation that borrower has employment authorization is required with one of the following:                         <ul style="list-style-type: none"> <li>✓ A valid current Employment Authorization Document (EAD) referencing Category C33.                                 <ul style="list-style-type: none"> <li>▪ The EAD may not expire within 6 months of loan application date.</li> <li>▪ The EAD documentation is acceptable up to 540 days if an automatic extension has been granted.</li> </ul> </li> <li>✓ USCIS Form I-765 Application for Employment Authorization referencing Category C33. The form must:                                 <ul style="list-style-type: none"> <li>▪ Reflect approval status in the Action Block (upper right-hand corner), OR</li> <li>▪ Be accompanied by Form I-797, I-797A, or I-797B conveying approval status. Form I-797C is not used to communicate approval status.</li> </ul> </li> </ul> </li> <li>✓ Copy of borrower's passport is not required.</li> </ul>



**BORROWERS (continued)**

<b>Foreign National:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>A Foreign National is a non-resident alien who is not authorized to live or work in the U.S.</li> <li>A Foreign National may periodically visit the U.S. for various reasons including vacation and/or business, however, they must live in another country. This must be evidenced on URLA Page 1 Current Address.</li> <li>A US Mailing address is required. Once obtained, ACC to update URLA Page 1 Mailing Address.</li> <li>Automatic Payment Authorization (ACH) is required from a US bank account and will be arranged through closing on ACC's form.</li> <li>Copy of the borrower's foreign issued passport must be obtained.</li> <li>Visa is not required.</li> </ul>
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**SUBJECT PROPERTY**

<b>Eligible Property Types:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>SFR Attached or Detached</li> <li>PUD Attached or Detached</li> <li>Condotel</li> </ul>	<ul style="list-style-type: none"> <li>Warrantable Condominium</li> <li>Non-Warrantable Condominium</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> <i>(differs from core)</i>	<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>Co-op/timeshare hotels</li> <li>Log Homes</li> <li>Rural Properties</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> <li>Properties with a C5 or C6 condition rating</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>Maximum 2 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>A 1007 or 1025 Comparable Rent Schedule is required on all transactions.</li> <li>Appraisal Transfers are eligible, see ACC's Appraisal Transfer Policy for details</li> </ul>		
<b>Appraisal Review:</b>	<ul style="list-style-type: none"> <li>Loan Amount &lt; = \$2M: FNMA Collateral Underwriter (CU) score of 2.5 or less or a Collateral Desktop Analysis (CDA).</li> <li>Loan Amount &gt; \$2M: Second full appraisal.</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>		

SUBJECT PROPERTY <i>(continued)</i>	
<b>Properties Listed for Sale:</b> <i>(differs from core)</i>	<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.</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 the addition of a prepayment penalty on investment properties only.</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>
<b>Florida Condominium Projects:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>A structural inspection is required if the project is: <ul style="list-style-type: none"> <li>✓ 5 stories or greater, AND</li> <li>✓ Over 30 years old or &gt; 25 years old if within 3 miles of the coast.</li> </ul> </li> <li>Projects with an unacceptable or no inspection are not eligible.</li> </ul>
<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>✓ 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- &amp; 30-Year Fixed Rate</li> <li>30 Year Fixed – Interest Only <ul style="list-style-type: none"> <li>✓ 10 Years IO Period</li> <li>✓ 20 Year Amortization</li> </ul> </li> </ul>
<b>Secondary Financing:</b>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>
<b>Power of Attorney:</b>	<ul style="list-style-type: none"> <li>Non-Foreign National: Not Permitted for Cash-Out Transactions</li> <li>Foreign National: Not Permitted</li> </ul>
<b>Vesting Structures:</b>	<ul style="list-style-type: none"> <li>Natural persons</li> <li>Limited Liability Companies, Partnerships, Corporations, and S Corporations</li> <li>Inter vivos revocable trusts (case-by-case basis)</li> </ul>

**MISCELLANEOUS (continued)**

<b>Vesting to Business Entity:</b> <i>(differs from core)</i>	<ul style="list-style-type: none"> <li>• Mandatory in the following states if the broker doesn't have an active NMLS license. If the broker holds an active NMLS license, individual vesting is permissible.                             <ul style="list-style-type: none"> <li>✓ FL, GA, IA, KS, MT, NE, NJ, NY, TN, &amp; VA.</li> </ul> </li> <li>• To vest ownership in an Entity, the following requirements must be met:                             <ul style="list-style-type: none"> <li>✓ At least 50% of the member(s)/manager(s) must be a borrower on the loan and execute a Personal Guaranty at closing.</li> <li>✓ Business purpose and activities are limited to ownership and management of real estate.</li> <li>✓ Entity limited to a maximum of 4 owners (aka members, partners, or shareholders)</li> </ul> </li> <li>• The following Entity documentation must be provided:                             <ul style="list-style-type: none"> <li>✓ Articles of Organization, Partnership, Incorporation, and/or Operating Agreements as applicable based on organizational structure.</li> <li>✓ Tax Identification Number (EIN). A non-Foreign National single member LLC may use the guarantor's social security number in lieu of EIN.</li> <li>✓ Certificate of Good Standing.</li> <li>✓ Certificate of Authorization for the person executing all documents on behalf of the Entity. The authorization may be determined in an Operating Agreement or other corporate documents.</li> </ul> </li> </ul>
<b>Document Signatures:</b>	<ul style="list-style-type: none"> <li>• Documents signed by Borrowers outside of the US must be notarized by a US embassy or consular official. The certificate of acknowledgment must meet the standard notarial requirements and must include the embassy or consular seal. If the US embassy or consular official is unavailable, a notary is acceptable if the country, where signing is taking place, is part of the Hague Convention and the signed documents are accompanied by an Apostille.</li> </ul>
<b>Escrows:</b>	<ul style="list-style-type: none"> <li>• Escrow funds/impound accounts can be waived (except for Flood Insurance) when the following requirements are met:                             <ul style="list-style-type: none"> <li>✓ Loan is not HPML</li> <li>✓ LTV less than or equal to 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> </ul>

## MISCELLANEOUS (continued)

### Prepayment Penalty: (differs from core)

- 6 Months interest on 80% of original principal balance.
- 3 years standard term.
- State Overlays:
  - ✓ AK: Not Allowed
  - ✓ IL: Not allowed on loans vested to individuals
  - ✓ KS: Not Allowed
  - ✓ MI: Not Allowed
  - ✓ MN: Not Allowed
  - ✓ MS: only declining prepayment penalty structures allowed
  - ✓ NJ: not allowed on loans vested to individuals
  - ✓ NM: Not Allowed
  - ✓ OH: Not Allowed
  - ✓ PA: not allowed on loan amounts < \$301,022
  - ✓ RI: Not Allowed

## ELIGIBLE STATES & LICENSE REQUIREMENTS

### ACC Licensed 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

### Expanded eligibility for Non-Licensed Originators:

#### State license not required

- All Title Vesting Types:
  - ✓ AK, AL, AR, CO, CT, DC, DE, HI, IL, IN, KY, LA, MA, MD, ME, MO, MS, NH, NM, OH, OK, PA, SC, TX, WA, WI, WV, & WY
- Business Entity Title Vesting Only:
  - ✓ FL, GA, IA, KS, MT, NE, NJ, TN, & VA

#### Real Estate Broker State license required

- All Title Vesting Types:
  - ✓ CA, MI, MN



## APPENDIX

CALIFORNIA															
94002	94080	94137	94245	94298	94531	94583	94702	94941	95018	95073	95141	95616	95672	95763	95852
94005	94083	94139	94247	94299	94536	94586	94703	94942	95019	95075	95148	95617	95673	95765	95853
94010	94085	94140	94248	94301	94537	94587	94704	94945	95020	95076	95150	95618	95677	95776	95860
94011	94086	94141	94249	94302	94538	94588	94705	94946	95021	95077	95151	95619	95678	95798	95864
94014	94087	94142	94250	94303	94539	94595	94706	94947	95023	95101	95152	95621	95679	95799	95865
94015	94088	94143	94252	94304	94540	94596	94707	94948	95024	95103	95153	95623	95680	95811	95866
94016	94089	94144	94254	94305	94541	94597	94708	94949	95026	95106	95154	95624	95681	95812	95867
94017	94102	94145	94256	94306	94542	94598	94709	94950	95030	95108	95155	95626	95682	95813	95894
94018	94103	94146	94257	94309	94543	94601	94710	94956	95031	95109	95156	95627	95683	95814	95899
94019	94104	94147	94258	94401	94544	94602	94712	94957	95032	95110	95157	95628	95684	95815	95937
94020	94105	94151	94259	94402	94545	94603	94720	94960	95033	95111	95158	95630	95690	95816	96140
94021	94107	94158	94261	94403	94546	94604	94801	94963	95035	95112	95159	95631	95691	95817	96141
94022	94108	94159	94262	94404	94547	94605	94802	94964	95036	95113	95160	95632	95693	95818	96142
94023	94109	94160	94263	94497	94548	94606	94803	94965	95037	95115	95161	95633	95694	95819	96143
94024	94110	94161	94267	94501	94549	94607	94804	94966	95038	95116	95164	95634	95695	95820	96145
94025	94111	94163	94268	94502	94550	94608	94805	94970	95041	95117	95170	95635	95697	95821	96146
94026	94112	94164	94269	94505	94551	94609	94806	94971	95042	95118	95172	95636	95698	95822	96148
94027	94114	94172	94271	94506	94552	94610	94807	94973	95043	95119	95173	95637	95701	95823	96150
94028	94115	94177	94273	94507	94553	94611	94808	94974	95044	95120	95190	95638	95703	95824	96151
94030	94116	94188	94274	94509	94555	94612	94820	94976	95045	95121	95191	95639	95709	95825	96152
94035	94117	94203	94277	94511	94556	94613	94850	94977	95046	95122	95192	95641	95713	95826	96154
94037	94118	94204	94278	94513	94557	94614	94901	94978	95050	95123	95193	95645	95714	95827	96155
94038	94119	94205	94279	94514	94560	94615	94903	94979	95051	95124	95194	95648	95715	95828	96156
94039	94120	94206	94280	94516	94561	94617	94904	94998	95052	95125	95196	95650	95717	95829	96157
94040	94121	94207	94282	94517	94563	94618	94912	95001	95053	95126	95602	95651	95720	95830	96158
94041	94122	94208	94283	94518	94564	94619	94913	95002	95054	95127	95603	95652	95721	95831	
94042	94123	94209	94284	94519	94565	94620	94914	95003	95055	95128	95604	95653	95722	95832	
94043	94124	94211	94285	94520	94566	94621	94915	95005	95056	95129	95605	95655	95726	95833	
94044	94125	94229	94287	94521	94568	94622	94920	95006	95060	95130	95606	95656	95735	95834	
94060	94126	94230	94288	94522	94569	94623	94924	95007	95061	95131	95607	95658	95736	95835	
94061	94127	94232	94289	94523	94570	94624	94925	95008	95062	95132	95608	95660	95741	95836	
94062	94128	94234	94290	94524	94572	94649	94929	95009	95063	95133	95609	95661	95742	95837	
94063	94129	94235	94291	94525	94575	94659	94930	95010	95064	95134	95610	95662	95746	95838	
94064	94130	94236	94293	94526	94577	94660	94933	95011	95065	95135	95611	95663	95747	95840	
94065	94131	94237	94294	94527	94578	94661	94937	95013	95066	95136	95612	95664	95757	95841	
94066	94132	94239	94295	94528	94579	94662	94938	95014	95067	95138	95613	95667	95758	95842	
94070	94133	94240	94296	94529	94580	94666	94939	95015	95070	95139	95614	95670	95759	95843	
94074	94134	94244	94297	94530	94582	94701	94940	95017	95071	95140	95615	95671	95762	95851	

## APPENDIX

ARIZONA															
85001	85015	85030	85044	85066	85082	85130	85178	85210	85246	85261	85282	85303	85326	85354	85381
85002	85016	85031	85045	85067	85083	85131	85190	85211	85248	85262	85283	85304	85327	85355	85382
85003	85017	85032	85046	85068	85085	85132	85191	85212	85249	85263	85284	85305	85329	85358	85383
85004	85018	85033	85048	85069	85086	85137	85193	85213	85250	85264	85285	85306	85331	85361	85385
85005	85019	85034	85050	85070	85087	85138	85194	85214	85251	85266	85286	85307	85335	85363	85387
85006	85020	85035	85051	85071	85117	85139	85201	85215	85252	85267	85287	85308	85337	85372	85388
85007	85021	85036	85053	85072	85118	85140	85202	85216	85253	85268	85288	85309	85338	85373	85390
85008	85022	85037	85054	85073	85119	85141	85203	85224	85254	85269	85295	85310	85339	85374	85392
85009	85023	85038	85060	85074	85120	85142	85204	85225	85255	85271	85296	85311	85340	85375	85395
85010	85024	85039	85061	85075	85121	85143	85205	85226	85256	85274	85297	85312	85342	85376	85396
85011	85026	85040	85062	85076	85122	85145	85206	85233	85257	85275	85298	85318	85343	85377	85618
85012	85027	85041	85063	85078	85123	85147	85207	85234	85258	85277	85299	85320	85345	85378	85623
85013	85028	85042	85064	85079	85127	85172	85208	85236	85259	85280	85301	85322	85351	85379	85631
85014	85029	85043	85065	85080	85128	85173	85209	85244	85260	85281	85302	85323	85353	85380	
COLORADO															
80025	80027	80302	80304	80306	80308	80310	80455	80471	80501	80503	80516	80540	80424	80443	80498
80026	80301	80303	80305	80307	80309	80314	80466	80481	80502	80510	80533	80544	80435	80497	
TENNESSEE															
37738	37764	37862	37863	37864	37865	37868	37876								
TEXAS															
73301	78602	78620	78634	78650	78661	78674	78702	78712	78720	78728	78736	78746	78754	78762	78773
73344	78610	78621	78640	78651	78662	78676	78703	78713	78721	78729	78737	78747	78755	78763	78774
76527	78612	78622	78641	78652	78664	78680	78704	78714	78722	78730	78738	78748	78756	78764	78778
76530	78613	78626	78642	78653	78665	78681	78705	78715	78723	78731	78739	78749	78757	78765	78779
76537	78615	78627	78644	78655	78666	78682	78708	78716	78724	78732	78741	78750	78758	78766	78783
76573	78616	78628	78645	78656	78667	78683	78709	78717	78725	78733	78742	78751	78759	78767	78799
76574	78617	78630	78646	78659	78669	78691	78710	78718	78726	78734	78744	78752	78760	78768	78953
76578	78619	78633	78648	78660	78673	78701	78711	78719	78727	78735	78745	78753	78761	78772	78957