

Owner Occupied and Second Home Full Doc and Alt-Doc (24 months bank statements)				
Loan Purpose	Property Type	Credit Score	LTV/CLTV	Max Loan Amount
Purchase / Rate&Term	1 Unit SFR/PUD	700+	65/70	\$3,000,000
		660+	60/70	
		680+	80/80	\$2,000,000
		660-679	70/70	
		640-659	65/70	
		620-639	60/70	
	Condominium	700+	80/80	\$1,500,000
		680-699	75/75	
		660-679	60/70	
		640-659	55/70	
		620-639	50/70	
	2-4 Units	700	65/70	\$3,000,000
		660-699	60/70	\$2,000,000
		640-659	55/70	\$1,500,000
620-639		50/70		
Cash-Out Refinance	1 Unit SFR/PUD	700+	60/70	\$3,000,000
			75/75	\$2,000,000
		680-699	70/70	\$1,500,000
		660-679	60/70	
		640-659	55/70	
		620-639	50/70	
	Condominium	700+	70/70	\$1,500,000
		680-699	65/70	
		660-679	55/70	
		620-659	50/70	
	2-4 Units	700+	55/70	\$2,500,000
			65/70	\$1,500,000
		660-699	55/70	
		620-659	50/70	

Owner Occupied and Second Home Alt-Doc (12 months bank statements) and Limited Doc				
Loan Purpose	Property Type	Credit Score	LTV/CLTV	Max Loan Amount
Purchase / Rate&Term	1 Unit SFR/PUD	700+	60/70	\$3,000,000
		660+	55/70	
		700+	75/75	\$2,000,000
		680-699	70/70	
		660-679	60/70	
		640-659	55/70	
	Condominium	620-639	50/70	\$1,500,000
		700+	75/75	
		680-699	70/70	
		660-679	55/70	
	620-659	50/70		

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	2-4 Units	700+	60/70	\$3,000,000
		660-699	55/70	
		640-659	55/70	\$1,500,000
		620-639	50/70	
Cash-Out Refinance	1 Unit SFR/PUD	700+	55/70	\$3,000,000
			75/75	\$2,000,000
		680-699	70/70	\$1,500,000
			60/70	
			55/70	
			50/70	
	Condominium	700+	70/70	\$1,500,000
		680-699	65/70	
		660-679	55/70	
		620-659	50/70	
	2-4 Units	700+	55/70	\$3,000,000
			60/70	\$1,500,000
660-699		55/70		
		50/70		

Investment Properties Full Doc, Limited Doc, 12 & 24 month Bank Statements				
Loan Purpose	Property Type	Credit Score	LTV/CLTV	Max Loan Amount
Purchase / Rate&Term	SFR / PUD / 2-4 UNIT	700+	70/70	\$2,500,000
		680+	65/70	\$1,000,000
		620-679	50/70	
	CONDOMINIUM	700+	70/70	\$1,000,000
		680-699	65/70	
		620-679	50/70	
Cash-Out Refinance	SFR / PUD / 2-4 UNIT	700+	60/70	\$2,500,000
		620+	55/70	\$1,000,000
	CONDOMINIUM	700+	60/70	\$1,000,000
		620-699	55/70	

Asset Depletion – Eligibility Chart				
Owner Occupied and Second Home				
Loan Purpose	Property Type	Credit Score	LTV/CLTV	Max Loan Amount
Purchase / Rate&Term / CashOut Refinance	All property Types	620	55/55	\$1,000,000
			50/50	\$2,500,000
Investment Properties				
Loan Purpose	Property Type	Credit Score	LTV/CLTV	Max Loan Amount
Purchase / Rate&Term / CashOut	All	620	50/50	\$2,500,000

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Product Codes	
1800-39 40 Year 7/1 LIBOR ARM Silver Advantage Standard IO	
1800-39 7/1 LIBOR ARM Silver Advantage Standard	

Full Documentation Summary	
Income	Two (2) years of most recent tax returns or two (2) years of most recent W-2s and a paycheck stub reflecting the most recent 30 day period are required. Processed 4506-T, IRS transcripts are also required
Assets	Minimum two (2) most recent bank statements (underwriting may request/require additional months of bank statements)

Alternative Documentation Summaries	
Eligibility	<ul style="list-style-type: none"> Self-employed borrowers (defined as an individual who files schedule C or corporate tax returns) in the same business for at least two (2) years are eligible for Alt-Doc. Salaried and/or commission borrowers may only utilize “Silver Limited” Alt-Doc Programs 530 & 531 or 730 & 731 or “Silver Standard” Full-Doc Programs 500 & 001 or 700 & 701. Borrowers classified as investors (Real Estate Investors; day traders;) are not eligible for the Alternative Documentation Programs and must go Full Doc. Self-employed borrower’s Business phone number must be verifiable via 411 or the internet. Self-employed borrowers may have Co-Borrower that earns W -2 income. <p><i>First time homebuyers are limited to 43% DTI when using Alternative Documentation.</i></p>
Income	Tax returns and IRS form 4506-T will be not required unless noted. Rental income not diverted to a separate account must be taken into consideration when calculating the borrower’s monthly income from bank statement for qualification purposes.
Assets	Minimum of two (2) most recent bank statements (underwriting may request/require additional months of bank statements).
12 and 24 Months Bank Statements	<p>Alt-Doc/Bank Statement Programs are available to Self-Employed Borrowers with a 25% or greater ownership interest in a business. Deposits coming from sources other than the business must be deducted from the 12- or 24-month total. Examples include but are not limited to: (i) deposits from Social Security; (ii) transfers from another (non-business) account; (iii) tax refunds or income deposited from a known employer.</p> <ul style="list-style-type: none"> Personal Bank Statements- 100% of eligible business related deposits can be used.(1099’s may be used in lieu of 12 or 24 months bank statements. YTD will need to be gapped with current bank statements.) Evidence must be provided showing borrower has been self-employed in the same business for a minimum of two (2) years. Business Bank Statements- Borrowers must have a minimum 50% ownership interest in a business to utilize Business Bank Statements. To determine business expenses a borrower prepared P&L covering the same dates as the

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	<p>bank statements OR 3rd party CPA/tax preparer Expense statement is required. See underwriting guides for further detailed guidance. (1099's may be used in lieu of 12 or 24 months bank statements. YTD will need to be gapped with current bank statements.) Evidence must be provided showing borrower has been self-employed in the same business for a minimum of two (2) years.</p>
LIMITED Doc	<ul style="list-style-type: none"> • Available to wage earners or self-employed borrowers. • Self Employed Borrower must provide most recent year tax return (personal and business, if applicable), and a YTD P&L and/or paystub showing YTD income. • In addition, evidence of the existence of the business for at least two (2) years is required. • Commission/Salary + Commissions Borrowers must provide the most recent year tax return and the most recent paystub showing YTD income. • All other Salaried Borrowers must provide the most recent year W 2 and the most recent paystub showing YTD income. • Most recent two (2) months personal bank statements to validate required reserves. • Processed 4506-T, IRS transcripts required for 1-year, in line with W -2 or tax return. All non-Self Employed borrowers must also provide a written VOE reflecting the income for the same period as the single year tax return/ W -2 and evidence of employment in the same line of work for at least 2 years.

Asset Depletion Documentation Summary	
Eligibility	<ul style="list-style-type: none"> • Asset depletion (AD) can be used to meet ATR requirements on a stand-alone basis or to supplement other income in order to lower the DTI, subject to limitations listed below. • Eligible assets include cash or cash equivalents, marketable securities (i.e. CDs, money market accounts, savings, stocks, bonds, and mutual funds). • Ineligible assets include equity in real estate and private (not publicly traded) stocks. Retirement assets may only be used for AD if the borrower is retirement age (59 ½).
Documentation	All assets considered for AD must be verified through either an account statement from the most recent 30-day period or a Verification of Deposit (when available).

Credit Standards	
Mortgage/Rent	0 x 30 in past twelve (12) months.
Trade lines	Two (2) Active Trade-Lines reporting for at least twenty-four (24) months with activity in the last 12 months is required.
Foreclosure, short sale, bankruptcy, loan modification	Must be seasoned at least twelve (12) months. (See rate sheet for adjustment for seasoned less than thirty-six (36) months.)

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Loans to One Borrower	Not to exceed 5 properties, and/or \$3,000,000
Maximum Financed Properties	Borrowers are allowed up to ten (15) financed properties including subject. If purchasing an O/O Primary Residence, there is no limit to the number of properties financed
Credit Documentation	May not be more than 90 days old at the time of close

Underwriting		
Minimum Loan	\$50,000	
Debt to Income Ratio (DTI)	Defined as a roll-up of all monthly debt obligations (all debts as defined by ATR rules).	
	LTV	
	Max DTI	
	<= 65	55
	>= 65.01	50
	<ul style="list-style-type: none"> Loans with DTI ratios \leq 43%, then no residual income required. Loans with DTI \geq 43.01% require residual income (see below). 	
Residual Income	<ul style="list-style-type: none"> Defined as the cash flow remaining after all monthly obligations have been paid. Requirement – 0.0045 (.45%) of the UPB. (UPB x 0.0045 = required residual income) 	
Secondary Financing	Only institutional secondary financing is acceptable. (SCL does not provide secondary financing).	
Condominiums	Must be warrantable by FNMA; non-warrantable condominiums will be reviewed on a case by case basis.	
Seasoning	No Seasoning Requirements for refinance transactions (both rate/term and CashOut).	
Vesting	Loans must be closed in the name of an individual (no Trust, LLC, etc.).	

Assets / Reserves		
	Loan Amount	Required Reserves
Minimum Reserve Requirements	\$50,000- \$650,000	6 months, verified PITI
	\$650,001 - \$1,000,000	9 months, verified PITI
	\$1,000,001 – \$1,500,000	12 months, verified PITI
	\$1,500,001 – \$2,500,000	18 months, verified PITI

Appraisals		
	Loan Amount	Appraisal Requirements
Appraisal Requirements	\leq \$1,500,000	One (1) full appraisal with 3 sold comps < 6 months
	> \$1,500,000	Two (2) Full Appraisals with 5 sold comps < 12 months
Compliance Note	The ECOA Valuations Rule requires that copies of appraisals and other written valuations be delivered to borrowers promptly upon completion; or within three (3) business days of closing.	

Borrower and Property Eligibility

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Eligible Borrowers	<ul style="list-style-type: none"> • US Citizens • First Time Homebuyers (defined as a qualifying borrowers who has not had ownership in a residence (principal or otherwise) during the three (3) year period ending on the date of the purchase of the property). • Foreign Nationals (Permanent Resident Aliens with appropriate documentation) • Non-occupant Co-borrowers (must be disclosed on the initial application; cannot be added at a later date to qualify; and must be related to the primary borrower).
Ineligible Borrowers	Applicants Possessing Diplomatic Immunity
Ineligible Properties	<p>Ineligible properties include but are not limited to:</p> <ul style="list-style-type: none"> •Leasehold Properties; • Co-ops • Condotels •Timeshares •Income Producing and Commercial Enterprise Properties (Farms; Ranches; Bed and Breakfasts; Assisted Living; etc.) •Short Term Rental Properties •Manufactured Homes (Including Log Cabins) •Properties > 5 acres (as identified on the appraisal).
State Eligibility	Loans are eligible for properties in all states except New York (max LTV is 65%) and US Territories. Cash Out not allowed in Texas. In all cases, state specific regulations supersede guidelines stated herein.

Gift Funds					
Gift Funds	Gift funds are acceptable after a minimum down payment has been made from the borrowers own resources as outlined below:				
	<table border="1"> <tr> <th>Owner Occupied Transactions:</th> <th>Non Owner Occupied Transactions:</th> </tr> <tr> <td>10% of borrowers' funds</td> <td>20% of borrowers' funds</td> </tr> </table>	Owner Occupied Transactions:	Non Owner Occupied Transactions:	10% of borrowers' funds	20% of borrowers' funds
Owner Occupied Transactions:	Non Owner Occupied Transactions:				
10% of borrowers' funds	20% of borrowers' funds				

Assumption, Conversion, HPML, Points/Fee's, & Note Terms	
Assumability	Loan may be assumed by a qualified borrower after the initial fixed term.
HPML	HPML loans are eligible for purchase but are required to comply with the HMPL Appraisal Rule, and to establish and fund an escrow account for property taxes and insurance for a minimum of 5 years.
Conversion	Conversion to a fixed rate mortgage is not allowed
Points and Fees	Owner occupied transactions are limited to points and fees of not more than 3%; Non-Owner Occupied transactions are limited to points and fees of not more than 5%.
Note Terms	ARM Documents: 5/1 or 7/1 ARM; 5-2-5 caps; floor rate is equal to the margin; 1 Year LIBOR Index; Margin is 3.75%; may use Fannie Mae (FNMA) ARM Note 3528.