

PRIMEGEN SUPREME NON-QM Product Matrix - Full Documentation

Maximum LTV/CLTVs		Primary Residence			
Credit Score	Loan Amount	Purchase & Rate/ Term	Cash-Out Refinance	Property	
740	\$150,000 to < \$3,000,000	80%	75%	SFR, PUD, W/Condo, & 2-4 Units	
	\$3,000,001 - \$3,500,000	75%	70%		
720	\$150,000 to < \$1,500,000	80%	75%		
	\$1,500,001 to < \$3,000,000	80%	75%		
700	\$150,000 to < \$1,500,000	80%	75%		
	\$1,500,001 to < \$3,000,000	75%	70%		
680	<= \$1,500,000	75%	70%		
	<= \$2,000,000	75%	65%		
Maximum LTV/CLTVs		Second Home			
Credit Score	Loan Amount	Purchase & Rate/ Term	Cash-Out Refinance		Property
740	\$150,000 to < \$3,000,000	80%	75%	SFR, PUD, & W/Condo	
	\$3,000,001 - \$3,500,000	75%	70%		
720	\$150,000 to < \$1,500,000	80%	75%		
	\$1,500,001 to < \$3,000,000	75%	70%		
700	\$150,000 to < \$1,500,000	80%	75%		
	\$1,500,001 - \$3,000,000	75%	70%		
680	\$150,000 - \$1,000,000	75%	70%		
	\$1,000,001 - \$2,000,000	70%	65%		
Housing Event / Credit Event Seasoning Requirements					
Credit Event Minimum Requirements:	<p><i>Borrowers with significant derogatory credit events must meet the following criteria:</i></p> <ul style="list-style-type: none"> • Max DTI 45% • All borrowers must have reestablished acceptable credit verified after the credit events listed below. • Borrower with unrelated multiple significant credit events, are ineligible. • Must meet all other Flex Supreme Guideline requirements. • FTHB - requires >= 7 years seasoning from the completion date of a significant derogatory credit event. 				
Bankruptcy	<ul style="list-style-type: none"> • 4 years from date of discharge or dismissal to the date of closing for eligibility 				
Mortgage Discharged in BK	<ul style="list-style-type: none"> • 4 years waiting period from date of discharge to date of closing. 				
Foreclosure/DIL/Pre-Foreclosure/NOD/SS/Real Property Settled Debts	<ul style="list-style-type: none"> • 4 years' seasoning after the completion date or the date of notification if NOD. • Manufactured housing/mobile home loans indicated as repossessions, collections, or charge-offs are considered foreclosures. 				
Deed for Lease	<ul style="list-style-type: none"> • When the borrower's loan file references a deed for lease, the underwriter must determine the completion date of the DIL of foreclosure to ensure all requirements are met. 				
Loan Modification/Restructured Mortgage Loan	<ul style="list-style-type: none"> • 4 years seasoning after the event date to the closing date. Restructured Mortgage loans that resulted in any type of partial forgiveness, principal curtailment, or conversion are ineligible. Please refer to the guidelines. 				

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Product Description	Product Code
PrimeGen Supreme 20-Year Fixed Rate	PGS20
PrimeGen Supreme 30-Year Fixed Rate	PGS30
PrimeGen Supreme 40-Year Fixed Rate Interest Rate	PGS40IO

PRIMEGEN SUPREME NON-QM CREDIT MATRIX - FULL DOCUMENTATION

General Requirements	
Product Types	<ul style="list-style-type: none"> 30-Year Fixed Rate – Fully Amortizing 20-Year Fixed Rate – Fully Amortizing 40-Year Fixed Rate Interest-Only
State Restrictions	<ul style="list-style-type: none"> HI, VT, Guam, Puerto Rico, and the Virgin Islands.
Income Doc Type	<p><i>Ineligible Doc Types:</i></p> <ul style="list-style-type: none"> Full Documentation (1-Year and 2-Years). See Full Doc - Income Requirements section. For Alternative Documentation see the Alt Doc Matrix 1099's Asset Utilization as Supplemental income
Loan Amounts	<ul style="list-style-type: none"> Min \$150,000 Max \$3,500,000
Occupancy	<ul style="list-style-type: none"> Primary Residence Second Homes Note: Borrower may own multiple Second Homes NOO is ineligible
Housing/Rental History	<ul style="list-style-type: none"> 0x30x12 FTHB 0x30x24 and at least 1 borrower must have a 24-month rental history. Mortgage or rental lates in the past 12 months are ineligible. Borrowers Living Rent free: <ul style="list-style-type: none"> The rent-free period must be the months directly preceding or during the loan purchase application process. The rent-free period is consecutive and <u>does not exceed 12 months</u>. An acceptable 12- or 24-months rental history (based on specific requirements) for the timeframe immediately prior to the rent-free period, and; The file contains an acceptable letter of explanation from the borrower.
Loan Purpose	<ul style="list-style-type: none"> Purchase Rate/Term Refinance Cash-Out Refinance
Refinance Transactions Rate/Term and Cash-Out	<ul style="list-style-type: none"> Rate/Term max cash back is the lesser of \$2,000 or 1% of the loan amount. Max cash-out \$1,000,000 Cash out is ineligible if appraiser determined the subject property is in a declining market. Funds from cash-out transactions may be considered to satisfy the reserve requirement. Paying off debt at the time of consummation with any portion of the allowable cash-back, from a rate and term refinance will result in the loan being deemed a cash-out refinance. Refinance of existing Texas Section 50(a)(6), Texas Section 50(f)(2) and Texas Section 50(a)(3) Loans are ineligible. <u>Continuity of Obligation</u> is required for all refinance transactions if there is an outstanding lien that will be satisfied with the proceeds of the refinance transaction. If the property was purchased in the previous 9 months, HUD-1 or CD must be provided (See Determining Value in the guide). At least 1 borrower on the new loan must have been obligated in the current loan; or our borrower must have been on title for the past 12 months, occupied the subject prop. and demonstrate having made payments, with exception of an inheritance or award of property – then no waiting period.
Borrower Eligibility	<ul style="list-style-type: none"> U.S. Citizens Permanent Resident Non-Permanent Resident (H1B & L1 Visas only) <p><i>Ineligible:</i></p> <ul style="list-style-type: none"> Non-Occupant Co-Borrowers ITIN Borrowers Foreign National Borrowers
Title Vesting	<ul style="list-style-type: none"> Inter Vivos Revocable Trust - eligible for 1-2-Unit Primary Residence only. Must meet FNMA guide. Attorney's Legal Opinion Letter stating the trust meets Secondary marketing requirements set forth by Fannie Mae or Freddie Mac are required.
First Time Home Buyers	<ul style="list-style-type: none"> 1-Unit Primary Residence only 0x30x24 rental history When at least one borrower has owned a residential property in the prior 3 years, the FTHB requirements do not apply. At least 1 borrower must have a 24-month rental history Min 7-years seasoning for credit events
Property Type	<ul style="list-style-type: none"> SFR (attached/Detached) PUD / Townhomes 2-4 Units Warrantable Condos Max 15 Acres <p><i>Ineligible:</i></p> <ul style="list-style-type: none"> 2-4 units with an Accessory Dwelling Unit (ADU) Non-Warrantable Condo/PUD Projects. Condotels. Modular Homes, Log Homes, Manufactured Housing Properties with Deed Restrictions. Flip Transactions. No exceptions. See guide for the complete list.
Condos	<ul style="list-style-type: none"> Warrantable Condo (Attached / Detached) Site Condo <p><i>Ineligible Projects:</i></p> <ul style="list-style-type: none"> 21+ units with >= 20% single entity ownership 5-20 units with > 2 units owned by a single entity. Project with > 35% of its total space dedicated to non-residential or commercial use. <p><i>Eligible Project Review Types:</i></p> <ul style="list-style-type: none"> FNMA Full Project Review FNMA PERS – evidence of PERS final project approval must be current thru Note date and included in the loan file. CPM must be valid and unexpired, Certification as of Note date must be in the loan file.
Rural Properties	<ul style="list-style-type: none"> Comparable properties should be in similar rural locations and similar property styles. Appraiser must adequately explain the use of comparable not meeting these requirements.
Appraisal Requirements	<ul style="list-style-type: none"> 1 Full Appraisal w/interior and exterior inspection (Forms 1104, 1073, 1025 and 1004D) is required on all files and must be supported by a secondary valuation: Desk Reviews: the following Desk Review products are acceptable to meet this requirement: <ol style="list-style-type: none"> Collateral Underwriter (CU) certification with a score of 2.5 or lower or Clear Capital CDA ProTeck Valuation Services Appraisal Risk Review (ARR) Field Reviews – May not be conducted by the same appraisal company as the initial appraisal but can be ordered through the same AMC. Appraisal transfers are not allowed. Appraisal and valuation products must be in the name of the originating lender. Flip Transactions are ineligible.
Declining Markets	<ul style="list-style-type: none"> Max LTV must be reduced by 5% when subject property is located in a declining market as determined by the appraiser. Cash-Out is not permitted in Declining Markets. A further reduction to LTV is required to any loan which consists of loan characteristics requiring reduced LTV.
Subordinate Financing	<ul style="list-style-type: none"> Employer Assistance secured by a subordinate lien on the subject property is ineligible. Purchase and refinance transactions with new simultaneous 2nd lien are eligible when HCLTV does not exceed max LTV/HCLTV stated in the product matrix. Refinance transactions with existing 2nd Lien may be re-subordinated. The HCLTV may not exceed 90% on O/O and 85% on a 2nd home, The 2nd lien must be to a financial institution. HELOC line limits may be paid down to meet HCLTV caps. Lines reduced or balances paid down must be fully documented including source of funds. Borrowers who currently have a secondary lien with an interest only payment, must be qualified with the fully amortizing payment.
Ineligible Transactions	<ul style="list-style-type: none"> Non-Occupant Co-Borrower Cash-out in Declining Market Non-Arm's Length Temporary Buydowns Delayed Financing Flip transactions (Seller on title < 180 days). Refinance of property listed for sale in the last 6 months. Cash-out on properties listed for sale or purchased in the prev. 6 months (measured from the date of application). Escrow Holdbacks A transaction paying off an Installment Land Contract. Title held in Tenants in Common with unequal ownership. Community Land Trusts Leasehold Properties
Full Doc - Income Requirements	
Income	<p>2 full years of income verification is required. If borrower was in school or military the most recent 2 full years, supporting evidence is required (i.e., transcripts or military discharge papers).</p> <ul style="list-style-type: none"> Wage/Salary: Paystubs (30-days), W-2 (2-Yrs) or W-2 Transcripts if W-2s are unavailable (w/LOE), Tax Returns, K-1s (all regardless of % of ownership), 4506-C (required from all borrowers), VVOE & VOE (w/in 10 days from consummation), 3rd Party VOE (FNMA DU Validation Service, VVOE w/1+ paystubs (acceptable if not S/E or employed by family member <p>Note: Projected Income is not permitted.</p> <ul style="list-style-type: none"> Self-Employed: Personal Tax Returns (1040) most recent 2 years for each borrower, Personal Tax Transcripts (1040) most recent 2 years for each borrower, Business Tax Return (2 years), Business tax Transcripts (optional), YTD P&L and Balance Sheet (not required is borrower has a small business loss <= 5% of the total qualifying income nor do they need to be signed. <ul style="list-style-type: none"> At least 1 borrower on the file must derive their primary qualifying income from self-employed activity.

Rental Income (Full Doc)	<p><u>Subject OO 1-4-unit Property – Purchase:</u></p> <ul style="list-style-type: none"> OO: Income from the subject OO property (2-4 units) may not be used to qualify the borrower when the subject transaction is a purchase transaction. <p><u>General Requirements:</u></p> <ul style="list-style-type: none"> A separate schedule of real estate is not required for rental properties as long as all properties are documented on the 1003. Rental Income calculations must be provided for each property. It is recommended that rental Income calculations are based on the most conservative income approach and meet Fannie Mae requirements. Positive rental income is considered gross income for qualifying purposes, while negative income must be treated as a recurring liability. A 24-month rental history free of unexplained gaps greater than 3 months (such gaps could be explained by student, seasonal, or military renters, or property rehabilitation). Any gaps in documentation greater than 3 months will be ineligible. If the borrower has filed an extension for the previous year tax filing, it may be necessary to provide evidence of additional month's receipt of rental income. The income from the tax returns must be supported by the current lease agreement. If the documents do not coincide, the lesser income must be used to qualify. The monthly housing obligation (PITIA) may not be reduced based on the percentage of ownership when ownership is split with non-borrowing individuals. Rental income will be based on the borrower's Schedule E income. <p><u>REO reported on Schedule E:</u></p> <ul style="list-style-type: none"> 2 years Form 1040 with Schedule E (1-year IRS Form 1040 Schedule E will be considered when rental history is less than 24 months). Lease Requirements: <ul style="list-style-type: none"> A fully executed 12-month current lease from an arm's- length party. For an annual lease that has converted to a month-to-month lease, evidence of most recent 2 months receipt of rent. Income Calculation: <ul style="list-style-type: none"> Average of 24 months of rental income is required; however, a 1-year average will be considered when the rental history is < 24 months. < than 12 months rental income is ineligible. <p><u>Subject O/O 2-4 Unit Property- Refinance— Reported on Schedule E:</u></p> <ul style="list-style-type: none"> 2 years Form 1040 with Schedule E (1-year 1040 Schedule E will be considered when rental history is less than 24 months). <ul style="list-style-type: none"> A fully executed 12-month current lease from an arm's- length party. For an annual lease that has converted to a month-to-month lease, evidence of most recent 2 months receipt of rent. Income Calculation <ul style="list-style-type: none"> An average of 24 months of rental income is required; however, a 1-year average will be considered when the rental history is less than 24 months. Less than 12 months of verified rental income is ineligible. The rental income cannot be a direct offset to the mortgage payment. <p><u>Subject O/O 2-4-unit Property— Refinance of Recently Acquired subsequent to the last income tax filing—Not Reported on Sch E</u></p> <ul style="list-style-type: none"> A fully executed 12-month current lease from an arm's- length party or if applicable provide a copy of the lease which was in place at the time of purchase (when the investment property is located in a state where the existing lease cannot be legally terminated upon sale of said property). <ul style="list-style-type: none"> For an annual lease that has converted to a month-to-month lease, evidence of most recent 2 months receipt of rent. CD or Settlement Statement to evidence the purchase of said property. Income Calculation: <ul style="list-style-type: none"> Reduce the gross rental amount by 25% for vacancies and maintenance. The rental income cannot be a direct offset to the mortgage payment. <p><u>Short Term Rental</u></p> <ul style="list-style-type: none"> 2 years Form 1040 with Schedule E evidencing a 2- year rental history. Evidence of the most recent 12 months receipt of income with an acceptable payment receipt history from a management company. Income Calculation: <ul style="list-style-type: none"> An average of the most recent 24 months (Sch E) of rental income is required. Income does not need to be received for consecutive 12-month periods to be considered for qualifying. Stability of rental income must be evident year-to-year and year- to-date. <p><u>Conversion of Departing Primary Residence/Relocation</u></p> <ul style="list-style-type: none"> The current 12-month's lease must be to an unrelated arm's length 3rd party and must be effective as of the first payment due date of the subject Mortgage Loan. <ul style="list-style-type: none"> If the borrower is retaining their current departing principal residence and converting it to a second home or investment property, additional reserve requirements of 2 months PITIA for the departing residence must be met. Must provide evidence the security deposit and/or first month's rent has been received and deposited. 1 Full Appraisal to evidence equity in vacated property is 25% or more (Single-Family Residences Only). Appraisal must be ordered by a mortgage lender (aged no more than six months). Comparing the unpaid principal balance to the original sales price of the property is not permitted. Note: The appraisal, in addition to using forms Fannie Mae 1004/Freddie Mac 70, may be an exterior-only appraisal using form Fannie Mae/Freddie Mac 2055, and for condominium units, form Fannie Mae 1073/Freddie Mac 465. If a borrower has sold but not closed on the sale of their departing residence, the debt must be included in the qualifying ratios. Income Calculation: <ul style="list-style-type: none"> Reduce the gross rental amount by 25% for vacancies and maintenance. Subtract PITIA; and apply the resulting amount to income (if positive) or recurring debts (if negative).
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Underwriting Requirements			
Credit Score	<p>For each borrower:</p> <ul style="list-style-type: none"> The lowest mid-score(s) of 3 scores will be used to qualify. A minimum of 2 scores is required. Borrowers with 2 credit scores: use the lower of the two scores to qualify. Non-traditional credit reports and credit reports which are not Tri-Merge. The loan qualifying score will be based on the lowest qualifying score of all borrowers. 	Underwriting Method	<ul style="list-style-type: none"> Manual Underwrite only. DU/LPA (Express) not permitted
		DTI Requirements	<ul style="list-style-type: none"> 45% Max DTI
		Age of Documentation	<ul style="list-style-type: none"> Credit documentation must be dated within 90 days of the Note date.
		Minimum Borrower Contribution	<ul style="list-style-type: none"> Purchase transactions with LTVs > 70%, require the borrower to make a minimum down payment of 5% from their own funds. Loans with LTVs <= 70% do not require a min borrower contribution, all funds may come from a gift.
Tradelines Requirements	<ul style="list-style-type: none"> Each borrower must have a min of 3 traditional tradelines rated for at least 12 months. At least 3 trades must reflect an acceptable payment history – no exceptions. Closed accounts may be used to satisfy the min tradeline requirements if payment history is acceptable. Deferred accounts (w/o payment history) cannot be used to meet the min requirement. Borrower who do not meet the requirements above are ineligible. If borrower does not have sufficient credit reference in the U.S., foreign credit reference may not be used, and the loan will be ineligible. 	Assets	<ul style="list-style-type: none"> Most recent 2 months' bank statements or most recent quarterly statement. Evidence of liquidation of funds necessary for closing must be provided in the closed loan package. A VOD is acceptable if accompanied by 1 full month bank statement. Funds from account opened <= 90 calendar days, must be sourced if used for down payment, closing costs or reserves. Large deposits exceeding 50% of total qualifying income must be sourced. Electronic verifications are acceptable.
Reestablished Credit	<ul style="list-style-type: none"> After a BK, FCL, DIL of FCL, SS, or other significant derogatory credit, the borrower's credit will be considered reestablished if all of the following are met: <ul style="list-style-type: none"> The waiting period and related additional requirements are met. The min credit score requirements based on the loan parameters and established eligibility requirements are met. The borrower has traditional credit. Non-traditional credit is not acceptable. The borrower will be considered as having acceptable reestablished credit if the credit report is free of late payments in the previous 24 months, and the borrower has at least 3 traditional credit references active during the most recent 24 months. 	Gift Funds	<p>Eligible when borrower meets the following criteria:</p> <ul style="list-style-type: none"> 1-Unit properties only. Min 5% borrower contribution from their own funds funds for the purpose of paying off or reducing debt prior to or during the loan transaction would be considered eligible gift funds, provided all gift fund criteria are met. FTHB eligible provided all FTHB requirements are met. Gifts of equity are ineligible. Gift funds are not eligible for reserves. See guidelines for other applicable requirements. Purchase transactions with a <= 70% LTV may have all contributions from gift funds, eliminating the 5% min borrower contribution requirement.
30 Day Open Accounts	<ul style="list-style-type: none"> A payment equal to 5% of the current outstanding balance must be included in the qualifying ratios for any 30-day open account reflecting a zero-payment amount or a payment equal to the current outstanding balance on the credit report. If the borrower paid off the account balance prior to closing, the lender may provide proof the account balance has been paid in full, in addition to the source of funds used to pay the account balance. 		<ul style="list-style-type: none"> Loans \$150,000 - \$500,000 = 3 months PITIA Loans \$500,001 - \$2,000,000 = 6 months PITIA

Multiple Real Estate Owned	<ul style="list-style-type: none"> • A borrower may own up to 4 financed 1-4-Unit properties including the subject property. • Co-signed Mortgage Notes must be included in the max property count. • An additional 2 months of PITIA reserves is required for each additional financed property. • Properties owned free and clear require 2 months of taxes, insurance, and HOA dues in reserves. • Commercial property reported on the personal 1040 is deemed a personal property unless sufficient evidence is provided to support otherwise. • Vacant land is not considered in the count of max financed properties. 	Reserves	<ul style="list-style-type: none"> • Loans greater than \$2,000,000 = 12 months • Borrowers owning multiple properties = 2 additional months PITIA per financed property • Properties owned Free & Clear = 2 months of TIA. • Cash-Out funds may be eligible to meet the reserve requirement. • Gift funds may not be used to satisfy reserves. • Borrowers who do not currently own a primary residence are required to have 6 months of rent payments in reserves when financing a second home. • Departing Primary Residence – being retained as a Second Home or NOO, requires 2 additional months of PITIA reserves.
Escrow Waivers	<ul style="list-style-type: none"> • Escrow waivers are eligible, except when the following requirements apply: • Flood insurance is required. • HPML loans. 	Residual Income	<ul style="list-style-type: none"> • Residual Income is not required.
Document Age	<ul style="list-style-type: none"> • 90-days 	Interested Party Contributions	<ul style="list-style-type: none"> • <= 75% LTV = 9% • > 75% - 80% LTV = 6%