

PRIMEGEN SUPREME NON-QM Product Matrix - ALT 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
	\$3,000,000 - \$3,500,000	75%	70%	
720	\$150,000 to < \$1,500,000	80%	75%	
	\$1,500,000 to < \$3,000,000	80%	75%	
700	\$150,000 to < \$1,500,000	80%	75%	
	\$1,500,000 to < \$3,000,000	75%	70%	
680	\$150,000 to < \$1,500,000	75%	70%	
	\$1,500,000 - \$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
	\$3,000,000 - \$3,500,000	75%	70%	
720	\$150,000 to < \$1,500,000	80%	75%	
	\$1,500,000 to < \$3,000,000	75%	70%	
700	\$150,000 to < \$1,500,000	80%	75%	
	\$1,500,000 - \$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. 			

PRIMEGEN SUPREME NON-QM Product Matrix - Full Documentation

Product Description	Product Code
PrimeGen Supreme 20-Year Fixed Rate (Alt Doc)	PGS20 ALT
PrimeGen Supreme 30-Year Fixed Rate (Alt Doc)	PGS30 ALT
PrimeGen Supreme 40-Year Fixed Rate Interest Only (Alt Doc)	PGS40IO ALT

PRIMEGEN SUPREME NON-QM CREDIT MATRIX - ALT 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 Interest Only Fixed Rate
State Restrictions	<ul style="list-style-type: none"> • HI, VT, Guam, Puerto Rico, and the Virgin Islands.
Income Doc Type	<ul style="list-style-type: none"> • 12- or -24 Months Personal or Business Bank Statements • 1-Yr or 2-Yrs 1099s <p>Ineligible Doc Types:</p> <ul style="list-style-type: none"> • P&L Only • P&L w/2 months Bank Statements • Asset Utilization as supplemental income • DSCR
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"> o The rent-free period must be the months directly preceding or during the loan purchase application process. o The rent-free period is consecutive and <u>does not exceed 12 months</u>. o 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 of two-close construction (Perm-Loan only)
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>Ineligible:</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 • At least 1 borrower must have a 24-month rental history • Min 7-years seasoning for credit events • When at least one borrower has owned a residential property in the prior 3 years, the FTHB requirements do not apply.
Property Type	<ul style="list-style-type: none"> • SFR • PUD / Townhomes • 1-4 Units • Warrantable Condos • Max 15 Acres <p>Ineligible:</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. See guide for the complete list.
Condos	<ul style="list-style-type: none"> • Warrantable Condo (Attached / Detached) • Site Condo <p>Eligible Project Review Types:</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. <p>Ineligible Projects:</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>Ineligible:</p> <ul style="list-style-type: none"> • Limited Review • CPM)-Projects labeled as Unavailable • Loans requiring exceptions
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. • <u>Flip Transactions</u>: If the seller owned the subject property < 180 days from the date of the purchase contract and the new sales price is higher than the acquisition price paid by the seller, this transaction is 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. • 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
Alt Doc - Income Requirements	
	<ul style="list-style-type: none"> • Borrower's self-employment income used to calculate the DTI must be reasonable for the profession, verified stable and likely to continue.

Stability and Continuance of Self-Employment	<ul style="list-style-type: none"> Sellers must verify the borrower's self-employment for the most recent consecutive 2 full years in the same business. Borrowers receiving 1099 income (filing as Schedule C or E) are eligible provided that the 1099 income is in the same line of work and meets the required most recent consecutive 2 full years. The name of business noted on the initial 1003 must match the business name noted as account holder on the business bank account(s). 		
Business Ownership and Verification of Self-Employment Requirement	<p><u>Bank Statement Income Documentation:</u></p> <ul style="list-style-type: none"> Borrower(s) must have a minimum of 50% ownership of the business, individually or combined with a co-borrower. < 100% ownership (combined or individually), must provide access letters from all additional business owners. Tax returns/transcripts may not be provided in the loan file for any business using bank statements to qualify. <p><u>Verification of Self-Employment:</u></p> <ul style="list-style-type: none"> A CPA letter and/or equivalent documentation* verifying self-employment must be provided in all cases and shall include the following information: <ul style="list-style-type: none"> The name of the business (if there is one), The borrower's percentage of ownership, The length of self-employment, An assertion that the business is active and in good standing. Proof of existence of the business must be verified no more than ten days prior to the consummation date.* Should the CPA letter or Tax Preparer statement lack the requirements listed above, additional documentation such as an Operating Statement, a Regulatory Agency Verification or /Licensing Bureau Verification would be necessary. 		
Bank Statement Analysis	<ul style="list-style-type: none"> The most recent bank statements must be dated within 45 days of the initial application date and within 90 days of the consummation date. If updated statements are provided, then income calculations may need to be re-analyzed. 		
Acceptable Variance Levels	<p><u>12-months Bank Statements</u></p> <ul style="list-style-type: none"> Variances from month to month are likely to occur; however, a consistent pattern of declining deposits on a monthly basis or evidence of a decline in earnings will require sufficient satisfactory justification/explanation from the borrower and the income should be carefully considered for qualifying. <p><u>24-months Bank Statements</u></p> <ul style="list-style-type: none"> If the eligible deposits decline greater than 5% up to 10% year over year, it should be addressed. See guide. If the decline of deposits is greater than 10% year over year, then the account is ineligible for use in the income calculation. See guide for how a declining deposit trend should be calculated. 		
Supplemental Rental Income (Personal Bank Statements Only)	<ul style="list-style-type: none"> Supplemental rental income can be considered when qualifying with personal bank statements; however, cannot be included in the self-employed income calculation and must be detailed as other income source. Deposits should be reviewed for consistency and must equate to the amount of rent as reflected on the lease agreement. Rental income deposits from alternative payment processing applications (e.g., Square, Venmo) are eligible. A fully executed 12-month current lease from an arm's length party is required, and Evidence of most recent 12 months receipt of rental income. Income Calculation: Use 25% vacancy factor, minus PITIA and apply income if positive, or debt if negative. 		
Personal Bank Statements	<ul style="list-style-type: none"> 24 or 12-months of Personal and 2-months of business bank statements. Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements. The business bank statements must reflect business activity and transfers to the personal account. Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history. 		
Business Bank Statements	<ul style="list-style-type: none"> 24 or 12-months of business bank statements. Qualifying income is determined by ONE of the following analysis methods: <ul style="list-style-type: none"> Fixed Expense Ratio (50%); OR Expense ratio provided by a 3rd party (CPA or EA) min ratio of 10%; OR 3rd party prepared Profit & Loss Statement (CPA or EA) Evidence within 30-days of the Note date that the business is active and operating with a minimum 2-year operating history. 		
Asset Utilization	<ul style="list-style-type: none"> Asset Utilization income may not be used to supplement the full or alternative primary sources of income documentation. Loans underwritten in this fashion will be classified as Asset Depletion income loans and will be subject to all related underwriting restrictions. <u>Qualified Assets</u> – 6 months seasoning of all assets is required and must be evidenced with 6 months of most recent consecutive asset/bank statements. See Guide for additional requirements. Joint accounts shared with a non-borrowing spouse or domestic partner are eligible with a satisfactory access letter from the non-borrowing party See guide for Eligible Assets. <p><u>Large Deposits:</u></p> <ul style="list-style-type: none"> When bank statements are used, large deposits must be evaluated and fully documented. Large deposits are defined as any single deposit that represents more than 50% of the borrower's monthly average deposit balance. Large deposits that cannot be sourced and documented must be excluded from the qualifying income calculation. <p><u>Monthly Income Calculation =</u></p> <ul style="list-style-type: none"> Net Qualified Assets / 84 Months. <p><u>Restrictions:</u></p> <ul style="list-style-type: none"> Cash-out transactions are ineligible. Max LTV must be reduced by 10%. Business assets are ineligible. Unseasoned Foreign Assets. Proceeds from sale of real estate which is not seasoned for a minimum of 6 months. Privately traded or restricted / non-vested stocks Assets which produce income already included in the income calculation 		
Underwriting Requirements			
Credit Score	<p><i>For each borrower:</i></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
		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.
		DTI Requirements	<ul style="list-style-type: none"> 45% Max DTI
		NSFs	<ul style="list-style-type: none"> Maximum 4 NSFs allowed in the most recent 6-month period.
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. Any loan where 1 or more borrowers do not have at least 2 credit scores 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.
	<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: The waiting period and related additional requirements are met. 		

<p>Reestablished Credit</p>	<ul style="list-style-type: none"> 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. 	<p>Gift Funds</p>	<ul style="list-style-type: none"> Min 5% borrower contribution from their own funds Gift 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.
<p>Analyzing Business Bank Statements</p>	<ul style="list-style-type: none"> Business accounts with non-borrowing-partners or other parties will require access letters. Any atypical deposit must be either satisfactorily sourced and documented or excluded. Large / atypical deposits are defined as exceeding 50% of average eligible monthly deposits. Transfers: The following are ineligible transfer for qualifying income calculation: <ul style="list-style-type: none"> Personal account to business account. Business account to business account. 	<p>Multiple Bank Accounts</p>	<ul style="list-style-type: none"> Borrowers qualifying with income from multiple businesses are ineligible using Business Bank Statements. Multiple accounts may be utilized for calculating the business cash flow; however, the same method must be applied to all accounts being considered for qualifying.
<p>Multiple Real Estate Owned</p>	<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. 	<p>Reserves</p>	<ul style="list-style-type: none"> Loans \$150,000 - \$500,000 = 3 months PITIA Loans \$500,001 - \$2,000,000 = 6 months PITIA Loans greater than \$2,000,000 = 12 months Borrowers owning multiple properties = 2 additional months PITIA per financed property or 2 months of TIA if Free & Clear. 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.
<p>Escrow Waivers</p>	<ul style="list-style-type: none"> Escrow waivers are eligible, except when the following requirements apply: <ul style="list-style-type: none"> Flood insurance is required. HPML loans. 		
<p>Document Age</p>	<ul style="list-style-type: none"> 90-days 	<p>Residual Income</p> <p>Interested Party Contributions</p>	<ul style="list-style-type: none"> Residual Income is not required. <= 75% LTV = 9% > 75% - 80% LTV = 6%