



SHARP N FULL/ATL DOC

4/16/2025

FULL/ALT DOC

| Occupancy | Units | Loan Amount | MIN FICO | PURCHASE | | R/T | C/O | Occupancy | Units | Loan Amount | MIN FICO | PURCHASE | | R/T | C/O |
|-------------------|-------|-------------|----------|--------------|--------------|--------------|--------------|---------------------------|-------|-------------|----------|--------------|--------------|--------------|-----|
| | | | | MAX LTV/CLTV | MAX LTV/CLTV | MAX LTV/CLTV | MAX LTV/CLTV | | | | | MAX LTV/CLTV | MAX LTV/CLTV | MAX LTV/CLTV | |
| Primary Residence | 1 | <=\$2.0MM | 740+ | 80% | 80% | 80% | 75% | Second Home & Investments | 1 | <=\$2.0MM | 700+ | 80% | 80% | 80% | 75% |
| | | | 700 | 80% | 80% | 80% | 75% | | | | 70% | | | | |
| | | | 680 | 75% | 75% | 75% | 70% | | | | | | | | |
| | | <=\$2.5MM | 740+ | 80% | 80% | 80% | 65% | | | | | | | | |
| | | | 700 | 75% | 75% | 75% | 65% | | | | | | | | |
| | | | 740+ | 75% | 75% | 75% | N/A | | | | | | | | |
| <=\$3.0MM | 700 | 70% | 70% | 70% | N/A | | | | | | | | | | |

DOCUMENTATION TYPES FULL DOCUMENTATION

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| WAGE EARNER | 1 or 2 YRs W-2, Paystubs w/YTD earnings |
| SELF-EMPLOYED | 1 or 2 YRs Tax Returns (Personal & Business as applicable) YTD P&L |
| BANK STATEMENTS - ALL | |
| SELF-EMPLOYED | Borrowers must be self-employment for a MIN of 2 years from the date of the Note Business must be in existence MIN 2 years from the date of the Note. |
| NSF'S | NSF only need to be considered when resulting in a bank fee All NSF's require a LOE from the borrower and UW evaluation required. |
| LARGE DEPOSITS | Deposits >50% of the average balance in the past 12 MO must be sourced. |
| BANK STATEMENT DATE | The most recent statements must be within 90 days of the Note date |
| OWNERSHIP | Borrower must be a MIN 25% owner of the business verified by a CPA/Tax preparer letter, operating agreement or equivalent. |
| CO-MINGLED ACCOUNTS | Single account reflecting both personal and business expenses. Co-mingled will be considered a business bank statement and an expense factor needs to be applied. |
| 12/24 MONTH PERSONAL BANK STATEMENTS | |
| MULTIPLE ACCOUNTS | May be used for multiple businesses or when a borrower can show they have closed one account to use another. |
| BUSINESS BANK STATEMENTS | 2 MO. Business bank statements required reflecting business activity & transfers to personal account. |
| 12/24 MONTH BUSINESS BANK STATEMENTS | |
| QUALIFYING INCOME | <ol style="list-style-type: none"> 50% expense ratio – qualifying income is the MO. net income from deposits less the 50% expense ratio. P&L from a CPA or licensed tax preparer – qualifying income is the net income from deposits less the P&L expense ratio MIN 10% Expense Statement from CPA or licensed tax preparer specifying a business expense as a % of the gross annual sales/revenue. MIN 10% <ol style="list-style-type: none"> Preparer must attest they have either prepared the borrowers most recent tax return. |
| PROFIT AND LOSS (12 MONTHS) INCOME | |
| | Not eligible |
| 1099 (24 Months) | |
| BORROWERS | Individuals paid via 1099 but are not business owners |
| RECEIPT OF INCOME | 2 most recent consecutive FULL years with the same employer |
| EXPENSE RATIO | 10% Fixed expense ratio required |
| OCCUPANCY | PR and 2 nd HM only |
| ASSETS AS INCOME | |
| SUPPLEMENTAL | Not permitted |
| MAX LTV | Reduced by 10% |
| OCCUPANCY | PR and 2 nd HM only |
| SEASONING | Assets must be seasoned for MIN 3 MO |
| QUALIFYING INCOME | Net Qualified Assets/84 MO |
| ELIGIBLE ASSETS | 100% of checking or savings 80% of stocks & bonds 70% of retirement assets – 60% for borrowers under 59 ½ |



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|---|---|--|--|--|
| INELIGIBLE ASSETS | Business Assets, Foreign Assets, proceeds from sale of real estate which is not seasoned for a MIN of 3 MO, privately traded or restricted/non-vested stock | | | |
| GENERAL REQUIREMENTS | | | | |
| OCCUPANCY | PR, 2 nd HM & INV | | | |
| LOAN AMOUNTS | <ul style="list-style-type: none"> MIN \$150K MAX \$3.0MM | | | |
| TERMS | FIXED | 30 YR | | |
| | INTEREST ONLY | 30 YR FIXED and 40 YR FIXED | | |
| INTEREST ONLY | MAX 75% LTV/CLTV | I/O Period 10 YRs Amortization period 20 YRs Maturity 30 YRs | | QUALIFYING PAYMENT Use the ITIA payment |
| | MIN FICO 700 | FTHB Not permitted | | |
| ELIGIBLE PROPERTY TYPES | <ul style="list-style-type: none"> SFD, SFA, 2-4 Units & Warrantable Condos 2-4 Units and Warrantable Condos MAX LTV/CLTV 75% 2-4 Units – FTHB ineligible Properties MAX acreage 10 – cannot be zoned rural or agricultural | | | |
| INELIGIBLE PROPERTY TYPES | Manufactured, Co-ops, Non-Warrantable Condos, Condotels, Mixed Use, Leaseholds, Rural | | | |
| RURAL | <ul style="list-style-type: none"> Not permitted | | | |
| CASH-OUT | MAX C/O Amounts: <ul style="list-style-type: none"> LTVs <=70% Unlimited LTV >70% \$500K MIN 6 MO seasoning from most recent event Not permitted in declining markets C/O cannot be for personal use when business purpose | | | |
| CASH-OUT SEASONING | <ul style="list-style-type: none"> MIN 6 MO since the most recent mortgage transaction (Note to Note date). Delayed Financing or buyout of a co-owner excluded from seasoning requirements. | | | |
| PROPERTIES LISTED FOR SALE | Properties listed for sale or purchased in the previous 6 months from the date of application are ineligible. | | | |
| SELLER CONCESSIONS | PR & 2nd HM <ul style="list-style-type: none"> LTV/CLTV <=75% 9% LTV/CLTV >75% 6% INV <ul style="list-style-type: none"> ALL LTV/CLTV 6% | | | |
| ENTITY LENDING/VESTING | Vesting and Lending to the entity permitted. Note/Mortgage/Deed in the name of the entity (LLC, LP, GP, CORP & S CORP). Credit qualifying using individual borrower – Personal Guaranty by the individual borrower Required Foreign Entities not permitted. | | | |
| 2ND LIENS | New subordinate financing not permitted. Re-subordinated liens subject to: PR MAX CLTV 90%, 2nd HM MAX CLTV 85%, INV Ineligible Second lien may not be privately held, HELOC or Reverse Mortgage. | | | |
| ESCROW WAIVERS | PR and 2 nd HM only with MIN FICO 680 Loan must be non-HPML | | | |
| UNDERWRITING REQUIREMENTS | | | | |
| DTI | MAX 50% DTIs that exceed 43% a MIN 740 FICO is required | | | |
| REPRESENTATIVE CREDIT SCORE (FICO) | Primary Wage Earner - 3 scores lowest MID score 2 scores - lowest score | | | |
| TRADELINER REQUIREMENTS | All borrowers must meet the tradeline requirements: <ul style="list-style-type: none"> 3 tradelines reporting for last 12 MO. or 2 reporting for 24 MO w/activity in past 12 MO. Or 24 MO mortgage history reporting on the credit report. Tradelines used cannot reflect late payments. Deferred accounts (w/o a payment history) may not be used. Accounts closed <12 MO may be considered. | | | |



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|--------------------------------|--|
| HOUSING HISTORY | <ul style="list-style-type: none"> • Rent free period does not exceed 12 MO • Rent free period is consecutive • Housing history for previous 12 MO required • Borrower LOE required |
| HOUSING PAYMENT HISTORY | <ul style="list-style-type: none"> • 0 x 30 x 12 • FTHB 0 x 30 x 24 |
| CREDIT EVENT SEASONING | <ul style="list-style-type: none"> • BK 7 & 13 – 48 MO discharge/dismissal date • FC, SS, DIL, Mod, 120+ housing late 48 MO. From application date • FTHB 7 YRS Seasoning required |
| COLLECTIONS | <ul style="list-style-type: none"> • Collections and charge-offs < 24 months old with a maximum cumulative balance of \$5,000 • All medical collections • Collections from factoring companies when the original debt can be verified on the credit report. <p>Accounts may be left open with sufficient reserves to cover balance in addition to required reserves. Payment calculated at 5% of the remaining balance must be included.</p> |
| FIRST TIME HOMEBUYER | <p>Defined as a borrower with no ownership interest in a residential property located in the US for the preceding 5 Yrs. If any borrower has had ownership interest as defined above the loan is not subject to the following requirements.</p> <ul style="list-style-type: none"> • MIN 1 borrower w/O X 30 X 24 verified primary housing history required. • MAX DTI 43% • 2-4 Units – Ineligible • I/O – Ineligible • 7 YRS credit event seasoning |
| RESIDUAL INCOME | <p>Applies to HPML loans or when DTI >43%</p> <p>Household Members:</p> <ul style="list-style-type: none"> • 1 Person = \$1,500 • 2 Person = \$2,500 • \$150 per additional household member |
| BORROWERS | <ul style="list-style-type: none"> • U.S Citizens • Perm-Res Aliens • Non-Perm-Res Aliens (H1B & L1 Visa only) MAX 75% LTV – Borrowers must have US credit and meet tradeline requirements • Non-Occupant Co-Borrowers – PR only, MAX 43% DTI, C/O not permitted <p>The following is ineligible</p> <ul style="list-style-type: none"> • Borrowers with ITINs • Foreign Nationals |
| TRANSCRIPTS | Required - Wage Earner Income and Full Doc loans only |
| LOAN AMTS | Loan amounts ≥\$2.0MM a second signature required. |
| NON-ARMS LENGTH | Not permitted |
| ASSETS | For cash to close sourced for 30 days |
| RESERVES | <p>Based on the subject property PITIA</p> <ul style="list-style-type: none"> • LN AMTs <=\$500K 3 MO • LN AMTs >\$500K - \$1.5MM 6 MO • LN AMTs >\$1.5MM- \$2.5MM 9 MO • LN AMTs >\$2.5MM - \$3.0MM 12 MO • C/O may be used to meet reserve requirements. |





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|--------------------------------|---|------------|---|-----------|-------------------------------------|
| GIFT FUNDS | <p>Permitted</p> <ul style="list-style-type: none"> • MAX LTV/CLTV 75% PR & 2nd HM • 1-Unit only • PR only • MIN borrower contributions <ul style="list-style-type: none"> ○ 5% PR ○ 10% 2nd HM <p>Gift funds may not be used to meet reserve requirements</p> | | | | |
| APPRAISAL REQUIREMENTS | | | | | |
| APPRAISAL | LN AMTS <\$2.0 MM - 1 Full Appraisal LN AMTS ≥\$2.0MM - 2 Full Appraisals | CDA | CDA < 10% of appraised value full second appraisal required | CU | CU of 2.5 or less CDA not required. |
| DECLINING MARKETS | <p>Appraiser indicated declining market.</p> <ul style="list-style-type: none"> • 5% LTV Reduction when LTV >65% LTV • C/O Not permitted | | | | |
| GEOGRAPHIC RESTRICTIONS | | | | | |
| STATE OVERLAYS | <ul style="list-style-type: none"> • MD – PR and 2nd HMs ineligible • Baltimore City Row Homes ineligible • TX Refi's ineligible | | | | |

