

SHARP NON-QM PRODUCT SUITE

SHARP S Standard, Bank Statement, 1099

Occupancy	Units	Loan Amount	FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV	Occupancy	Units	Loan Amount	FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV
Primary Residence	1	<=\$1.0MM	700+	90%	85%	80%	Second Home & Investments	1	<=\$1.0MM	680+	85%	80%	75%
			680	90%	85%	75%				660	80%	80%	75%
			660	80%	80%	75%				700+	85%	80%	75%
		<=\$1.5MM	700+	90%	85%	80%			<=\$1.5MM	680	85%	80%	75%
			680	85%	80%	75%				660	80%	75%	75%
			660	80%	75%	75%				720+	85%	80%	75%
		<=\$2.0MM	720+	85%	80%	80%			<=\$2.0MM	700	85%	75%	70%
			700	85%	75%	70%				680	80%	75%	70%
			680	80%	75%	70%				660	75%	70%	65%
			660	75%	70%	65%				720+	80%	75%	75%
			720+	80%	75%	75%				680	75%	70%	65%
		<=\$2.5MM	680	75%	70%	65%			<=\$2.5MM	660	70%	65%	65%
			660	70%	65%	65%				720	75%	70%	70%
			720+	75%	70%	70%				700	75%	70%	65%
		<=\$3.0MM	700	75%	70%	65%			<=\$3.0MM	680	70%	65%	65%
			680	70%	65%	65%				700+	70%	65%	N/A
			700+	70%	65%	N/A							

SHARP S Profit & Loss Statement, Asset Utilization

Occupancy	Units	Loan Amount	FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV	Occupancy	Units	Loan Amount	FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV
Primary Residence	1	<=\$1.0MM	700+	80%	75%	70%	Second Home & Investments	1	<=\$1.5MM	680+	80%	75%	70%
			680	80%	75%	70%				700+	80%	75%	70%
		<=\$1.5MM	700+	80%	75%	70%			<=\$2.0MM	680	75%	70%	65%
			680	80%	75%	70%				720	75%	70%	70%
		<=\$2.0MM	700+	80%	75%	70%			<=\$2.5MM	700	75%	70%	65%
			680	75%	70%	65%				720+	75%	70%	70%
		<=\$2.5MM	720+	75%	70%	70%				700	75%	70%	65%
			700	75%	70%	65%				680	70%	65%	60%
		<=\$3.0MM	680	70%	65%	60%				700+	70%	N/A	N/A
			700+	70%	N/A	N/A							

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SHARP C											
Occupancy	Loan Amount	MIN FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV	Occupancy	Loan Amount	MIN FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV
Primary Residence	<=\$1.0MM	720+	90% ¹	90% ¹	80%	Second Home	<=\$1.0MM	700+	85%	85%	75%
		680	80%	80% ¹	80%			660	80%	80%	70%
		660	80%	80%	70%		<=\$1.5MM	700+	80%	80%	75%
	<=\$1.5MM	700	85%	85%	75%			680	80%	80%	70%
		680	80%	80%	80% ⁶			660	75%	75%	70%
		660	75%	75%	70%		<=\$2.0MM	700+	80%	80%	70%
	<=\$2.0MM	740+	85%	85%	75%			680	75%	75%	65%
		700	80%	80%	75% ⁵			660	70%	70%	60%
		680	75%	75%	65%		<=\$2.5MM	700+	75%	75%	65%
		660	75%	75%	60%			680	70%	70%	
		660	75%	75%	60%			660	65%	65%	
	<=\$2.5MM	720+	80%	80%	70%	Investment	<=\$3.0MM	700+	70%	70%	60%
		700	75%	75%	65%			720+	60%	60%	
		680	70%	70%	60%		<=\$3.5MM	700+	60%	60%	
		660	70%	70%				720+	60%	60%	
	<=\$3.0MM	720+	75%	75%	70% ³		<=\$1.0MM	700+	85%	85%	75%
		700	70%	70%	65% ⁴			660	80%	80%	70%
		680	65% ²	65% ²			<=\$1.5MM	720+	80%	80%	75%
		660	65%	65%				680	80%	80%	70%
	<=\$3.5MM	740+	65%	65%				660	75%	75%	70%
		720	60%	60%				700+	80%	80%	70%
							<=\$2.0MM	680	75%	75%	65%
								660	70%	70%	60%
	<=\$3.5MM						<=\$2.5MM	700+	75%	75%	65%
								680	70%	70%	
								660	65%	65%	
							<=\$3.0MM	700+	70%	70%	60%

¹ 2-4 Units MAX LTV/CLTV 85%

² 1-Unit only

³ 2-4 Units MAX LTV 65%

⁴ 2-4 Units MAX LTV/CLTV 60%

⁵ 2-4 Units MAX LTV/CLTV 70%

⁶ 2-4 Units MAX LTV/CLTV 70%



2100 W. PLEASANT GROVE BLVD.
SUITE 100
PLEASANT GROVE, UT 84062
801-226-7456 | fcmtpo.com

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SHARP I											
Occupancy	Loan Amount	MIN FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV	Occupancy	Loan Amount	MIN FICO	PURCHASE MAX LTV/CLTV	R/T MAX LTV/CLTV	C/O MAX LTV/CLTV
Primary Residence & Second Home	< \$1.5MM	720+	85% ¹	85% ¹	80%	Investment	< \$1.5MM	740+	80%	80%	80%
		700	80%	80%	80%			700	75%	75%	75%
		680	80%	80%	75%			680	70%	70%	70%
		660	70%	70%	70%			660	70%	70%	70%
	< \$2.0MM	720+	80%	80%	75%		< \$2.0MM	740+	80%	80%	75%
		700	80%	80%	75%			700	75%	75%	70%
		680	80%	80%	75%			680	70%	70%	65%
		660	70%	70%	70%			660	70%	70%	65%
	≤ \$3.0MM	700+	75%	75%	75%		≤ \$3.0MM	700+	75%	75%	65%
		680	75%	75%	75%			680	75%	75%	65%

¹2nd Home MAX LTV/CLTV 80%



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GENERAL PROGRAM GUIDANCE

REFER TO PROGRAM SPECIFIC REQUIREMENTS FOR OVERLAYS

MAX DTI	50%	OCCUPANCY	PR, 2 nd HM & INV	HOUSING HISTORY	See below
CREDIT SCORE	Primary Wage Earner - 3 scores lowest MID score 2 scores - lowest score				
COLLECTIONS	- Amounts remaining open non-MED past 24 MO - \$2K - All items affecting title must be paid prior to or at closing.				
CASH-OUT SEASONING	- MIN >6 MO >12 MO - Appraised Value ≤12 MO Lesser of PUR price + improvements or Appraised Value				
FIRST TIME HOMEBUYER	Borrowers who have had no homeownership in the past 3 YRS. MAX DTI 43% I/O ineligible DTI >36%; Payment shock limited to 300%				
TRANSCRIPTS	Full Doc – Required ATL Doc - Required on non-self-employment income (e.g. W2) used to determine the qualifying income.				
BUSINESS NARRATIVE	Business Narrative required for all S/E and 1099 borrowers.				
INTEREST ONLY	I/O period 10 YRS. Qualifying PITIA payment using the fully amortization term (e.g. 30 YR FX – 10 YR I/O = 20 YR Qual Term)				
ENTITY LENDING	INV Properties permitted Business Purpose loans may be vested in LLC, LP, GP, CORP & S CORP Foreign Entities not permitted				
SECOND SIGNATURE	Loan amounts ≥\$2MM a second signature is required.				
SUBORDINATE FINANCING	New subordinate financing not permitted. Re-subordinated liens subject to MAX LTV Second lien may not be privately held, HELOC or Reverse Mortgage.				
NON-ARMS	Primary Residence only - Tenant purchasing from landlord acceptable – 12 MO. Canceled checks, VOR not permitted MAX LTV 80% Verification of earnest money required, see guidelines for complete details.				
CONCESSIONS	Seller Concessions - PR & 2nd HM MAX 6% INV MAX 3%				

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.
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STATES

INELIGIBLE	HI, NY	TX 50 (a) (6) and (a) (4) Ineligible
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COMPLIANCE

High cost or Section 32 loans not permitted

DOCUMENTATION TYPES

FULL DOCUMENTATION

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 in the same line of work for a MIN 2 YRS Business must be in existence of a MIN of 1 YR.
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 total income requires a borrower LOE and UW evaluation or amounts excluded.

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BUSINESS OWNERSHIP	Borrower must be MIN 25% owner.			TAX TRANSCRIPTS/RETURNS			Not Required	
PERSONAL BANK STATEMENTS (12/24 MONTHS) INCOME								
ACCOUNTS	MAX 1 account may be used to determine qual income.							
SUPPORTING DOCUMENTS	2 MO. Business bank statements required reflecting business activity & transfers to personal account.							
	When Business bank cannot be provided refer to program specifics for exceptions, where applicable							
QUALIFYING INCOME	100% of the eligible deposits ÷ 12/24 MO.							
BUSINESS BANK STATEMENTS (12/24 MONTHS) INCOME								
EXPENSE FACTOR	Standard – 50% - less than 50% may be considered using one of the 2 options:							
PROFIT & LOSS STATEMENTS	1. MIN 10% - CPA/EA/Tax preparer- P&L covering the same period as bank statements. Gross receipts must be within 10% of the bank statement qualifying income.							
EXPENSE STATEMENTS	2. MIN 10% - CPA/EA/Tax preparer Expense Statement covering the same time period as the bank statements.							
QUALIFYING INCOME	Eligible deposits, less expense factor, X the % of ownership							
PROFIT AND LOSS (12 MONTHS) INCOME								
FICO/LTVS/TERMS	MIN FICO	660	MAX LTV/CLTV PUR/R&T	80%	C/O	70%	TERMS	30 YR Fixed only
BORROWERS	Borrower must be self-employed MIN 2 YRS Business existence MIN 1 YRS Business Ownership ≥25%							
DOCUMENTATION	Most recent 3 rd party prepared Profit & Loss Statement - CPA/EA/Tax Attorney only PTIN not eligible							
BUSINESS BANK STATEMENTS	Most recent 2 MO Business Bank Statements required. Total deposits must be within 35% of gross receipts on P/L.							
TAX PREPARED	3RD party preparing must attest to filing the borrowers most recent tax returns Borrowers who file their own tax returns are ineligible							
QUALIFYING INCOME	Net income from P&L, X percent of ownership/12 MO				TAX TRANSCRIPTS/RETURNS		Not required	
1099 (12 MONTHS) INCOME								
FICO/LTVS/TERMS	Follow bank statements MINs and MAXs			TERMS	30 YR Fixed only			
BORROWERS	100% Commission, gig workers or Independent Contractors 1 YR receipt of 1099 required, 2 YRS same line of work 1099 cannot come from a borrower owned entity							
EVIDENCE OF RECEIPT	Most recent 30 days paystub w/YTD earnings or 3 MO. bank statements evidencing deposits,							
EXPENSE FACTOR	Standard 10% or WVOE from employer stating the borrower is not required to pay for any un-reimbursed business expenses.							
TAX TRANSCRIPTS/RETURNS	4506-C wage/income transcripts required. Tax Returns – Not Required							
QUALIFYING INCOME	Most recent year 1099 AVG over 12 MO, less expense factor, if applicable							
ASSET AS INCOME								
FICO/LTVS/TERMS	MIN FICO	680	MAX LTV/CLTV	80%	TERMS	30 YR Fixed only		
UTILIZATION	Assets may be used as sole income source (Asset Utilization) or used in combination with other income (Asset Supplementation).							
TRANSACTIONS	Cash-out not permitted			GIFT FUNDS			Not permitted	
ELIGIBLE ASSETS	100% checking/savings/money market 70% stocks/bonds/mutual funds Retirement ≥ 59 1/2 70% - < 59 1/2 60%							
MIN ASSETS	Lesser of 1.5x the loan amount or \$1MM							
QUALIFYING INCOME	Refer to program specific			TAX TRANSCRIPTS/RETURNS			Not required	

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HOUSING HISTORY	1x30x12		0x30x12		1x30x12	
LOAN AMOUNTS	MIN \$150k MAX \$3.5MM		MIN \$125K MAX \$3.0MM		MIN \$125K MAX \$3.0MM	
TERMS	FIXED	15 YR, 30 YR, 40 YR	FIXED	15 YR, 30 YR	FIXED	30 YR, 40 YR
	INTEREST ONLY	30 YR, 40 YR Fixed	INTEREST ONLY	30 YR, 40 YR FIXED	INTEREST ONLY	30 YR, 40 YR FIXED
	P/L, Asset Utilization & 1099 – 30 YR FX Only		P/L, Asset Utilization & 1099 – 30 YR FX Only		P/L, Asset Utilization & 1099 – 30 YR FX Only	
INTEREST ONLY	- MIN FICO 660 - MAX LTV 90%		MAX 90%		- MIN FICO 680 - LN AMT <=\$2.0MM - MAX LTV 80%, - LN AMT >\$2.0MM - MAX LTV 70% - LN AMT >\$2.5MM MAX LTV 65%	
ELIGIBLE PROP TYPES	SFD, SFA, 2-4 Units & Condos		SFD, SFA, 2-4 Units & Condos		SFD, SFA, 2-4 Units & Condos	
	2-4 Units & Warrantable Condo MAX LTV/CLTV 85%		2-4 Units & Warrantable Condos MAX LTV/CLTV 85%		2-4 Units - MAX LTV 80% - Warrantable Condo - MAX LTV 85%	
	Non-Warrantable Condos & Condotel - MAX 85% LTV/CLTV - MAX LN AMT \$2.5MM		Non-Warrantable Condos & Condotels MAX LTV/CLTV 80%		Non-Warrantable Condos - MAX LTV/CLTV 80% Condotel - MIN LN AMT. \$150K - MAX LN AMT. \$1.0MM - PUR/R&T REFI MAX LTV 75% - C/O MAX LTV 65%	
INELIGIBLE PROP TYPES	Manufactured, Co-ops, Mixed use		Manufactured, Co-ops, Mixed use		Manufactured, Co-ops, Mixed use	
RURAL	Rural MAX 80% for Purchase, 75% for Refinance		Rural MAX 75%		Up to 20 acres permitted	
FLORIDA CONDOS	- Condo's 3 stories or greater AND over 30 YRS old; OR 25 YRS old and within 3 miles of the coast - A structural inspection required. - Unacceptable reports - Ineligible		N/A		N/A	
DECLINING VALUES	Appraisal indicated declining market - PUR MAX 85% - REFI MAX 80% - MAX LN AMT \$2MM		Appraiser indicated declining market 5% LTV Reduction		Appraiser indicated declining market and LTV >65% 5% LTV Reduction	

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PROPERTIES LISTED FOR SALE	R&T - Must be taken off the market prior to the application date. CASH-OUT PR & 2nd HM - MIN 6 MO from the listing expiration date. INV Properties - Less than 6 MO from listing expiration permitted with a 3 YR PPP - LTV based off the lesser of the lowest list price of appraised value	R&T - Must be taken off the market prior to the application date. INV – Must have MIN 3 YR PPP where State allowed. CASH-OUT - Must be taken off the market MIN 3-6 MO prior to the application date. - OR - Taken off the market 1 day prior to loan application with a 5% LTV reduction required. INV - Must have MIN 3 YR PPP where State allowed. - LTV based off the lesser of the lowest list price of appraised value.	R&T - Must be taken off the market prior to the application date INV Properties - Must have a 3 YR PPP CASH-OUT PR & 2nd HM - Must be taken off the market at least 6 MO prior to application date; or a 5% LTV reduction INV Properties - Must be taken off the market at least 6 MO prior to application date; or a 5% LTV reduction and a 3 YR PPP
CASH-OUT	MAX C/O Amounts: - Unlimited - Payoff of delinquent R.E. Taxes 60+ days delq. is considered C/O - C/O may be used to meet reserve requirements	MAX C/O Amounts: - LTV <= 60% Unlimited >60% MAX \$750K - C/O may be used to meet reserve requirements	MAX C/O Amounts: - LTV >65%, \$1.0 MM - LTV <=65% Unlimited - C/O amounts may be used to meet reserve requirements
S/E BORROWERS	- Self-employment MIN 1 year. - Same line of work MIN 2 years - Less than 2 YRS S/E - MAX LTV 80% & MAX DTI 43%	- Self-employment MIN 1 year. - Same line of work MIN 2 years	- Self-employment MIN 1 year. - Same line of work MIN 2 years
PERSONAL BANK STMT	2 MO Business Bank Statements required - Co-Mingled accounts an expense factor must be applied as outlined in the Business Bank Statement program.	When business bank statements are not provided a 10% expense factor must be applied	When business bank statements are not provided a 10% expense factor must be applied
ASSETS AS INCOME	Eligible assets, less down payment, closing costs, reserves ÷ 84 Months	Eligible assets, less down payment, closing costs, reserves ÷ 84 Months	Eligible assets, less down payment, closing costs, reserves ÷ 84 Months Supplemental Assets – Not available Funds held in a trust, not permitted
CREDIT EVENT SEASONING	- BK 7 & 13 – 48 MO discharge/dismissal date - FC, SS, DIL, Mod, 120+ housing late 48 MO. From application date	- BK 7 & 13 - 24 MO. discharge/dismissal date - FC, SS, DIL, Mod, 120+ housing late 24 MO. From application date	- BK 7 & 13 - 36 MO. Discharge/dismissal date - SS, DIL, FC, Mod, 120+ housing late 36 MO from application date
TRADELINE REQUIREMENTS	- Each borrower with 3 reporting FICO scores does not need to meet tradeline requirements OR 3 tradelines reporting for last 12 MO. or 2 reporting for 24 MO w/activity in past 12 MO	3 tradelines reporting for last 12 MO. (open or closed w/activity in the past 12 MO.) or 2 reporting for 24 MO w/activity in past 12 MO, or 3 credit scores with 1 tradeline reporting for a MIN of 36 MO, account may be open or closed w/activity in the past 12 MO.	- Each borrower with 3 reporting FICO scores does not need to meet tradeline requirements OR 3 tradelines reporting for last 12 MO. or 2 reporting for 24 MO w/activity in past 12 MO

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RESERVES	Based on the subject property PITIA - LTV/CLTV <80% 3 Mo - LTV/CLTV 80.01 to 85% 6 Mo - LTV/CLTV > 85% 12 Mo - C/O may be used to meet reserve requirements	Based on the subject property PITIA - LN AMT <= \$1MM and LTV/CLTV <=70%, 3 MO - LTV/CLTV >70% 6 MO - LN AMT \$1MM-\$2MM, 9 MO - LN AMT >\$2MM 12 MO - C/O may be used to meet reserve requirements	Based on the subject property PITIA - LTV/CLTV ≤85% 6 Mo. - LTV/CLTV > 85% 12 Mo. - C/O may be used to meet reserve requirements
RESIDUAL INCOME	N/A	N/A	\$1,500 required
GIFT FUNDS	Permitted - MIN borrower contribution, PR & 2nd HM 5%, INV 10% - Funds may not be used to meet reserve requirements.	Permitted - PR only - MIN borrower contribution 5% - Funds may not be used to meet reserve requirements.	Permitted - PR 100% gift funds permitted 2nd HM & INV borrower contribution MIN 10% - Funds may not be used to meet reserve requirements.
< 12 MO HOUSING HISTORY/RENT FREE	- MAX DTI 43% - MAX LTV/CLTV 80%	- MIN FICO 680 - LTV <80%	- MAX DTI - 45% - Rent Free borrowers must be living with non-borrowing spouse - Rent free letter required and - Evidence of an acceptable 12 MO housing payment history from non-borrowing spouse.
NON-OCCUPANT CO-BORROWER	- Full Doc only - PUR only - Occupying borrower must have a DTI <60%. - NOCB must be on title.	- Full Doc Only - MAX LTV/CLTV 80% - PR, 1-unit only - MAX DTI Occ borrower 50% - Combined DTI MAX 45%	All borrower's must meet standard DTI requirements.
BORROWERS	- U.S. Citizens, Perm Res Aliens & Non-Perm Res Aliens - VISA Waivers in lieu of residency documents will not be accepted. - Foreign Nationals not permitted.	- U.S. Citizens, Perm Res Aliens & Non-Perm Res Aliens - Foreign Nationals not permitted	- U.S. Citizens, Perm Res Aliens & Non-Perm Res Aliens - Foreign Nationals not permitted
ESCROW WAIVERS	- Tax & Insurance waivers permitted when LTV ≤80%, MIN FICO 720, MIN 12 MO. Reserves - Tax & Insurance waivers are NOT permitted on HPML loans. - Required Flood insurance must be escrowed	- Tax & Insurance waivers permitted when, DTI ≤43%, MIN FICO 700, MIN Reserves 6 MO. (excluding C/O proceeds) LTV/CLTV ≤ 70%, CA ≤ 90% - Tax & Insurance waivers are NOT permitted on HPML loans. - Required Flood insurance must be escrowed.	- Tax & Insurance waivers permitted when LTV ≤80% - Required Flood insurance must be escrowed.

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STATE OVERLAYS	CT, FL, IL, NJ, NY – MAX LTV/MAX LN AMT: • PUR 85% • R&T and C/O – 80% • MAX LN AMT - \$2MM • INV Properties in Baltimore City MD • TX – SB 17 - Entities majority owned by, or Individuals who are domiciled and/or citizens of China, Russia, Iran & North Korea ineligible. • AZ – SB 1082 – Any borrower, guarantor, principal who qualifies as a foreign adversary agent tied to China, Iran & North Korea ineligible.	• INV Properties in Baltimore City MD	• INV Properties in Baltimore City MD