

FULL/ALT DOC

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

DOCUMENTATION TYPES

FULL DOCUMENTATION

WAGE EARNER	1 or 2 YRs W-2, Paystubs w/YTD earnings
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SELF-EMPLOYED	1 or 2 YRs Tax Returns (Personal & Business as applicable) YTD P&L
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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.
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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.
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LARGE DEPOSITS	Deposits >50% of the average balance in the past 12 MO must be sourced.
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BANK STATEMENT DATE	The most recent statements must be within 90 days of the Note date
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OWNERSHIP	Borrower must be a MIN 25% owner of the business verified by a CPA/Tax preparer letter, operating agreement or equivalent.
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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. MIN expense factor 20%
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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.
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BUSINESS BANK STATEMENTS	2 MO. Business bank statements required reflecting business activity & transfers to personal account.
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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, PTIN or licensed tax preparer – qualifying income is the net income from deposits less the P&L expense ratio MIN 20% Expense Statement from CPA, PTIN or licensed tax preparer specifying a business expense as a % of the gross annual sales/revenue. MIN 20% <ol style="list-style-type: none"> Preparer must attest they have either prepared the borrowers most recent tax return.
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PROFIT AND LOSS (12 MONTHS) INCOME

	Not eligible
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1099 (24 Months)

BORROWERS	Individuals paid via 1099 but are not business owners
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RECEIPT OF INCOME	2 most recent consecutive FULL years with the same employer
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EXPENSE RATIO	10% Fixed expense ratio required
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OCCUPANCY	PR and 2 nd HM only
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ASSETS AS INCOME

SUPPLEMENTAL	Permitted
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MAX LTV	Reduced by 10%
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OCCUPANCY	PR and 2 nd HM only
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SEASONING	Assets must be seasoned for MIN 3 MO
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QUALIFYING INCOME	When using Supplemental Assets, the DTI of the primary source of income will be used to determine qualifying supplemental assets: <ul style="list-style-type: none">Primary income DTI <= 60% = Net Qualified Assets / 36 MonthsPrimary income DTI >60% = Net Qualified Assets / 60 Months			
ELIGIBLE ASSETS	100% of checking or savings 80% of stocks & bonds 70% of retirement assets – 60% for borrowers under 59 ½			
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 \$150KMAX \$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 PITIA payment
	MIN FICO 700	FTHB Not permitted		
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none">SFD, SFA, 2-4 Units & Warrantable Condos2-4 Units and Warrantable Condos MAX LTV/CLTV 75%2-4 Units – FTHB ineligibleProperties MAX acreage 10 – cannot be zoned rural or agricultural			
INELIGIBLE PROPERTY TYPES	Manufactured, Co-ops, Non-Warrantable Condos, Condotels, Mixed Use, Leaseholds, Rural			
FLIP TRANSACTIONS	New construction by a production builder is considered a flip if the developer bought the lot within 180 days and the purchase price increased by over 120%.			
RURAL	Not permitted			
CASH-OUT	MAX C/O Amounts: <ul style="list-style-type: none">LTV/CLTV >60% MAX \$1.0MM or Unlimited with 18 MO reserves, exclusive of cash backLTV/CLTV <=60% UnlimitedMIN 6 MO seasoning from most recent eventNot permitted in declining marketsC/O cannot be for personal use when business purposeC/O for the purposes for rehabs, tear downs or construction that would deem the property uninhabitable are not permitted.			
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 & 2 nd 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	<ul style="list-style-type: none">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.Limit 4 owners/membersPGs required by all members of the entity (including non-borrowers) that have 50% or more ownership. Each entity owner must receive notice of the loan and its terms prior to closing			
2 ND LIENS	New subordinate financing not permitted. Re-subordinated liens subject to: PR MAX CLTV 90%, 2 nd HM MAX CLTV 85%, INV Ineligible Second lien may not be privately held, HELOC or Reverse Mortgage.			



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ESCROW WAIVERS	PR and 2 nd HM only with MIN FICO 680 Loan must be non-HPML
UNDERWRITING REQUIREMENTS	
DTI	MAX 50%
REPRESENTATIVE CREDIT SCORE (FICO)	<ul style="list-style-type: none">• Primary Wage Earner - 3 scores lowest MID score 2 scores - lowest score• Non-Primary Wage Earners - MIN FICO 600
TRADELINE 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. When the primary borrower has three scores, the tradeline requirements are considered to have been met
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 – 12 MO consecutive canceled check or bank statements if private.• 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. 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.
EMPLOYEE LOANS	FCM employees eligible under Full Doc program only
FIRST TIME HOMEBUYER	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. <ul style="list-style-type: none">• MIN 1 borrower w/O X 30 X 24 verified primary housing history required.• MAX DTI 50%• 2-4 Units – Ineligible• I/O – Ineligible• 7 YRS credit event seasoning
RESIDUAL INCOME	Applies to HPML loans or when DTI >43% Household Members: <ul style="list-style-type: none">• 1 Person = \$1,500• 2 Person = \$2,500• \$150 per additional household member



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BORROWERS	<ul style="list-style-type: none">• U.S Citizens• Perm-Res Aliens• Non-Perm-Res Aliens (H1B only) MAX 75% LTV – Borrowers must have US credit and meet tradeline requirements<ul style="list-style-type: none">◦ 2 YRs housing (US or abroad) and 2 YRs employment in the same line of work.◦ Borrowers transferred by a company with offices in both a foreign country and the US may be eligible with:<ul style="list-style-type: none">▪ Documentation of transfer executed on corporate letterhead and 1st paycheck prior to closing▪ Borrowers sponsored H1-B1 Visa – Documentation of sponsorship required with Visa and 1st paycheck prior to closing.◦ EAD must not expire within 3 MO. of application• Non-Occupant Co-Borrowers – PR only, MAX 50% 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	Permitted – Requirements, LOE, canceled earnest money check paid to seller, all liens on title must be paid in full, lesser of sales price or appraised value used to determine LTV, borrower cannot provide services on transaction (closing agent, title agent etc.) Borrower cannot be owner of a business entity selling the subject property, verification borrower has not been on title past 24 MO.				
ASSETS	<ul style="list-style-type: none">• For cash to close sourced for 30 days• College savings accounts, i.e. 529 plans are an ineligible source of funds.				
RESERVES	Based on the subject property PITIA <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.				
GIFT FUNDS	Permitted PR and 2nd HM <ul style="list-style-type: none">• 100% gift funds allowed INV <ul style="list-style-type: none">• 10% MIN borrower contribution required All occupancies; 1-Unit properties only Gift funds may not be used to meet reserve requirements				
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	Appraiser indicated declining market. <ul style="list-style-type: none">• 5% LTV Reduction when LTV >65% LTV• C/O Not permitted				
GEOGRAPHIC RESTRICTIONS					





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STATE OVERLAYS	<p>All Occupancies</p> <ul style="list-style-type: none">• Baltimore City Row Homes ineligible• Baltimore City, MD• MD – PR and 2nd HMs ineligible• Orange County, NY• TX Refi's ineligible <p>Investment properties located in:</p> <ul style="list-style-type: none">• Baltimore City, Maryland• Brooklyn, NY• Charlotte, Lee, Hendry, Glades Counties, FL• Indianapolis, IN• Lubbock, TX• Patterson, NJ• Washington, DC
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