

TOPIC	BFF - ITIN LOAN PROGRAMS MATRIX																																																																																																										
BASIC GUIDELINES	This matrix applies to ITIN guidelines. This is a unique program designed to help America’s immigrant and unbanked populations attain homeownership. Information in this matrix is subject to change without notice.																																																																																																										
Program Requirements	<p>BFF ITIN Premier:</p> <table border="1"> <thead> <tr> <th colspan="3">Max LTV/CLTV</th> <th colspan="2">Primary</th> <th colspan="2">Second Home</th> <th colspan="2"></th> </tr> <tr> <th>Property Type</th> <th>Credit Scores</th> <th>Loan Amount</th> <th>Purchase & R/T LTV/CLTV</th> <th>Cash-Out LTV/CLTV</th> <th>Purchase & R/T LTV/CLTV</th> <th>Cash-Out LTV/CLTV</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td rowspan="4">SFR, Condo, PUD</td> <td>700+</td> <td rowspan="2">\$150K-\$726,200</td> <td>85%¹</td> <td>75%</td> <td>80%</td> <td>75%</td> <td colspan="2"></td> </tr> <tr> <td>680-699</td> <td>80%</td> <td>75%</td> <td>80%</td> <td>75%</td> <td colspan="2"></td> </tr> <tr> <td rowspan="2">680+</td> <td>>\$726,200-\$825K</td> <td>80%</td> <td>75%</td> <td>80%</td> <td>75%</td> <td colspan="2"></td> </tr> <tr> <td>>\$825K-\$1.25MM</td> <td>75%</td> <td>70%</td> <td>75%</td> <td>70%</td> <td colspan="2"></td> </tr> </tbody> </table> <p>BFF ITIN Near-Miss:</p> <table border="1"> <thead> <tr> <th colspan="3">Max LTV/CLTV</th> <th colspan="2">Primary</th> <th colspan="2">Second Home</th> <th colspan="2">Investment</th> </tr> <tr> <th>Property Type</th> <th>Credit Scores</th> <th>Loan Amount</th> <th>Purchase & R/T LTV/CLTV</th> <th>Cash-Out LTV/CLTV</th> <th>Purchase & R/T LTV/CLTV</th> <th>Cash-Out LTV/CLTV</th> <th>Purchase & R/T LTV/CLTV</th> <th>Cash-Out LTV/CLTV</th> </tr> </thead> <tbody> <tr> <td rowspan="4">SFR, 2-4 unit², Condo, PUD, DMFH</td> <td>660+</td> <td rowspan="3">\$150K-\$726,200</td> <td>80%³</td> <td>75%</td> <td>75%</td> <td>75%</td> <td>70%</td> <td>70%</td> </tr> <tr> <td>600-659</td> <td>75%</td> <td>75%</td> <td>75%</td> <td>75%</td> <td>70%</td> <td>70%</td> </tr> <tr> <td>No FICO</td> <td>75%</td> <td>75%</td> <td>75%</td> <td>75%</td> <td>70%</td> <td>70%</td> </tr> <tr> <td>640+</td> <td>>\$726,200-\$825K</td> <td>75%</td> <td>70%</td> <td>75%</td> <td>70%</td> <td>70%</td> <td>70%</td> </tr> </tbody> </table>									Max LTV/CLTV			Primary		Second Home				Property Type	Credit Scores	Loan Amount	Purchase & R/T LTV/CLTV	Cash-Out LTV/CLTV	Purchase & R/T LTV/CLTV	Cash-Out LTV/CLTV			SFR, Condo, PUD	700+	\$150K-\$726,200	85% ¹	75%	80%	75%			680-699	80%	75%	80%	75%			680+	>\$726,200-\$825K	80%	75%	80%	75%			>\$825K-\$1.25MM	75%	70%	75%	70%			Max LTV/CLTV			Primary		Second Home		Investment		Property Type	Credit Scores	Loan Amount	Purchase & R/T LTV/CLTV	Cash-Out LTV/CLTV	Purchase & R/T LTV/CLTV	Cash-Out LTV/CLTV	Purchase & R/T LTV/CLTV	Cash-Out LTV/CLTV	SFR, 2-4 unit ² , Condo, PUD, DMFH	660+	\$150K-\$726,200	80% ³	75%	75%	75%	70%	70%	600-659	75%	75%	75%	75%	70%	70%	No FICO	75%	75%	75%	75%	70%	70%	640+	>\$726,200-\$825K	75%	70%	75%	70%	70%	70%
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¹ Max 80% for Condo, PUD, 2nd Home and property in California.

² BFF B – Max 75% for 2-unit Primary; Max 70% for 3-4 units

³ 0x30x6 Housing history and SFR only.

Qualifying Rate	Note Rate
Maximum Terms	<p>Full Amortized Mortgages:</p> <ul style="list-style-type: none"> • Primary/2nd Home – Maximum term 30 Years Fixed • Investment – maximum term 25 Years Fixed • Double-Wide MFH – Maximum term 20 Years Fixed
Ineligible Product Type	<ul style="list-style-type: none"> • Negative amortization • Interest-Only • Balloon loans. • Adjustable-Rate Mortgages • Temporary Buydown or graduated-payment mortgages
Loan Purpose	<ul style="list-style-type: none"> • Purchase • Rate and Term Refinance • Cash-Out Refinance
Credit	<ul style="list-style-type: none"> • TransUnion Credit Only • Minimum Credit Scores: 600 • No Score allowed – Must provide six (6) month housing payment (0x30) verification from third party, or third-party verification that at least 50% of assets used for down payment must be from borrower’s own funds; funds cannot be gifted or borrowed. • BFF ITIN Premier – requires min 680, 3 tradelines with 12 months history or 2 trade lines with 18 months or more. • BFF ITIN Near-Miss – No Tradeline Requirement.
Max DTI	<ul style="list-style-type: none"> • 43% - No Compensating Factor is required. • 50% - 1 Compensating Factor is required. • 55% - 2 Compensating Factors are required. <p>Borrower with income < \$2K per month or >= \$62,500 per month are restricted to 43% DTI regardless of compensating factors. Compensating Factor examples: Reserves 3x, 6x, 12x PITI, FICO >=660. Time on job is same source for => 3yrs.</p>
Gift Funds	<ul style="list-style-type: none"> • Allowed for Down Payment and Cash to close

<p>Gift of Equity</p>	<ul style="list-style-type: none"> • Allow up to 100% Down Payment only (No Seller Concessions allowed, closing costs must be borrower’s own funds)
<p>Documentation Required</p>	<ul style="list-style-type: none"> • Unexpired government photo ID. <ul style="list-style-type: none"> ○ Example: Government license, passport, matricula consular, etc...and ○ Supplemental documentation such as ITIN card or letter from IRS, birth certificate, tax returns, paystub, tax bill, social security card, utility bill, W-2 etc. • For borrowers with an ITIN that do not have U.S citizenship but do reside and work within the United States: <ul style="list-style-type: none"> ○ ITIN is required to be assigned to the borrower prior to application taken date. ○ Verification of the unexpired ITIN is provided by a legible copy of the letter from the IRS confirming the ITIN is assigned to the borrower prior to consummation. <ul style="list-style-type: none"> ▪ IRS form W7 is not acceptable evidence if the ITIN letter is not provided, or if the ITIN letter submitted is not legible. ▪ Expired ITIN’s may submit a filed tax return using an ITIN within the last 3 calendar years, or a signed W7 to evident current status. ○ An unexpired passport, visa, or other government issued identification with photo or similar safeguard. ○ If closing with a power of attorney in the U.S., a notarized, or equivalent copy of the power of attorney form must be approved by the title company and presented at closing.
<p>Compliance/Patriot Act</p>	<ul style="list-style-type: none"> • All parties (borrowers and property sellers) involved on the transaction must be screened through exclusionary lists and must be cleared through OFAC’s SDN list. A search of Specially Designated National & Blocked Persons list may be completed via the US Department of Treasury: Sanctions List Search (treas.gov)
<p>Non-Occupant Co-Borrowers</p>	<p>Non-occupant co-borrowers must meet the following requirements:</p> <ul style="list-style-type: none"> • Primary Residence Only • Non-occupant borrowers must sign the note and mortgage. • Non-occupant borrowers must not have an interest in the property sales transaction, such as the property seller, builder, or real estate lender. • Occupying borrower must contribute to qualifying income. • Occupying borrower must have a minimum 660 credit score. • LTV reduction of 5% from program maximum. LTV does not exceed 75%.

Ineligible Borrower Types	<ul style="list-style-type: none"> • Irrevocable or Blind Trusts. • Inter-Vivo Revocable Trust. • Limited Partnerships, general partnerships, corporations.
Occupancy	<ul style="list-style-type: none"> • Primary residence • Second Home • Investment
Assets Requirements	<ul style="list-style-type: none"> • Sixty (60) days of assets statements required. • Deposits exceeding 50% of borrower's monthly income must be sourced. • Use of business funds must meet the following requirements: <ul style="list-style-type: none"> ○ Provide proof of borrower's ownership percentage ○ Obtain access letter from business documenting borrower's access to funds. <ul style="list-style-type: none"> ▪ When applying for an 85% LTV/CLTV, the amount of business funds used cannot exceed ownership percentage. ○ Funds deposited from the business into the borrower's personal account prior to loan application are considered personal funds. • Underwriter to provide funds needed calculation sheet.
Interested Party Contributions (IPC)	<ul style="list-style-type: none"> • Interested party contributions include funds contributed by the property seller, builder, real estate agent/broker, or their affiliates, or any other party with an interest in the real estate transaction. Interested party contributions may only be used for closing costs and prepaid expenses and may never be applied to any portion of the down payment. • If the purchase price \leq to the listed price: Maximum IPC 6% • Maximum IPC 3%.
Appraisal Transfers	<ul style="list-style-type: none"> • Appraisal transfers are not permitted.
Eligible Property Types	<ul style="list-style-type: none"> • SFR, PUD, Townhome • Double-Wide Manufactured • Warrantable or Non-Warrantable Condos • 2-4 Units

<p>Ineligible Property Types</p>	<ul style="list-style-type: none"> • Acreage greater than 10 acres (appraisal must include total acreage) • Agricultural zoned property • Single-Wide Manufactured Home • Condo hotel • Hobby Farms • Income producing properties with acreage. • Leaseholds • Log Homes • Mixed use properties • Properties subject to oil and/or gas leases • Unique properties • Working farms, ranches, or orchards • Properties for which the appraisal indicates condition ratings of C5 or C6
<p>Properties Previously Listed for Sale</p>	<ul style="list-style-type: none"> • <u>Primary:</u> <ul style="list-style-type: none"> ○ Property must have been off the market for a minimum of ninety (90) calendar days prior to the application date. ○ The borrower must confirm in writing that they intend to occupy the subject as primary residence and the reason for listing the property. • <u>Second Homes and Investment Properties:</u> <ul style="list-style-type: none"> ○ Property must have been off the market for a minimum of six (6) months prior to the application date. ○ The borrower must confirm in writing the reason for listing property.
<p>Property Type Restrictions</p>	<ul style="list-style-type: none"> • <u>BFF ITIN Premier:</u> <ul style="list-style-type: none"> ○ Single Family: No restrictions. ○ Townhome, PUD, Warrantable or Non-Warrantable Condo – Max 80% LTV/CLTV ○ 2-4 Units not allowed. • <u>BFF ITIN Near-Miss:</u> <ul style="list-style-type: none"> ○ Single Family: No restrictions. ○ Townhome, PUD, 2-Unit, Warrantable or Non-Warrantable Condo – Max 75% LTV/CLTV ○ 3-4 Units – Max 70% LTV/CLTV

<p>Property Flipping Requirements</p>	<ul style="list-style-type: none"> • For properties purchased by the seller of the property within 180 days of the fully executed purchase contract the following requirements apply: <ul style="list-style-type: none"> ○ Second a full appraisal is required. ○ The property seller on the purchase contract is the owner of the record. ○ Increases in value should be documented with commentary from the appraiser and recent paired sales. • The above requirements do not apply if the property seller is a bank that received the property as a result of foreclosure or deed- in lieu. • Maximum LTV/CLTV cannot exceed 80%.
<p>Bankruptcies, Foreclosures, Deeds-in-lieu</p>	<ul style="list-style-type: none"> • <u>BFF ITIN Premier:</u> <ul style="list-style-type: none"> ○ Four (4) years from the discharge or dismissal date. • <u>BFF ITIN Near-Miss:</u> <ul style="list-style-type: none"> ○ No Seasoning requirements (if borrower is in repayment plan under Chapter 13, a letter authorizing the transaction must be provided from the bankruptcy trustee). ○ Not allowed if borrower currently in foreclosure.
<p>Derogatory Credit</p>	<ul style="list-style-type: none"> • Charge-offs with an aggregate debt greater than \$4,000 in the last twenty-four (24) months, must include 3.5% of the aggregate debt in the DTI calculation. • Collections > \$600 are included in the aggregate debt.
<p>Income</p>	<p><u>Full Doc:</u></p> <p><u>Self-Employed Borrowers:</u></p> <ul style="list-style-type: none"> ○ 2 years signed tax returns (business and personal) including all pages, schedules, and statements. ○ YTD P&L must be signed by the borrower along with the most recent two months of bank statements that align with the good through date on the P&L. ○ K-1's on all corporations and Schedule E business entities for the prior year. ○ Verify existence of business within 30-days of the note date with <u>one</u> of the following: <ul style="list-style-type: none"> ▪ Letter from business tax professional. ▪ On-line verification from regulatory agency or licensing bureau. ▪ Certifications verify business existence through direct contact or internet search.

	<ul style="list-style-type: none"> ○ Tax transcripts are required. ○ Underwriting income will be calculated using the average Adjusted Gross Income (AGI) on the most recent two years of 1040s including the most recent tax year, plus the net income for the current year based on the most recent P&L provided, averaged together. ○ BFF underwriter must provide a self-employment income worksheet. <p><u>W-2 Borrowers:</u></p> <ul style="list-style-type: none"> ○ Written Verification of employment will be required. ○ W-2 Borrower's income is calculated by using the previous two years W-2 and ○ Most recent 30-day paystub, which includes year-to-date earnings. Additionally, the pay stub must include sufficient information to calculate income. ○ Two years 1040s will be required if the borrower is employed by family members. ○ If the 1040 has not been filed for the most recent tax year, then income will be calculated using the two most recent years of 1040s, plus a year end paystub from the previous tax year (showing YTD earnings), plus 2 of the most recent paystubs with current YTD income. ○ Tax transcripts are required. <p><u>Expanded Doc:</u></p> <p><u>Profit & Loss Statements Only</u></p> <ul style="list-style-type: none"> ○ CPA, IRS Enrolled Agent or IRS Annual Filing Season Participants (AFSP) prepared Profit & Loss Statement only. ○ P&L end date must be less than 90 days old at closing.
Impounds	<ul style="list-style-type: none"> ● Required
Escrow Holdbacks	<ul style="list-style-type: none"> ● Not Permitted
State Restrictions	<ul style="list-style-type: none"> ● Texas cash-out not allowed. ● California maximum LTV/CLTV cannot exceed 80%.
Age of Documents	<ul style="list-style-type: none"> ● Credit Report must be dated within 90 days of the note date. ● Income and Asset documents must be dated within 60 days of the note date. ● The appraisal must be dated within 120 days. Recertification of value is not allowed. A new appraisal will be required. ● Preliminary title policies must be no more than 90 days old on the date the note is signed.