

## BFF ITIN PROGRAM MATRIX

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	<b>Maximum Loan Amount and LTV/CLTVs:</b>				
	Primary and Second Home		Maximum LTV/CLTV		
	Min Credit Score	Max Loan Amt	Purchase	Rate/Term Refin	Cash-Out Refin
	=>700	\$1,000,000	80	80	75
		\$1,500,000	80	80	75
	=>680	\$1,000,000	80	80	70
		\$1,500,000	75	75	70
	=>660	\$1,000,000	75	75	70
		\$1,500,000	70	70	65
Property Type Requirements	<b>Property Type LTV/CLTVs Restrictions:</b>				
	Property Type		Max LTV/CLTVs		
	1-4 Unit and Warrantable Condo		80		
	Non-Warrantable Condo		75		
Occupancy	Owner-Occupied and <b>Second Home</b> Only.				
Eligible Products and Terms	<ul style="list-style-type: none"><li>• 30 Years Fixed</li><li>• 15 Years Fixed</li><li>• 5/6 ARM</li><li>• 7/6 ARM</li></ul>				
Ineligible Product Type	<ul style="list-style-type: none"><li>• Negative amortization</li><li>• Interest-Only or Balloon loans.</li><li>• Temporary Buydown or graduated-payment mortgages</li></ul>				

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Loan Purpose	<ul style="list-style-type: none"><li>• Purchase</li><li>• Rate and Term Refinance</li><li>• Cash-Out Refinance</li></ul>																
Minimum Loan Amount	\$150,000																
Qualifying Rate	<p><u>Fixed Rate:</u></p> <ul style="list-style-type: none"><li>• Note Rate</li></ul> <p><u>Adjustable Rate:</u></p> <ul style="list-style-type: none"><li>• The <u>greater</u> of the Note Rate or the Fully Indexed rate</li></ul>																
Credit Scores Methodology	<table><tr><th># of Borrowers</th><th># of Scores per Borrower</th><th>Methodology</th></tr><tr><td>1</td><td>2 or 3</td><td>Lower of 2 or the Middle of 3 FICO Scores</td></tr><tr><td>2 or more</td><td>2 or 3</td><td>Primary Wage Earner's Lower of 2 or Middle of 3 FICO Scores</td></tr></table>	# of Borrowers	# of Scores per Borrower	Methodology	1	2 or 3	Lower of 2 or the Middle of 3 FICO Scores	2 or more	2 or 3	Primary Wage Earner's Lower of 2 or Middle of 3 FICO Scores							
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2 Tradelines	=> 24 months	660	50														
Max Cash-Out	<ul style="list-style-type: none"><li>• LTV &lt;= 50% = Max \$500,000</li><li>• LTV &gt; 50% = Max \$300,000</li></ul>																
Max Debt-to-Income (DTI)	<ul style="list-style-type: none"><li>• Max DTI &lt;= 50%</li></ul>																
Reserves Requirements	<ul style="list-style-type: none"><li>• 3-Months of PITIA if LTV &lt; 80% and or loan amount &lt;=\$1MM</li><li>• 6-Months of PITIA if LTV = 80% and or loan amount &gt; \$1.5MM</li></ul>																
First-Time Homebuyer Restrictions	<ul style="list-style-type: none"><li>• 0x30x12 housing history.</li><li>• Must have six (6) months of PITIA reserves for the subject property.</li></ul>																

Income	<p><b><u>Full Documentation:</u></b></p> <ul style="list-style-type: none"> <li>• W-2s for the most recent year, and</li> <li>• Pay stub(s) covering the most recent 30-day period providing YTD earnings; and</li> <li>• Signed and executed 4506-C (W-2 transcripts only); and</li> <li>• Verbal VOE completed within 10 business days of closing.</li> </ul> <p><b><u>Expanded Documentation:</u></b> Signed 4506 C not required.</p> <p><b><u>Personal Bank Statements:</u></b></p> <ul style="list-style-type: none"> <li>• 24 or 12 months of personal and 2-months of business bank statements to support business operations and statements must reflect transfers to the personal account being used.</li> <li>• BFF Self-employed Business Narrative Form is required.</li> </ul> <p><b><u>Business Bank Statements</u></b></p> <ul style="list-style-type: none"> <li>• Borrowers must meet a minimum 25% business ownership percentage.</li> </ul> <p><b><u>One-Year or Two-Years 1099:</u></b></p> <ul style="list-style-type: none"> <li>• One of the following Business expense analysis methods:             <ul style="list-style-type: none"> <li>◦ 90% Net Margin (10% Expense Factor), or</li> <li>◦ 3<sup>rd</sup> Party prepared P&amp;L (CPA, EA, accountant, tax preparer).</li> </ul> </li> <li>• A minimum 2-year self-employment history is required (e.g., 1099 income) as documented from the Employment section of the loan application.</li> <li>• Qualifying income is the 12- or 24- monthly average from the total number of 1099's minus the expense factor from the method chosen above.</li> <li>• YTD earnings must be documented when the 1099 reporting period is greater than 120 days from the note date. YTD earnings must support the ongoing receipt of income shown on the 1099s by:             <ul style="list-style-type: none"> <li>◦ Checks or a single check stub(s) with YTD totals if available, or</li> <li>◦ Bank statements (YTD).                 <ul style="list-style-type: none"> <li>▪ The YTD earnings from the total of check stubs or the total of deposits from bank statements must be within 10% or greater than earnings used for qualifications.</li> </ul> </li> </ul> </li> <li>• Executed IRS Form 4506 C is required.</li> </ul>
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Documentation Required	<ul style="list-style-type: none"> <li>• All documentation in the file must support the borrower's ITIN number and cannot reference an SSN belonging to another individual.</li> <li>• DACA is eligible with ITIN with Valid US driver's license along with EAD card evidencing their DACA status.</li> <li>• ITIN must be valid and at least two (2) years consistent ITIN payments reporting to the IRs is required. This can be validated with the borrower's current ITIN# along with a 2-year employment history.</li> <li>• If multiple borrowers, one borrower must have ITIN.</li> <li>• Document Required 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"> <li>○ Unexpired government photo ID. <ul style="list-style-type: none"> <li>✓ Example: Government license, passport, matricula consular, etc...</li> </ul> </li> <li>○ ITIN card or letter from IRS.</li> <li>○ ITIN is required to be assigned to the borrower prior to application taken date.</li> <li>○ 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"> <li>✓ IRS form W7 is not acceptable evidence if the ITIN letter is not provided, or if the ITIN letter submitted is not legible.</li> <li>✓ Expired ITIN's may submit a file tax return using an ITIN within the last 3 calendar years or expiring within the next six (6) months must also include a fully signed W7 (executed by all parties) to evidence current status.</li> </ul> </li> </ul> </li> </ul>
Compliance/Patriot Act	<ul style="list-style-type: none"> <li>• 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 &amp; Blocked Persons list may be completed via the US Department of Treasury: <a href="https://www.treas.gov/sanctions">Sanctions List Search (treas.gov)</a></li> </ul>
Gift Funds	<ul style="list-style-type: none"> <li>• Borrower must document a minimum of 5% of the sales price of their own funds.</li> <li>• Gifts must be from a family member.</li> <li>• 100% gifts are allowed.</li> <li>• Gift funds cannot be counted towards reserves.</li> <li>• Purchase transaction only.</li> <li>• Unsecured loans, sweat equity, and gifts that require repayment are not eligible for sources of down payment.</li> </ul>

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Gift of Equity	<ul style="list-style-type: none"> <li>Allowed when equity in a property is gifted from the owner to the borrower when the borrower and owner are related.</li> </ul>
Residual Income	\$1,500 plus an additional \$150 per dependent.
Ineligible Borrower Types	<ul style="list-style-type: none"> <li>Irrevocable or Blind Trusts.</li> <li>Inter-Vivo Revocable Trust.</li> <li>Limited Partnerships, general partnerships, corporations.</li> </ul>
Subordinate Financing	<ul style="list-style-type: none"> <li>All subordinate financing must be from a Financial Institution</li> <li>Subordinate financing payment must be included in the DTI calculation.</li> <li>Max LTV/CLTV cannot exceed Max LTV/CLTV listed above.</li> <li>Copy of the subordination Note.</li> <li>Copy of the subordination</li> </ul>
Assets Requirements	<ul style="list-style-type: none"> <li>The statements must cover account activity for the most recent thirty (30) days prior to the application date.</li> <li>A single deposit that exceeds 50% of the total monthly qualifying income for the loan must be sourced.</li> <li>Use of business funds must meet the following requirements: <ul style="list-style-type: none"> <li>Provide proof of borrower's ownership percentage</li> <li>Obtain access letter from business documenting borrower's access to funds.</li> <li>Funds deposited from the business into the borrower's personal account prior to loan application are considered personal funds.</li> </ul> </li> <li>Underwriter to provide funds needed calculation sheet.</li> </ul>
Interested Party Contributions (IPC)	<p><u>Maximum Allowable IPC</u></p> <ul style="list-style-type: none"> <li>Up to six (6)% towards closing cost.</li> </ul> <p><u>Seller Concessions Include:</u></p> <ul style="list-style-type: none"> <li>Financing concessions greater than the max financing concession limitations; or</li> <li>Contributions such as cash, furniture, automobiles, decorator allowances, moving costs, and other giveaways granted by an interested party to the transaction (contributions with a combined value under \$1,000 should be excluded).</li> <li>The value of sales concessions must be deducted from the sales price when calculating LTV for underwriting and eligibility purposes. The LTV is then calculated using the lower of the reduced purchase price or the appraisal value.</li> </ul>

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Appraisal Transfers	<ul style="list-style-type: none"> <li>Appraisal transfers permitted.</li> </ul>
Appraisal Requirements	<ul style="list-style-type: none"> <li>One Appraisal <b>and</b></li> <li>CDA, CU score of &lt; 2.5 is provided</li> </ul>
Eligible Property Types	<ul style="list-style-type: none"> <li>SFR, PUD, Townhome</li> <li>Warrantable or Non-Warrantable Condos</li> <li>2-4 Units</li> </ul>
Ineligible Property Types	<ul style="list-style-type: none"> <li>Acreage greater than 10 acres (appraisal must include total acreage)</li> <li>Agricultural zoned property</li> <li>Manufactured Home</li> <li>Condo hotel</li> <li>Hobby Farms</li> <li>Income producing properties with acreage.</li> <li>Leaseholds</li> <li>Log Homes</li> <li>Mixed use properties</li> <li>Properties subject to oil and/or gas leases</li> <li>Unique properties</li> <li>Working farms, ranches, or orchards</li> <li>Properties for which the appraisal indicates condition ratings of C5 or C6</li> <li>Tenancy in Common Properties</li> <li>Rural properties greater than 10 acres</li> <li>Properties with less than 500 square feet of living space.</li> <li>Properties with values in excess of the predominant value of the subject's market area.</li> </ul>
Bankruptcies, Foreclosures, Deeds-in-lieu	<ul style="list-style-type: none"> <li>Four (4) years from the discharge or dismissal date from closing date.</li> <li>Seven (7) years for Foreclosures</li> </ul>
Consumer Credit Counseling Service	<ul style="list-style-type: none"> <li>It must be completed for a minimum of 84 months from closing date.</li> </ul>

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Collections and Charge-offs	<p>Collection and charge-off balance exceeding the amounts listed below must be paid in full.</p> <p>The following accounts may remain open:</p> <ul style="list-style-type: none"> <li>• Collections and Charge-offs &lt; 24 months old with a maximum cumulative balance of \$2,000</li> <li>• Collections and Charge-offs &gt;= 24 months old with a maximum of \$2,500 per occurrence.</li> <li>• Collections and Charge-offs that have passed beyond the statute of limitations for that state (supporting documentation required)</li> <li>• All medical collections</li> </ul>
Mortgage History or VOR	0x30x12 months
No Housing History or Less than 12 Months Verified	<p>Borrowers who do not have a complete 12-month housing history are subject to the following restrictions:</p> <ul style="list-style-type: none"> <li>• Minimum 6 months reserves after closing.</li> <li>• 10% minimum borrower contribution</li> <li>• Payment Shock is not considered.</li> <li>• VOR/VOM must be obtained for all month's available reflecting paid as agreed.</li> <li>• Properties owned free and clear are considered 0x30 for grading purposes.</li> </ul> <p>Borrowers who own their primary residence free and clear for a minimum of 12 months are acceptable. Borrowers living rent free with a spouse are acceptable with rent-free letter from spouse and evidence of spouse's mortgage.</p>
Non-Occupant Co-Borrowers	<ul style="list-style-type: none"> <li>• Non-occupant must be on the current mortgage for a Rate/Term Refinance.</li> <li>• Non-occupant co-borrower must be an immediate relative.</li> <li>• Max 60% DTI (occupying borrower only)</li> <li>• Max 43% DTI (total for all borrowers combined)</li> <li>• Max loan amount \$1.0MM</li> </ul>
Impounds	<ul style="list-style-type: none"> <li>• Required</li> </ul>
Escrow Holdbacks	<ul style="list-style-type: none"> <li>• Not Permitted</li> </ul>
Age of Documents	<ul style="list-style-type: none"> <li>• Credit Report must be dated within 120 days of the note date.</li> <li>• Income and Asset documents must be dated within 60 days of the note date.</li> <li>• The appraisal must be dated within 120 days. Recertification of value is not allowed. A new appraisal will be required.</li> <li>• Preliminary title policies must be no more than 90 days old on the date the note is signed.</li> </ul>