

Expanded Document

Maximum LTV/CLTVs			Bank Statements, Asset Utilization, 1099, WVOE, P&L Only- Primary Residence			
Credit Score	Loan Amount		Purchase	R/T Refinance	Cash-Out Refinance	
720+	<=1,500,000		90	85	80	
	1,500,001 – 2,000,000		85	80	80	
	2,000,001 – 2,500,000		80	75	75	
	2,500,001 – 3,000,000		75	70	70	
	3,000,001 – 3,500,000		70	70	NA	
	3,500,001 – 4,000,000		70	65	NA	
700+	<=1,500,000		90	85	80	
	1,500,001 – 2,000,000		85	80	80	
	2,000,001 – 2,500,000		80	75	65	
	2,500,001 – 3,000,000		75	70	65	
	3,000,001 – 3,500,000		70	65	NA	
680 - 699	<=1,000,000		90	85	75	
	1,000,001 – 1,500,000		85	80	75	
	1,500,001 – 2,000,000		80	75	70	
	2,000,001 – 2,500,000		75	70	65	
	2,500,001 – 3,000,000		70	65	65	
660 - 679	<=1,000,000		80	80	75	
	1,000,001 – 1,500,000		80	75	75	
	1,500,001 – 2,000,000		75	70	65	
	2,000,001 – 2,500,000		70	65	65	
640 - 659	<=1,000,000		80	75	70	
	1,000,001 – 1,500,000		70	NA	NA	
	1,500,001 – 2,000,000		65	NA	NA	
Housing History Restrictions					Occupancy Restrictions – Second Home, Investment & First Time Investor (5% Reduction)	
Housing History:	0x30x12	1x30x12	0x60x12	0x90x12	Max LTV/CLTV: Purchase	85*
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV: R/T	80
Max LTV/CLTV: Refin	85	80	75	NA	Max LTV/CLTV: C/O	75
					Max Loan Amt:	\$3,000,000
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000	*BK/FC/SS/DIL => 48 Mo; Housing History: 0x30x12 – LTV/CLTV >80%.	
Housing Event Seasoning Restrictions – Forbearance, Mod or Deferral – refer to the guideline					Condotels or Non-Warrantable Restrictions	
BK/FC/SS/DIL/Mod:	>=48 Mo	>=36 Mo	>=24 Mo	>=12 Mo	Max LTV/CLTV -Purchase:	75
Max LTV/CLTV: Purchase	90	85	80	70	Max LTV/CLTV R/T:	75
Max LTV/CLTV: Refin	85	80	75	NA	Max LTVCLTV – Cash-out:	70
Max Loan Amt:	See Above	\$3,000,000	\$1,500,000	\$1,000,000	Occupancy Type:	OO/2 nd Home/NOO
12 Mo Bank Statement, 1 Year 1099, WVOE						
LLPA applies – see rate sheet						
Declining Market Restrictions						
Maximum LTV/CLTV is limited to 5% LTV reduction for purchases and all refinances if the appraisal report identifies the property as a declining market. When the LTV/CLTV is < 65% and the appraisal is in a declining market, no reduction is required.						
General Requirements						
Product Type	40-Yr Fixed, 30-Yr Fixed, 15-Yr Fixed 5/6 ARM, 7/6 ARM, 10/6 ARM (40-year term ARMs available when combined with interest only feature)					
Interest Only	• Min Credit Score: 660 • Max LTV 85%					
Loan Amounts	• Min: 150,000 • Max: 4,000,000					
Loan Purpose	Purchase, Rate/Term, and Cash Out					
Occupancy	Primary, Second Home, Investment					
Property Type	Single Family, Attached, Detached: No restrictions. 2-4 Units, Condominium: Max LTV/CLTV 85% (Purchase); Max LTV/CLTV 80% (R/T or Cash out) Rural and AG Zoned – Not eligible Condotels or Non-Warrantable Condo Max LTV/CLTV: 75% (Purchase or R/T) –70% (Cash-out) -- Max Loan Amount: \$1.5MM Florida Condominiums: An inspection is required for projects 3 stories or greater and over 30 years old (or 25 years if within 3 miles of the coast). Projects with an unacceptable or no inspection are ineligible.					
State Restrictions	Refer to the Full Document section for State Restrictions.					
Acreage	Property up to 10-acres, not meeting the rural definition, eligible.					
Cash-In-Hand	• LTV <= 65% - Cash-In-Hand: Unlimited • LTV > 65% - 70% - Cash-in-Hand: \$1.5MM • LTV > 70% - Max – Cash-in-Hand: \$1MM					
Appraisals	FNMA Form 1004, 1025, 1073 with interior/exterior inspection. Appraisal review product required unless 2 nd appraisal obtained. 2 nd Appraisal required for loans > \$2,000,000.					

Expanded Document, continued

Income and Program Requirements			
Income	• Personal Bank Statements: ○ 24 or 12-months of Personal and 2-months of business bank statements. ○ Qualifying income is determined by the total eligible deposits from the 24 or 12-months of personal statements divided by the number of statements. ○ Transfers between personal accounts must be excluded.		
	• Business Bank Statements: 24 or 12-months of business bank statements. Qualifying income is determined by one of the following analysis methods: ○ Fixed Expense Ratio (50%). ○ Expense ratio provided by a 3rd party (CPA/EA or tax preparer) min ratio of 10% ○ 3rd party prepared Profit & Loss Statement (CPA/EA or tax preparer)		
	• Profit & Loss Statement ○ 24- or 12-months CPA, EA, CTEC or Tax Attorney prepared Profit & Loss Statement Only. ○ The P&L must be prepared and acknowledged by a CPA, EA, CTEC or Tax Attorney. ○ PTIN tax preparers are not allowed. ○ P&L end date must be less than 90 days old at closing. ○ CPA must be licensed and verified. ○ Self-employed borrowers who file their own tax returns are not eligible. ○ LTV/CLTV 80% (Purchase), 75% (R/T), and 70% (Cash-Out). ○ Max Loan Amount \$2.5MM ○ Minimum FICO 660.	Profit & Loss Stmt Add 'l Restrictions for LTV > 80% -85% ○ Max LTV/CLTV 85% ○ Purchase and Primary Only. ○ Max Loan Amount \$1.5 MM ○ Minimum FICO 720 ○ SFR/Detached PUD only ○ A minimum of two (2) months of bank statements covering the most recent two (2) month period. The two (2) months of bank statements must support the P&L. If the bank statement does not support the P&L, continuous bank statements may be added until it is met. ○ Expenses on the P&L must be reasonable for the industry, BFF reserves the right to request additional information.	
	• Written Verification of Employment Only (wages/salary) ○ Max LTV 80% Purchase/R/T Refinance, Max LTV 70% Cash-Out, Max Loan Amount \$1.5MM ○ Complete Fannie Mae® Form 1005 and it must be completed by Human Resource, Payroll Department or Officer of the Company. ○ Employment documentation provided by a 3rd party – (The Work Number®). ○ An internet search of the company is required to support the existence of the company. ○ Two years' history with the same employer is required. ○ Employed by family members or a Relative/Friend are not eligible. ○ Two (2) Month personal bank statements required to support the WVOE. The bank statements must reflect deposits from the employer supporting at least 65% of gross wage/salary reflected on the WVOE. ○ First-Time Home Buyer maximum LTV 70%, no gift funds allowed. ○ Minimum FICO 680 ○ 24-month 0x30 housing history required. ○ Primary residence only.		
	• Asset Utilization – Minimum FICO 680 - Non-Occupant co-borrower not allowed. ○ Eligible assets divided by 60 to determine a monthly income. ○ Gift funds are allowed towards the down payment and closing costs only. Gift funds cannot be used towards the income calculation for asset utilization. ○ Crypto, non-vested or restricted stock are not eligible liquid assets. ○ Max LTV 80% Purchase/R/T Refinance, Max LTV 70% Cash-Out, Max Loan Amount \$1.5MM ○ Max LTV 70% Purchase & Max loan amt: /T/T Refinance, Max LTV 65% Cash-Out, Loan Amount >\$1.5MM - \$2.5MM ○ Max 45% DTI		
	• IRS Form 1099 2-Years or 1-Year of 1099s Fixed Expense Ratio of 10%	3rd Party prepared P&L (CPA, EA, accountant, tax preparer)	YTD Documentation to support continued receipt of income from same source.
Underwriting Requirements			
Credit Score	• Use the credit score of the borrower with the highest qualifying income. • Middle of 3 scores or lower of 2.	DTI Requirements	• Standard Max 50%
Assets	• Min of 30-days asset verification required; any large deposit must be sourced. • Crypto Currency – Bitcoin and Ethereum are eligible sources of funds for the down payment, closing costs and reserves. Cryptos are not eligible liquid assets for asset utilization/depletion. Refer to guidelines for more information.	Reserves	• 3 months of PITIA if LTV <= 80% • 6 months of PITIA if LTV > 80%-85% or FTHB • 12 months of PITIA if LTV > 85% • 12 months of PITIA if loan amount >\$1.5M • Cash out may be used to satisfy requirement
Gift Funds	• Owner-Occupied: 100% of gift funds are allowed with a maximum LTV/CLTV of 80%. LTV> 80% - Min Contributions: 5%. • 2nd Home or Investment: Min Contributions: 10% • GF can be used to meet reserves requirements & subject for the following requirements: Primary Residence, max 80% LTV/CLTV. The gift fund allocation for reserve requirement must be deposited into borrower's acct & submit proof of funds.	Document Age	• 120-days – Credit Report • 90-days - Assets
Tradelines	• The minimum tradeline is <u>not</u> required if the primary borrower has three (3) credit scores OR • Minimum 2 tradelines reporting 24-months with activity in last 12 months OR • Minimum 3 tradelines reporting 12-months w/recent activity.	Prepayment Penalty - Investment Property Only	• Prepayment Penalty – See the Resource Center for details.