

DH Near-Prime Matrix

Effective Date: 1/21/2020

Program Max LTVs		Primary and Second Homes				Investment					
Flogram Max Li vs			Full Doc			Alternative Doc ²		Full Doc		Alternative Doc ²	
Loan Amount	Reserves	FICO	Purch, D/C ³	R/T	C/O	Purch, R/T, D/C ³	Cash Out	Purch. & R/T	Cash Out	Purch. & R/T	Cash Out
	6 Months	720	95% ¹	90%	85%	90%	85%	85%	80%	80%	75%
		680	90%	90%	85%	90%	85%	80%	75%	80%	75%
≤ \$1,500,000		660	90%	90%	80%	85%	80%	80%	75%	75%	70%
		640	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	12 Months	720	85%	85%	80%	85%	75%	75%	70%	70%	70%
A4 500 000		680	85%	85%	75%	80%	75%	75%	65%	70%	65%
> \$1,500,000 - \$2,000,000		660	80%	80%	75%	80%	75%	75%	65%	70%	60%

95% LTV 1	
 Primary 	
 DTI ≤ 43% 	
See below for 95%	,
Debt Consolidation	

55% DTI

• Full Doc / Primary Only

• FICO ≥ 680

• LTV ≤ 85%

12 Mos Reserves
Residual Income ≥ \$3,500
No Debt Consolidation

1 Year Alt Doc 2

1 Year Tax Return1 Year W-212 Mos Bank Stmt

• DTI ≤ 50%

Second Homes ≤ 85%Interest Only ≤ 85%

Max LTV

Property Type Lim	its
Condominium	LTV ≤ 85%
Non-Warrantable, 2-4 Unit,	
Modular, Rural & Log Homes	LTV ≤ 80%
Rural & Log Homes Not Available	e on Investment

Income				
Full Documentation 2 Years W-2/1099 Income or 2 Years Tax Returns				
Asset Depletion	≤ 80% LTV (Full Documentation Matrix); No Debt Consolidation; Max 50% DTI			
All 1: 5	24 Months Personal Bank Statements			
Alternative Documentation ² (Must be S/E for 2 yrs)	24 Months Business Bank Statements			
(Must be 3/E for 2 yrs)	12 Months Personal or Business Bank Statements			
	1 Year Documentation (W-2/1099 or Tax Return)			

Investment Property Overlays

Minimum 6 mos reserves (see below)

No rural or log homes

Max cash out = \$500,000; No cash out in Texas

No subordinate financing

Prepayment restrictions apply

Program Requirer	nents	
Minimum Loan Amount	\$100,000	
Maximum Loan Amount	\$2,000,000	
Maximum Cash Out, OO	\$1,000,000	
Maximum Cash Out, NOO	\$500,000	
Mortgage History	1x30x12	
Foreclosure Seasoning	36 Months	
Short Sale/DIL Seasoning	36 Months	
Chapter 13 BK Seasoning	36 Months	
Chapter 7/11 BK Seasoning	36 Months	
Residual Income	\$2,500	
Standard Debt Ratio	50%	
Enhanced Debt Ratio	Up to 55%	
Chapter 13 BK Seasoning Chapter 7/11 BK Seasoning Residual Income Standard Debt Ratio	36 Months 36 Months 36 Months \$2,500 50%	

Products					
5/1 ARM	7/1 ARM	30 Year Fixed			
5	/1 ARM-IO 7/1	ARM-IO			
IO Period	Amort Term	Final Maturity			
10 Years	30 Years	40 Years			
10 Years					

ARM Margins & Caps				
5/1 ARM	RM Margin: 3.50 Caps: 2/2/5			
7/1 ARM	7/1 ARM Margin: 3.50 Caps: 5/2/5			
Index = 1 Year LIBOR, Floor = Margin				
Qualifying Rate (See also Qualifying Payment)				
Fixed = Note Rate				
ARM = Greater of Note Rate or Fully Indexed				

Other	
Occupancy	Primary Residence, Second Homes and Investment Properties
Property Types	SFR, PUD, Townhome, Condominium, 2-4 Unit, Non-Warrantable, Modular, Rural & Log Homes
Appraisal Review Product	Clear Capital CDA or Field Review required for the following transactions: (i) LTV >80% (ii) Loan Amount > \$1M
Appraisar Neview 1 Todaet	Full 2nd Appraisal required for the following transactions: (i) Loan Amount > \$1.5M
Cash Out	Cash Out amounts > \$500,000 require a 5% LTV reduction; Maximum = \$1,000,000; Maximum Cash Out for Investment Properties is \$500,000; Cash-Out amount > \$1mm on exception basis only
	Cash Out can be used for reserve requirements and/or to pay off debt for qualifying; Cash out is not allowed for Investment Properties in Texas
Debt Consolidation 3	Primary Occupancy Only; LTVs follow Rate/Term LTV Limits for loan amounts ≤\$1.5mm; Max DTI = 50%; No Asset Depletion; No Non-Occupant Co-Borrower. Property Type limits above apply.
	Total monthly debt payments must be lowered by at least 10%; Closing costs must be recouped within 60 months; Cash to the borrower must be the lesser of 2% or \$5,000
	Consumer Debt must be no more than 0x60 in past 6 months; Reserves = 1 Month (additional reserves for other loan features not required); CDA required
Debt Consolidation 95% ¹	Full Doc Only; SFR Only; Primary Only; FICO ≥ 740; DTI ≤ 35%; Max Loan Amount = \$750k; Non-mortgage debt paid off through Debt Consolidation must be ≤ \$100k; 9 Months Reserves
Residual Income	\$2,500 plus an additional \$150 per dependent is required for Primary and Second Homes
Reserves	Investment & Second Homes Only: Minimum 6 months; 2 months of additional reserves required for each financed property; no limit on the number of other properties borrowers may have financed
Qualifying Payment	ALL: use Qualifying Rate for calculating PITIA; Interest-Only: qualify using the fully amortized payment with the Qualifying Rate over the fully amortized term of the loan
Subordinate Financing	Max 90% CLTV (Institutional seconds only); Not allowed on Investment Properties
Citizenship	US Citizen, Permanent Resident Alien & Non-Permanent Resident Alien (with US credit)
Assets	Sourced or seasoned for 60 days; Gift Funds allowed - See Guidelines for details
Credit	Standard: 3 tradelines reporting for 12+ months or 2 tradelines reporting for 24+ months all with activity in the last 12 months
	Qualifying FICO = the FICO of the Primary Wage Earner which will be the score used for grading and pricing
Compliance	Escrows required for taxes and insurance • Fully documented ability-to-repay • Compliance with all applicable federal and state regulations
	No section 32 or state high cost ∙ Total borrower paid points and fees must be less than 5%
Prepayment Penalty	Investment Only: 6 months interest on 80% of the original principal balance (Standard Term = 3 years); Not allowed in IA*, IL*, KS, MD, MI, MN, MS, ND, NJ*, NM, OH, PA and RI
Seller Concessions	Primary and Second Homes: 9% for LTV ≤ 75%, 6% for LTV 75.01% - 90%, 3% for LTV > 90%; up to 2% for all Investment Properties
Ineligible States	AK, NY, WV

