

CHOICE VOE



Eligibility Matrix

Primary Residence		Maximum LTV/CLTV		
Minimum FICO	Max. Loan Amount	Purchase	Rate/Term Refinance	Cash-Out Refinance
720	\$2,500,000	80	80	70
	\$3,000,000	75	75	70
700	\$3,000,000	75	75	70
680	\$3,000,000	75	75	70
FTHB Restrictions				
Max LTV/CLTV is 70%, DTI is 45%				
Declining Markets (Applied for LTV > 65%)			Condotels	
Reduce max LTV by 5%			Purchase 75%, R/T and Cash-Out 65%	

Program Guidelines

Loan Terms	<ul style="list-style-type: none">Fixed: 30 or 40 years (40 years must have 10 Years I/O Option)ARM: Using 30 days SOFR Avg for Index.<ul style="list-style-type: none">5/6 ARM (Margin 3.75%, Cap 2/1/5)7/6 ARM (Margin 3.75%, Cap 5/1/5)			
Loan Amount	<ul style="list-style-type: none">Minimum: \$125,000Maximum: Per above matrix			
DTI	Max 50.00% (First Time Home Buyer 45%)			
Underwriting Method	Manual underwriting only. For topics not addressed in this guideline, please contact the underwriting department.			
Interest Only	Min loan terms 30 years.			
	Product	Term	I/O Term	Amortization Term
	5/6 ARM I/O	360	120	240
	5/6 ARM I/O	480	120	360
	7/6 ARM I/O	360	120	240
	7/6 ARM I/O	480	120	360
	30 yr Fixed I/O	360	120	240
	40 yr Fixed I/O	480	120	360
Qualifying Payment	<ul style="list-style-type: none">ARM: Higher of note rate or fully indexed rate (index + margin)Interest only<ul style="list-style-type: none">Fixed: Fully amortizing payments after expiration of the interest only period.ARM: Fully amortizing payments after expiration of the interest only period, using higher of note rate or fully indexed rate.			
Occupancy	Primary residence only			
Loan Purpose	Purchase, Rate/term, and Cash-out			
Age of Credit Documents	120 days from closing			
Number of Financed Properties	Up to 20 financed properties			
Properties	<ul style="list-style-type: none">Eligible Property types: SFR, PUD, Condominium, Condotel and 2-4 unitsAcreage limit is 20 or less.Minimum square footage: 500 sqft per unit.			

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Properties (Continued)	<ul style="list-style-type: none"> • Ineligible: Assisted living, Agricultural properties, Boarding Houses, C5/C6 rating, Leasehold, Manufactured homes, mixed use and etc.
Appraisal	<ul style="list-style-type: none"> • One full appraisal required for all loans <= \$2,000,000 • Two full appraisals required for all loans > \$2,000,000. LTV is calculated based on the lower value. • Transfer appraisal is allowed when the following are met: <ul style="list-style-type: none"> - The report must be less than 60 days old at the time of transfer - Must be ordered through AMC. • The effective date of the appraisal report must be dated within 120 days of the note date. If the effective date of the appraisal report is more than 120 days from the note date, the appraiser must acknowledge that the value of the subject property has not declined since the effective date of the original appraisal. The update must be completed on FNMA Form 1004D/FHLMC Form 442 and must be dated within 120 days prior to the note date.
Condominiums	<ul style="list-style-type: none"> • Warrantable Condo <ul style="list-style-type: none"> - CPM approval or Full Condo questionnaire is required. • Non Warrantable Condo <ul style="list-style-type: none"> - Commercial space up to 49.99% (All units must be 100% residential) - No more than 35% of the total units in the project may be 60 days or more past due on the payment of condominium/association fees. - Investor concentration up to 60%. - HOA budget has at least 8% reserves. - Pending litigation may be accepted on an exception basis. Litigation that involves structural issues, health and safety issues or items that will impact the marketability of the project will not be accepted. - Sing-entity ownership up to 50%. • Projects with significant deferred maintenance regarding safety are not eligible.
New or newly converted Condominiums	<ul style="list-style-type: none"> • The project or the subject's legal phase along with other phases must be complete. • All common areas in the project must be 100% complete. • Minimum of 50% units must be sold or under bona-fide contract. • HOA should be in control. • The developer or builder may be in control of the association provided the Master Agreement provides for the homeowners to take control upon either a predetermined percentage of units sales or within a defined time period.
Condotels	<ul style="list-style-type: none"> • Max LTV: Purchase 75%, Rate/term and Cash-Out Refinance: 65% • Minimum loan amount \$150,000, Maximum loan amount \$1,000,000 • Investor concentration up to 100% • Minimum square footage of 475 and at least 1 bedroom. • Fully functioning kitchen • Projects with names that include the words "hotel", "motel", "resort", or "lodge" are acceptable. • Project must have obtained a hotel or resort rating for its hotel, motel, or resort operations through hotel ratings providers including, but not limited to, travel agencies, hotel booking websites, and internet search engines.
Eligible Borrowers	<ul style="list-style-type: none"> • US Citizens • Permanent Aliens <ul style="list-style-type: none"> - Unexpired green card (Form I-551) must be documented. - For conditional permanent residents, proof of filed form I-751 is required. - If green card expires within 6 months before closing, proof of a filed form I-90 is required. • Non-Permanent Resident Aliens <ul style="list-style-type: none"> - Allowable visa types and EAD categories are listed in the last pages of this guideline. - If Visa expires within six months of the loan application date and the borrower has not changed employers, a copy of the employer's letter of sponsorship for visa renewal must be provided. - If Visa has expired at closing, a filed USCIS Form I-797 is required.

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Eligible borrowers (Continued)	<ul style="list-style-type: none"> - If EAD card expires within six months of the application date, the borrower must show evidence that they have applied for an extension or provide a letter from the employer indicating they will continue to sponsor their employment. - The EAD card must be unexpired at closing.
OFAC SDN	SDN search required for all loans and must include borrower, guarantor, property seller, and settlement agent as the transaction participants.
First Time Home Buyer	Max LTV 70%, Max DTI 45%
Housing Payment History	<ul style="list-style-type: none"> • 0x30x24 must be documented. • Rent free or less than 24 months of housing history is ineligible. • Rental payments <ul style="list-style-type: none"> - If was/is renting from a management company, fully executed VOR is required. - If was/is renting from a private party, fully executed VOR (or the most recent lease agreement) <u>AND</u> cancelled checks front and back or bank statements showing the timely payments are required. • Mortgage payments <ul style="list-style-type: none"> - Credit report, VOM, or electronic pay history printout directly from the mortgage servicer - For private mortgages, fully executed VOM <u>AND</u> cancelled checks front and back or bank statements showing the timely payments are required.
Fraud Report	All parties to the transaction must be included in the fraud report performed by an automated fraud and data check vendor solution.
Credit Scores	All borrowers must have a minimum of (2) FICO scores on a tri-merged credit report and sufficient credit experience.
Minimum Tradelines	<ul style="list-style-type: none"> • When the primary borrower has 3 credit scores, the minimum tradeline requirement is waived. • 3 Tradelines with an active 12 months rating, OR 2 Tradelines with an active 24 months rating. Authorized user accounts are not considered as active tradelines. • Borrowers without the above minimum tradelines may qualify if <ul style="list-style-type: none"> - At least 4 years of established credit history - 8 or more tradelines reported - At least 1 active in the last 12 months (the last activity is within 12 months), and - At least 1 of these tradelines must be a mortgage
Credit Inquiries	<ul style="list-style-type: none"> • The report must list all credit inquiries made in the previous 90 days. LOE is required to address all credit inquiries made within 90 days from the credit report date. • If new credit was extended, the borrowers must provide documentation on the current balance and payment. New payment terms are to be included in the DTI ratio.
Gap Credit Report	<ul style="list-style-type: none"> • Soft pull credit report is required no more than 10 days prior to loan closing. Any new debt must be included in determining the DTI ratio. • The full credit report pulled 10 days prior to loan closing can be considered as the gap credit report required.
Derogatory Credit Event	Bankruptcy, Short Sale, Deed-in-Lieu, Charge-off Mortgage and/or Foreclosure must be seasoned at least 36 months from the time of the application.
Forbearance, Deferred Payments, Modification	<ul style="list-style-type: none"> • COVID Forbearance must be released and fully current • Non-COVID deferred payments are unacceptable credit events and disqualifies the borrower • Modifications are acceptable with 36 months seasoning, with minimum FICO 720, and no credit events after modification, examples of mortgage loan modifications are as below: <ul style="list-style-type: none"> - Forgiveness of a portion of principal and/or interest - Application of a principal curtailment by or on behalf of the investor to simulate principal forgiveness - Conversion of any portion of the original mortgage debt to a "soft" subordinate lien - Conversion of any portion of the original mortgage debt from secured to unsecured
Judgments, Liens, Past dues, Charge-offs and Collections	<ul style="list-style-type: none"> • All open judgements, garnishments, and all outstanding liens must be paid off prior to or at closing. • Past-dues must be brought current • Charge-offs and collections must be paid in full except below:

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Judgments, Liens, Past dues, Charge-offs and Collections (Continued)	<ul style="list-style-type: none"> - Less than 24 months old with maximum cumulative balance of \$2,000 - Greater than 24 months old with a maximum of \$2,500 per occurrence, - All medical collections - Accounts that have passed beyond the statute of limitation for that State (supporting documentation required)
Employment History	Min. 2 years at the same job.
Income Documentation	<ul style="list-style-type: none"> • Written VOE (FNMA Form 1005) completed by Human Resources, the payroll department, or an officer of the company. • Only base/salary is allowed. NO bonus, overtime or commission income is permitted. • An internet search of the business is required to support the existence of the business. • No other types of supplemental income such as Rental income is allowed. • Borrower cannot be employed by relatives - NO EXCEPTIONS.
4506-C	Not Required
Verbal VOE	<ul style="list-style-type: none"> • 10 days prior to disbursement date • The phone number that the borrower provided as their employer's number must be independently confirmed by using the telephone book, directory assistance, Superpages.com, Yellowbook.com or similar public listing.
Assets	<ul style="list-style-type: none"> • Most recent one (1) month bank statement or VOD. VOD must be dated within 30 days of the application date. • Checking/savings/CD is used at 100% balance. • Marketable securities (stocks, bonds, or mutual funds that are publicly traded) are used at 100%. • U.S. Savings Bonds are used at 100% if fully matured, otherwise 80%. • Retirement account: 80% of vested balance when the borrower is under retirement age, 100% of vested balance when the borrower is at or above retirement age. Account statement should be updated with a transaction history dated within 30 days of the note date due to market volatility. • Pension/Annuities: 60% • Trust account: 100%, with a full trust cert.
Spousal accounts	A Spousal account is eligible for down payment and closing costs, but not toward reserves.
Large deposit	<ul style="list-style-type: none"> • Large deposits must be sourced. • Definition of a large deposit is a single deposit exceeds 50% of the total monthly qualifying income.
Gift Funds	Not allowed
Reserves	<ul style="list-style-type: none"> • Varies depending on the Loan amount, calculated as months x subject PITI(A) <ul style="list-style-type: none"> - < \$1,000,000: 3 months - \$1,000,000 - \$1,500,000: 6 months - > \$1,500,000: 9 months • Rate/term refinance with LTV ≤ 65%: Not required. • Cash Out Net Proceed can be used to satisfy the reserve requirement. • For IO loans, reserves are based on IO payment amount.
Purchase	<ul style="list-style-type: none"> • Non-arm's length transaction is allowed. • Assignment of the contract to another buyer is NOT allowed.
Flip Transactions	<ul style="list-style-type: none"> • A property is considered a "flip" if either of the following are true: <ul style="list-style-type: none"> - When the subject property is being resold within 365 days of its acquisition by the seller, and - The sales price has increased more than 10%. • The acquisition date is the day the seller became the legal owner. The purchase date is the day the borrower and the seller sign the home purchase agreement. Start with the day after the acquisition date and count up to and including the purchase date. • If the property is a "flip" as defined above, the following additional requirements apply: <ul style="list-style-type: none"> - The transaction must be arm's length - No pattern of previous flipping activity may exist in the last 12 months. - The property was marketed openly and fairly, through a multiple listing service, auction, for sale by owner offering (documented) or developer marketing

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Flip Transactions (Continued)	<ul style="list-style-type: none"> - <u>If the property is being purchased for more than 5% above the appraised value, a signed letter of acknowledgment from the borrower must be obtained.</u> - Flip transactions must comply with the HPML appraisal rules in Regulation Z. The full Reg Z revisions can be found at https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/higher-priced-mortgage-loans-appraisal-rule/. A second appraisal is required in the following circumstances: <ul style="list-style-type: none"> - Greater than 10% increase in sales price if seller acquired the property in the past 90 days - Greater than 20% increase in sales price if seller acquired property in the past 91-180 days.
Max. IPC Limit	<ul style="list-style-type: none"> • LTV ≤ 75%: 9% • LTV > 75%: 6% • Contribution exceeding above limit is considered as sales concessions, and is deducted from the sales price to determine LTV.
Rate/Term Refinance	<ul style="list-style-type: none"> • Pay off an existing first mortgage loan and any seasoned subordinate liens. • At least one borrower on the new loan must be an owner of the subject property at the time of the loan application date. • Cash-back to borrower is limited to the greater of \$2,000 or 1% of the loan amount. • Use current appraised value for LTV calculation. • Sale restriction: Property must be removed from listing for at least one month prior to application, and the LTV will be based on the lesser of the listing price or appraised value when listed within the last 3 months of the application date. • Pay off any subordinate loan not used in the acquisition of the subject property, provided one of the following apply: <ul style="list-style-type: none"> - Closed-end loan, at least 12 months of seasoning has occurred. - HELOC, at least 12 months of seasoning has occurred, and total draws over the past 12 months are less than \$2,000. • Buy out a co-owner pursuant to an agreement.
Cash-Out Refinance	<ul style="list-style-type: none"> • Max cash back to the borrower <ul style="list-style-type: none"> - LTV ≤ 65%: Unlimited - LTV > 65%: \$1,000,000 • Cash out title seasoning is defined as the time difference between the old loan note date to the new loan note date. • Less than 6 months title seasoning is permitted, with 5% reduction to max LTV. • No waiting period is required if the borrower acquired property through an inheritance, divorce, separation, or dissolution of a domestic partnership. LTV is based on a current appraised value. • For properties owned less than 6 months, the lesser of the original purchase price (plus documented improvements) or the current appraised value is used for LTV calculation. • Sale restriction: Property must be removed from listing for at least one month prior to application, and the LTV will be based on the lesser of the listing price or appraised value when listed within the last 6 months of the application date. • Delayed purchase financing is eligible when a property was purchased by a borrower for cash within 6 months from the new loan funding date. <ul style="list-style-type: none"> - The original purchase transaction was an arms-length transaction. - The source of funds for the purchase transaction are documented (such as bank statements, personal loan documents, or a HELOC on another property). - The current appraised value is used for LTV calculation. - The preliminary title search or report must confirm that there are no existing liens on the subject property. - Final settlement statement from the original purchase must confirm no mortgage financing was used to obtain the property. - The transaction is considered cash-out; cash-out pricing adjusters apply. - The new loan amount can be no more than the actual documented amount of the borrower's initial investment plus the financing costs, prepaid fees, and points on the new mortgage loan (subject to the maximum LTV/CLTV for cash-out transactions.)

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Compliance	<ul style="list-style-type: none">• High-cost mortgages are ineligible• ATR (Ability to Repay) attestation must be signed/dated by the borrower
Subordinate Financing	<ul style="list-style-type: none">• Not Allowed for purchase transactions.• For any refinance transactions, all of the following must be met:<ul style="list-style-type: none">- The subordinate financing doesn't have a negative amortization, a negative amortization or a prepayment penalty feature.- The subordinate financing must be from a Financial Institution (no private party).- Subordinate financing payments must be included in DTI.- Subject to max CLTV limit.- Copy of the Note and the subordination agreement are required.
Payment Shock	Not Applicable.
Property Insurance	Follow Fannie Mae.
Escrow Waiver	<ul style="list-style-type: none">• Eligible for Non-HPML files.• Impound of escrows (both taxes and insurance) is required for Debt Consolidation Refinances.• Flood insurance must be impounded.
Closing In Trust	Must meet FNMA guideline.
Power of Attorney	Allowed except for Cash-Out refinance.

VISA ELIGIBILITY MATRIX

Visa Category	Visa Type	Brief Description	Documentation Required	EAD Code
Trade Treaty Work Visa	E-1	Treaty trader - employee, spouse and/or child	Visa and EAD	C02
	E-2	Treaty investor - employee, spouse and/or child	Visa	
	E-3	Specialty occupation		
	E-1, E-2, or E-3D	Spouse of E-1, E-2 or E-3	Visa and EAD	A17/C12
Temporary Employment Visa	H-1B	Specialty occupation	Visa	
	H-1B1	Specialty occupation		
	H-1B2	Specialty occupation - U.S. Department of Defense		
	H-1B3	Fashion model of distinguished merit and ability		
	H-1C	Registered nurse - U.S. Department of Labor		
	H-4	Spouse or child of H-1B	Visa and EAD	C26
Media Work Visa	I	Foreign media outlet (press, radio, film or other)	Visa	
Non immigrant Visa for Fiancé(e)	K-1	Fiancé(e) - purpose of marriage	Visa and EAD	A06
Non immigrant Visa for Spouse	K-3	Spouse of U.S. citizen	Visa and EAD	A09
Temporary Employment Visa	L-1A	Intracompany transfer - managerial or executive	Visa	
	L-1B	Intracompany transfer - specialized knowledge		
	L-2	Spouse or child of L-1A or L-1B	Visa and EAD	A18
Temporary Employment Visa	O-1A/B	Extraordinary ability in analysis, business, education, entertainment	Visa	
	O-2	Assistant to O-1		
	P-1A	Internationally recognized athlete		
NAFTA Professional Workers Visa	TN	Professional under NAFTA	Visa	
Spouse/Child of Permanent Resident Alien	V-1	Spouse of a Legal Permanent Resident (LPR) who is the principal beneficiary of a family-based petition (Form I-130) which was filed prior to December 21, 2000, and has been pending for at least three years.	Visa and EAD	A15
	V-2	Child of a Legal Permanent Resident (LPR) who is the principal beneficiary of a family-based petition (Form I-130) which was filed prior to December 21, 2000, and has been pending for at least three years.		
	V-3	The derivative child of a V-1 or V-2.		

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EAD ELIGIBILITY MATRIX

The EAD Categories shown below are eligible without a Visa

C09	Adjustment of status applicant
C10	Nicaraguan adjustment and central american relief act (NACARA) section 203 applicants for suspension of deportation; or Applicant for cancellation removal
C24	LIFE legalization applicant
C31	Principal beneficiary of an approved VAWA self-petition, or Qualified child of a beneficiary of an approved VAWA self-petition
C33	Deferred Action of Childhood Arrivals