Jumbo CES

Eligibility Matrix

Income Doc Type	Max Loan Amount	Minimum FICO	Max CLTV		
			Primary Residence	Second Home	Investment
Full doc	$500,000	740+	85%	85%	75%
		720-739	85%	80%	70%
		700-719	85%	80%	65%
		680-699	80%	80%	65%
		660-679	75%	75%	60%
		640-659	65%	65%	N/A
		620-639	65%	65%	N/A
	$1,000,000	700	70%	70%	70%
Loan amount > $500,000					
Max DTI 43%, 1 Unit only, All credit events must be seasoned 7 years					
Additional Max CLTV Restrictions (Lower of above or below apply)					
Non-Occupant Co-Borrower					
Minimum FICO: 680, Max CLTV: 75%					

Program Guidelines

Loan Terms	30, 20, 15, 10 years fixed (fully amortizing)
Loan Amount	• Minimum: $150,000 • Combined loan balance cap (1st + 2nd) - Loan amount <= $500,000: No limit - Loan amount > $500,000 ○ CLTV <= 70%: No limit ○ 70% < CLTV <= 75%: $10,000,000 ○ CLTV > 75%: $8,000,000
DTI	Max 50% except for below Max 43% applies if - FICO 620-659, CLTV > 60% - FICO 660-679, CLTV > 70% - FICO 680-759, CLTV > 75% - FICO 760+, CLTV > 80% - Loan amount > $500,000, regardless of CLTV
Underwriting Method	• AUS Underwriting (DU/LPA) for credit, income and asset verification. • Housing history, credit event seasoning must be manually underwritten pursuant to this guideline. • Loan must receive Approve/Eligible, Approve/ineligible, Accept or Accept/ineligible. Where AUS renders ineligible findings, follow this guideline for eligibility. • UPB of the first lien in the "loan amount" field and the second lien amount in the "subordinate financing" section under "details of transaction" must be entered for accurate findings.
Loan Purpose	Purchase (Piggyback), Rate/Term or Cash-Out
Ineligible Transactions	Lien Free Properties
Occupancy	Primary residence, Second home (1 unit only), Investment Property
Title Vesting	Borrower's spouse or domestic partner must be included in vesting and sign the security instrument.
Title Seasoning	For cash-out, subject property minimum ownership of 6 months prior to the Note date.
Age of Credit Documents	120 days from closing.

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Number of Financed Properties	The borrower(s) together must not have more than 10 financed properties. Commercial properties with no personal guarantee are excluded.
Eligible Borrowers	• U.S. Citizens • Permanent Resident • Non-Permanent Resident - Must have a valid visa that grants the right to live and work in the U.S. - Application for extension is required if current visa is expired. - In lieu of Visa, EAD or I-94 or I-797 and a letter from the employer or verification of employment reflecting continuance are likely required. - DACA recipients are eligible. • Inter-vivos Revocable Trusts • Non-Occupant Co-Borrower is permitted; FICO/LTV restrictions apply per matrix. • Ineligible: ITIN, Foreign Nationals, Asylum applicants (EAD C08), Borrowers with diplomatic immunity, borrower involved in active litigation or pending separation/divorce.
1st Lien Requirements	• Existing 1st lien must be verified with copy of the note and the most recent mortgage statement. • 1st lien must not have the following characteristics: - Balloon - HELOC - Loans in active forbearance or deferment (prior natural disaster or hardship forbearances eligible if seasoned >= 12 months and included in CLTV) - Negative amortization or Reverse mortgage - Open renovations - Private party - Properties with a PACE lien (unless satisfied with subject transaction)
Piggyback	For piggyback purchase, all of the following must be documented: • Senior mortgage clear to close • Senior mortgage Final AUS • Final Closing Disclosure from the first lien lender to confirm CLTV and DTI • Use of existing appraisal from first lien holder • Purchase contract • Note and Deed of Trust
Properties	• Eligible Property types: SFR, PUD, Warrantable Condo, 2-4 units • Acreage limit: 10 acres • Minimum property value is $200,000 • Ineligible: C6 rating, Q6 rating, Properties in a flood zone, Non-warrantable condo, new condo, Zoning violations, Zoning violations or illegal use, Properties on Native American Land, Mixed use, Manufactured, Mobile, Co-op, Leasehold, Commercial, PACE properties, Dome or geodesic homes, Houseboats, bed/breakfast, boarding house, assisted living/healthcare and etc.
Appraisal	• Full Interior/Exterior Appraisal • Condition Rating of C6 not eligible. For C5 rating, the appraiser must comment on the deferred maintenance and provide a cost-to-cure. • Transfer appraisal is permitted. • Ineligible Zoning: Industrial, Commercial, and Agricultural.
Accessory Dwelling Units (ADU)	• 2 ADUs allowed on SFR. • Not permitted on 4-unit properties. • Appraiser to confirm ADU is typical to the area with supporting comparables. • Rental income may be used with supporting appraisal comparable which contains accessory units, Appraisal market rents survey, and lease with 1 month evidence receipt of income. • Unit should not jeopardize potential future hazard insurance claim(s). • Conforms to all zoning laws/regulations including permit requirements. • Unpermitted ADUs must be completed in a workman like manner and conform to the subject property. No rental income may be used to qualify.

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Solar Panels	• Recorded UCCs and liens on title do not impact lien position and do not need to be subordinated if the UCC is a fixture filing. • The terms of the solar agreement are required to document the payment to include in the DTI. • Payments under PPA (Power Purchase Agreement) where the payment is calculated solely based on the energy produced may be excluded from DTI.
Condominiums	• Follow Fannie Mae for warrantability • No project review required: Detached Condo, 2-4 unit projects • Limited review applies for Established Project - Primary residence with LTV <= 85% - Second home & Investment with LTV <= 75% • Full review (including budget, Article of Incorporation, CC&R and By-laws) applies for New Project.
Housing Payment History	• 0x30x6 and 1x30x24 for all mortgages and rent payments required. • All mortgages cannot have an active deferment or forbearance. If borrower recently existed, proof of three (3) months timely payment after exit is required. The borrower must have been current for the 12 months leading up to forbearance. • For purchase transaction, 12 months satisfactory rent payment history is required using one of the following: - Cancelled checks for the most recent 12-months period and a copy of the lease verifying the due date; or - Verification of Rent (VOR), however, if the landlord is a private party, 12 months canceled checks are required
Credit Report requirements	• All bureaus must be unfrozen. • Minimum 2 credit scores must be present. • Rapid re-score is not permitted. • No delinquent accounts allowed. Any past-due payments must be paid and brought to current.
Minimum Tradeline	• If AUS approves, minimum tradeline requirement is considered to be met. • All borrowers must meet the minimum tradeline requirements below. • At least two (2) active tradelines with a 24-months history or A minimum of three (3) years of mortgage history with no late payments required. • Disputed accounts require borrower's LOE if any delinquencies are involved. If account in dispute is a mortgage account, the borrower must specify the reason in detail. The resolution confirmation may be required. • Non-traditional tradelines (such as utility bills, car insurance, mobile phone, any type of bill) are not considered an eligible tradelines.
Credit Inquiries	• 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 is 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	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.
Credit Events	• Seasoning required after the end date - Foreclosure: 7 years - Bankruptcy Chapter 7 or 11: 4 years from discharge or dismissal - Bankruptcy Chapter 13: 2 years from discharge or 4 years from dismissal - Forbearance with missed payments: 4 year waiting period since the derogatory credit event, 2 years with extenuating circumstances - Charge-off of Mortgage, Deed-in-Lieu, Pre-foreclosure sale, Short Sale, Short Payoff: 5 years - Deferred payment modifications: 1 year - All other modified or Restructured any mortgage: 4 years • Multiple derogatory events require 7 years waiting period. Regardless of the waiting period, the following are required: - No mortgage delinquencies since the last derogatory event

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Credit Events (Continued)	- Only one consumer delinquency in the last 36 months - LOE from the borrower as to what occurred creating multiple events - Max CLTV 80% • Loan amount > $500,000: All credit events must be seasoned at least 7 years.
Judgments, Liens, Charge-offs and Collections	• Medical collections can remain open regardless of amount. • Other Charge-offs and Collections may remain open if combined balance is less than $1,000. • Judgments, liens and delinquent property taxes must be paid in full before or at closing.
Income Doc Options	Full doc only
Employment and Income Documentation	• Follow FNMA except for below. • Employment gap: LOE is required if the gap over 90 days exist in the last 2 years. Borrowers who re-enters the workforce after an extended absence must have been employed in current job for at least 6 months, and 2 years work history prior to the absence in the same line of work must be documented.
Verification of employment/existence of business	• Wage earner: Verbal verification must be done within 10 business days from the Note date, if paystub within 10 days of closing has not been provided) • Self-employed: 10 business days from the Note Date from a third-party source such as CPA, regulatory agency, or the applicable licensing bureau, Secretary of State websites.
Rental Income	• Income is calculated based on the most recent Sch E, however, all of the following are required for documentation - The current lease agreement - Most recent 1040 with Sch E - Rental estimate from a third party such as Zillow, Redfin or similar - If there is unreasonable difference between the sources, appraisal rent schedule (1007) may be required at Novus Mortgage Underwriter's discretion.
4506-C	Required
Assets	If funds are required to close the loan, borrowers must provide proof of funds if the amount is greater than 50% of the monthly qualifying income. Otherwise, we assume the borrower has the asset to cover the required cash-to-close.
Debts	• Follow FNMA B-3-6-05, except for below. • Authorized user accounts that borrower has no financial responsibility for repayment generally are not required to be included in DTI. If the account owner is on the loan or borrower's spouse, it must be included in DTI. • Open 30 days account: Balances must be paid off before or at closing, unless borrower has sufficient assets to cover the balance as reserves. • Payoff of revolving debts must be done prior to closing (pay at closing is not permitted). Source of funds required if the total balances being paid are greater than 50% of the qualifying income. • Housing payments for all properties - For ARM loans with initial fixed-rate period of 5 years or less, use the greater of the note rate + 2% or the fully indexed rate. - For ARM loans with initial fixed-rate period greater than 5 years, use the greater of the note rate or fully indexed rate. - All property insurance, taxes, special assessments, HOA dues, any subordinate liens must be included. • Rental housing payments (for non-occupant co-borrowers, or second home/Investment property transaction where borrower lives rent) must be documented with one of the following: - VOR - A copy of current, fully executed lease agreement and 2 months canceled checks - 6 months canceled checks - 6 months bank statements reflecting a clear and consistent payment to landlord
Non-arm's length Transactions	Not allowed.

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Property listed for sale	Ineligible for refinance if listed for sale in the last 6 months. If 6 months have been passed, but not passed 12 months, proof of market removal must be provided by canceling the listing and proof of that the listing agent relationship has been terminated.
Property Insurance	Follow Fannie Mae.
Escrow Waiver	Must not have impound.
Ineligible Vesting Type	Tenants in Common, irrevocable trust
Closing In Trust	Must meet FNMA guideline
Power of Attorney	• Agent is restricted to the spouse or domestic partner of the borrower, unless borrower is on military service with United States armed forces serving outside of the United States. • Not permitted for cash-out.