

ASSET DEPLETION

PROGRAM ID: SP A6

Program Description: Ability to repay documented through assets

Products and Terms:

- 5/1 ARM:** Fully Amortizing
- 5/1 ARM:** With 7 or 10 year Interest-Only period
- 7/1 ARM:** Fully Amortizing
- 7/1 ARM:** With 10 year Interest-Only period
- 30-Yr Fixed:** With 7 or 10 year Interest-Only period
- 30-Yr Fixed:** Fully Amortizing

Eligible borrowers: Citizens / US persons and foreign borrowers permitted (foreign borrowers only permitted for 2nd home and investor occupancy with a maximum LTV of 70%). Must satisfy the following requirements: Net assets equal to or greater than 175% of the principal amount of the applied-for mortgage divided by 180, plus monthly income.

Maximum debt to income ratio: 50% (after including asset depletion income)

Minimum credit score: 620, based on no less than three trade lines established for one or more years, no foreclosure or bankruptcy over past 48 months at standard LTVs and reserves. No foreclosure or bankruptcy over past 24 months available at a max LTV of 75% and reserves increased by 6 months. Maximum permitted mortgage or rental payment delinquency is 1x30x12

Loan amounts and loan to value limits (example based on 700 min credit score):

<u>Primary Residence / Purchase and Rate & Term Re-fi</u>	<u>Primary Residence / Cash-out (720 credit score)</u>	<u>Investment / Business Purpose / Purchase and Rate & Term Re-fi (720 credit score)</u>
85% to \$1,500,000	80% to \$1,500,000	
80% to \$2,000,000	75% to \$2,000,000	80% to \$1,000,000
75% to \$2,500,000	70% to \$2,500,000	75% to \$1,500,000
70% to \$3,000,000	65% to \$3,000,000	
65% to \$4,000,000	60% to \$3,500,000	
60% to \$5,000,000	55% to \$4,500,000	
55% to \$6,000,000	50% to \$6,000,000	

3 & 4 unit properties limited to 80% LTV; condotels limited to 70% LTV

Acceptable occupancy: Primary residences, second homes, investment properties

Acceptable property types: 1-4 units, warrantable / non-warrantable condo, condotels (non-warrantable condos require a rate add-on; condotels limited to 70% LTV and require a rate add-on)

Required reserves: 3 - 12 months PITIA (based on loan amount). If Borrowers own investment properties which are not the Subject Property, then required reserves must be increased by 1% of the mortgages outstanding on mortgage debt not secured by the Subject Property.

Acceptable states: 50 states and DC (US Territories not allowed)

Other Info: ARM Index - 1-yr LIBOR; Margins – owner occupied 3.25%; investor-occupied 5.25%; Floor (lifetime minimum rate) is initial note rate. Escrows required. 3-yr prepayment penalty required for investor occupancy loans where permitted by law; PPP buyouts may be available. 3-4 unit properties limited to 80% LTV; condotels limited to 70% LTV